

## **First Course in Credit Analysis**

### **Overview**

Lending remains a significant risk and decision for lenders worldwide. The more they know about a potential borrower's creditworthiness, the greater the chance they can maximize profits and increase their credit portfolios' quality. This course provides a fundamental understanding of the credit risk analysis process. It discusses various aspects of financial statement analysis, including ratio and cash flow analysis, among others, to help make better credit-related decisions. It also looks at various non-financial factors such as Business Plan, Industry/Sector, Top Management, etc., that could affect the creditworthiness.

### **Course content**

#### **1. Overview of Credit Analysis**

- Credit Risk
- Credit Analysis
- Seven C's
- Credit Analysis Process

#### **2. Lending Process**

- Credit Process
- Documentation
- Loan Pricing and Profitability Analysis
- Regulations

#### **3. Financial Statement Analysis-I**

- Ratio Analysis
- Liquidity Ratios
- Turnover Ratios
- Profitability Ratios
- Leverage Ratios
- Market Ratios

#### **4. Financial Statement Analysis-II**

- Elements of Cash Flow Statement
- Direct Method
- Indirect Method



- Interpreting Cash Flows

## **5. Non-Financial Analysis**

- Non-financial analysis
- Economy analysis
- Industry analysis
- Business analysis

## **6. Asset Classification and Loan Loss Provisioning**

- Asset Quality
- Quantitative and Qualitative Review
- Asset Classification
- Special Mention Asset
- Loan Loss Provisioning

## **7. Borrowing Causes and Sources of Repayment**

- Operating Cycle
- Capital Investment Cycle
- Sources of Repayment

## **8. Problem Loans**

- Asset Management Companies
- Securitization of NPLs
- Debt Restructuring
- Preventing Problem Loans

## **9. Consumer Installment Lending**

- Types and characteristics of consumer installment lending
- Various types of Installment loans
- Dealer Agreement, Recourse, and Dealer Reserve
- Typical risks faced in consumer installment lending

## **10. Floor Plan Lending**

- Characteristics of Floor Plan Lending
- Methods of Floor Plan Lending
- Risks Associated with Floor Plan Lending

## **11. Accounts Receivable and Inventory Lending**

- Concept of Accounts receivable and inventory-based lending



- Risks faced in Accounts Receivable and Inventory-Based Lending

## **12. Participation Loan**

- Concept of Loan participation
- Need for Loan participation
- Process of Loan participation
- Risks faced in Loan participation

## **13. Letter of Credit and Loan Commitments**

- Concept of Letter of Credit (LC)
- Types of Letter of Credit
- Risks faced in Letter of Credit
- Loan commitments, Un-funded lines of credit and their characteristics
- Potential credit risk in loan commitments and unfunded lines of credit

## **14. Calculations in Credit Analysis**

- Cash Flow Statement
- Generating Cash Flow Statement
- Ratio Analysis
- Calculating Desired Ratios
- Loan Pricing
- Borrowing Causes
- Floor Plan-Curtailment Program
- Asset Quality

## **FEES & VENUE**

USD 1,200 per participant.

This 3-day course is offered both online via Zoom or Microsoft Teams and in-house up to 20 participants. To register, please send an email to [info@jaffaracademy.com](mailto:info@jaffaracademy.com)