

CCRP CERTIFIED CREDIT RISK PROFESSIONAL

Day 1

Credit Risk & Supervisory Considerations

- The Credit Creation Multiplier – the importance of a consistent supply of credit to an economy
- The Credit Crisis – Analysis of its causes and effects, and what we should learn
- The Regulatory response to the credit crisis – the evolution of the Basel Accords.
- Understanding the Pillars of Basel ii and what they seek to achieve.
- The development of Basel iii, and other current considerations for Financial Institutions including Fair Value Accounting and the implications of IFRS 9.
- Looking into the Future – Basel IV and the potential future developments it heralds in terms of bank regulation.

Day 2

Credit Risk at Portfolio Level

- The practical issues related to the calculation of Bank Risk Capital under Basel iii, and the related behaviours that regulators expect banks to comply with.
- Understanding the components of credit risk and the principles behind the calculation of PD, LGD, EAD; and how they enable credit analysts to estimate potential credit losses.
- The mathematics of credit risk management – the use of Internal and External Ratings, credit scoring, statistical models, market implied indicators and Value at Risk assessments.
- Risk adjusted pricing in theory and practice
- Risk Reporting systems – how a risk-oriented reporting system should be designed
- Methods of Credit Risk mitigation.

Day 3

Organization of Credit Business

- The principles of Risk Appetite and how Credit Risk Strategies and it influences organisational structures.
- Different types of lender - How their borrowing needs may differ.

- How an optimal credit process should be designed to lower credit risk and speed up the process
- The profile of typical SME business entities and the nature of their funding needs
- How a bank can handle and structure SME credit business – why an objective approach to credit risk assessments, supported by dynamic risk monitoring are the keys to success
- Islamic Finance and the specific credit risk considerations that might arise.

Day 4

Credit Risk at Individual Client Level I

- An introduction to a structured approach to credit risk assessment – the balance between Business and Financial Risks,
- Understanding the borrowers' Credit Need, and the primary and secondary sources of repayment
- Non-financial Analysis – understanding the geographies, industries and markets that the borrower operates in and the tools that can help us assess what risks they involve.
- Assessing a borrowers' management structure and capabilities – a critical component.
- The principles of Financial Statement Analysis – does the financial profile look consistent with the business risk associated with the borrower.
- Validating trends – the effective use of Ratio analysis.
- The importance of cash flow – the typical sources and uses of operating cash of an SME borrower

Day 5

Credit Risk & Supervisory Considerations

- Structural Risk Considerations – an understanding of the risks of subordination and how they can influence LGD
- Putting all elements of the analysis together – Reaching a credit decision.
- Early Warning indicators – why a dynamic approach to portfolio monitoring is important to risk mitigation.