

“ Invest only in companies you understand; history does not dictate the future. If past history was all that is needed to play the game of money, the richest people would be librarians. ”

Warren Buffet

SME & COMMERCIAL CREDIT ASSESSMENT

For Senior SME and Commercial banking professionals with relationship and credit risk management responsibilities.

TRAINING
PROGRAMME

GBRW
learning

OVERVIEW

This advanced four-day blended training workshop is designed to provide Senior SME and Commercial banking professionals with relationship and credit risk management responsibilities a comprehensive understanding of essential principles of SME and commercial credit assessment.

The Programme is delivered in four modules. Each module includes a remote session and eLearning activities. The remote instructor-led sessions allow the participants to discuss topics and concerns, exchange thoughts, share experiences with the instructor and peers, and receive constructive feedback in a supportive environment. The remote instructor-led sessions, including breaks and breakout exercises, are complemented by eLearning activities that consist of videos and quizzes designed to improve understanding and retention and enhance the remote sessions' effectiveness.

- Module I introduces a variety of credit assessment fundamentals.
- Module II presents numerous financial statement analysis essentials.
- Module III presents cash flow analysis, including mechanics and analysis.
- Module IV covers loan structuring and problem loan management

WHO SHOULD ATTEND?

The course has been designed for lending and credit risk management professionals who work with a variety of customer segments; as well as recent entrants to lending who have a good background in accounting and financial analysis. The programme has also been designed to benefit experienced commercial or SME Relationship Managers and Credit Risk Managers, who want to enhance their ability to coach or mentor junior staff members. This includes commercial or SME credit professionals within such departments as Credit Risk Management, Credit Policies and Procedures, Risk Assessment, Credit Approval, Loan Administration/ Monitoring, and Collections and Workouts in relation to SME or commercial lending.

If you are asking yourself any of the following questions, then this programme is for you:

- How should/can I incorporate industry and business risk characteristics into my assessment?
- How should fundamental business characteristics inform one's lending decision?
- How can ratio analysis be effectively used in markets where financial information is questionable at best?
- Are there structured approaches to effectively assess credit request?
- How can I avoid being surprised by a loan going bad?

SHARING KNOWLEDGE, DEVELOPING SKILLS

SME & Commercial Credit Assessment Training

OUTLINE



OBJECTIVES

At the conclusion of the program participants will be able to:

- Understand, discuss and apply a structured approach to SME and Commercial credit assessment.
- Understand, discuss and Interpret financial statements for their effectiveness, relevance and vulnerability.
- Understand and discuss how a robust understanding of industry and business risks facilitate the assessment of management.
- Understand, discuss and apply a structured approach to assess a variety of credit requests including working capital and medium-term loans.
- Understand, discuss and apply a structured approach to cash flow analysis and use the Direct Cash Flow Statement in assessing a borrower's financing needs and ability to repay debt.
- Understand, discuss and apply a structured approach to define and manage problem loans effectively.

The format of presentations is designed so that participants can raise and discuss issues of specific interest in a relaxed and informal setting.

COURSE DELIVERY

- This four-day remote training course is delivered in four consecutive remote sessions, each session lasting four hours (**16 hours**).
- The remote sessions, incorporating breaks and breakout activities, are complemented by four (mandatory) self-paced eLearning sessions (**each lasting roughly 90 minutes**) that include videos and quizzes designed to augment participants' understanding and enhance the remote sessions' effectiveness.
- All hand-outs and instruction are in English; thus participants should have a good working knowledge of English.
- The course can be **customised** to the specific needs of the client, to ensure maximum relevance and benefit.
- Because the course involves participative group work on case studies, and considerable interactivity during tutorials, the number of participants is limited to **no more than 20**.

TRAINING SURVEY & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course sponsors or participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

OUTLINE



Section I

Day One Remote Session Pre-training eLearning Session

Credit Assessment Fundamentals

Participants discuss an array of credit assessment fundamentals.

Review Terms and Concepts:

- The Evaluation Process
- Lending Rationales
- Understanding and Identifying the Source of Repayment
- Linking the Repayment Source to the Loan Purpose
- Scanning the Environmental (PEST Analysis)
- Assessing Industry Attractiveness (Porter's 5 Forces)
- Management's Role and Responsibility in Mitigating Risks

Section III

Day Three Remote Session Day Two eLearning Session

Cash Flow Analysis – Introduction, Mechanics, and Analysis

Participants explore and apply tools for effectively assessing cash flow and ability to service debt.

Review and Application of:

- Importance of Cash Flow Analysis
- Overview of the Direct Cash Flow Statement (Use and Benefits)
- Mechanics of Constructing the Direct Cash Flow Statement
- Protocols for Analysing the Direct Cash Flow Statement
- Integrating Cash Flow Analysis with the Ratio Analysis
- Overview of the Cash Budget (Use and Benefits) Essential Restructuring Concepts and Tools

Section II

Day Two Remote Session Day One eLearning Session

Financial Statement Analysis Essentials:

Participants discuss and apply an array of financial statement analysis essentials.

- Information Asymmetries
- Assessing the Quality of the Financial Statements
- Mitigating Accounting Risk
- How Business Characteristics Impact the Financial Statements
- Importance/Benefits of Conducting Financial Statement Analysis in Two Phases
- Applying the DuPont Model to Enhance Ratio Analysis
- Avoiding the Profitability Trap (Where is the Cash?)

Section IV

Day Four Remote Session Day Three eLearning Session

Loan Structuring and Problem Loan Management

Participants introduced to loan structuring techniques and problem loan management approaches.

Review and Apply:

- Lending Rationales to Guide the Loan Structuring Process
- Tools for Structuring Short and Medium-term Loans (including quantifying debt capacity, as well as estimating loan tenor and amount)
- Covenants to Mitigate Future Risks and Maintain the Lender's Position
- An Array of Practical Problem Loan Tools and Concepts
- Early Warning Signs
- The "Big Picture" of Managing Problem Loans

DETAILS



ABOUT GBRW LEARNING

GBRW Learning is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly inter-active, and make use of carefully designed case studies and simulations. We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Financial Markets

TOOLS, MODELS & TEMPLATES

Courses are supplemented with a range of practical documented methodologies, models, tools, and templates refined from best practice, and tried and tested in a range of leading banks. Participants can take these back to the workplace to adapt and apply, and wherever appropriate, to make a tangible improvement to policy and practice in their own institution.

THIS COURSE INCLUDES:

- ✓ Template for developing early warning indicators and responses procedures
- ✓ Tools for estimating debt capacity
- ✓ Tools for estimating a required "haircut"
- ✓ Video clips of the remote sessions

SME & Commercial Credit Assessment Training

INSTRUCTOR



**Nate
Dickerson**
Director,
GBRW Consulting



GBRW Director Nate Dickerson, is a seasoned banking consultant with over thirty-five years of experience within the financial service industry, initially as a commercial lender and subsequently as a consultant and training and development specialist.

As a commercial lender, Nate enjoyed a thirteen-year career with The Chase Manhattan Bank, N.A., where his experiences included commercial lending, credit administration, corporate finance, as well as domestic and international debt restructuring, within the United States and South America. As a banking consultant, he has provided advisory services within the United States, as well as Bosnia and Herzegovina, Cambodia, China, Ecuador, Egypt, Jamaica, Jordan, Kazakhstan, Kenya, Laos, Lebanon, Mauritius, Mexico, Moldova, Mongolia, Nigeria, Panama, Paraguay, Serbia, South Korea, Sri Lanka, Tajikistan, Tanzania, Thailand, Ukraine, Venezuela, and Vietnam.

Nate regularly runs courses on such topics as Problem Loan Management, SME Lending Risk Management, Understanding and Appraising a Business Plan and Strategic Marketing for Senior Management. To find out more about Nate, his credentials, and previous experience, please visit his LinkedIn profile page at:

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FOR MORE INFORMATION REGARDING THIS PROGRAM OR TO ARRANGE A BOOKING, PLEASE CONTACT NATE DICKERSON AT:
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For more information regarding GBRW Learning, visit our website at:
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