Advanced Credit Risk Management and Analysis Training Course



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Madrid

5900 € (Per Person)

Ref: #GRC5333_165475

Course Introduction / Overview:

In today's dynamic and often volatile global economy, the effective management of credit risk is not merely a regulatory requirement but a cornerstone of financial stability and institutional success. This course provides a comprehensive and in-depth exploration of the principles, techniques, and best practices in credit risk management and analysis. Moving beyond foundational concepts, the curriculum delves into the sophisticated quantitative models and qualitative assessments essential for making sound credit decisions. We will explore the pioneering work of academics like Edward Altman, whose Z-score model revolutionized bankruptcy prediction, and discuss concepts from influential texts such as "Managing Credit Risk" by John B. Caouette. Participants will gain a holistic understanding of the entire credit lifecycle, from origination and assessment to monitoring and mitigation. BIG BEN Training Center has designed this program to equip professionals with the practical skills and strategic foresight needed to navigate complex credit landscapes, manage loan portfolios effectively, and adhere to evolving international standards like the Basel Accords and IFRS 9. This is an immersive learning experience that bridges theory with real-world application, preparing attendees to become leaders in the field of credit risk management.

Target Audience / This training course is suitable for:

- Credit Analysts and Officers.
- Risk Management Professionals.
- Portfolio Managers.
- Corporate Bankers and Relationship Managers.
- Financial Controllers and CFOs.
- Internal and External Auditors.
- Compliance Officers.
- Investment Analysts.
- Treasury Professionals.
- Financial Regulators.

Target Sectors and Industries:

- Commercial and Investment Banking.
- Financial Services and Institutions.
- Insurance and Reinsurance Companies.
- Asset Management and Investment Funds.
- Fintech and Digital Lending Platforms.
- Credit Rating Agencies.
- Corporate Treasury Departments.
- Government Financial Institutions and Regulatory Bodies.
- Private Equity and Venture Capital Firms.
- Real Estate and Mortgage Lending.

Target Organizations Departments:

- Credit Risk Management Department.
- Corporate and Commercial Lending.
- Risk Analytics and Modeling.
- Internal Audit and Control.
- Finance and Treasury.
- Compliance and Regulatory Affairs.
- Portfolio Management.
- Special Assets and Loan Workout.
- Corporate Finance.
- Strategy and Planning.

Course Offerings:

By the end of this course, the participants will have able to:

- Develop and validate robust credit scoring and rating models.
- Conduct in-depth financial statement analysis to identify credit weaknesses.
- Master quantitative techniques for measuring Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).
- Apply qualitative analysis frameworks for assessing corporate and sovereign risk.
- Structure and price credit products based on risk-adjusted returns.
- Implement effective credit risk mitigation techniques, including collateral and credit derivatives.
- Manage portfolio credit risk through diversification and concentration analysis.
- Understand and apply the regulatory requirements of Basel III, Basel IV, and IFRS 9.
- Utilize stress testing and scenario analysis to assess portfolio resilience.
- Evaluate and manage counterparty risk in trading and derivatives operations.

Course Methodology:

The training methodology at BIG BEN Training Center is designed to be highly interactive, practical, and engaging, ensuring that participants can immediately apply the learned concepts in their professional roles. This course moves beyond traditional lectures to create a dynamic learning environment. We will utilize a blend of expert-led presentations, real-world case studies of major credit events and corporate defaults, and hands-on workshops. Participants will work in teams to analyze complex credit applications, build basic risk models, and debate risk mitigation strategies. Interactive sessions, group discussions, and problem-solving exercises are central to the learning process, encouraging the sharing of diverse experiences and perspectives. The instructor will provide continuous feedback and facilitate in-depth discussions on the challenges and solutions relevant to today's credit environment. The program emphasizes a practical, "learning-by-doing" approach, where theoretical knowledge is consistently reinforced through its application to tangible, industry-specific scenarios, ensuring a deep and lasting understanding of advanced credit risk management.

Course Agenda (Course Units):

Unit One: Foundations of Modern Credit Risk Management

- The Evolution and Importance of Credit Risk Management.
- Types of Credit Risk: Default, Counterparty, Sovereign, and Systemic Risk.
- The Credit Lifecycle: Origination, Underwriting, Monitoring, and Recovery.
- Introduction to the Global Regulatory Landscape: The Basel Accords (I, II, III, and IV).
- Key Principles of Corporate Credit Analysis.
- Understanding the Five Cs of Credit: Character, Capacity, Capital, Collateral, and Conditions.
- The Role of Credit Rating Agencies and Internal Rating Systems.

Unit Two: Quantitative Credit Risk Analysis and Modeling

- Introduction to Credit Scoring and Rating Models.
- Building and Implementing Application and Behavioral Scorecards.
- Modeling Probability of Default (PD) using Logistic Regression and other techniques.
- Estimating Loss Given Default (LGD) and its key drivers.
- Calculating Exposure at Default (EAD) for various credit products.
- Model Validation, Back-testing, and Performance Monitoring.
- Introduction to Machine Learning Techniques in Credit Risk.

Unit Three: Advanced Corporate Credit Analysis

- In-depth Financial Statement Analysis for Credit Assessment.
- Analyzing Cash Flow Statements and Projecting Repayment Capacity.
- Ratio Analysis: Liquidity, Leverage, Profitability, and Efficiency Ratios.
- Assessing Business and Industry Risk Factors.
- Evaluating Management Strategy, Quality, and Corporate Governance.
- Conducting Sensitivity and Scenario Analysis on Financial Projections.
- Specialized Credit Analysis for SMEs and Large Corporations.

Unit Four: Portfolio Credit Risk Management and Mitigation

- Measuring and Managing Credit Risk at the Portfolio Level.
- Understanding Credit Concentration and Diversification Benefits.
- Portfolio Credit Risk Models (e.g., CreditMetrics, CreditRisk+).
- Credit Risk Mitigation Techniques: Collateral, Netting, and Guarantees.
- Introduction to Credit Derivatives: Credit Default Swaps (CDS) and Collateralized Debt Obligations (CDOs).
- Active Credit Portfolio Management Strategies.
- Setting and Managing Portfolio Risk Limits and Appetite.

Unit Five: Advanced Topics and Future Trends in Credit Risk

- Implementing the IFRS 9 Expected Credit Loss (ECL) Framework.
- Conducting Macroeconomic Stress Testing and Scenario Analysis.
- Managing Counterparty Credit Risk (CCR) in Derivatives and SFTs.
- Understanding Wrong-Way Risk and Right-Way Risk.
- The Impact of Climate Change and ESG Factors on Credit Risk.
- Regulatory Hot Topics and the Future of Credit Risk Management.
- The Role of Artificial Intelligence and Big Data in Transforming Credit Analysis.

FAQ:

Qualifications required for registering to this course?

There are no requirements.

How long is each daily session, and what is the total number of training hours for the course?

This training course spans five days, with daily sessions ranging between 4 to 5 hours, including breaks and interactive activities, bringing the total duration to 20 - 25 training hours.

Something to think about:

In an era of big data and AI, to what extent should qualitative judgment and human oversight override quantitative credit risk models?

What unique qualities does this course offer compared to other courses?

This course distinguishes itself by offering a deeply integrated and forward-looking curriculum that bridges the critical gap between quantitative modeling and qualitative business judgment. While many programs focus heavily on either the mathematical aspects or the theoretical frameworks, this course provides a holistic synthesis of both. We move beyond standard textbook examples to engage with complex, real-world case studies that challenge participants to apply sophisticated analytical techniques in ambiguous situations. A key differentiator is our emphasis on the future of credit risk, with dedicated sessions on the implementation of IFRS 9, the implications of Basel IV, and the transformative potential of machine learning and ESG factors in credit assessment. The methodology is intensely practical, focusing on building applicable skills rather than just imparting knowledge. Participants will not only learn about credit scoring models but will also engage in workshops to understand their construction and limitations. This blend of advanced quantitative skills, strategic qualitative insight, and a forward-looking perspective on regulatory and technological trends provides a uniquely comprehensive and practical learning experience that prepares professionals for the next generation of challenges in credit risk management.