MOODY'S
ANALYTICS

in association with

nbi
NATIONAL BANKING INSTITUTE
"The Banking Academy of Nepal"

Moody's Certificate in Commercial Credit

Moodys Certificate In Commercial Credit (CICC)

Best practices and skills for world-class lending assessment and credit judgment

CERTIFICATE

IN

COMMERCIAL CREDIT

FOR

YOUR NAME

MOODY'S ANALYTICS CERTIFIES

ON March 31, 2020

your fulfillment of all the requirements prescribed by this certificate

Ari Lehavi
EXECUTIVE DIRECTOR, MOODY'S ANALYTICS

A three-course curriculum focused on technical skills development that demonstrates your certification holders have reached a global standard in commercial credit assessment.

The certification provides learners with the **full spectrum of skills and knowledge** in commercial credit. Learners will be able to:

✓ Analyze an obligor, mitigate risk and recommend the **optimal loan solution.**

✓ **Monitor loans and Identify early warning signals**

✓ Better understand the **balance between profits and risk** in the credit portfolio

✓ **Stay competitive and price credit facilities** to compensate for risk while maximizing profitability

# Moodys Certificate In Commercial Credit (CICC)

Best practices and skills for world-class lending assessment and credit judgment

Overview – The Moody's Analytics Certificate in Commercial Credit (CICC) leverages Moody's deep expertise in risk management to certify the achievement of the highest standards of competence in credit analysis and loan decisions. First and foremost, the CICC seeks to establish a foundation of best practices in commercial lending. The programme then extends into more advanced skills in loan monitoring and distressed asset remediation. Finally, the CICC instils a robust appreciation for the bank's risk appetite, regulatory priorities and capital strategy. This context helps inform day-to-day loan approval and structuring decisions to optimize risk and profitability.
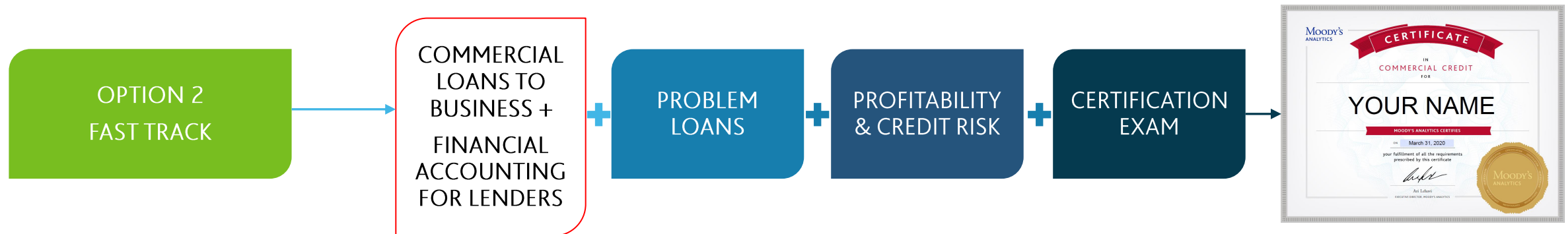
1. COMMERCIAL LENDING

1. CREDIT AND THE DECISION PROCESS
2. PRELIMINARY ASSESSMENT
3. INDUSTRY AND BUSINESS RISK ANALYSIS
4. MANAGEMENT RISK ASSESSMENT
5. FINANCIAL RISK ASSESSMENT
6. INTEGRATED ANALYSIS AND DECISION-MAKING
7. RISK MITIGATION THROUGH LOAN STRUCTURE

30-35 HOURS

2. PROBLEM LOANS

1. DETERIORATING CREDIT
2. COLLATERAL, GUARANTEES, AND COVENANTS
3. RESTRUCTURING

8-10 HOURS

3. PROFITABILITY & CREDIT RISK

1. RISK AND BANKING
2. CREDIT RISK AND REGULATION
3. CREDIT PORTFOLIO MANAGEMENT

6-9 HOURS

4. PROCTORED EXAM

COMMERCIAL CREDIT CERTIFICATE EXAMINATION

Certificate in Commercial Credit – 2 Options (Nepal only)

Accelerated learning pathway

OPTION 1 → **COMMERCIAL LENDING** + **PROBLEM LOANS** + **PROFITABILITY & CREDIT RISK** + **CERTIFICATION EXAM** → Certificate
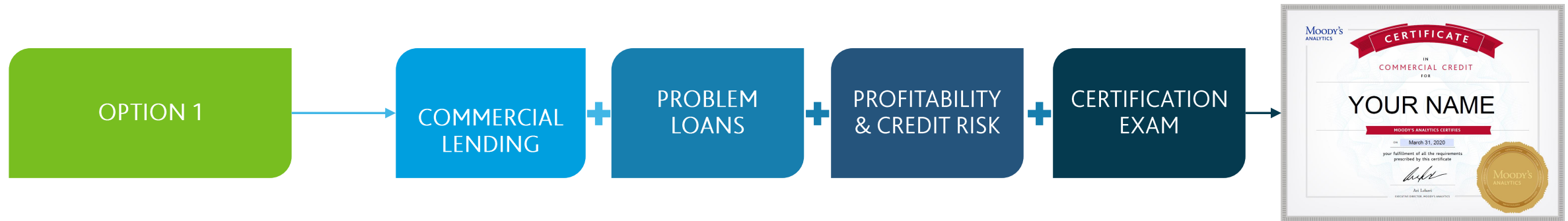
New registrations will get direct access to the new upgraded CICC programme which is the best of both worlds – Omega & Moody's courses

OPTION 2 FAST TRACK → **COMMERCIAL LOANS TO BUSINESS + FINANCIAL ACCOUNTING FOR LENDERS** + **PROBLEM LOANS** + **PROFITABILITY & CREDIT RISK** + **CERTIFICATION EXAM** → Certificate

Existing learners who have completed CLB + FAL (Omega CSA programme) within the last 3 years (since 2018) – we will apply exemption to SKIP commercial lending course. They will only take Problem Loans, and Profitability & Credit Risk courses + Certificate Exam – to fast track to complete CICC programme.

Commercial Lending

BEST PRACTICES FOR CREDIT RISK ASSESSMENT, DECISION-MAKING AND LOAN STRUCTURING

Overview

The next generation of Commercial Lending combines the best of the Moody's Analytics flagship course with Omega Performance's offering–both recognized as leading solutions in the market. From evaluating and analyzing opportunities to making sound decisions and structuring loans, the new best of breed course is foundational in bolstering a credit professional's proficiency in the field.

Course Structure

1. CREDIT AND THE DECISION PROCESS	1. Integrated Analysis and Decision Making 2. Credit Analysis Scope and Framework

Examine the importance of the lender's role and explore a consistent and deliberate framework for analyzing commercial lending opportunities.

2. PRELIMINARY ASSESSMENT	1. Opportunity Assessment 2. Businesses and their Borrowing Needs

Prepare for a complete and successful analysis by identifying the key elements of the opportunity, uncovering the true borrowing need, and gathering the information needed to proceed.

3. INDUSTRY AND BUSINESS RISK ANALYSIS	1. Economic and Industry Risk 2. Competition 3. Business Risk

Assess a business's susceptibility to the marketplace conditions, and evaluate the risks associated with a business's size, market position, product-market match, and bargaining power.

4. MANAGEMENT RISK ASSESSMENT	1. Management 2. Integrity, Skill, and Execution

Assess the adequacy, competency, and integrity of a borrower's management team.

5. FINANCIAL RISK ASSESSMENT	1. Sales and Profitability 2. Activity and Liquidity Ratios 3. Capital Spending and Leverage 4. Cash Flow Analysis and Debt Service 5. Projections and Credit Risk Assessment

Assess the risks associated with the borrower's financial condition, and evaluate the likelihood that the borrower will generate the cash needed to repay the proposed loan as agreed.

6. INTEGRATED ANALYSIS AND DECISION-MAKING	1. Synthesize and Hypothesize 2. Analyze, Sensitize and Decide

Develop critical-thinking skills while applying a logical, repeatable process to synthesize all of the quantitative and qualitative information gathered and make a sound lending decision.

7. RISK MITIGATION THROUGH LOAN STRUCTURE	1. Deal Structuring and Credit Enhancements 2. Structure Risk Mitigation

Examine the importance of strengthening the lender's position by appropriately pricing the facility, selecting covenants and covenant levels that will provide early warning of increased risk.

DURATION
Up to 35 hours

DELIVERY CHANNEL
eLearning
Skills Application Lab Available

COURSE WORK
7 sections
18 modules

Problem Loans

RECOGNIZING AND MANAGING DISTRESSED LOANS

Overview
Problem Loans (PL) teaches lenders how to recognize and respond to deteriorating credit conditions. It reinforces the organization's risk culture broadly while providing proven techniques for mitigating risks on a loan-by-loan basis.

Course Structure

Module	Lessons	Description
1. DETERIORATING CREDIT	**Lessons:** 1. Problem Loans 2. Roles and Responsibilities 3. Early Warning Signs	Describes the causes and costs of problem loans and financial distress; discusses the various responsibilities at a lending institution for monitoring deteriorating credit; explains how to identify and deal with early warning signals
2. COLLATERAL, GUARANTEES AND COVENANTS	**Lessons:** 1. Collateral 2. Guarantees 3. Covenants 4. Communication with the Client	Explains why lenders take collateral and identifies the problems they might face when attempting to realize its value; explains how to protect a secured position when a company becomes distressed; describes the issues a lender might encounter when seeking to enforce a guarantee; explains how to deal with covenant breaches.
3. RESTRUCTURING PROCESS	**Lessons:** 1. Restructuring Process 2. Taking Control 3. Action Plans	Identifies the different options available to lenders when it becomes clear that a loan must be restructured.
CASE STUDY EXERCISE	Learners will analyze a company to detect signs of deteriorating credit and plan an appropriate path of action.	In this case study, you are a Relationship Manager with Best Bank. One of your co-workers, David, is transferring to a new job, and a portion of his accounts is being passed to you. The loan for Rope Twine Products (R&T) is coming due shortly. You need to get up to date on the client's situation so that you can formulate an opinion on their performance. You will begin by setting up a meeting with David.

DURATION
Up to 10 hours

DELIVERY CHANNEL
eLearning
Skills Application Lab Available

COURSE WORK
3 modules

Profitability and Credit Risk

LENDING WITHIN THE CONTEXT OF THE FINANCIAL INSTITUTION'S CREDIT POLICY

Overview

Profitability and Credit Risk (PCR) teaches essential skills for quantifying and monetizing risk while structuring loans that maximize profitability in a highly competitive, highly regulated environment. Participants learn about the role that banks and other financial institutions play in facilitating the exchange of money around the world, how and why they are regulated, and the components of and risks in their balance sheets. The course then examines the different approaches financial institutions take to measure and manage market, credit and operational risks. Lastly, participants learn how an institution's risk appetite guides its market strategy and reflects its goal to balance risk and profitability at the individual loan and portfolio levels.

Course Structure

1. RISK AND BANKING	Lessons: 1. Role of the Bank 2. Risk at the Bank 3. Balance Sheet	Introduces the multi-faceted role financial institutions play in society. Explains the major risks they face and ways to mitigate these risks. Discusses the various components of a financial institution's balance sheet and explains how financial institutions try to manage their financial position while taking long-term objectives and risk appetite into consideration.
2. CREDIT RISK AND REGULATION	Lessons: 1. Basel Regulation 2. Credit Risk Measurement 3. Credit Risk Management	Introduces the Basel Accords and their function determining and preventing risk in the lending industry. Provides insight into different types of risk and the relevance of market, credit, and operational risk.
3. CREDIT PORTFOLIO MANAGEMENT	Lessons: 1. Bank Risk Profile 2. Economic Profitability	Identifies the different options available to lenders when it becomes clear that a loan must be restructured.

DURATION
Up to 9 hours

DELIVERY CHANNEL
eLearning
Skills Application Lab Available

COURSE WORK
3 modules

ABOUT US

Moody's Analytics helps capital markets and risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services, and research, including the proprietary analysis of Moody's Investors Service, Moody's Analytics integrates and customises its offerings to address specific business challenges.