# Management of Credit and Risk - Special Banking

## General objectives:

This course aims to give participants the skills to understand the different business valuation approaches, applying the impact assessment and technical feasibility of investment projects, based on cash flows and the time value of money. During the course participants will learn to make decisions and develop the processes leading to healthy "Risk Management" and adequate "credit recovery" granted and bank guarantees analysis taking into account the risk of the different types of operations and ways to minimize it.

## Specific objectives:

At the end of this course the participants will know:

- Understand the calculation of profit margins and measure performance in different industries;
- Apply ratios to analyze performance trends;
- Identify performance improvement opportunities;
- Apply various indicators such as EVA (Economic Value Added) and CVA (Cash Value Added);
- To respond to the growing sophistication and complexity of the real estate market, providing new perspectives, techniques and investment analysis tools;
- Understand the consequences of the worsening of credit default indices;
- Understand and develop the client profile;
- Identify a timely manner, situations of "Credit problematic" and act on them

## Target Audience:

This course is intended for all professionals involved and responsibilities in banking management, focusing on risk analysis and credit for investments.

**Hours:**

30 hours.

**Program Contents:**

**Módulo I –INVESTMENT ANALYSIS**

- To evaluate the profitability "economic" of a project;
- Type of investment projects and risk level;
- Evaluate the financial parameters of the project: investment cash flow and operating, duration, residual value or final;
- Understand the update mechanism;
- Justify the discount rate for risk;
- Understand the different criteria and arbitrate among them: recovery period (payback), net present value (NPV), internal rate of return (IRR);
- indefinite duration projects - define the forecast horizon and the final value;
- Evaluate the financial profitability:
    - Financing plan summary;
    - Distinguishing between TIR and global project IRR;
    - Sensitivity analysis of investments
- Indicators of value creation: EVA and CVA:
    - How to calculate EVA and CVA to optimize the management and identify value creation factors in the company;
    - How to apply the different value creation measurement methods
    - Case study analysis of Value Creation.
- Monitoring the implementation of the investment plan

**Module II - REAL ESTATE ANALYSIS**

- Evaluation Concepts;
- Assigning value and value types;
- Risk assessment in real estate;
- property valuation methods for funding;
- Advanced Assessment methods:
  - Simulation methods Cash Flows;
  - Monte Carlo Method.

**Module III - ANALYSIS AND CREDIT RECOVERY**

- The Risk Management;
- The Credit Granting;
- The Customer Monitoring;
- Measures Taken against the symptomatology Difficulties;
- The Credit Recovery;
- Definition of General Procedures;
- The Powers of Assessment and Decision;
- The Preparation Process and its Management;
- Preventive procedures, the importance of proactive management.

**Module IV - GUARANTEES OF MANAGEMENT**

- Bank Guarantees analysis taking into account the risk inherent in the various types of operations and ways to minimize;
- Initial valuation of guarantees;
- Systematic monitoring of guarantees.

**Module V - CREDIT RISK ANALYSIS (ADVANCED)**

- Risk Types in the financial field: Credit risk Vs. Market risk;
- The valuation of credit risk;
- Tangible or conceptual risk and ways to measure it;

- The risk associated with the form of the company's governance and the difficulty of measuring the "Creative Accounting";
- The risk of industrial activity; the economic and business cycles, disruptions of supply and the costs of production factors;
- The risk of an operation "Project Finance";
- Concept of "Project Finance";
- Basic features of "Project Finance";
- Advantages and disadvantages of this funding formula;
- Causes of increased risk crediting inherent in this financing system;
- The risks at each stage; The ways to reduce these risks;
- International agencies Rating;
- Its origin and current importance;
- Description of working methodology;
- Operation and composition of the qualification commission;
- The Rating as an expression of the credit quality of the moneylender;
- nomenclature Meaning employed by Rating Agencies;
- The process of obtaining qualifications;
- Advantages and disadvantages of Rating;
- Criticisms of Rating Agencies;
- Practical examples of Ratings;
- Statistical models for measuring credit risk;
- The expected loss and capital at risk;
- Concepts;
- Measurement of expected loss;
- Capital Measurement at risk;
- Proposed capital requirements in Basel II;

- The "Credit Derivatives" and new methodologies for measuring credit risk;
- Introduction to Derivatives Assets;
- New Tools for Credit Risk Management: the "Credit Derivatives";
- Applications of "Credit Derivatives";
- The scoring systems, practical application;
- Microfinance technology applied to commercial banking, the role of Emotional Intelligence