

Executive Education Masterclass

# Understanding Credit Assessment for Business

5 October 2010

9:30am – 5:00pm



A one-day Masterclass dealing with the fundamentals of credit assessment for business lending.

Attendees will gain an essential understanding of:

- the changing dynamics of the business environment and its effect on lending
- the different types of business entity and the right approaches to credit assessment
- the basic non-financial elements of business credit assessment that cannot be automated
- how to analyse a business's financial position from its financial statements
- how to present the outcome in a quantified and balanced format

# Understanding Credit Assessment for Business

## Overview

Business banking has entered a period of rapid and drastic change, driven by well-publicised liquidity issues and changing attitudes to risk within financial services organisations, regulators, the government and businesses themselves.

While there is less credit available and many firms are reining in their loan portfolios, considerable attention is being given to the processes and models used by firms to assess credit applications and inform lending decisions.

In recent years these processes have become almost completely automated and decisions are based entirely on financial factors, with the 'human' element largely taken out of the equation. However, recent events have shown that the risk assessment policies of many financial services organisations are far from foolproof and as a result there is a significant shift underway, a return to the fundamental principles of banking that many feel have been lost.

This one-day masterclass is designed to provide delegates with proven techniques and skills to help them undertake credit analysis in the business environment, combining both established procedures and systems and the all-important 'human' factors that should be taken into account.

The Masterclass looks at how to use financial and non-financial structures to understand the credit risk in a business.

## Learning outcomes

Delegates will gain an essential understanding of the core knowledge and skills associated with business credit assessment, enabling them to understand:

- the changing dynamics of the business environment and its effect on lending
- the different types of business entity and the different approaches to credit assessment that apply
- the basic non-financial elements of business credit assessment that cannot be automated
- how to analyse a business's financial position from its financial statements
- how to pull it all together in order to make an informed and balanced credit assessment

# Programme agenda

## **The business credit environment**

- Key developments in business lending?
- The three basic types of business entity

## **The financial dynamics of business credit**

- Financial reporting for business
- Use of the business's financial information to carry out the financial elements of business credit assessment

## **The non-financial dynamics of business credit**

- The non-financial elements of business credit assessment, to include industry, market and management assessment

## **Pulling it all together to form a balanced assessment**

- Making an informed and balanced assessment
- Presenting the outcome

## Programme format

This interactive, facilitated workshop approach which will involve trainer-led discussion, syndicate group working and presentations

## Who should attend?

Anyone employed in, or considering employment in, the business banking segment of the financial services industry or who undertakes credit assessment of business customers. This includes all managers and employees who interface with the customers, from commercial bank managers to customer-facing staff.

The Masterclass is designed specifically for learners with some experience of assessing business credit in the small market environment (SME) who are looking to develop their knowledge and skills.

# About your trainer...

## Rod Springett



Rod has over 36 years' experience of UK banking having been a manager firstly with Midland Bank Limited and then HSBC Bank plc. Among a range of managerial positions, he was a very successful relationship manager handling portfolios of business customers of all shapes and sizes.

The principal functions within his roles during this time included:

- relationship management of both commercial and corporate clients
- creating and maintaining relationships with business professionals in the local community
- business generation via cold calling and business recommendation
- credit control and credit proposal sanctioning across both area and regional boundaries

Rod discovered, however, that his true vocation was training, and he has developed into an exceptional facilitator and deliverer of innovative and memorable learning programmes. Between 1999 and 2008 he was based at the HSBC Group management training college in St Albans. During that time he had responsibility for both the content and quality of the training programmes delivered to the commercial banking market.

## Location

*ifs School of Finance*, 8th Floor, Peninsular House, 36 Monument Street, London EC3R 8LJ, United Kingdom

## How to book

Please return your completed registration form (attached) to the Events team, *ifs School of Finance*, 8th Floor, Peninsular House, 36 Monument Street, London EC3R 8LJ, United Kingdom.

Alternatively please contact +44 (0) 20 7337 6286, email [executiveeducation@ifslearning.ac.uk](mailto:executiveeducation@ifslearning.ac.uk) or book online at [www.ifslearning.ac.uk/executiveeducation](http://www.ifslearning.ac.uk/executiveeducation).



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Founded in 1879 as the Institute of Bankers, the *ifs School of Finance* is a registered educational charity incorporated by Royal Charter. During the past two decades the *ifs* has evolved into a 'business school for finance', thus extending its 130-year-old remit to provide the financial services industry with a skilled, effective and competent workforce.

The *ifs School of Finance* is also in the vanguard of promoting a better understanding of finance among consumers in the UK. Its provision includes formal qualifications ranging from financial capability for the 14–19 age group to Masters level, and Continuing Professional Development (CPD) through executive education programmes.

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