Profitability and Credit Risk
LENDING WITHIN THE CONTEXT OF THE FINANCIAL INSTITUTION’S CREDIT POLICY

COURSE OVERVIEW & BENEFITS
Lending professionals must understand the role of banks and other financial institutions in society and the economy. They need to know the different types of risk that their financial institution regularly faces and how they can directly support enterprise-wide risk management and strategy.

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.

LEARNING OBJECTIVE
Understand the role that banks and other financial institutions play in the global economy, the risks they encounter in the normal course of business, and the regulatory considerations that impact their daily operations and risk appetite.

COMPETENCIES GAINED
Participants will be able to:

• Explain how the recommendations set forth in the Basel Accords impact financial institutions’ treatment of market, credit and operational risks, and their calculation of the risks associated with various asset classes

• Improve loan quality by better understanding the relationship between the financial institution’s risk appetite and its overall strategy

• Maximize profitability by pricing loans more precisely without taking undue risks

• Identify how credit risk relates to individual loans and its potential impact upon a credit portfolio, and the various risk mitigation methods

TARGET AUDIENCE
PCR is suitable for anyone involved in the commercial lending process, including credit analysts, underwriters and relationship managers, and anyone involved in the second line of defense, such as loan reviewers and auditors. It is also appropriate for business analysts who gather and analyze data at the portfolio level.

This course is on the path to the Moody's Certificate in Commercial Credit (CICC).