

CORPORATE CREDIT RISK



GENTEX[®]
TRAINING CENTER



Introduction

The Corporate Credit Risk Training Course builds the analytical discipline needed to assess and manage credit exposure to companies. Corporate lending carries larger exposures and more complex structures than retail credit. Borrowers operate across sectors, currencies, and group structures, and a single default can produce a significant loss. This course covers borrower analysis, rating, exposure measurement, and portfolio control. Furthermore, it applies IFRS 9 provisioning, Basel credit risk frameworks, and stress testing to corporate portfolios. As a result, participants learn to reach defensible credit conclusions and protect the institution's capital.

Corporate Credit Risk Course Objectives

- Explain corporate credit risk drivers and the credit lifecycle for companies.
- Analyse financial statements, cash flow, and debt service capacity.
- Interpret business risk, industry risk, and management quality.
- Apply credit rating models, scorecards, and internal rating scales.
- Calculate probability of default (PD), loss given default (LGD), and exposure at default (EAD).
- Apply IFRS 9 staging and expected credit loss to corporate exposures.
- Assess credit risk mitigation through collateral, guarantees, and covenants.
- Measure group, sector, and geographic concentration risk.
- Apply Basel standardised and internal ratings-based approaches.
- Conduct credit stress testing, early warning monitoring, and portfolio reporting.

Course Methodology

- Interactive lectures with corporate credit and default case studies.
- Financial analysis and rating workshops using real company accounts.

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- Modelling exercises on PD, LGD, EAD, and expected credit loss.
- Group structure and concentration analysis exercises.
- Structured peer discussion with facilitator feedback on credit proposals.

Who Should Take This Course

- Corporate credit analysts and credit risk officers.
- Relationship managers handling corporate clients.
- Portfolio managers covering commercial lending.
- Risk managers in wholesale banking.
- Internal auditors reviewing corporate credit controls.
- Bank supervisors and prudential analysts.

Corporate Credit Risk Course Outlines

Day 1: Foundations of Corporate Credit Risk

- Corporate credit risk definition, sources, and loss drivers.
- The corporate credit lifecycle from origination to recovery.
- Credit policy, risk appetite, and sector strategies.
- Credit culture, governance, and approval committees.
- Regulatory expectations for corporate credit risk.
- Exposure types: working capital, term lending, trade, and project finance.
- Case study: how a corporate default unfolded across a lending group.

Day 2: Borrower Analysis and Rating

- Financial statement analysis: profitability, liquidity, and leverage.



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- Cash flow analysis and debt service coverage ratios.
- Working capital cycles and cash conversion analysis.
- Business risk, industry cycles, and competitive position.
- Management quality, ownership, and governance assessment.
- Internal rating scales, scorecards, and rating migration.
- Workshop: rating a corporate borrower from audited accounts.

Day 3: Exposure Measurement and Credit Risk Mitigation

- Probability of default (PD) estimation for corporates.
- Loss given default (LGD), recovery, and workout experience.
- Exposure at default (EAD), commitments, and credit conversion factors.
- IFRS 9 staging and expected credit loss for corporate lending.
- Collateral valuation, guarantees, and credit insurance.
- Covenants: financial, negative pledge, and cross-default clauses.
- Workshop: calculating expected credit loss for a corporate exposure.

Day 4: Portfolio Management and Basel Frameworks

- Group exposure aggregation and connected lending.
- Sector, geographic, and single-name concentration limits.
- Correlation and migration risk in corporate portfolios.
- The Basel standardised approach and risk weights.
- The internal ratings-based (IRB) approach for corporates.
- Counterparty credit risk and the CVA framework.
- Workshop: building a corporate portfolio concentration report.





Day 5: Monitoring, Stress Testing, and Reporting

- Early warning indicators for corporate borrowers.
- Watch list management, forbearance, and restructuring.
- Stress testing corporate portfolios and scenario design.
- Reverse stress testing and capital impact assessment.
- Credit risk reporting, dashboards, and committee packs.
- Data quality and credit management information systems.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Corporate Credit Risk, participants will gain a thorough understanding of corporate borrower analysis, credit rating, exposure measurement, expected credit loss, and portfolio management. They will also acquire practical skills in financial analysis, risk modelling, concentration assessment, and stress testing. In addition, the course prepares them to present and defend corporate credit decisions with confidence. Gentex Training Center delivers this programme with a strong focus on applied corporate lending practice and measurable risk improvement.

FAQs for Corporate Credit Risk course

Q1 What is the "Corporate Credit Risk" course about?

It is a five-day programme on assessing and managing credit risk for corporate borrowers. It covers financial and cash flow analysis, business and industry risk, rating models, PD, LGD and EAD measurement, IFRS 9 provisioning, concentration management, Basel frameworks, and stress testing.



Q2 What are the key benefits of the "Corporate Credit Risk" course?

Participants gain a consistent method for assessing larger, more complex exposures, which reduces unexpected losses. The course improves rating accuracy and approval quality, strengthens covenant and collateral structuring, sharpens concentration and stress testing practice, and prepares teams for regulatory and audit review with clearer evidence.

Q3 What skills will I gain from the "Corporate Credit Risk" course?

Participants gain corporate financial and cash flow analysis, credit rating and PD, LGD and EAD measurement, IFRS 9 expected credit loss and credit risk mitigation design, and portfolio concentration management, stress testing and early warning monitoring. These four skills cover the full corporate credit risk cycle.

Q4 What tools, methods, or standards are covered in the "Corporate Credit Risk" course?

The course covers financial statement and cash flow analysis, debt service coverage ratios, working capital and cash conversion cycles, internal rating scales and scorecards, probability of default and loss given default estimation, exposure at default and credit conversion factors, IFRS 9 staging and expected credit loss, collateral valuation and guarantee treatment, financial and negative pledge covenants, group exposure aggregation, the Basel standardised and IRB approaches, the CVA framework, reverse stress testing, and early warning indicator frameworks.



Q5 How is the "Corporate Credit Risk" course applied in real-world practice?

Participants apply the methods to real corporate credit files and portfolios. They analyse audited accounts, assign ratings, structure covenants and security, compute expected credit loss, aggregate group exposure, run stress scenarios, and prepare portfolio reports for credit committees and regulators. Many leave with reusable corporate analysis templates.