

**Introduction to Project**

**Appraisal**

- Project stages
- Main areas to be covered in appraising a project
- Appraisal as an iterative process
- Role of a loan officer
- Strengths and weaknesses of current appraisal procedures

**Lending Policies**

- Credit policy, credit program and competing programs
- Range of collateral
- Internal organisation of the credit department
- Client relationship concept
- Risk analysis
- Good practices for delivering financial products

**Enterprise Analysis**

- The “entrepreneur” – our client
- Assessment of “entrepreneurial” competencies
- Interrelation between the enterprise and its economic environment
- Complexity of an enterprise structure

**Market Place & Marketing**

- Market potential
- Determination of selling price
- Marketing strategy and costs
- Market study

**Bank Marketing**

- Client relationship concept
- First contact & interview techniques
- Product development

**Analysis of Technical Viability**

- Assessment of the technical viability of a project
- Appropriateness of production technology and availability of equipment
- Determination of production capacity

**Financial Analysis**

- Cost categories & structure
- Break-even analysis
- Cash flow
- Financial statements and ratio analysis
- Net present value, internal rate of return and pay back period
- Project appraisal under the conditions of inflation

**Monitoring of Enterprises**

(see also C<sup>3</sup> - CRISIS)

- Objectives and requirements
- Relevant parameters
- Analysis and interpretation of monitoring data
- Loan portfolio monitoring

**Field Work & Appraisal Report**

- Initial contact with selected entrepreneurs
- Market research and seeking information
- Project viability analysis
- Elaboration of appraisal reports
- Presentation to the credit committee



**C<sup>3</sup> TRAINER**

TRAINING AND MODERATION TECHNIQUES



**C<sup>3</sup> START**

BUSINESS START-UP & PLANNING



**C<sup>3</sup> GROWTH**

CONSULTANCY FOR SUSTAINABLE ENTERPRISE GROWTH



**C<sup>3</sup> CREDIT**

CREDIT APPRAISAL & MONITORING



**C<sup>3</sup> CRISIS**

TURN-AROUND MANAGEMENT OF ENTERPRISES IN CRISIS



**C<sup>3</sup> COMPLIANCE**

MANAGING SOCIAL AND ENVIRONMENTAL STANDARDS



**C<sup>3</sup> ASSOCIATE**

STRATEGIC AND FINANCIAL PLANNING FOR ASSOCIATIONS



**C<sup>3</sup> LOCAL**

MULTI STAKEHOLDER PROCESSES FOR LOCAL ECONOMIC DEVELOPMENT



GFA Consulting Group GmbH

Eulenkrugstr. 82  
22359 Hamburg  
Germany

Phone: +49 (40) 603 06 440

Fax: +49 (40) 603 06 199

c3-training@gfa-group.de

www.c3-training.de

**C<sup>3</sup> CREDIT**  
Credit Appraisal & Monitoring

## Why C<sup>3</sup> CREDIT?

**Low efficiency and high default rates are major risks within SME lending. After a loan has been disbursed, the financial institutions rely on a punctual and complete repayment of the amount granted. This is especially valid for banks active in start-up promotions, and development-oriented financing organisations targeting clients without adequate collateral. Thus, it is of utmost importance to carefully assess the viability of the planned project at its pre-investment stage and before loan disbursement.**

### **CREDIT is ...**

... a proven solution for build-up high quality credit portfolios and increasing the operational efficiency of financial institutions.

... unique in combining a very practical approach that is based on best practice standards using a participatory action-learning method, which guarantees a high level of acceptance and transfer of know-how.

... highly flexible and can be easily adapted to any topic related to lending.

### **Target group**

**CREDIT** has been designed for loan officers and other bank staff involved in credit appraisals and monitoring.

### **Training in analytical and practical skills**

The **CREDIT** seminar covers all relevant aspects required for the appraisal of small investment projects such as: entrepreneurial competencies, marketing and the technical and financial viability of a planned venture.

In addition, it focuses on the important aspects of lending activities, such as internal credit policies, procedures and credit moni-

toring. Due to its holistic approach, **CREDIT** enables bank staff to comprehend the complexity of a planned investment project.

The seminar combines theoretical in-class training with practical work, by closely linking all activities to reality. Participants analyse real loan applications, prepare complete appraisal reports and present them in front of a credit committee.

### **Course structure and methodology**

The full **CREDIT** seminar can take between two to four weeks. However, the modular structure can be adapted depending on the time available, the requirements of the individual client and the level of experience of the participants. The training methodology comprises group work and discussions, simulation exercises, presentations, case studies and field work. Modern tools like metaplan cards and role plays are also used systematically.

A manual is available with comprehensive instructions for facilitators, which is especially valuable in case the training of future trainers is required.



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