



The Institute of Banking and Finance of Trinidad and Tobago

CREDIT ANALYSIS AND LOAN ASSESSMENT FOR MICROFINANCE LENDING

Two (2) Day Workshop Outline

OVERVIEW:

This two (2) day workshop is tailored to lending officers and credit committee members of credit unions. The workshop is designed to enhance participants credit analysis and loan assessment skills for microfinance and small business lending. The core principles of responsible lending will be discussed in depth to equip participants with the knowledge and tools necessary to make sound credit decisions and effectively manage risk in this sphere.

OBJECTIVES:

- Understand the fundamental principles of lending, including the 5 Cs of credit.
- Develop expertise in loan structuring and various types of small business loans.
- Master the analysis and interpretation of financial statements.
- Identify and mitigate potential risks associated with microfinance lending.
- Enhance decision-making skills for responsible and sustainable lending practices.

WORKSHOP TOPICS:

DAY 1

Session 1: Introduction to Microfinance and the 5 Cs of Credit

- What is Micro and Small Business Enterprise (MSE) Lending
- Importance of MSE lending
- Unique challenges in MSE
- Opportunities in MSE lending
- Responsible lending practices
- The 5 Cs of credit for MSE lending



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Session 2: Loan Structuring and Types of Small Business Loans

- Key considerations in loan structuring
- Determining the loan amount
- Interest rate and pricing
- Repayment schedule
- Collateral requirements
- Loan covenants
- Types of small business loans

Session 3: Financial Statement Analysis and Interpretation

- Key financial statements – Balance Sheet, Income Statement, Statement of Cash Flows
- Financial ratios and metrics – liquidity ratios, profitability ratios, solvency ratios.
- Case activity

DAY 2:

Session 4: Risk Management in Microfinance

- Why risk management is crucial
- Credit Risk, market risk and operational risk
- Risk mitigation strategies
- Case activity

Session 5: Putting it all together - Case Studies and Best Practices

- Summary of sessions 1- 4
- Capstone case activity



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METHODOLOGY:

This workshop is meant to be interactive; participants will be encouraged to share their personal experiences on the field and will form part of the group discussion and analysis sessions.

There will be a mix of discussion type explanation of concepts and methods and practical working and analyzing of business and financial information. Mini-cases, scenarios and role playing methods will be used in teaching and learning.

TARGET AUDIENCE:

Lending Officers and credit committee members of credit unions.

FACILITATOR'S PROFILE:

Mr. Andre Falby B.Sc., MBA, CAMS

Andre Falby is a career banker with three decades of experience in risk management, business lending, and corporate and investment banking, with a depth of experience in financing projects spanning a wide cross section of industries locally and regionally. Currently he is the Chief Risk Officer at Home Mortgage Bank with responsibility for leading the bank's enterprise risk management functions. Andre holds an International MBA with a specialty in finance. He is also a Certified Anti-money Laundering Specialist (CAMS) and holds an ESG professional Certificate in International Sustainable Business (ISB) Advisor level 1, from the International Association for Sustainable Economy.

Andre is also an adjunct lecturer at UWI Roytec, The UWI Open Campus, and Cipriani College of Labour & Co-operative Studies. He also facilitates credit and risk management workshops at the Institute of Banking and Finance of Trinidad & Tobago and serves as an examiner/moderator for the institute's Certified International Risk Manager (CIRM) and the Professional Certificate for Financial Advisors (Cert. FA) programmes.