QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1022

Financial Statement Analysis for Credit Decisions

CREDIT & LENDING MANAGEMENT
FINANCE, INVESTMENT & BANKING

DURATION
5 Days

DELIVERY
Classroom

Course Overview

Financial Statement Analysis for Credit Decisions is a comprehensive professional training course designed to equip banking and finance professionals with the analytical knowledge and practical skills required to evaluate financial statements and make informed credit decisions. As lending institutions face increasing pressure to improve asset quality, manage credit risk, and comply with regulatory expectations, the ability to accurately interpret financial information has become a critical competency for credit analysts, lenders, and risk management professionals.

This course provides a structured approach to analyzing financial statements from a credit perspective, enabling participants to assess a borrower's financial health, repayment capacity, profitability, liquidity, leverage, operating efficiency, and cash flow sustainability. Participants will learn how financial statement analysis supports sound credit evaluation, enhances lending decisions, and contributes to effective credit risk management across corporate, commercial, SME, and institutional lending portfolios.

The program explores advanced techniques for evaluating balance sheets, income statements, cash flow statements, and financial ratios while integrating qualitative business analysis, industry assessment, and economic factors into the overall credit assessment process. Participants will also examine common financial reporting issues, warning signs of financial distress, earnings quality, and analytical techniques used to identify potential credit weaknesses before lending decisions are made.

Through practical case studies, financial analysis workshops, and real-world lending scenarios, participants will strengthen their ability to transform financial data into meaningful credit insights, prepare professional credit analysis reports, and recommend appropriate lending decisions based on objective financial evidence. The course supports banks, financial institutions, government financing agencies, development banks, and corporate lenders seeking to improve the quality and consistency of financial analysis within their credit decision-making processes.

Objectives

- Analyze financial statements to evaluate borrower creditworthiness by the end of the course.
- Evaluate financial performance using profitability, liquidity, leverage, efficiency, and cash flow analysis techniques.

- Apply financial ratio analysis to support sound credit decisions and lending recommendations.
- Develop comprehensive financial analysis reports for corporate and commercial borrowers.
- Assess repayment capacity through detailed cash flow and debt servicing analysis.
- Improve the identification of financial risks and early warning indicators affecting credit quality.
- Strengthen analytical decision-making through integrated financial and qualitative business assessment.
- Implement best practices in financial statement analysis for credit evaluation.
- Assess financial reporting quality and identify potential weaknesses that may influence lending decisions.
- Align financial analysis practices with organizational credit policies, governance standards, and regulatory expectations.

Who Should Attend

This course is designed for credit analysts, senior credit analysts, lending officers, relationship managers, corporate banking professionals, commercial banking specialists, SME banking professionals, loan officers, credit reviewers, portfolio analysts, and professionals responsible for evaluating borrower financial performance within financial institutions.

It is also suitable for heads of credit, credit managers, chief risk officers, finance managers, internal auditors, compliance professionals, investment analysts, corporate finance specialists, development finance professionals, government financing agencies, banking supervisors, and executives responsible for improving credit assessment quality and strengthening financial analysis capabilities across their organizations.

Learning Outcomes

- By the end of this course, participants will be able to:
- Analyze balance sheets, income statements, and cash flow statements from a credit perspective.
- Evaluate borrower financial performance using advanced financial ratio analysis.
- Assess liquidity, profitability, leverage, efficiency, and debt servicing capacity.
- Identify financial strengths, weaknesses, and emerging credit risks through financial statement analysis.

- Interpret cash flow performance to determine repayment capacity and financial sustainability.
- Prepare professional financial analysis reports supporting lending recommendations.
- Detect early warning indicators of financial deterioration before credit quality declines.
- Integrate financial analysis with business, industry, and qualitative risk assessment.
- Support objective credit decisions using structured financial evaluation methodologies.
- Apply international best practices in financial statement analysis to strengthen lending quality and credit risk management.

Course Outline

DAY 01

Foundations of Financial Statement Analysis for Credit Decisions

- The role of financial statement analysis in credit evaluation
- Understanding the relationship between financial performance and credit risk
- Structure and interpretation of financial statements
- Credit-focused analytical frameworks and methodologies

> PRACTICAL APPLICATION
>
> Reviewing financial statements for credit assessment

DAY 02

Financial Ratio Analysis and Performance Evaluation

- Liquidity ratio analysis
- Profitability and operating performance analysis
- Leverage, solvency, and capital structure evaluation
- Efficiency ratios and working capital analysis

> PRACTICAL APPLICATION
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> Comprehensive financial ratio analysis for a corporate borrower

DAY 03

Cash Flow Analysis and Credit Assessment

- Cash flow statement analysis
- Operating cash flow and debt servicing capacity
- Earnings quality and financial sustainability assessment
- Financial forecasting and trend analysis

PRACTICAL APPLICATION

Evaluating repayment capacity using cash flow analysis

DAY 04

Advanced Financial Analysis for Lending Decisions

- Industry and business performance analysis
- Identifying financial distress and early warning indicators
- Qualitative assessment supporting financial analysis
- Preparing professional financial analysis reports

PRACTICAL APPLICATION

Integrated financial and credit assessment case study

DAY 05

Best Practices in Financial Statement Analysis for Credit Decisions

- Governance and regulatory expectations for financial analysis
- Common financial reporting issues and analytical challenges
- Digital tools and data analytics in financial statement analysis
- Continuous improvement in financial analysis and credit evaluation

DAY 05 — CONTINUED

> **FINAL WORKSHOP**
>
> Analyze a complete set of financial statements, prepare a comprehensive credit assessment report, present lending recommendations, and develop an action plan to strengthen financial statement analysis within the organization.

Register or Request More Information

Course page: https://quest-training.com/courses/financial-statement-analysis-for-credit-decisions
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