

# Essential Underwriting Skills

17-20 May 2021

9.30 - 13.00



This course presents the essential skills that are vital in understanding the financial and non-financial risks in any lending proposition. Mastering the assessment of these risks is central to business success.

The course will provide a full explanation of the relevant risk-analysis techniques, which in turn support higher service levels and a better use of sales opportunities.

Delegates will learn data-gathering techniques which will enable them to gain the relevant information from customers. This will facilitate quicker and more informed decisions.

Only through the intelligent application of the right analytical tools will a full picture of the risks involved emerge. Few businesses can grow and prosper without understanding these methodologies.

By the end of the course delegates will:

- Know how to apply the fundamental principles of lending
- Understand the key analytical tools used in financial and non-financial risk assessment
- Be familiar with which proposals are “non-starters”, and should be removed from the underwriting process
- Have better key account management skills
- Have improved negotiation skills to deal with risk issues involving both internal and external customers
- Identify the critical indicators of business failure
- Be equipped with tips on how to prepare and present high quality credit submissions
- Understand the benefits of establishing a consistent methodology for assessing risk

## Course Fees:

Members Price: £875 + VAT

Non-Member Price : £1125 + VAT

To book online click the link below

[Essential Underwriting Skills](#)

Please note: all FLA events are subject to the application of competition law. Details will be available on the day.

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## Programme:

Start 9.30 - Finish 13.00

### DAY ONE SESSION ONE

#### Welcome

- Introductions and accomplishment planning
- Purpose and aims of the workshop

#### Legal Entities

- What is a business and its purpose?
- Characteristics of the main entities: Sole Trader, Partnership, Limited Liability Partnership, Private & Public Limited Companies, Companies Limited by Guarantee, Unlimited Bodies
- Identifying the key differences and assessing the main risk considerations for lenders

#### Break

#### Understanding Financial Statements

- The flow of money through a business: recording business transactions
- How is a business funded?
- Financial Statements: concepts and conventions and constituent parts
- Key definitions and terminology: Assets, Liabilities, Capital, Revenue and Expense
- Structure of the Statement of Financial Position (Balance Sheet)
- Structure of the Income Statement (Profit & Loss Account)

#### End of Session

### DAY TWO SESSION TWO

#### Interpreting Financial Statements

- Tangible and intangible fixed assets, understanding depreciation
- Current assets and current liabilities: working capital management
- Long term commitments: debt serviceability
- Shareholders' Funds and retained earnings and reserves
- Profit & loss account: profit measures and margins, concept of EBITDA
- The difference between profit & cash

#### Break

#### Cash Flow Analysis/Working Capital

- The importance of liquidity
- Detailing the factors that affect cash flow
- The concept of working capital - can it meet obligations?
- The cash flow statement - an overview

#### End of Session

### DAY THREE SESSION THREE

#### Key Ratio Analysis

- Importance of ratio analysis
- Interpretation of business performance using the power of ratio analysis
- The main ratios: profitability, liquidity, investment

#### Break

#### Principles of Lending and Danger Signals

- Risk assessment using different frameworks
- Non-financial risks: asset, customer, external factors
- Assessment of management, competition and market
- What are the warning signs of a business in distress?
- The impact of poor working capital management

#### End of Session

### DAY FOUR SESSION FOUR

#### Underwriting a Lending Proposal

- Gathering critical information
- Compiling and structuring a persuasive credit report
- Planning the content of a credit report
- Focusing on key financial and non-financial risk analysis

#### Break

#### Underwriting a Lending Proposal (Cont.)

- Make a lending decision on the specific case study provided
- Presentation and debrief of underwriting decisions

#### End of Session and Course

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