

## Certified Credit Research Analyst (CCRA™)

### FAQ

#### 1. What is Certified Credit Research Analyst (CCRA™) Certification?

The Certified Credit Research Analyst (CCRA™) is a comprehensive global education program designed to give an expert level understanding of debt capital markets and bank loan markets to graduates and experienced professionals. It integrates the fundamentals of financial analysis, credit appraisal, rating methodologies, credit strategy and loan structuring. It offers the tools a candidate needs to occupy key positions in the world of finance, banking, treasuries, credit ratings and fixed income domain. In India, CCRA™ Certification is being jointly offered by Association of International Wealth Management of India (AIWMI) & National Institute of Securities Markets (NISM).

#### 2. Why should one earn CCRA™ Certification?

On enrolling for the CCRA™ certification, a candidate gets on his way to demonstrate that he is among the best. He will join a select group of individuals who have made the commitment to excellence in credit management, career advancement and an ongoing pursuit of knowledge. Throughout the process, he will be recognized for your achievements.

The CCRA™ certification program defines and establishes professional standards in this demanding and rapidly changing field, and fosters recognition of those individuals who possess special expertise.

**A Recognized Path to Success :** Among credit management professionals, the CCRA™ certification program is respected and appreciated. Not only is participation in the program a mark of distinction throughout the profession, but it offers candidates a wide range of important benefits:

- **Expanded Knowledge:** By reading, studying and preparing for the exams, a candidate will gain a thorough, up-to-date understanding of every aspect of credit management, including a look at future trends and strategies essential to one's success.
- **Career Opportunities:** Certification tells employers that a candidate is motivated, accomplished and current in your knowledge of credit management skills. It indicates that the candidate is actively working to maintain high standards in the field.
- **Heightened Professional Recognition:** CCRA™ Certification attest to experience, knowledge, ability, accomplishment, leadership and contributions to the credit and financial fields.

Designations raise the level of respect among colleagues in business credit management and between professionals in the financial community. A CCRA™ Certificant can proudly display his designation with his name on letterhead, business cards and all forms of address.

- **Standards of Excellence:** With constant changes in credit and with banking and financial services redefining the role of the credit executive, the certification program is clearly a valuable way to master professional education requirements and achieve professional excellence.

### 3. What is the minimum eligibility to enter the CCRA™ Certification?

The minimum eligibility to register for the CCRA™ certification is Bachelor's degree from an accredited college or university. However, candidates appearing for the final year of bachelor's degree/equivalent qualification examination and those who have completed degree requirements and are awaiting results can also apply. Such candidates will be allowed to join the program provisionally and confirmation will be subject to the completion of the bachelor's degree before the Level 1 Exam of the Certified Credit Research Analyst (CCRA™) certification.

### 4. Who should pursue the CCRA™ Certification?

This highly practical course has been specially designed for candidates aspiring for a career in:

- Credit Analysis
- Credit Appraisal
- Credit Ratings
- Credit Strategy
- Credit Monitoring
- Commercial and Retail Finance
- Hedge Funds/PE
- Loan Syndication
- NBFC
- NPA Management
- Investment Banking
- Project Finance
- Private Equity
- Private Banking
- Banks
- Economic Research
- Portfolio Management
- Fund Management
- FI Trading and Sales
- Retail and Private Banking

### 5. Who offers the CCRA™ Certification?

The CCRA™ certification is jointly awarded by Association of International Wealth Management of India (AIWMI) and National Institute of Securities Markets (NISM) in India. National Institute of Securities Markets (NISM) is a society and public trust, established by the Securities and Exchange Board of India (SEBI), the regulator for securities markets in India, to improve the quality of the securities markets through sustained capacity building and knowledge dissemination.

AIWMI is a globally-recognized membership association for finance professionals. AIWMI primarily focuses on broader and strategic role of developing a more robust and forward-looking training infrastructure for financial services sector and to promote more active industry involvement and collaboration in training and continuing education matters.

## 6. What amount of Content includes global best practice for the CCRA<sup>TM</sup> Certification?

The study material of CCRA<sup>TM</sup> certification contains content reproduced with permission from:

- Asian Development Bank
- Asian Securities Industry & Financial Markets Association (ASIFMA)
- Bank of International Settlements (BIS)
- Care Ratings
- Equators Principles Association
- Experian
- Fitch Ratings
- Fixed Income, Money Markets & Derivatives Association of India (FIMMDA)
- India Ratings (subsidiary of Fitch Ratings)
- International Association of Credit Portfolio Managers (IACPM)
- Loan Market Association
- Moody's Investor Services
- National Institute of Securities Markets (NISM)
- Standard & Poor's Financial Services
- Swiss Financial Analysts Association
- The Climate Bonds Initiatives
- World Bank

## 7. How will the CCRA<sup>TM</sup> Certification help a candidate?

**Job opportunities:** There is no other globally recognized certification that prepares you better, for employment in the field of bank loans, credit analysis, rating, credit monitoring, securitization and strategy. CCRA<sup>TM</sup> will open up these opportunities for you.

**Practical knowledge:** CCRA<sup>TM</sup> will help you deploy the most comprehensive suite of research, data and tools to analyze and monitor credit analysis on loans, securities, companies and industries in the market along with new financing instruments.

**One-on-one access** to industry-leading analysts, briefings, webinars and teleconferences with global best practices.

**Access to in-depth debt market reports** that dissect the credit strengths and weaknesses of corporates, individuals and debt transactions.

**Market savvy:** Learn how to analyze accurate, timely and comprehensive sets of data on company financials, industries and deal performance metrics.

**Global analytical models:** Get insights into risk models, to analyze, screen and monitor individual loans, credits and portfolios.

## 8. Can the corresponding designation (CCRA<sup>TM</sup>) be used after being awarded the Certification?

Yes, one can use the CCRA<sup>TM</sup> title as in the following example: Rahul Mehta, CCRA<sup>TM</sup>

## 9. What are the strengths of the CCRA™ Certification?

CCRA™ will enable you to:

- Perform credit appraisal with global best practices
- Generate better trade ideas & identify problem loans
- Build & maintain credit risk models
- Amplify your credit monitoring system
- Analyse debt and loan portfolio performance
- Streamline quantitative research for interest rates
- Enhance Basel based internal rating system
- Make lending and investment recommendations
- Design credit strategy and credit portfolios

## 10. What is the structure of the CCRA™ Certification?

In order to complete the CCRA™ certification, a candidate must pass two levels of examinations. Level 1 consists of the basics of credit analysis/fundamental analysis and Level 2 consists of advanced analysis including credit ratings etc.

## 11. How can one pursue the CCRA™ certification?

Candidates can pursue CCRA™ either through self-study or under the guidance of any of AIWMI's authorized training providers. Training is advisable but not mandatory. We strongly recommend the students and freshers to undergo the training.

## 12. Where is the CCRA™ certification exams conducted?

National Stock Exchange (NSE) is the exam partner of AIWMI for the CCRA™ certification. The exams will be held online across various NSE Test Centres on regular intervals. NSE has its exam centres in more than 150 cities across India major Tier-1 and Tier-2 cities. The Candidate needs to register on NSE website and generate NCFM code before registering with AIWMI. Post application submission, AIWMI will activate the exam access for Students. The Examination fees would be payable to NSE directly. By end of 2015, exams would be available globally through Pearson Vue.

## 13. What is the course duration for the CCRA™ certification?

On an average, we advise candidates to study for 100 hours. One can either avail training for both Level 1 and level 2 exams or study for the same on their own using the study material provided. As soon as one is well prepared, the exam can be taken up at any of the NSE Test Centres.

## 14. Will I be getting any study material?

The study material can be provided in either hard copy or E-book format according to the candidates' wishes and additional online content will also be provided via customized login.

## 15. How many re-tests are permitted for the CCRA™ certification?

If a candidate is unable to pass the exam in the first attempt, he can take up any number of subsequent attempt(s) by scheduling the re-test at NSE test centres as per their convenience and paying the exam fees. Multiple attempts are permitted until a candidate finally passes the exam and the exam fee will be applicable on every attempt.

## 16. What is the Examination structure for CCRA™ certification?

The Level 1 exam would have an MCQ format and will be a 2 hour exam.

The Level 2 exam would be a Case study based/ MCQ format with and will be a 3 hour exam.

Sr. No.	Name of Module	Type of Questions	Test Duration in minutes	No. of Questions	Maximum Marks	Pass Marks (%)	Negative Marking
1	Certified Credit Research Analyst (CCRA) - Level 1	1 Mark MCQ - 40 2 Mark MCQ – 40	120	80	120	60	No
2	Certified Credit Research Analyst (CCRA) - Level 2	1 Mark MCQ - 50 2 Mark Case study MCQ - 35 (7 case studies of 5 questions each)	180	85	120	60	No

## 17. What is the minimum score to pass the CCRA™ certification exam?

A minimum score of 60% is required to pass the exam and be eligible for certification in each level.

## 18. What is the Fee Structure of the CCRA™ certification?

### Registration Fees

Registration Fee for CCRA™ Program is Rs. 40,000 (ST Inclusive) and the registration validity is 3 years.

### Examination Fees

Examination Fees (mentioned below) has to be directly paid to National Stock Exchange (NSE) at the time of registration for the exam.

- Level 1: Rs. 1710 (ST Inclusive) per exam
- Level 2: Rs. 2565 (ST Inclusive) per exam
- Total Exam Fee: Rs. 4275 (ST Inclusive) for both levels

## 19. What are the job prospects for students pursuing CCRA™ Certification?

AIWMI is a certification body and functions like a professional's standards-setting body for the finance professionals. AIWMI works closely with various stakeholders of the Indian Financial Services sector. AIWMI through its initiatives continuously works on creating better professional opportunities for its members. The industry relations team at AIWMI actively works with employers across the financial services sector to set CCRA™ certification as a benchmark for any credit related hiring. AIWMI's Training Partners also have dedicated placement cells to assure assistance in the placement for the CCRA™ Certificants. Our students have an employer mix of Leading Banks, Credit Rating Agencies, Debt Syndication agencies, Global Research Hubs and Audit Firms.

## 20. What are the detailed topics covered in the Level 1 of CCRA™ Certification?

The topics covered under Level 1 are:

### Module 1: Financial Statement Analysis

- Introduction: Role of Financial Statements, Relevance of Notes, Nuances of Accounting: Inventories, Depreciation, EPS, Intangible Assets, Ratio Analysis, Financial Modelling and Covenant Testing, Nuances of Leases, Hire Purchase, Pension Liabilities and Classification of Investments in Financial Assets, Red Flags, GAAP & IFRS – Similarities & Differences, Case Studies

### Module 2: Credit Specific Analysis – Banker's and Analyst perspective

- Liquidity Analysis, Stress Testing, Comparison: Sector versus Global, Liquidation Scenario and Event, M&A/LBO, Banker's Angle to Credit Analysis, Bank CMA Format and Credit Policy Formulation, Preparation of Credit Proposal and Credit Appraisal, Capital Budgeting Methods, Loan/Bond, Behavioral Aspects of Credit officer, Pre-sanction Methodologies and Analysis, Know your Customer (KYC) requirements, ESG Analysis for Loans/Bonds, Case studies

### Module 3: Understanding of Loans and Bonds

- Loan documentation, Covenants analysis and Trends, Loan/Bond Pricing, Spreads and Curves, Credit Default Swap (CDS), Seniority Ranking, Rich Cheap Analysis, Bond Valuation Measures Including, Swaps, OAS, YTW, YTM, Risk Mitigation using derivatives like swaps, FRA, caps and floors, Forex Hedge, Case studies

## 21. What are the topics covered in the Level 2 of CCRA™ Certification?

The topics covered under Level 2 are:

### Module 1: Credit Rating – Internal and External

- Basics of Credit Rating, Credit Risk Management, 5C Credit Model, Analytical Framework For Credit Analysis, Industry Risk, Business Risk, Financial Risk, Dealing With Intricacies Of Credit Rating, Management Risk, Project Risk, Ratings Methodology For Manufacturing Companies, Ratings For Financial Institutions And Banks, Sovereign Ratings, Internal Rating models (Basel), and Case studies

### Module 2: Credit Strategy and Portfolio Management

- Understanding Yield Curves, Trading on Interest Rate Risks, Understanding Credit Spreads, Trading on Credit Spreads, Other Concepts on Credit Risk, Predicting the Market, Introduction to Distressed Debt, Understanding Systemic Risk, Credit Analysis in a Multi Asset Class portfolio, Trading Strategies for Emerging Markets and Case studies

### Module 3: Credit Monitoring, NPA Management, Enhancement and Securitization

- Credit Monitoring and Identification of Early Warning Signals, Credit Enhancement and Structures, Rating of Asset Backed and Mortgage Backed Securitization Transactions, Stressed Asset Management – Warning signs, Process and Monitoring for Recovery, CDR Mechanism, Pricing/valuation of NPA's and Asset backed/Mortgage backed Securities, Case studies

Module 4: Credit Risk Models and Regulations

- CRA Regulations and Debt Guidelines, Credit Risk Models & Miscellaneous including Regression/Time series for interest rate modeling, Merton and other Model, and Case studies

Module 5: Understanding and analysis of Corporate Banking Facilities and other financing forms

- Understanding Types of Corporate Banking Facilities, Assessment of Working Capital Finance, Analyze Treasuries and other corporate papers, Nuances of Credit Analysis from NBFC Perspective, Private Banking perspective, ARC Perspective, Priority Sector/Agri Lending - Analysis and Peculiarities, Analysis for Loan against property, Analysis for Loan against Securities, Other Common Financing structures, Consortium lending, Green bonds, Case studies