20 One-Liners to Remember

Quick-fire facts for last-minute revision.

1. **CCP (Certified Credit Professional) is IIBF's certification for credit officers and lending-side bankers.**
   IIBF's CCP certification validates credit appraisal, risk and regulatory skills for bankers moving into the credit department.

2. **The IIBF CCP exam uses objective, multiple-choice questions, including case-let based questions.**
   CCP is an objective, MCQ-format exam that also includes scenario-based case-let questions.

3. **The CCP exam is conducted online at designated test centres in English medium.**
   IIBF conducts the CCP exam online at test centres, with English as the exam medium.

4. **CCP syllabus covers credit appraisal, credit risk, working capital, exposure norms, stress testing and NPA recovery.**
   The CCP syllabus blends financial analysis, credit risk management and the regulatory framework.

5. **Expected Loss in credit risk is driven by default probability, loss severity and exposure at default.**
   Expected Loss depends on probability of default, loss given default and exposure at default together.

6. **Credit risk, the risk a borrower fails to repay, is also called default risk.**
Credit risk and default risk refer to the same underlying risk of borrower non-repayment.

7. **Interest-rate risk on a bond portfolio is a separate risk category from credit risk.**
Examiners often test candidates on distinguishing interest-rate risk from credit or default risk.

8. **Commercial appraisal of a loan proposal studies whether the firm's products have market demand and acceptance.**
Commercial appraisal checks product demand, while financial appraisal checks the borrower's financial strength.

9. **A bank's credit policy defines risk appetite, credit culture thrust areas and profit objectives.**
Credit policy sets risk appetite and profit objectives but does not cover the branch expansion network.

10. **Stress testing begins by visualising possible adverse scenarios before applying stress and analysing impact.**
The stress testing process starts with scenario visualisation, followed by applying stress and impact analysis.

11. **Under RBI's exposure norms, exposure includes both credit exposure and investment exposure.**
RBI defines exposure to cover funded and non-funded credit exposure as well as investment exposure.

12 **A rise in a bank's Non-Performing Assets affects capital requirement, income recognition and provisioning.**

Rising NPAs simultaneously strain a bank's capital, income recognition and provisioning norms.

13 **Loan pricing should reflect a borrower's risk rating and credit quality, not a flat rate for all borrowers.**

Riskier borrowers should be priced higher, aligning loan pricing with credit risk rating.

14 **Systematic risk operates at the macro level and affects a large number of assets across the market.**

Systematic risk is broad, market-wide risk that is difficult to predict, avoid or mitigate.

15 **Cash flow in accounting is broadly calculated as net profit plus non-cash expenses.**

Adding back non-cash expenses like depreciation to net profit gives an approximate cash flow figure.

16 **Directed lending is generally not counted as a benefit of government ownership of a bank.**

Capital support, depositor credibility and government business are typical benefits, unlike directed lending.

17 **Political environment uncertainty is viewed as a credit negative in a bank's rating assessment.**

Rating agencies treat political uncertainty as a factor that weakens a bank's credit profile.

18 **The CCP exam is case-let heavy, so candidates must apply concepts to scenarios, not just memorise definitions.**

IIBF's CCP paper tests application-based understanding through short scenario or case-let questions.

19 **Keeping an error log of wrong mock-test answers helps CCP candidates target revision efficiently.**

Tracking recurring mistakes across mock tests focuses study time on genuinely weak areas.

20 **CCP candidates should always confirm exam marks, duration and pass mark from the latest official IIBF notification.**

Exam parameters like marks and pass mark can change between cycles, so official IIBF sources are authoritative.