



Seminar for bankers in Macedonia, Skopje, September 22-24, 2014

CREDIT ASSESSMENT & MANAGEMENT

ORGANISATION SHEET

Objective	Learn to understand and apply different tools to evaluate credit risk, monitor them and find contractual ways to mitigate them to the extend possible
Methodology	<p>The methodology is a mix of theoretical lectures and exercises/case studies and is focussing on ratio analysis of historical figures as well as forward looking projections. It is highly interactive and based on a constant exchange of views. After the course, the expert will remain available for questions from the participants and explanations or recommendations via e-mail.</p> <p>The participants will be provided with the course material in advance. They are requested to read this course material in order to have a first understanding of the material before the course. Participants are invited to be equipped with a financial calculator in order to execute practical exercises.</p>
Target group	<ul style="list-style-type: none">- Senior bank employees (corporate banking, risk management), corporate treasurer, officers from Banking Supervisory Body, Central Bank or Ministry of Economy – a minimum experience of 3 years in risk analysis or corporate finance would be an advantage,- Senior Business Analyst or Corporate Relationship Manager with a minimum experience in corporate banking of 3 years
Language	English; the ability to understand and express in the English language is strongly recommended.
Participants	15 to maximum 25 participants
Expert	Mrs Astrid SCHLESSER Official ATTF Senior Expert Senior Relationship Manager, Banque de Luxembourg
Date	3 working days 22-24 September 2014



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CONTENT

DAY 1

MODULE 1: RISK FACTORS

- 1.1. Geographical risk
- 1.2. Political risk
- 1.3. Counterparty risk:
 - Financial analysis ratios
 - Cash flow analysis
- 1.4. Loan product derived Risks
- 1.5. Interest rate and currency risks

MODULE 2: COLLECTION OF THE (FINANCIAL) DATAS OF THE BORROWER

- 2.1. Regular financial data
 - Consolidated/Unconsolidated figures
 - Audited/Unaudited accounts
 - Reporting periods: Monthly/Quarterly/Annually
- 2.2. Financial press –Local / International press
- 2.3. Role of Relationship Manager in the procurement of information

MODULE 3: ANALYSIS OF THE WORKING CAPITAL CYCLE

- 3.1. Key elements of the Working Capital
- 3.2. Working Capital Requirements
- 3.3. The business cycle analysis (Inventories, Debtors, Suppliers)
- 3.4. Liquidity
- 3.5. Liquidity ratios

CASE STUDIES

DAY 2

MODULE 4: CASH FLOW ANALYSIS

- 4.1. Cash Flow From Operations
- 4.2. Cash Flow From Investments
- 4.3. Cash Flow From Financing Activities
- 4.4. Change of Cash Flow
- 4.5. Financial projections – Cash Flow projections
 - Assumptions – Variables
 - Financial Model
 - Simulations – Base Case/Worst Case
 - Benefit of financial cash flow projections
- 4.6. Financial ratios on the basis of Cash Flow items



MODULE 5: SOLVENCY/LEVERAGE OF THE BORROWER

- 5.1. Solvency Ratios
- 5.2. Leverage Ratios

MODULE 6: PROFITABILITY AND PRODUCTIVITY OF THE BORROWER

- 6.1. Profitability Ratios
- 6.2. Productivity Ratios
- 6.3. Operating Efficiency
- 6.4. The impact of investments on the future profitability

CASE STUDIES

DAY 3

MODULE 7: RISK ASSESSMENT TOOLS AND MONITORING SYSTEMS

- 7.1. Comparison historical data / sectorial data / peer group references
- 7.2. Internal rating systems
 - Public Companies/ Private Companies
 - Historical Default Statistics
 - Loss Given Default- Probability of default
 - Lending Costs Per Risk Category
 - Equity Costs
 - Standard Risk Costs
- 7.3. Regular Monitoring of risk.
 - Credit risk analysis
 - Financial covenants
 - Monitoring securities
 - Outlook
 - Conclusions and action plan to mitigate risks

CASE STUDIES