



Tirana, Albania, 17-19 April, 2018

CREDIT ASSESSMENT AND CASH FLOW ANALYSIS**ORGANISATION SHEET****Context & Objectives**

Banks play a crucial role in allocating financial resources. Many companies in a country are dependent on the loans and credit facilities that banks provide. **Meeting the demand** of these companies for financial resources **in a sustainable way** will support social and economic developments. The workshop is intended to help future and current loan providers, investors and credit analysts to do their job efficiently and thoroughly. After finishing the workshop, all participants should be able to:

- Systematically determine the operating and financial strength of a specific borrower (a company). Linking operational and financial issues gives a strong analysis and protection against unreliable financials and weak business plans. Finally, the participants will be able to judge level & predictability of future cash flows and to assess a risk rating by hand.
- Help the borrower to set reasonable goals in terms of financial condition and growth and using a strategy when a borrower is facing financial difficulties.
- Judge and safeguard the bank's priority of claim to the borrower.
- Give clear conclusions and recommendations to credit committees/management.

Methodology

Real-life business cases and group exercises to apply knowledge and skills into practice. Interactive classroom discussions to exchange experiences. And a "Toolbox" that can be used as a reference both in the classroom and at home.

Target group

Middle management in charge of credit activities and credit officers in front, middle and back office, like relationship managers, account managers and analysts, credit inspectors and auditors.

Pre-requisite: Knowledge about the basics of accounting is required!

Language

English (without translation)

Participants

A maximum of 25 participants

Expert

Mr Erik de Jong has worked with ING Bank for 22 years in the area of credit risk management as full time trainer, manager and analyst. Since 2010, he has been a freelance trainer.

Place & Date

Tirana, 17-19 April 2018 (3 days).

Full attendance during all days is required: Inform your manager + arrange your work properly!



HOUSE OF TRAINING



THE GOVERNMENT
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CONTENT

DAY 1

The toolbox

A practical analytical framework for credit analysis that includes analytical tools and techniques

Cash flow analysis

The importance of cash flows, calculating cash flows and identifying warning signals

Profitability, debt burden and liquidity

Refreshing this part of financial analysis as well

Industry analysis and “Product Life Cycle ↔ Cash Flows”

Two useful tools to assess the Business Risks, which is part of the operating strength of a company

Case “A profitable retailer still going bankrupt”

Group exercise

Financial projection “Back to the Future”

How to make a financial projection: We go back in time and find a solution how we could avoid the bankruptcy of the retailer

DAY 2

Card-game

Test each other's knowledge: The cards contain questions and answers

Bad Loans: Voluntary Debt Restructuring

Discussions, literature and exercise about out-of-court debt restructuring

Case “A Wholesaler with a Need for Growth”

Group exercise

Management's Attitude & Reliability of financials

Learning an easy and effective tool to assess these items & warning signals

Ready for expansion?

Too often clients think that growth is a solution for everything: When is a borrower ready for expansion?

Case “Company Easy Bikes Ltd. is being sold”

Group exercise

DAY 3

Case “A Real Estate Company trying to survive the crash”

Group exercise: Presenting your analysis + giving feedback to each other

Parent/subsidiary issues and structural subordination

Theory & small exercises about analysing our priority of claim to the borrower

Collateral and covenants

Classroom discussions about controlling the relationship with the borrower

Case “A Franchise Organization & Aggressive Management

Group exercise & presentations to the Credit Committee

Conclusions & Evaluation

Finish