



CREDIT RISK AND CASH FLOW ANALYSIS INSPIRING CASES

VIRTUAL CLASSROOM

ORGANISATION SHEET

<p>Context & Objectives</p>	<p>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:</p> <ul style="list-style-type: none"> • 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.
<p>Methodology</p>	<p>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.</p>
<p>Target group</p>	<p>Professionals involved in extending and monitoring business loans. Both senior and junior staff will find this workshop useful. Differences in experience will be solved by working in sub-groups on real-life cases</p> <p>Pre-requisite: Knowledge about the basics of accounting.</p>
<p>Language & technological requirements</p>	<p>English (without translation)</p> <p>Participants must have the necessary technology (PC and reliable internet connection).</p>
<p>Participants</p>	<p>Between 8 and 15 participants.</p> <p>Participants are required to attend all sessions in order to receive the certificate of attendance.</p>
<p>Expert</p>	<p>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.</p>
<p>Place & Date</p>	<p>Virtual Classroom – You will receive the link to the platform where the course will take place and the connecting codes a few days before the course.</p> <p>4 days training divided as follows: 13 & 14/5 and 20 & 21/5</p> <p>On both sessions: from 9am to 4.30 pm with 60 min lunch break and coffee breaks to be arranged with the trainer.</p>





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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

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”

What went wrong?

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

The World Bank & U.N. about out-of-court debt restructuring, discussions

Case “A Wholesaler with a Need for Growth”

Will its strategy actually work?

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”

Are the financials reliable? What do you think about the business risks? Are the owners “on the hook”?

DAY 3

Writing a clear & concise credit proposal

Tips & tricks

Co-operation between Relationship Management & Risk Management

How to maintain an efficient credit process

Case “Disruption of the Energy & Transportation Industry”

Group exercise: What is the impact on two selected companies?

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 “Engineering & Agriculture”

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

DAY 4

Country risks

Free sources of information

ALBANIAN CASE

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

Case “Change of Ownership of a Transport Company”

Group exercise & presentations to the Credit Committee

Conclusions & Evaluation

Remark: By delivery date, any training documentation shall be subject to regular reviews and updates amending the table of content as described herein.

* One of the core values of the House of Training is pragmatism, the training it provides is therefore: practical, current, modular and targeted. Bank and finance professionals from all disciplines are facing one international challenge in particular, which is to work together to improve the quality of services while reducing costs, within a framework that is increasingly subject to strict regulations and the use of technology. In order to face the challenge of delivering fully-adapted training programmes, the House of Training uses a quality management method that it calls “Quality Circles”, that bring together professionals and practitioners from the financial sector with shared goals, philosophy and passion for learning. Our quality circles have an intimate knowledge of the real needs in the industry and collaborate actively with the House of Training to integrate this understanding into our programmes.