



CREDIT ANALYSIS A HALF-DAY WEBINAR

Introduction

City Training UK is delighted to submit its outline for its Credit Analysis programme.

This document outlines the structure of the Credit Analysis programme. We hope this will stimulate further discussion and provide real value to the training participants.

If you have any questions, please email admin@citytraininguk.com or call +44 (0) 207 428 9377

Why City Training UK?

Client Focus – A small London-based friendly team dedicated to its clients and tailoring courses to your business.

Experience and professionalism – Our trainers all held or are currently holding senior positions in the City, Wall Street or other leading financial centres and are talented lecturers.

Practical Programmes – Up-to-date, practical training including all the latest trends and recent case studies in your field

From heads of departments to credit analysts, recent graduate joining M&A, vice-president in private equity, middle office risk professionals, our trainers have trained thousands of professionals at the following leading institutions worldwide.

Session 1

What is Credit?

- Risks defined
- What is the role of the credit analyst?
- The Principles of good lending
- The key analysis tools
- Sources of information

Session 2

A Common Approach to Analysing Credit

- What are the objectives and general characteristics of an effective credit risk rating system
- The building blocks
- The structured framework of credit analysis
- Assessing performance
- Understanding and evaluating Business Risk:
 - Macro (sovereign and country)
 - Micro (industry)
 - Management
- Industry life-cycle

Session 3

Financing Needs and Business Operating Cycle

- Financial risk
- Banks and banking:
 - Types of banks
 - Types of loans
- Business needs
- Working capital cycle
- Medium to long-term financing

Session 4

A Focus on Financial Statements

- Principles of Accounting
- Understanding the financial statements:
 - P&L, balance sheet and cash flow statements
 - Type of information
 - Key issues
 - Consolidation rules

Session 5

Creative Accounting

- Revenue recognition
- Cost recognition
- Warning signs

Session 6

Financial Ratio Analysis

- Types of financial ratios:
 - Business efficiency
 - Profitability
 - Financial
 - DuPont analysis
 - Other ratios
- Liquidity vs. Solvency
- Seasonality and management of working capital and the implications on financing
- Interpretation and application of results
 - Limitations of ratio analysis
- Insights

Session 7

Corporate Cash Flow Analysis

- Statement of Cash Flow (construction and analysis)
 - Key issues to consider
 - The cash cycle
- The Statement of Cash Flow:
 - Methods of Cash Flow presentation and construction
 - Traditional (CFO, CFI, CFF)
 - Manual (Direct and Indirect)
 - Rating agency derived (FCF)
- Identifying the 7 drivers of cash flow
- Cash Flow Available for Debt Service (“CADS”)
 - Debt Capacity
- EBITDA

Session 8

Structural Risk Analysis

- Myths, realities, opportunities and threats
- The optimal debt structure
- Factors influencing the choice of debt or equity
- Structuring principles and issues:
- Structuring a transaction
- Facility type
 - Seniority
 - Security
 - Covenants
 - Structural mitigants
 - Control provisions

Session 9

Credit Risk Lending Policy Guidelines

- Credit Analysis format
- How to put together a credit analysis – methods of presentation
- Participants to discuss and come to a conclusion about the best method of presenting information in a standardised format throughout the bank
- A study of the bank’s own guidelines will take place enabling participants to reconcile what they have learnt to the banks own practices (this may involve a senior in-house speaker)