

#### COURSE FEES

\$2,700 (Two Thousand, Seven Hundred Dollars) or equivalent

#### CONCESSIONS

**Early registration:** Before February 20 (10% Discount)

**Multiple Registration:** 5% Discount for second and additional nomination(s)

Closing date for registration: March 15, 2010

#### ABOUT FACILITATOR

Colin Bell is an international facilitator, teaching Credit Programmes at all levels across Europe and the Middle East. He is an associate facilitator for Moody's Analytics as well as GARP.

#### HOW TO REGISTER

- Nigeria Telephone: Michael Stevens Consulting on 234-1-7910465, 7742512, 7915257 or send an email to [msconsultingnigeria@yahoo.com](mailto:msconsultingnigeria@yahoo.com) or [msconsultinghana@yahoo.com](mailto:msconsultinghana@yahoo.com)
- Ghana and Rest of West Africa: Call 233-21-234103-5, Mobile: 275051728 or email: [msconsultinghana@yahoo.com](mailto:msconsultinghana@yahoo.com)
- Send in your letter of acceptance indicating your intention/acceptance to nominate delegates to the programme, with name(s) and designation(s) of participant(s) from your organisation, with cheque in favour of Michael Stevens Consulting.
- Report to course venue on starting date with: Cheque or Cash, Letter from your organisation nominating you to attend the programme with cheque for course fees.

#### ABOUT MICHAEL STEVENS CONSULTING

Michael Steven Consulting is an international multi-disciplinary and training organisation with Head Office in Lagos and branch office in Accra, Ghana.

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# Advanced Credit Analysis Skills

A THREE DAY INTERNATIONAL PROGRAMME



Sheraton Hotel & Towers  
Ikeja, Lagos

March 22 - 24, 2010

# Advanced Credit Analysis Skills

## Overview

*This is an intermediate to senior level credit seminar that explores the critical role that cash flow analysis and projections play in the credit assessment process. Building on participants' basic knowledge of credit analysis, it also deals with credit risk issues of companies with national, regional and international activities and the difficulties involved when dealing with off-balance sheet and contingent liabilities.*

*A central part of this seminar is to explore how accrual financial statements can be converted into cash based statements, as it is future cash generated that pays interest and repays debt, not the company's historical accrual profits. Furthermore, the benefits and limitations of cash flow projections, along with the mechanical means of constructing projected statements and properly interpreting their results, will be discussed.*

*This course provides delegates with tools and an analytical framework for assessing borrower liquidity and solvency as part of the financial credit risk assessment of a company.*

## Objectives

On completion of the seminar, delegates will be able to:

- Evaluate the management, business dynamics and external factors impacting business.
- Understand the importance of cash flow for the credit worthiness of a company
- Appreciate the difference between accrual and cash accounting
- Construct and interpret a valid cash flow statement
- Calculate liquidity and solvency ratios and understand their use
- Anticipate and detect deteriorating cash flow quality
- Interpret the impact of seven key cash flow drivers
- Prepare cash flow projections as a tool for forward-looking credit assessments
- Understand the specific issues when analyzing companies with international activities, and off-balance sheet risks.
- Understand how to set covenants to manage and mitigate risk.

## Who Should Attend

The seminar is aimed at all those with an existing good knowledge of financial statements and basic credit analysis, and whose aim it is to go beyond the assessment of historic accrual financial statements. Delegates could come from a broad range of backgrounds, such as:

- Commercial credit analysts
- Commercial lenders, loan officers, relationship managers
- Fixed income professionals and investment bankers
- Investors
- Other financial professionals

# Course Outline

## DAY ONE

### Introduction

- Review of the Elements of Corporate Credit Risk Assessment

### Session 1: Ratio Analysis

- Review of the ratios used to establish the absolute and relative financial condition of a company
- \* Exercise

### Session 2: Cash Flow Analysis

- Cash Flow - the differences between accrual and cash accounting
- Cash Management - How management can impact on the cash availability in a company
- \* Exercise

### Session 3: Assessing Market Risk

- Business risk analysis and industry competitive factors
- \* Exercise

### Session 4: Financial Projections and the Credit Decision

- The Concepts of forecasting and the primary cash drivers
- \* Exercise

## DAY TWO

### Session 5: Preliminary Financial and Cash Flow Analysis

- \* Exercise

### Session 6: Special Issues in Analyzing International Companies

- Determining the analytical problems caused by non-cash items in the context of cash flow
- \* Exercise

### Session 7: Analytical Treatment of Off Balance Sheet and other Contingent Obligations

- The nature and risk problems created by off-balance sheet liabilities
- \* Exercise

### Session 8: Concept of Corporate Valuation and Credit Analysis

- The use of discounted cash flow and establishment of shareholder value
- \* Exercise

### Session 9: Assessing Facility Risk

- The concepts and principles of loan structuring and documentation in the credit process

## DAY THREE

### Session 10: Putting it all together - preparing a loan proposal

- \* Exercise: Preparing a loan recommendation

Delegates, working in teams, will prepare a loan recommendation, incorporating proposed structure, covenants and collateral.