

Less than US \$ 1000.00 for a Credit course with impeccable international credentials.

“A step by step, systematic and practical approach to assess the probability of default (PD) of corporate exposures and price them accordingly”



CORPORATE CREDIT ANALYSIS

applied to
CREDIT RATINGS AND PRICING

The in-house version of this course has been consistently rated as excellent by many international banks in recent years.

Come and share their experience on 03-05 June 2013 at the Novotel City Center in Kuala Lumpur.

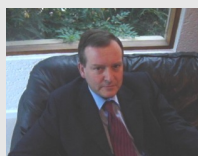
What the course is about:

- Learning a practical methodology to assess the probability of default of corporate credit exposures, rate them and price them accordingly.
- Understanding the process followed by rating agencies to assign external ratings
- Replicating the actual credit application process as closely as possible through group discussions and submissions of real life credit proposals. The companies chosen are a mix of foreign and local companies.

What it is not:

- A power point presentation of a list of issues to “look at” in credit applications
- A succession of case studies that teach little beyond the fact that lending can result in losses.

Jean-Charles Pirlet



Jean-Charles spent seven years in the Credit, Corporate and Investment Banking divisions of Citibank, including three years in the World Corporation Group in London as Vice-President managing a portfolio of UK multinationals on a worldwide basis.

He subsequently worked as Director of Project Finance and Acquisition Financing for Security Pacific in Frankfurt before returning to South Africa in 1993 as Head of Corporate Banking (Senior Vice-President) for the local operation of ABN-Amro.

Jean-Charles has broad credit experience gained over 20 years as credit analyst, credit officer and credit committee member at Citibank and ABN-Amro,

covering Corporate and Investment Banking, including , inter alia, Syndications, Project Finance, Leveraged transactions and Asset securitisation.

He provides in house training to international financial institutions such as Citibank, Deutsche Bank, ING, Nordea, CIBC, Royal Bank of Scotland or West LB and runs public courses in the UK, Honk Kong, South Africa, Singapore and the Middle East.

He also assists banks with the implementation of the Basel II Accord in a consulting capacity and is Basel II Programme Director for Bank T and D Consulting Ltd, a London based consulting firm.

He holds an LLB and an LLM in Tax Law from the University of Liège in Belgium.

Course description

The module provides a step by step, systematic and practical guide to the assignment of credit ratings, both internal and external (Rating Agencies) and how these translate into Probability of Default, capital requirements, pricing and returns.

The methodology is repeatedly applied to companies operating in a range of different industries. The focus is on the identification of the relevant industry fundamentals and financial metrics.

Duration: 3 days

Objectives:

The objective of the course is to provide participants with a practical methodology to:

- Identify the rating criteria and metrics relevant to an industry
- Understand the process followed by the main rating agencies (Moody's etc.)
- “Connect” the rating to a Probability of Default (PD).
- Calculate Loss Given Default after Credit Risk Mitigation and EAD after Credit Conversion Factors.
- Calculate pricing and returns using Expected and Unexpected losses



Day One

I. Credit risk- Capital Requirements, Returns and Pricing

A fast track approach to Basel II-III

Underlying concepts:

- Internal and External ratings
 - Rating Agencies scales, definitions and methodologies.
- Economic capital
- Expected and Unexpected losses
- Probability of default, Loss Given Default and Exposure at Default.
- Probability of default and ratings.

ROE calculations- RORAC/RAROC Pricing:

- How margins, commissions etc. translate into Return On Equity.(ROE)
 - “Hurdle rates”
 - Impact on business decisions and allocations of capital.
- Exercises: calculation of Capital requirements and ROE in the Advanced IRB Approach.*

II. Credit analysis-Theory:

Prerequisite: Understanding the company's business and the industry's dynamics:

- Identification of the economic fundamentals of the industry or sector
 - Process
- Financial fundamentals of the industry or sector
 - Process
- Critical success factors
- Example: how to analyse a retail company, using the “How to analyse a retail company” module.

Contents of a Credit Analysis: Minimum requirements:

A guide: Credit analysis template

III. Case studies integrating the knowledge acquired.

Case studies are based on real life companies as well as the use of industry analysis modules.

In each case, delegates are required to identify fundamentals, assign internal ratings/external ratings equivalents, use PD's and calculate returns.

They are also requested to apply their findings to an assessment of the company's future from a corporate finance point of view.

Case Study 1- Large retailer

- Individual or Group work
 - Based on the retail industry study, show how the company meets or does not meet the industry critical success factors.
 - Assign an internal/external rating and calculate the bank's ROE of the proposed transactions
 - Compare it with the proposed model credit application.
 - Would you buy shares in this company?
- Presentation to class and discussion

Case Study 2- Building products distributor

- Individual or Group work
 - Identify the company's business model and its rationale
 - Identify the industry's fundamentals and critical success factors.
 - Assign a rating to the company like a rating agency would.
 - Calculate the return of the proposed transaction.
 - How does the company's business model influence the share price?

Day Two

Case Study 3 – Chemical Company

- Individual or Group work
 - Based on the chemical industry study, show how the company meets or does not meet the industry critical success factors.
 - The company has acquired another company. What was the objective? How does the acquisition affect the share price?
 - Based on the performance in subsequent years, has it worked?
 - Using Moody's methodology for chemical companies, assign a rating and calculate the ROE of the proposed transaction.
 - Is the proposed pricing adequate?

Day Three

Case Study 4- Beer industry

- Four annual reports of international breweries are provided
- Delegates must identify the industry's economic and financial fundamentals,
- A set of key ratios has been calculated for each company.
- Assign external ratings to each company.
- The external ratings assigned by the delegates are compared with the actual ratings.
- Based on the ratios, which companies are likely takeover targets or predators?

Case Study 5- Diversified Industrial Concern with Overseas operations

- Individual or Group work
 - The group is large and profitable but the financial director seems concerned. Why?
 - Delegates must identify the reasons for this by analyzing the cash flow.
 - Do delegates agree with the group's investment grade rating?
 - How do they see the future of this AA rated company?

Who we are

Analytiques C & F Ltd is incorporated in England and based in London. It specialises in all the aspects of Credit Risk including Financial and Credit Analysis, Capital requirements, the Basel II Accord, portfolio management and legal documentation.

It is a provider of both consulting and training services in these fields.

Where we work

Analytiques was set up to address the needs of the African market, in line with the long association of its directors and staff with the continent. Although this remains the company's main focus, the directors of Analytiques are routinely involved in training or consulting assignments in other parts of the world, mainly in Europe and the Middle East, thus keeping abreast with the latest developments in finance.

Our clients

Our clientele consists of banks or other financial institutions, either directly through bilateral contracts or through major international training firms to which we subcontract. The latter include 7City and Crown Agents in the UK and Ethan Hathaway in Hong Kong.

Our approach

All our trainers or consultants have strong academic qualifications, conduct their own research and produce their own study material. But because it is practical guidance and concrete solutions that our clients expect, years of hands-on senior management experience gained with leading international banks and in major financial centres are a mandatory requirement for our staff and what best describes our business franchise.

Analytiques

Our Competitive edge

Contrary to most training firms, the owners and directors of Analytiques are *also* the key subject matter experts.

We eliminate expensive intermediaries and pass on the benefit to our clients.

Also, you discuss your training requirements with experienced finance specialists, not sales people.

In-House Training

Although we do organise public courses at regular intervals most of our courses are delivered in-house, a cost effective solution that enables us to adapt the course contents to the precise requirements of our clients.

Some credit programmes for example have been run for more than 15 times for the same bank in the past 5 years.

In Africa, in-house courses have been provided to a large number of banks or corporates including, inter alia, Barclays (Kenya, Tanzania and Uganda), Nedbank, ABSA, Standard Bank, Rand Merchant Bank, Trust Bank (Ghana), National Bank of Malawi or Shell Africa.

See our website for a non-exhaustive
list of in-house clients in other
countries.

Date and Venue

03-05 June 2013 at the Novotel City Center in Kuala Lumpur.

Registration Fee

The standard fee for this course is US\$ 950.00 (Nine hundred and fifty US dollars).

The fee includes the course notes, lunch as well as coffee and refreshments during the day.

Enquiries

You would like to discuss the course contents? Or discuss our terms and conditions?

In particular, you would like to attend more than one course or send several delegates and wish to discuss a discount?

Talk to the course director, Jean-Charles Pirlet on +44 79 741 49 051 or email him to Jean-Charles.Pirlet@sky.com. Alternatively, talk to Claire Bell, Marketing Manager, on +27834122251 or email her on Analytiques@sky.com

Registration

Use the form on our website in the Public courses section by clicking on "Registration " or simply send an email to analytiques@sky.com with the following information:

Course name : Advanced credit and RM 03-05 June 2013

Company name

Address

Country

Telephone

Name(s) of the delegate(s)

Email

The mention: "I have read and agree with the terms of Analytiques' cancellation policy"

Payment

Payment must be confirmed upon registration and received no later than five days later.

Payment can be made by bank transfer to one of the two accounts below, whichever is the most convenient for you:

UK Account

Account name:

Analytiques C and F Limited

HSBC Bank Plc Leatherhead, Surrey.
Great Britain

Account number: 61539361

Branch Sort Code: 40-27-07

BIC (SWIFT): MIDLGB22

IBAN: GB43MIDL40270761539361

Cancellation

Cancellation by Analytiques: Your payment is kept in an account until completion of the course. Should Analytiques, *for whatever reason*, decide to cancel the course, your payment will be refunded immediately.

Cancellation by delegates: A replacement is always welcome, at no extra cost. A full refund less an administration fee of 5% of the course fee will be given for cancellation requests received up to **20 working days** before the event. Cancellations must be made by email .

Delegates who cancel less than 20 working days before the event, or who do not attend, are liable to pay the full course fee and no refunds can be given.

However, if you wish to transfer to another course of the same value, and you have paid your course fee in full, you will only be invoiced for 10% of the new course fee. Please note that you can only transfer once. Also note that the next course must take place within 6 months of the initial application.