

CORPORATE CREDIT ANALYSIS

(Wednesday & Thursday) 12th & 13th February 2025 (2 Days)

09:00AM - 03:00PM

In-person @ UIC premises

Arabic/material in English

FEES FOR UIC MEMBERS
KWD 180

FEES FOR NON-MEMBERS
KWD 230



Ghazi Homsy

Introduction:

The objective of this training program is to enhance analytical skills and allow the credit officer to differentiate between companies that have financial difficulties and those that have promising prospects. Participants will use a systematic structured approach to evaluate the credit standing of a company and assess the relative attractiveness of the risk-return profile of the investing / lending proposition.

It provides fundamental understanding of the credit risk analysis process and discusses in detail various aspects of financial statement analysis, including ratio and cash flow analysis, among other things, to help in making better credit-related decisions. It also examines various non-financial factors such as the business plan, the economic and industry/sector factors, management, etc. that could affect creditworthiness.

This training program is interactive where case studies and practical problems are used to illustrate key learning points.

Target Audience:

- Credit Analysts
- Relationship Managers in Banks and Financial Institutions
- Risk Management Professionals
- Investment Analysts
- Loan Officers
- Finance Managers in Corporates
- Auditors and Consultants
- Portfolio Managers and Fixed Income Analysts
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The training program will enable participants to:

- Use a structured approach to assess the creditworthiness of a borrower.
- Evaluate the performance of a company based on qualitative and quantitative frameworks and tools.
- Use appropriate economic indicators to understand the environment in which a company is operating.
- Conduct financial analysis as well as non-financial analysis in order to assess the situation of the potential borrower.
- Use a cash flow approach to ascertain a company's ability to service/refinance its debt as it comes due.

Detailed Approach:

Importance of Credit Analysis

Macroeconomic Environment

- Macro-economic drivers which can significantly influence cash-flow profiles for companies.
- Country risk and components of economic growth
- Key macro vulnerabilities of developing markets: volatility of foreign exchange and commodities, risk of high inflation, government intervention and general political risk.

Sector

- Industry structure, competitive forces, and effect of industry growth drivers on company performance (Porter's five forces)
- Sales growth, including effect of inflation, foreign exchange and commodity fluctuations, operating profit margins, working capital requirements and capital expenditure.

Definition of Risk

- Business risk
- Financial risk: evaluate the appropriateness of a company's funding structure given the operating environment, management and shareholder goals and overall business risk and an evaluation of its debt service ability and refinance risk.

Business strategy

- A company's markets, products, services, and competitive position.
- SWOT analysis
- Corporate actions underpinning its growth strategy and the evaluation of the organizational structure.
- Stages in the 'life cycle' of a company and expectations of cash flow profile

Main Causes of Company Distress and Warning Signs

Financial Statements Analysis

- The balance sheet.
- The income statement.
- The cash flow statement
- Ratio analysis
- Sales and operating profitability, sources of operating cash-flow, trend, and peer analysis



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- Effect of foreign exchange fluctuations on profitability
- Liquidity assessment
- Working capital analysis
- Cash conversion cycle and effect on asset needs
- Asset management analysis
- Solvency and debt service capability

Forecasting techniques and the preparation of pro forma statements



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Expert's Profile: Ghazi Homsy

Ghazi Homsy is a professional trainer/consultant, he is the co-founder of Professional Business Solutions Institute (PBSI), a company specialized in training and consultancy based in Beirut. He conducts several projects in different countries in the region such as United Arab Emirates, Kuwait, KSA and Iraq.

He was the acting director of the Center for Banking Studies from 2003 till 2008. After that period, he started his training and consulting career and he became involved in the delivery of the preparatory courses for the professional certifications such as Chartered Financial Analyst (CFA), Certified Public Accountant (CPA), Certified Management Accountant (CMA), International Financial Reporting Standards Certification (CertIFR) and others.

He has a BA in Economics from the Lebanese University, an MBA emphasis Finance from the Lebanese American University and a Masters in Economics from the University of Grenoble Alpes. He taught in the top universities in Beirut such as American University in Beirut (AUB), Lebanese American University (LAU), Antonine University, and Phoenicia University. In addition to academic teaching, he delivered many training programs to international and local companies. Among these companies: Mubadala, Qatar Investment Authority, STC, Kuwait Investment Authority, KAMCO, Abu Dhabi Investment Council, Union of Financial Institutions in Kuwait, Capital Market Authority in KSA,...

He has a long track record in the delivery of training programs in Finance, Accounting and Economics.

1. Executive Education Program - Wharton Business School - 2011 - strategic thinking for competing advantage.
2. various training on valuations, investment, strategic management, etc.