



**CENTRE FOR AFRICA CAPACITY
BUILDING & DEVELOPMENT**

MANAGEMENT & LEADERSHIP FACULTY

**Corporate Credit Analysis:
Forecasting, Formulation and
Analysis**



Accreditation # P21/1014/GP545

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Corporate Credit Analysis:

Forecasting, Formulation and Analysis

INTRODUCTION

This highly participative training course hones financial expertise in interpreting and evaluating company performance and credit quality through examination of key financial and qualitative information. There is a great need today for financial professionals to be equipped with cutting-edge skills to scrutinize and “get behind” the numbers in order to determine company direction and debt capacity. Through astute financial analysis, analysts should be well-positioned to judge management performance and strategy, and make sound financial and credit decisions to support one’s own organization and career.

This Corporate Credit Analysis training course provides vital skills such as financial forecasting, formulation and analysis of different scenarios, and reinforces the confidence to speak persuasively and with assurance about financial credit analysis with colleagues and clients, thereby leading to reputation enhancement as a credit expert. Through application of these skills to the tasks and challenges faced in work, breakthroughs never thought possible can be achieved.

This training course seeks to help delegates:

- Read and understand financial information to evaluate performance and trends accurately
- Embed and apply present value concepts to expected future cash flows to make the best financial and credit decisions
- Use comparative ratio analysis to pinpoint areas of concern
- Identify key success factors, warning signals, negative and positive trends
- Become familiar with key financial credit metrics used by leading global companies
- Project with confidence the future performance of the firm and its investments through accurate, real-world analysis

WHO SHOULD ATTEND?

- Finance and credit professionals from all sectors, who are keen to boost their performance and knowledge, skills and reputation in their firms and in the industry
- Personnel related to, moving into or aspiring to roles in credit and finance that require deeper understanding and intelligent interpretation of financial information



PROGRAMME OBJECTIVES

- Understanding the content of, and relationships between, primary financial statements (income statement, balance sheet, cash flow statement), with emphasis on cash flow
- Utilizing financial statements to evaluate the financial and strategic performance and creditworthiness of an organization
- Appreciation of statistical techniques and their application to financial decision making and credit analysis
- Identifying key success factors, early warning signs, and financial momentum signals in your own industry sector
- Understanding of PD (Probability of Default), LGD (Loss Given Default) and other indicators, as credit metrics
- Building a realistic forecast, under a base case, upside and downside scenarios
- Identification and utilization of financial and business data sources that give insights into business and financial strategies and credit decisions
- Constructing and using rigorous excel spreadsheets for financial analysis, from the basics to more complex models
- Enhancing professional and personal networks among colleagues of similar background, talent and potential

TRAINING METHODOLOGY

This Corporate Credit Analysis training course combines presentations with interactive practical exercises, supported by visual materials, activities, discussions and examples. Delegates are encouraged to participate actively in relating the principles of financial analysis to the particular needs of their workplace. Relevant case studies are provided to illustrate the application of each concept in an operating environment. Each learning point is reinforced with practical exercises.

Advanced mathematical concepts are minimized wherever possible and presented in a visual way that is easy to understand with examples demonstrated.

PROGRAM OUTLINE

Day 1 - Getting Started with Credit Analysis

- Types of borrowers and their need for financing
- Concepts of interest and principal, how calculated and charged
- Types of financing
- Cycles, bubbles, 5 Cs of credit
- Purpose, amount payback, risks
- Character, capability, capital
- The credit formula and its drivers over time
- Case study: basic analysis example



Day 2 - Qualitative Elements

- Intro to qualitative analysis and frameworks (PESTER)
- Understanding strategy, competitive advantage and key success factors
- Porter's 5 Forces, BCG model
- SWOT analysis
- Industry risk and operating environment
- Management quality and company standing, including ownership and governance
- Case study: practical example

Day 3 - Quantitative Elements

- Financial statements, with focus on cash flow
- Ratio analysis: profitability, liquidity, efficiency, leverage, market ratios
- Evaluating debt capacity, WACC approach
- Assessing stability of revenues, EBITDA, cash flow
- Credit ratings – fundamental and market-derived
- Case study: on a rated corporate

Day 4 - Financial Forecasting, Credit Structuring & Safeguards

- Preparing a financial forecast in excel
- Scenario analysis and stress testing
- Identifying funding needs
- Appropriate capital structure and financial instruments
- Credit pricing
- Terms and conditions
- Case study: pricing a corporate facility

Day 5 - Problem Credits

- Spotting early warning signs
- Leading indicators
- Lagging indicators
- Developing action plans
- Restructuring
- Case study: distressed asset



WHAT DO YOU GET WHEN YOU ENROL TODAY?

For every delegate that attends, they will either receive a



PLUS FREE TOURING

An excursion will be done on the last day where delegates will be taken on a tour of Tourist Attractions around Johannesburg and Pretoria.

