



343-P26-VE-1



Virtual



24 hours

Course Description:

This course is designed to provide banking professionals with a clear understanding of how and why bankers and other financial professionals analyze financial statements.

Target Audience:

This program targets employees at the credit, credit monitoring, risk, investment departments and employees at the portfolio management, finance departments and cost and accounting departments in other financial institutions.

Course Objectives:

- Identify what is financial statement analysis and 'Ratios for Everybody'.
- Discuss the calculations of ratios for Egyptian Cotton Inc.
- Explain cash flow statements.
- Explain credit analysis.
- Recognize credit models.
- Identify equity analysis.
- Explain what is business valuation.
- Identify risks in analysis.

Course Outline:

Module One: Introduction and 'Ratios for Everybody'

Session One: Introduction and 'Ratios for Everybody'

- Financial statement analysis.
- Other comprehensive income statement (OCI).
- Fundamental accounting concepts.
- Materiality.
- Ratios for everybody.
- The cash cycle.
- GAAP and IFRS.
- Exceptional items.
- Assignment.

Module Two: Egyptian Cotton Inc

Session One: Egyptian Cotton Inc

- ECI.
- Review ECI – Key Questions.
- Fall in Gross Margins.
- Assignment.

Module Three: Cash Flow Statements

Session One: Cash Flow Statements

- Identify cash flow statements.
- Illustrate Apple Cash Flow Statement – Year to September 2018.
- Explain the direct method.
- Explain the UCA (Uniform Credit Analysis).
- Assignment.

Module Four: Credit Analysis

Session One: Credit Analysis

- Credit analysis.
- Key factors in Moody's Risk Advisor Model.
- 'Aides Memoire' Used by Banks.
- Credit scoring for small businesses.
- Bank covenants.
- Business risks.
- Business Risk Factors.
- Assignment.

Module Five: Credit Models

Session one: Credit Models

- Credit models.
- Composite ratio analysis.
- Altman Z-Score.
- Z-Score for Private Companies.
- Geographic Differences – Z-Scores.
- Assignment.



CENTRAL BANK OF EGYPT
Egyptian Banking Institute

Mastering Financial Statement Analysis

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A Partnership for Quality

Credit and Finance



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Module Six: Equity Analysis

Session One: Equity Analysis

- Equity analysis.
- EPS.
- EBITDA.
- P/E Ratios.
- EBIT and EBITDA Multiples.
- EV and Equity Value.
- Return on invested capital.
- How to calculate NOPAT.
- Equity investor.
- Assignment.

Module Seven: Valuation

Session One: Valuation

- Equity valuation.
- Assets basis.
- Price to book (PTB) Ratios Selected UK Banks.
- Comparable (Market-based Methods).
- Price to sales.
- Discounted cash flow.
- Dividend discount model.
- DCF Predictions.
- Assignment.

Module Eight: Risks in Analysis

Session One: Risks in Analysis

- Risks in analysis.
- Creative accounting.
- Performance measures and creative accounting.
- R&D.
- Deferred tax in analysis.
- Revaluation of fixed assets.
- Leased assets.

- IFRS 9.
- How to calculate expected credit loss.
- Effective auditors.
- Audit process.
- Assignment.

Assessment Strategy:

- 80 % assignments between sessions.
- 20% participation.
- Cut off score is 60% of total grade which is "100".

Course completion will grant participants:

2.2 CEUs.

Course Language:

English.

Prerequisites:

Intermediate level of English.