



Corporate Training International Limited

In Collaboration With



West Africa Business School

PRESENTS

CERTIFIED BANK RISK SPECIALIST COURSE

on

BANK RISK ANALYSIS and VALUATION in the EMERGING MARKETS of AFRICA

Presented by

Course Director Howard Palmer on behalf of
the CANTERBURY BUSINESS SCHOOL

UC BUSINESS

**Prepare to
change
the world**

Piumini
Bachelor of Commerce
In Accounting and Finance



Date: 25th – 27th June, 2019

WELCOME • AKWAABA • BIENVENUE

MEET THE COURSE DIRECTOR



HOWARD PALMER

The course director for this Programme is Howard Palmer, a 30 years' experienced banker and an

expert trainer who has trained 5,500 bankers in 50 countries. He is the Mentor for Cargill International (Geneva), and an Advisor to over 20 Banks and Trading Houses in Africa.

Howard is an expert Trade Finance Mentor, Lecturer and Consultant. Apart from his lecturing work Howard has a consultancy that both sets up and monitors Structured Trade Finance Departments for both Banks and Trading Houses. Recent Consultancy Projects have been delivered for WARTSILA, EBRD, DEUTSCHE BANK, NEDBANK, RZB, STANDARD BANK GROUP and DOZENS OF OTHER INTERNATIONAL GROUPS.

Howard is the Author of Oil, Gas and Energy Financing (Euromoney Publications), *Bank Risk Analysis in Emerging Market Countries* (Euromoney Publications); *International Trade Finance –A practitioner's guide and International Trade and Pre- Export Finance (A Practitioner's Guide)* (Euromoney Publications), Trade Finance Risk- International Documentary Fraud and Money Laundering, (Euromoney Publications) and many other texts dealing with aspects of International Banking in the Emerging Markets.

Howard was, most recently, Assistant General Manager and Head of Trade and Lending at RZB (Raiffeisen) Bank London, where he was responsible for all aspects of international business. His experience, including buying and selling Banks in the Emerging Markets of Central and Eastern Europe, Africa and Asia have made him one of the most sought-after speakers on all aspects of banking in and with the Emerging Markets.

It is this continuous interface with the Market and his delivery skills and expertise that makes him such a sought-after speaker and trainer. As an Expert Witness Howard has been consulted and appeared for many Banks in every major fraud and Trade related case in the last decade in the High Courts of England, The Supreme Courts of Hong,

Singapore the USA and the Arbitration Courts of South Africa.

Howard has conducted in-house solutions for the Pearson Group and International Trade Finance Packages for Deutsche Bank, EBRD, ABNAMRO, ATDB, AFREXIMBank, First National Bank of Africa, Drum Commodities, Overseas Chinese Banking Corporation, OPEC, NedBank, Westpac, RZB, Standard Bank, and dozens of other global trade financiers.

LEARNING OUTCOME

At the end of the course, participants will learn and understand:

- STEP by STEP GUIDE TO BALANCE SHEET ANALYSIS
- CASH FLOWS and REVENUE TRAILS
- RED FLAGS, HOW TO SPOT and DEFUSE THEM
- LOAN MIXES/LOSSES/PROVISIONS
- PERFORMANCE ANALYSIS
- COMPARING PEER BANKS
- BASLE 1, 2, 2.5, 3 & 4.
- ANALYZING ISLAMIC FIs.
- FLEXIBILTY ANALYSIS
- COST OF FUNDS. RARORAC/RORAC
- MATURITY WITHIN THE SYSTEM
- LIGHTHOUSES and OFF-B/S TACTICS
- NON-BANKING FIs
- BANKERS as TRADERS
- ANALYSING NEW BANKS
- BANK v POLITICAL RISK
- ISLAMIC BANKING PRODUCTS IN ACTION
- INVESTMENT BANKS
- REVENUE APPLICATIONS
- INTERNATIONAL BANKING PRODUCTS

CONTACT

AGENDA/COURSE CONTENT:

DAY ONE.

Session 1: Financial Institution Risk Analysis in Emerging Markets.

- Demystifying Financial Institutions
- Money as a Commodity, its processes and costs
- What do Banks do?
- How Banks achieve funding and its costs
- Why do banks fail?
- The reality of management decision-making
- Introduction to Country Risk Analysis in Emerging Markets.
- Bank v Country Risk, Case Studies and Grid

Session 2: 10 Step Guided Tour of a Bank's Balance sheet with key ratios explained and implemented.

- CAPITAL What it really is what it both tells us and does not tell us about Bank Risk Performance
- CAPITAL/ASSETS How to step in and out of ratios using simple, growth figures.
- ASSETS. A look at LOAN GROWTH and diversification, why assets are not wealth.
- LOAN MIX and LOAN RISKS.
- LOAN LOSSES. An historic perspective challenged, why it relates to past mistakes
- LOAN PROVISIONS. Looking behind the figures to assess the quality of current management thinking.
- LIQUIDITY RATIOS. How the Bank manages money and the efficiency with which it funds its loan book.
- LIQUIDITY MANAGEMENT POLICY. How much does it cost to fund themselves?
- NET INCOME and ROA (As a starting point) IE How much does it cost them to make \$1.
- COST/COST CONTROL SYSTEMS.
- TRANSACTIONAL and OPERATIONAL ANALYSES. Applying the right analysis to the Bank being analysed by product/department type. EG Trade and/or Treasury.
- RED FLAGS. How to spot and avoid them or how to ask the right questions.
- ARE WE LOOKING THE RIGHT WAY? The mirror effect of analysis.

Case Study. These figures, ratios and growths are viewed in the context of a medium sized Arab-African bank with the Course Director after which point delegates are required to consider the Bank's soundness and safety for a short-term credit line.

Session 3: Creating Real Bank Analysis.

- Generic Typology of Banks in Africa.
- Utilizing ratios for Capital Adequacy, Typology, and Quality using Basle guidelines.
- The principle ratios of Asset quality.
- Principle and secondary lines of liquidity
- The utilization of the money markets,
- Depositor behaviour and confidence.
- Profit Margin, Returns on Equity.

Session 4: Group Workshop 1

Having worked through a Bank Analysis with the Course Director, this is the point where delegates armed with a financial assessment, have a final chance to ask questions about a smaller, Nigerian or Ghanaian Bank and then decide how much they will lend them and for how long.

DAY TWO

Session 1: How Flexible is the Bank?

Choosing a partner bank requires an understanding of THEIR responses to changing markets and the importance they place upon International Business. This session analyses their INCOME STREAMS to see how successful they have been in moving both between and in and out of Fee Earning Trade Finance businesses.

- Analyzing new banks with case studies.
- Developing Cost/Income and efficiency ratios.
- Earnings Analysis Trail.
- Highlighting Organizational Risks
- Sustainable growth rates. Are we reviewing a going concern?

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AGENDA/COURSE CONTENT:

- Operating Expenses and Operating Management
- Quality and Risk of Earnings
- Growth as a strategic policy and “Fire Fighting”
- Ratios to assess the ability to generate future earnings.
- Decomposing the Earnings/revenue model.

Session 2: Workshop 2

Delegates work through the balance sheets, profit and loss accounts and cash flows of two, peer-grouped African Banks and choose their favoured Correspondent and targeted risk participation bank by going beyond safety into value-added, strategic factors.

Session 3: The input of Basle I, II and III.

- Kane's Notion of the Regulatory Didactic and its effect upon products.
- Operational Risks, what is systemic and systems to counter this risk.
- Capital, its story as regulatory function and Basle I definitions, manipulations.
- EAD (Exposure at Default), LGD (Loss Given Default) and PD (Probability of Default)
- The M Factor, Maturity of exposures.
- The 3 pillars of BASLE II.
- IGRC (Internal Growth Rate of Capital) with Stress and Sensitivity Case Studies.
- BASLE I v BASLE II v BASLE III

Session 4: What we should be looking for a look at best market practice and healthy “Ball Park” figures for:

- Liquidity
- Reserves
- Net Interest Income
- Costs
- ROE
- Earnings Multiplier.

DAY THREE

Session 1: BASLE III INPUT BASLE IV briefing and Best Practice...

- PROCYCLICALITY (And the notion of Reserves)
- Dampening Excessive Growth.
- Provisioning Changes. What does provisioning tell you of current thinking
- NSFR (Net Stable Funding Ratios)
- LCR, Credit Exposure Calculations and Responses.
- The BNP / Citibank Light House.
- RORAC/RAROC and RARORAC. Revisited.
- Goldman Sachs Inventory Financing. When does a “Shadow Banking” Major Trader effectively become a Bank and Vice versa?
- BASLE IV and SA-CCR and Fundamental Review of Trading Book.

Session 2: African Islamic Banks, Development Banks and Specialist Banks.

- All with Contemporary Case Studies

Session 3: Group Workshop – Which Bank to Back?

Delegates consider the financial reports/Sovereign Data of two / three peer-grouped AFRICAN, medium-sized banks and report as to their choice of favoured partner utilizing all ratios/principles of the last 3 days.



CONTACT

HOW TO REGISTER FOR THE COURSE

Send the names of nominees selected to participate in this masterclass by e-mail to:
wabs.edu@gmail.com, info@westafricabusinessschool.com You can also call and speak with
the Programme Manager on Tel: +2348027922649, +2348143002943 (Obasi) by 8.00am – 5.00pm Monday - Friday.
Register today and enjoy early-bird discount on regular course fee.

Event Date & Venue

Date: 25, 26 & 27 June, 2019

Time: 8:30 am - 5:00 pm daily

Venue: Fiesta Royale Hotel, North Dzorwulu, Accra-Ghana

Course Fee

The course fee is structured in a way to make it affordable to companies/ organisation and very easy to make payment for all delegates as follow:

1. Ghana Residents:

- **Early Bird** – GH¢ 6,500 per delegate (Book & Pay Before 30th May 2019)
- **Group Rate** – GH¢ 5,500 per delegate for 2 or more delegates from one company/organisation (Book & Pay Before 30th May 2019)
- **Normal Rate** – GH¢ 7,000 per delegate (Book & Pay After 30th May 2019)

2. Nigerian Residents:

- **Early Bird** – N450,000.00 per delegate (Book & Pay Before 30th May 2019)
- **Group Rate** – N400,000.00 per delegate for 2 or more delegates from one company/organisation (Book & Pay Before 30th May 2019).
- **Normal Rate** – N500,000.00 per delegate (Book & Pay After 30th May 2019).

3. Other Africa Countries/Foreign Delegates:

- **Early Bird** - US\$1,250 per delegate (Book & Pay Before 30th May 2019)
- **Group Rate** - US\$1,100 per delegate for 2 or more delegates from one company/organisation (Book & Pay Before 30th May 2019)
- **Normal Rate** - US\$1,500 per delegate (Book & Pay After 30th May 2019)

4. Euro Countries/Foreign Delegates :

- **Early Bird** – Euro 1,250 per delegate (Book & Pay Before 30th May 2019)
- **Group Rate** - Euro 1,100 per delegate for 2 or more delegates from one company/organisation (Book & Pay Before 30th May 2019)
- **Normal Rate** - Euro 1,500 per delegate (Book & Pay After 30th May 2019)

NOTE:

- **Early bird fee applies to registration and payment made on or before 30th May 2019.**
- Registration & payment of course fee must be received by closing date to enable organizers list the delegate/participants in the appropriate programme brochure.
- The course fee does not include VAT, hotel accommodation, airfare and dinner.
- Participants are therefore expected to be responsible for their respective airfare, accommodation and dinner where necessary.

The course fee covers the following:

- ✓ Three full days quality training,
- ✓ 2 Tea/coffee breaks and refreshments daily,
- ✓ Buffet Lunch,
- ✓ Printed course notes or Flash drive loaded with course notes or both,
- ✓ Leather folder,
- ✓ Certificate of attendance

How to make payment of course fee:

1. Nigerian Residents should make payment of course fee in local currency by Bank draft, e-transfer or Cash deposit issued in favour of:

Beneficiary: West Africa Business School

Account Number: 1014282576

Bank Name: Zenith Bank Plc

Sort Code: 057150534

Branch: Plot 149 Iju Road, Fagba Lagos

CONTACT

2. Other Africa Countries/Foreign delegates should make payment transfer through the following bank account details:

Beneficiary: West Africa Business School

Account Number: 5070520959

Bank Name: Zenith Bank Plc

Swift Code: ZEIBNGLA

Bank Address: Plot 84 Ajose Adeogun Street, Victoria Island –Lagos

3. Euro currency payment of course fees should be made by swift transfer through the following bank account details:

Beneficiary: West Africa Business School

Euro Account Number: 5080132168

Bank Name: Zenith Bank Plc

Swift Code: ZEIBNGLA

Bank Address: Plot 84 Ajose Adeogun Street, Victoria Island –Lagos

Terms and Conditions

- Completed nomination form will be taken as confirmation of nominations and must be returned no later than 10 working days before programme commencement date.
- Payments of fees is by e-transfer, certified cheque or bank draft in favour of West Africa Business School before programme commencement date.
- The course fee is payable without deduction of withholding tax or any other tax thereof.
- The information contained herein is only for nomination purposes. This will help in producing all relevant course materials for the nominee(s). West Africa Business School (WABS) and its personnel will protect any personal data entrusted to us through the completion of our registration form in a way that respects the privacy of individual or entity completing the form.

• Hotel Accommodation for programme participants.

WABS will reserve a sufficient block of rooms for registered delegates under our name and at preferential rates at a hotel of international standard (equivalent to no less than three-star rating) convenient to the event venue during the programme delivery dates, provided that each delegate shall be responsible for the payment of his/her hotel accommodation, incidentals and other expenses directly to the hotel.

- Participants shall be solely responsible for the payment of their travel, lodging, meals (dinner) and other travel expenses related to their participation in this programme.

- **Cancellation and Substitutions Policy.** For any reason whatsoever, participants who have registered for the programme, may decide to cancel their registration. Cancellations must be submitted in writing by email to wabs.edu@gmail.com. All cancellations received on or before 30 May, 2019 are entitled to a refund of 50% of the course fee paid. No refunds or credits will be given to registrants who cancel after 30 May, 2019 or who fail to attend the conference. Substitutions for paid registrants may be made at any time up to 10 June, 2019. No changes will be accepted after this date.

- **International Participants:** Course attendees arriving from outside Accra, Ghana may require a letter of invitation to enter Ghana. If you require a letter of invitation, please submit your request in writing by email to wabs.edu@gmail.com. Once you have submitted your request and completed registration and payment of course fee, we will provide you with a Letter of Invitation.

Further enquiry in respect of this course should be addressed to:

Director of Programme

West Africa Business School

Office Address:

2nd Floor Suite B201 Trinity Mall,

#81 Obafemi Awolowo Way, Ikeja, Lagos - Nigeria

Phone: +2348027922649

E-mail: wabs.edu@gmail.com; info@westafricabusinessschool.com

Website: www.westafricabusinessschool.com

Managing Director

Corporate Training International Limited

Office Address: 2nd Floor, Suite B201 Trinity Mall,

#81 Obafemi Awolowo Way Ikeja, Lagos

Tel: +2348143002943

E-mail: corptrainingworld@gmail.com

Website: www.corptrainingworld2050.org