

# JCR-VIS Credit Rating Company Ltd. & The Institute of Bankers Pakistan SKILLS PROGRAM

JCR-VIS Credit Rating Company Limited



## Corporate Credit Risk Analysis

### OVERVIEW

Credit risk analysis (financial risk analysis, loan default risk analysis) and credit risk management is important to financial institutions engaged in lending and investment activities. Furthermore, employing a systematic and consistent process to assess risks is paramount to arriving at a sound investment decision.

JCR-VIS has designed a course for credit risk analysis for professionals having responsibility for investments. The course will take the participants through the whole cycle of analysis conducted by JCR-VIS analysts.

The course has been designed in a way to not only expose the participants to the theory of credit risk analysis but also to help and guide them to the practical application of analytical tools on real-life cases and to test the validity of their approach. This exercise will enable the participants to use the lessons learned in their workplaces.

### LEARNING OBJECTIVES

At the end of the course the participants will have:

- gained an insight into dynamic factors that influence performance of a firm;
- improved their capacity to understand & analyze risks in investments;
- a better understanding of inter play of financial ratios in determining the level of risk;
- learnt to apply uniform approach to credit risk analysis ensuring consistency;

### WHO SHOULD ATTEND

- Credit Analysts
- Commercial Bankers
- Investment Bankers
- Fixed Income Professionals
- Portfolio/Fund Managers
- Regulators
- Credit Risk Professionals

The course will be highly beneficial for risk managers, portfolio managers, credit evaluators and all such executives who are charged with the task of taking decisions for investment in loans and advances and debt instruments.

JCR-VIS Credit Rating Co Ltd. has been involved in the business of data collection, analysis and credit rating for about two decades. Its highly professional and trained staff has been analyzing all the sectors of Pakistan and has developed vital benchmarks for assessing risk in different sectors and firms within these sectors.

**VENUE:** The Institute of Bankers Pakistan, Moulvi Tamizuddin Khan Road, Karachi - 74200, Pakistan

**CONTACT:** JCR-VIS Credit Rating Company Ltd., Tel: (92-21) 35311861-70, Fax: (92-21), 35311872-73

## COURSE CONTENT

### 9:00 to 9:30 AM - Introduction to Credit Ratings

- JCRA and JCR-VIS
- Credit Ratings Defined
- Role of Credit Ratings
- Rating Scales & Symbols; Outlook & Rating Watch
- Behavior of Ratings through Economic Cycles
- Meaning of Notching
- Credit Enhancement

### 9:30 to 10:15 AM - Identification & Evaluation of Industry Risk

- Sensitivity to Economic Changes
- Sensitivity to Fiscal Changes
- Regulatory Issues
- Earnings & Profit Prospects
- Barriers to Entry
- Quantifying & Contrasting Industry Risk for Cement & Steel sectors

### 10:15 to 10:30 AM - Tea Break & Networking

### 10:30 to 11:30 AM - Identification & Evaluation of Business Risk

- Management Risk Factors
- Operational Risk Factors
- Quantifying Business Risk for two Cement & Steel sectors companies

### 11:30 AM to 12:30 PM - Elements of Financial Risk

- Capital Structure
- Cash Flow & Liquidity
- Earnings Quality
- Asset Quality

### 12:45 to 1:45 PM - Lunch Break

### 1:45 to 4:00 PM - Case Study

- Calculation of Key Ratios
- Scoring a Company on Financial Risk Parameters
- Interactive Session for Group Exercise, Discussion and Conclusion

### Presentation of Certificates

## INSTRUCTORS PROFILE

### Jamal Abbas Zaidi - Advisor

Jamal Abbas Zaidi has more than three decades of rich experience in finance and general management at local and international level. He is currently advisor of JCR-VIS. Prior to that he was CEO of Islamic International Rating Agency in Bahrain (2005-2009), EVP and Rating Committee member of JCR-VIS (2000- 2005). Earlier, he was CEO of a leasing modaraba and before that SEVP of the largest leasing company having ADB and IFC equity. His other international engagements were with the World Bank (6 years) on a multi-million dollar project in Nigeria and with the largest Government-owned corporation in Tanzania.

Mr. Zaidi has contributed a number of papers on different topics in international conferences and seminars. He is a fellow member of Institute of Cost and Management Accountants of Pakistan.

### Faryal Ahmad Faheem – Deputy CEO

Faryal Ahmad Faheem has been associated with JCR VIS Credit Rating Company since 2006. She has primarily been involved in rating assignments of financial institutions as well as corporate organizations besides her role in the general management of the company.

She has worked extensively in the areas of in-depth financial and risk analysis of the banking as well as mutual fund industry with specific focus on management quality ratings and fund rankings. She has also been involved in the methodology development process at JCR-VIS.

She holds a Master's degree in Business Administration from the Institute of Business Administration, Karachi (2005) and also a Risk and Corporate Management certification from Columbia University, USA.

### Waqas Munir, FRM – Senior Manager

Waqas Munir has conducted risk assessment of some of the leading conglomerates both local and international. During his progressive professional career he has developed the required skills to monitor, manage and mitigate risk. Waqas completed his post graduate degree in Finance from Manchester Business School, University of Manchester, UK. He was also awarded the Msc Finance prize by the Dean, Manchester Business School for scoring the highest marks ever awarded to a candidate for the course.

Waqas is a Financial Risk Manager – Certified by Global Association of Risk Professional, USA.