

ADFIMI Seminar on Bank Financial Analyses

The Green Park Taksim Hotel, Istanbul, Turkey
26-27 March 2014

Background

Bank financial statements have different structures than those of other companies. Therefore, bank financial analyses require different approaches and techniques. Of these techniques, CAMELS (capital, asset quality, management, earnings, liquidity and sensitivity to market risk) is treated as the most applicable one and this course is designed to describe the details of CAMELS to the participants. In this seminar, all of the necessary ratio analyses regarding this context will be given to the participants so that they will be able to develop an understanding of the components of bank financial statements and key ratios that are used in bank financial analyses. BASEL I and II sessions of this seminar will also help the participants comprehend this analysis better. At the end of the sessions, our case study chosen from the real life commercial bank financial statements, will serve as a comprehensive wrap up of the seminar. During the seminar, the differences between various bank types in terms of financial analyses will also be focused on.

What is the aim of the seminar?

Participants will be equipped to:

- Distinguish risks in bank financial statements
- Realize the impact of accounting applications on financial statements
- Use the CAMELS (capital, asset quality, management, earnings, liquidity and sensitivity to market risk) framework to assess the performance and financial position of a bank.

Who should attend?

This seminar is designed for analysts, bank accountants, operation executives and reporting executives for MIS and regulatory bodies.

What benefits will the participants have by attending the seminar?

Participants will acquire an insight about the conventional and unconventional aspects of bank financial analyses by applying the techniques that will be shared in the seminar.

What are the pre-requisites for attending the seminar?

There are no pre-requisites for attending the seminar; however, having a basic bank accounting background will be helpful for the participants.

BIO DATA OF PROGRAMME MANAGER



Mr. Oğuz Kemal Bulut is presently the managing partner of MGI (Midsnell Group International) Audit and Consultancy, a UK-based independent auditing company operating more than 80 countries, and the official representative of MGI in Turkey. Br. Bulut is a Certified Public Accountant (member of Istanbul Chamber of CPAs-Certified

Public Accountants-) and instructor at regular training courses in the Turkish Bankers' Association, T.C. Ziraat Bank, Halk Bank, Şekerbank, Garanti Bank, Akbank, Finansbank, Kuveyt Turk Bank and Fortisbank. He was also instructor in various ADFIMI seminars in Hammamet, Tunisia, Baku, Azerbaijan, Kuala Lumpur, Malaysia and Istanbul, Turkey.

Br. Bulut received his Master of Science degree in Economics at University of Illinois at Urbana-Champaign, USA. He holds a Bachelor of Science degree in Economics and Finance from Ankara University.

His past career includes the posts of the President of Okan Investment Bank, a member of the team founding the Bank and the Executive Board Member of International Bank of Alma-Ata (IBA) owned by Okan Group in Kazakhstan; Senior Vice President of TAIB Investment Bank; Head of Department at General Directorate of Foreign Investment of Undersecretariat of Treasury (GDFI); Head of Department at Privatization Administration; Financial Analyst at the World Bank (for one year upon the completion of his MS in economics on government scholarship) and Sworn Banks Auditor of the Undersecretariat of Treasury.

Br. Bulut is also General Secretary of Association of Asset Management Companies.

Br. Bulut has been holding managing auditor title for thirteen years, rewarded by both the Capital Markets Board and the Banking Regulation and Supervision Agency, the government agencies, both require audits according to International Financial Reporting Standards.

He has managed ADFIMI seminars previously.

Seminar Schedule

Session/Time	Topic
Day 1: 26.03.2014	
Part-I Session 1 / 9.30-11.00	Introduction to Bank Financial Analyses Seminar <ul style="list-style-type: none"> • Introduction of all attendants • Structure and Approach to Seminar • Overview of Banking Industry • Main Activities and Products of Banks: Credit Products, Investment and Trading Products, Services • Major Balance Sheet and Income Statement Components: Commercial Bank, Investment Bank, Development Bank and Islamic Bank Examples • Essentials in Asset Liability Management
11.00-11.20	Coffee Break
Session 2 / 11.20-12.20	CAMELS As a Structured Approach in Bank Analyses <ul style="list-style-type: none"> • Defining CAMELS within the context of bank analyses • Components of CAMELS Approach : Capital, Asset Quality, Management Quality, Earnings, Liquidity and Sensitivity to Market Risk • Capital and Capital Adequacy • Optimum Level of Capital (Shareholders Equity) in Banking Industry • Importance of Cost of Capital in Banking • Framework of Basel I and Basel II; Basel III Changes • Risk Weighted Assets: Basel I and Basel II Approach • Key Ratios in Banking Practices
12.20-12.45	Review Questions
12.45-14.00	Lunch Break
Session 3 / 14.00-15.20	Asset Quality <ul style="list-style-type: none"> • Types of Credit Risk • Risk Weighted Assets and Off-Balance Sheet Items • Loan Quality and Level of Bad/Non-Performing Loans • Provisioning: Banking Regulation and Supervision Agency of Turkey Example • Asset Quality in IFRS • Key Ratios in Banking Practices
15.20-15.40	Coffee Break
Session 4 / 15.40-16.45	Management Quality and Earnings <ul style="list-style-type: none"> • Critique of Management Quality in Banking Industry • Key Performance Indicators for Management • Types of Income and Expense • Core and Non-Core Earnings in Banking • Key Drivers of Earnings • Ratios to Measure Quality and Diversity of Income • Economic Value Added (EVA) Approach in Banking
16.45-17.15	Review Questions

Session/Time	Topic
Day 2: 27.03.2014	
Session 5 / 9.30-11.00	Earnings Analyses (continued) <ul style="list-style-type: none"> • Return on Equity (ROE), Return on Assets (ROA) and Return On Risk-Adjusted Capital (RORAC) Concepts in Banking • A Comprehensive Wrap Up of Earnings Ratios in a Real Bank Financial Statements
11.00-11.20	Coffee Break
Part-II Session 6 / 11.20-12.20	Liquidity <ul style="list-style-type: none"> • Funding Sources in Banking • Funding Stability and Different Sources: Deposits, Commercial Paper, Repos, Inter-Bank Lines, Bonds and Bills and Islamic Banking Products • How to Manage the Volatility in Funding? • Liquidity Ratios in Banking
12.20-12.45	Review Questions
12.45-14.00	Lunch Break
14.00-15.20	Sensitivity to Market Risk <ul style="list-style-type: none"> • Interest Rate Risk and Foreign Exchange Risk • Basel II Approach to Market Risk • How to Measure and to Manage These Risks? • GAP and Duration Concepts • Risk in the Securities and Derivatives Portfolios • Value at Risk(VAR) and Other Measures of Market Risk
15.20-15.40	Coffee Break
15.40-17.15	Case Study <ul style="list-style-type: none"> • Comprehensive Use of Ratio Analyses in a Commercial Bank Financial Statements • Differences between Commercial Bank Analyses and Other Banks Analyses • Discussion of the Case
17.30-18.00	Certificates Closing Ceremony

GENERAL CONDITIONS

Candidates should be in good health. Participants are expected to take **medical insurance** coverage in their home countries to cover their travel and stay in **Istanbul**.

It will be the responsibility of the participants to make their own arrangements to secure visas for entry into **Turkey**.

VENUE

The meeting will take place at the The Green Park Taksim Hotel, Istanbul, Turkey. Participants wishing to stay at the The Green Park Taksim Hotel are requested to contact The Green Park Taksim Hotel directly for room bookings. Obviously, participants wishing to stay elsewhere may do so at their discretion. ADFIMI can be contacted for any queries.

NUMBER OF PARTICIPANTS

Up to 30 persons

APPLICATION:

Applications should be made by filling the attached form and submitting it to ADFIMI's address below by **09 March 2014**.

REGISTRATION FEE:

- **ADFIMI Members do not pay** a Registration Fee, ADFIMI will provide airport – hotel transfer for members.
- **NON Members** pay a Registration Fee of USD 300 / € 220

DISCOUNT :

Further 10% discount will apply to two or more participants from the same institution if applied before 09 March 2014.

Registration fee includes; training costs, seminar notes, lunches and coffee breaks during the seminar. All other costs will be borne by the participants.

You are requested to inform ADFIMI of your booking details by filling in the nomination form and sending it to ADFIMI as soon as possible.

Accommodation rate:

Single room (Bed & Breakfast) Euro 80
Double Room (Bed & Breakfast) Euro 90

If you have any questions regarding the seminar, or the nomination and selection procedures, please do not hesitate to contact ADFIMI.

Nuri Birtek
Secretary General

ADFIMI's Contact Details:

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Green Park Taksim Hotel

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ADFIMI's US Dollar Account Details:

Account No: 53000734
IBAN : TR92 0001 2009 8480 0053 000 734
Bank : Türkiye Halk Bankası
Sultanhamam Branch (Code: 848)
Address : Eminönü, İstanbul, Turkey
SWIFT : TRHBTR2A (Head Office)

ADFIMI's Euro (€) Account Details:

IBAN : TR80 0001 2009 8480 002P000771
Bank : Türkiye Halk Bankası (Halkbank), Sultanhamam Branch
Address : Eminönü, 34116, İstanbul, Turkey
SWIFT : TRHBTR2A (Head Office)