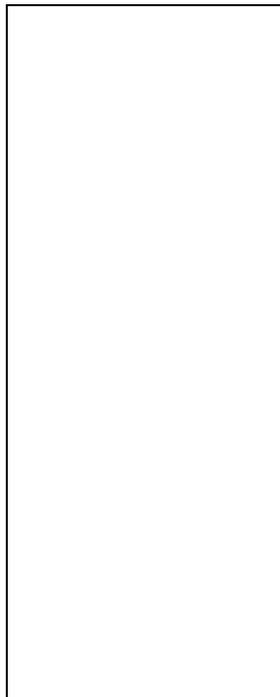


**SME FINANCING:  
FROM BUSINESS PLAN  
TO CREDIT ASSESSMENT AND MANAGEMENT**

**ORGANISATION SHEET**

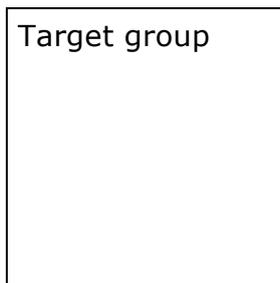
<p>Objective</p>	<p>Between small and medium enterprises (SMEs) and financial institutions, experience shows it is not easy to understand each other. If the relations are relatively easy when it concerns the financing of a well-defined short term need, they become rapidly difficult when the demand is related to a business project comprising investment and working capital.</p> <p>Entrepreneurs, especially small ones and those who are developing a new project, generally blame the bankers for their chilliness, lack of understanding, and their desire to get the maximum guarantees. As for financial institutions, they often blame contractors to submit projects that are insufficiently documented, or unrealistic in terms of financial planning.</p> <p>Given the crucial role of SMEs in economic development, and the importance of this market for the growth of the banking industry, the objectives of the seminar are:</p> <ul style="list-style-type: none"><li>• to improve the technical and commercial expertise of the participants in their relations with SMEs applying for a loan to finance the development of their activities</li><li>• to improve the understanding of what is a "bankable" credit demand on the basis of a business project and a business plan</li><li>• to improve the understanding of the key words in SME financing: "Information" - "Treatment of information" - "Use of information"</li></ul>
<p>Methodology</p>	<p>Cash Flow Based Lending will be the main focus, through comprehensive case studies, exercises and exchange of experience.</p> <p>In this context, three specific issues will be addressed from the point of view of the banker:</p>



- How to analyze, critically, a business project through the business plan and the financing plan?
- How to differentiate the scoring/rating approach according the size of the SMEs (Micro-Small/Medium)?
- How to efficiently manage the relation at the different stages of the credit process?

Among others, managers from Luxembourg based banks, Financial supervisors and local companies' Directors in the following areas:

- Best practices in scoring/rating tools
- Risk management
- SME banking & International regulations
- Credit products

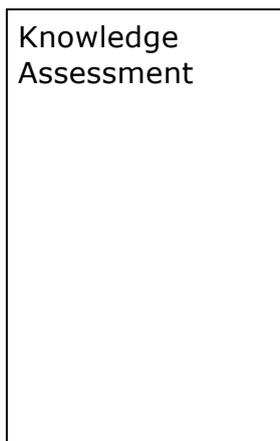


Target group

Middle managers and high potentials from commercial & central banks, financial institutions and supervisory bodies:

- Loan officers in charge of commercial relations with SME prospects and clients
- Credit risk analysts
- Staff in charge of middle and back office activities

with a minimum of 3 years of experience in SMEs financing.



Knowledge Assessment

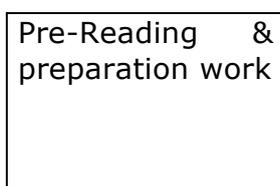
A knowledge assessment will be organised at the end of the programme, under the control of ATTF and the coordinator.

This assessment will be divided in 2 parts:

The first part will be mainly based on a multiple-choice question paper and a few open questions.

The second part will be based on the presentations of case studies and the presentation of the country situation.

To be successful, a participant has to have a global mark of at least 10 out of 20.



Pre-Reading & preparation work

Reference document that will be used to illustrate some issues (will be given in due time).

These documents will be sent to participants before the seminar, the latter are invited to read them and to prepare ahead the presentation of their country situation.



Language	English
Participants	Maximum 20 participants
Main Expert-Coordinator	<p>André Taymans</p> <ul style="list-style-type: none"><li>• Chairman of the Board of Directors of Belgian Bankers Academy</li><li>• Official Senior Expert ATTF</li><li>• Former Head of Credit Department, Crédit Agricole Belgium</li><li>• International Consultant-Experience in more than 30 countries</li></ul>
Local experts	Senior experts from Luxembourg based banks, financial institutions, supervisors dealing with SMEs and heads of SMEs.
Date	<p>October 06-14, 2014 (7 days)</p> <p>Arrival date: Sunday, October 05</p> <p>Departure date: Wednesday, October 15</p>



Multinational seminar in Luxembourg, 06 to 14 October 2014

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**SME FINANCING:  
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**CONTENT**

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**Day 1 :**

Morning

Welcome & Introduction

- ATTF presentation
- Short Luxembourg Financial Centre presentation
- Participants presentations
- Presentation and Objectives of the programme
- SME market: Challenge – Risk – Opportunities

Afternoon:

- SME market: Challenge – Risk – Opportunities
  - Country presentation by participants
  - Exchange of experience & Synthesis
- Collateral-based Lending vs Cash Flow based lending
- Key challenges: Information & Treatment of information
- Presentation of the case study to be carried out during the seminar

**Day 2**

Morning and afternoon

- Business Plan: Who? What? Where? Why? For whom? How?
- From business plan to pro forma financial statements & financial projections
- Financial analysis: review of basic concepts
- Financial statements – Cash Flow statements
- Working capital analysis
- Exercises
- Case study

**Day 3 :**

Morning

- Internal organization of a SME Credit Department
  - From introduction to credit decision
  - From credit decision to credit disbursement
  - From credit disbursement to final reimbursement
- How to put in place a SME Marketing Plan?
- Exchange of experience with participants on the reliable data and information available in their countries



#### Afternoon:

- How to use a Customer Relationship Management (CRM) tool?
- How to use scoring and rating tools?
  - Presentation of the different models generally used by banks
  - Concrete examples of tools used in a Luxembourg based bank
- Exchange of experience with participants on the reliable

#### **Day 4**

##### Morning

Visit of the Financial Supervisory Commission (CSSF)

- SME Banking & International Regulations: From Basel I to Basel III

##### Afternoon

Visit of a local retail bank

- Problem loans management
- Recovery strategies
- Exchange of experience with participants

#### **Day 5 (AT)**

##### Morning

- Debriefing day 3- day 4
- Front and Back office employees:
  - Required technical & commercial skills
  - Examples - Exercises
- Investment projects: some usual references in valuation methods:
  - Pay back method
  - Net Present Value (NPV)
  - Internal Rate of Return (IRR)

##### Afternoon

- Some SME banking experiences in developing countries
  - Guarantee Funds
  - Subcontracting centres large companies vs SMEs
- Case study (cont'd)

#### **Day 6**

##### Morning

- Company 1 presentation (by company Director of a small enterprise (SE))
- Company 2 presentation (by financial Director of a medium enterprise (ME))

##### Afternoon

- Financial analysis & case study (cont'd)



## **Day 7**

### **Morning**

- Debriefing day 6
- Source of failures & warning signals in SME market
- Risk protection in loan documentation
- Preparation of afternoon presentations

### **Afternoon**

- **KNOWLEDGE ASSESSMENT:**
  - Multiple choice questions
  - A few open questions
  - Group presentations
- Final debriefing & Conclusions
- Closing cocktail