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*Banking is very good business if you  
don't do anything dumb*”

Warren Buffet

## BANKS: STRATEGIES FOR MAXIMISING VALUE

Low interest rates, regulation, increased competition and macro-economic uncertainty all weigh heavily on banks' current financial performance and valuation. In this environment, what can bank managements do to maximise value?

TRAINING  
PROGRAMME

**GBRW**  
LEARNING

### OVERVIEW

A decade on from the Global Financial Crisis banks are facing entirely different challenges. Low interest rates, tighter regulation, increased competition and macro-economic uncertainty weigh heavily on banks' current financial performance and valuation. The objective of this two day course is to provide participants with the analytical tools to understand first, how analysts and investors value banks, and secondly how management can evaluate and develop strategies which maximise value.

Day 1 reviews the tools and techniques used by investors and analysts to value banks. This is then compared with techniques available to management to evaluate alternative strategies internally. Case studies are reviewed for each approach.

Day 2 applies the tools and techniques from Day 1 to the task of 'Managing for Value.' Participants consider the impact of increased regulation, low interest rates, increased competition and digital disruption. A further case study is reviewed.

### WHO SHOULD ATTEND?

The course is designed for financial professionals with responsibility for investment in banking businesses. This includes anyone with investment, strategic or financial management responsibility of a portfolio of businesses in listed or unlisted banks and financial services institutions. The course may also be valuable to private equity investors, strategic investors and government organisations seeking to enter, maintain or exit strategic stakes in financial services institutions. Bankers and advisers with operational experience, new to strategic and financial management, may find this course beneficial in the transition from an operational role to a strategic role.

Prior knowledge of valuation techniques is not required. The content of the course can be adjusted according to participants' understanding of banks' balance sheets, financial reporting and accounting conventions. The course can also be tailored to accommodate specific case studies as requested.

## OUTLINE

### OBJECTIVES

Participants in the course will come away with:

- The analytical tools to value banks and consider the alternative strategies to maximise their valuation
- An appreciation of how investors view banks
- A clear understanding of how investors value banks
- The expertise to value banks' strategies and compare these with the external market's valuation
- Confidence to apply principles of bank valuation to current case-studies
- An appreciation of the impact of regulatory rules on banks' valuations
- The format of the course is designed to enable participants to raise and discuss issues of specific interest in a relaxed and informal setting

### COURSE DELIVERY

- The two day course involves 15 hours of delivery time in nine modules
- The approach incorporates time for participants to raise and discuss specific issues during the tutorials
- All hand-outs and instruction will be in English; participants should have a good working knowledge of English
- The course can be customised to the specific needs of the client, to ensure maximum relevance and benefit
- Because the course involves considerable interactivity during tutorials, the number of participants is limited to no more than 15

### TRAINING SURVEY & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

# OUTLINE

## MODULE 1:

### INTRODUCTION

- What is equity?
- The impact of accounting conventions
- The influence of regulation

## MODULE 2:

### BANK VALUATION – MARKET APPROACH

- The attraction of gearing: macro-economic gearing; stock market gearing; and balance sheet gearing
- Dividend discount models
- Earnings growth and Price:Earnings Ratios
- Return on Equity, Return on Tangible Equity and Price:Book multiples
- The drivers of Return on Equity
- Cost of Equity – brief introduction
- Economic profit
- Long term growth rates
- The significance of Net Asset Value (NAV) growth

## MODULE 3:

### MARKET APPROACH – CASE STUDY

- Comparison of banks' forecasts
- Comparative valuations
- Macro-economic stress-testing
- Review and discussion

## MODULE 4:

### BANK VALUATION – INTERNAL APPROACH

- Equity Cash Flow – definition and approach
- The relevance of "Cash-Flow" in banking
- Cost of Equity – Capital Asset Pricing Model (CAPM)
- Terminal Value – relevance and calculation
- Establishing Value Drivers
- Portfolio review

## MODULE 5:

### INTERNAL APPROACH – CASE STUDY

- Commercial bank valuation
- Valuing a diversified bank's portfolio
- Review and discussion

## MODULE 6:

### VALUATION IMPACT OF REGULATION

- Review of key regulatory developments
- Capital
- Liquidity
- Pro-cyclicality and Equity Cash Flow valuation
- Product portfolio valuation under Basel III

## MODULE 7:

### MANAGING FOR VALUE

- Business model evolution following the Global Financial Crisis
- Investment Banking models and profitability
- The franchise value of deposits and the impact of low interest rates
- Market Based Finance – from out of the shadows
- The 'unbundling' of banking
- FinTechs – the valuation impact of digital disruption

## MODULE 8:

### MANAGING FOR VALUE - CASE STUDY

- Analysis of recent banks' restructuring
- Assessment of the value impact

## MODULE 9:

- Course summary and review – discussion

## DETAILS

### TOOLS, MODELS & TEMPLATES

Courses are supplemented with a range of practical documented methodologies, models, tools, and templates refined from best practice, and tried and tested in a range of leading banks. Participants can take these back to the workplace to adapt and apply, and wherever appropriate, to make a tangible improvement to policy and practice in their own institution.

#### THIS COURSE INCLUDES:

- ✓ Full set of course notes
- ✓ USB drive with course materials and further reading materials
- ✓ Graphic presentations of key financial data
- ✓ Financial Glossary

### TERMS & CONDITIONS

Total fee cost for the delivery of the two day course as described is **US\$8,800** (eight thousand eight hundred United States Dollars). Courses are normally delivered on-site at the client's location.

**This cost is EXCLUSIVE of:**

- Flights (discounted business class)
- Accommodation (min. 4★) for every night required
- Local travel costs and subsistence; and
- Venue and equipment hire (if required) and materials production.

These additional items will be for the account of the client or, alternatively, we can provide an all-inclusive quote encompassing all expenses if that is more convenient.

GBRW Learning can also host the course at or near our London headquarters for an all-inclusive fee of US\$11,800 + VAT. This includes venue and equipment hire but does NOT include the travel, accommodation and subsistence expenses of participants. Please contact us for revised pricing.

A 60% deposit is payable one month prior to the scheduled course date, with the balance payable immediately following completion of the course.

Note: Discounts are available for multiple course bookings.

#### FOR MORE INFORMATION OR TO ARRANGE A BOOKING, PLEASE CONTACT:

**JOHNNY RIZQ, DIRECTOR, GBRW LEARNING**  
[Johnny.rizq@gbrw.com](mailto:Johnny.rizq@gbrw.com)

# INSTRUCTOR



**Mike Trippitt**

Consultant,  
GBRW Learning

The course will be presented by **Mike Trippitt**, a consultant with GBRW.

Mike has thirty years' experience in banking, including 22 years as a banks equity analyst. Mike worked for a number of investment banks including HSBC where he led the global banks equity and fixed income research teams. During this time he was also seconded to the UK's Association of British Insurers (ABI) to write a report on the Investibility of Banks following the Global Financial Crisis.

Prior to becoming an analyst Mike worked for TSB Group in the UK, initially as Head of Corporate Planning, which included business portfolio review and valuation. Latterly he was TSB's Group Financial Controller, responsible for financial reporting, capital planning and investor relations.

Since 2015 Mike has been engaged as an independent banking consultant and as an expert witness on a number of high profile banking litigation cases involving valuation.

## ABOUT GBRW LEARNING

**GBRW Learning** is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly inter-active, and make use of carefully designed case studies and simulations.

We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- Human Resources Management
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Financial Markets

For more information, visit our website at:

<http://www.gbrw.com/training>

To discuss your specific requirements email us at:

[mail@gbrw.com](mailto:mail@gbrw.com)