



**MALAYSIAN
INVESTMENT BANKING
ASSOCIATION**
Persatuan Perbankan Pelaburan Malaysia

**ASIAN
BANKING
SCHOOL**

APPLIED CORPORATE FINANCE – REAL COMPANIES, REAL DATA, REAL TIME

BY PROFESSOR ASWATH DAMODARAN
PROFESSOR OF FINANCE, STERN SCHOOL OF BUSINESS, NEW YORK UNIVERSITY

SIDC CPE

10
Points

The Asian Banking School is pleased to be hosting this year's programme by internationally renowned Professor Aswath Damodaran on Applied Corporate Finance. Jointly organized with the Malaysian Investment Banking Association (MIBA), it will provide participants with the tools and techniques developed to answer corporate finance questions, and how best to apply them in practice. It will also look at the big picture of corporate finance, the inter-relationship between corporate financial decisions and how these decisions affect the value of a business.

The topics covered over the two-day programme will include risk and how to convert a risk measure into a hurdle rate, investment analysis, different approaches to coming up with the optimal debt ratio for a firm, how much firms pay in dividends and whether they should pay more or less, and tying corporate finance decisions to value. Participants will have the opportunity to gain insights, exchange views, network and share experiences on the latest thinking and practice in corporate finance.

LEARNING OBJECTIVES

This programme aims to put into perspective the current thinking and practices for corporate finance practitioners to be able to:

- Understand the big picture of corporate finance
- Learn the tools and techniques that have been developed in theory to answer corporate finance questions
- Apply practical tools and techniques in corporate finance
- Understand the interrelationship between corporate financial decisions and how these decisions affect the value of a business

Upon completion of the programme, participants will be able to know:

- Where and how a business should invest its resources
- How a business raise funds to finance its investments
- How much a business should return to its owners and how much should it re-invest
- What a business can do to enhance its value

TRAINING METHODOLOGY

Lecture, case studies, discussions and presentation of ideas.

This is not a theory or an academic class but an applied, big-picture class. As concepts are introduced, concepts, models and measures will be applied to two real companies: Disney and Indofood. The cost of equity and capital for both companies will be estimated, the right mix of debt and equity at these companies will be evaluated and whether their policies on returning (or not returning) cash to stockholders makes sense will be determined. The process will be closed by valuing both companies.

While the programme will be delivered lecture-style, it is an open session where participants are encouraged to be actively involved, not only by asking specific questions that they need answers to but also by bringing in their experiences and companies into the discussion. Participants are welcome to bring their laptop computers, as well as the financial statements of any company that they are interested in analyzing. Over the two days of the programme, participants will do a comprehensive corporate financial analysis of that company.

PARTICIPANT PROFILE

Participants with a wide range of backgrounds, from those with little exposure to corporate finance to those with several years of experience, those who work at businesses (in corporate finance or general management), and those who value these businesses (portfolio managers, analysts)

PROGRAMME OUTLINE

- Discuss different interests that make up the modern corporation and their different objectives, potential conflict and problems, how to convert a risk measure into a hurdle rate, and examine the cost of debt and resulting cost of capital
- Investment analysis – consider what a project is and how to estimate project cash flows, and examine different decision rules for determining a good or acceptable investment
- Evaluate financing choices made by a firm – how much to borrow, types of financing, approaches to coming up with optimal debt ratio
- Examine how much firms pay in dividends and whether they should pay more or less
- Explore determinants of intrinsic value in a company and what managers can do to enhance value

PROGRAMME DETAILS

Date : 5 – 6 December 2017
Time : 9:00 am – 5:00 pm
Venue : Sasana Kijang, Kuala Lumpur

PROGRAMME FEE*

MIBA MEMBERS:
RM2,700

NON-MEMBERS:
RM3,000

*Inclusive of 6% GST

To register for this programme, please visit the Public Programmes page on our website at www.asianbankingschool.com/our-programmes/public-programmes

PROGRAMME AGENDA

DAY 1

8.00 am – 9.00 am

Registration

9.00 am – 10.45 am

- The Objectives in Corporate Finance
- Dueling interests
- First steps on hurdle rates

The programme will start with a discussion on the different interests that make up the modern corporation – managers, stockholders, lenders, analysts and society – and their different objectives. The potential for conflict is large and many problems can be traced to this conflict. We follow up with the first of the big questions in corporate finance - What is risk and how do we convert a risk measure into a hurdle rate?

10.45am – 11.00 am

 Coffee break

11.00 am – 12.30 pm

- Risk free rates & currencies
- Risk premiums
- Relative risk measures

We will then look at different models of risk and return, and how they can be used to assess hurdle rates in different currencies, countries and companies.

12.30 pm – 1.30 pm

 Lunch break

1.30pm – 3.30 pm

- From beta to cost of equity
- Debt & its cost
- Cost of capital

We end the first part of the programme by examining the cost of debt and the resulting cost of capital for a firm.

3.30 pm – 3.45 pm

 Coffee break

3.45 pm – 5.30 pm

- Measuring returns
- Accounting returns & cash flows
- Side costs & side benefits

In the second part of the programme, we turn our attention to investment analysis. In particular, we consider what a project is and how to estimate cashflows for projects. We will draw a distinction between accounting earnings and cashflows and examine different decision rules that can be used to determine whether an investment passes muster.

5.30 pm

End of Day 1

DAY 2

9.00 am – 10.45 am

- The rest of investment analysis
- The Financing Trade off
- The optimal mix of debt & equity

In the third part of the programme, we evaluate the financing choices made by a firm in terms of both how much it chooses to borrow and what type of financing it uses. We look at different approaches to coming up with the optimal debt ratio for a firm and map out ways of getting from a firm's current debt ratio to its optimal.

10.45 am – 11.00 am

 Coffee break

11.00 am - 12.30 pm

- More on optimizing debt
- The right type of financing for a firm
- The financing principle

12.30 pm – 1.30 pm

 Lunch break

1.30 pm – 3.30 pm

- Dividend policy
- Should you return more cash or less?
- Valuation 101

In the fourth part of the programme, we examine how much firms pay in dividends and whether they should pay more or less. In the process, we also look at when it makes sense to buy back stock rather than pay dividends. We will close by tying corporate finance decisions to value.

3.30 pm – 3.45 pm

 Coffee break

3.45 pm – 5.30 pm

- Value Enhancement

Finally, we will bring all of these components together in a value assessment, which will tie to corporate decisions. Thus, we will explore the determinants of intrinsic value in a company and what managers can do to enhance value.

5.30 pm

End of programme

ABOUT THE TRAINER



PROFESSOR ASWATH DAMODARAN

*Professor of Finance,
Stern School of Business, New York University*

Professor Aswath Damodaran is the Kerschner Family Chair Professor of Finance at the Stern School of Business at New York University. He teaches the corporate finance and valuation courses in the MBA programme. He received his MBA and Ph.D from the University of California, Los Angeles. His research interests lie in valuation, portfolio management and applied corporate finance. He has published in the

Journal of Financial and Quantitative Analysis, the Journal of Finance, the Journal of Financial Economics and the Review of Financial Studies.

He has written four books on valuation (Damodaran on Valuation, Investment Valuation, The Dark Side of Valuation, The Little Book of Valuation), and two on corporate finance (Corporate Finance: Theory and Practice, Applied Corporate Finance: A User's Manual). He has co-edited a book on investment management with Peter Bernstein (Investment Management), has a book on investment philosophies (Investment Philosophies) and one on "can't miss" investment strategies, titled Investment Fables. He also has a book on the relationship between risk and value, Strategic Risk Taking, and his newest one is on how to connect storytelling to valuation entitled "Narrative and Numbers: The Value of Stories in Business".

Aswath was a visiting lecturer at the University of California, Berkeley, from 1984 to 1986, where he received the Earl Cheit Outstanding Teaching Award in 1985. He has been at NYU since 1986, received the Stern School of Business Excellence in Teaching Award (awarded by the graduating class) in 1988, 1991, 1992, 1999, 2001, 2007, 2008, 2009 and 2013, and was the youngest winner of the University-wide Distinguished Teaching Award (in 1990). He was profiled in Business Week as one of the top twelve business school professors in the United States in 1994 and was elected as the most popular business school professor in the US by MBA students across the country in a 2011 survey by Business Week. In 2012, he was chosen as one of the top ten business school professors in the world by Poets and Quants, and his blog, Musings on Markets, was selected by the Times of London as one of the top ten stock market blogs in the world. Of course, as with any finance-oriented post, it should be emphasized that past performance is not an indicator of future results.

In addition to his blog, Aswath has an active presence online, on Twitter ([@AswathDamodaran](https://twitter.com/AswathDamodaran)) and with his website (<http://www.damodaran.com>). His corporate finance and valuation classes are carried online and on iTunes U (with more than 100,000 students on iTunes U), and his online classes were chosen as one of the top ten MOOCs in the world in 2012.

CONTACT US

For training enquiries, please contact:

Asian Banking School

Level 12, NU Tower 2, Jalan Tun Sambanthan
Kuala Lumpur Sentral, 50470 Kuala Lumpur

Tel : +603-2742 7822

Email : training@asianbankingschool.com

Website : www.asianbankingschool.com

Connect with us also on:

 [Asian Banking School](#)

 [Asian Banking School \(ABS\)](#)

