

COURSE OUTLINE:

RiskAnalyst™ for Credit Analysis

2 day
16 CPE credits

Overview

Understanding the relationship between risk and reward in lending requires the use of a powerful analytical tool like Moody's Analytics RiskAnalyst™. This two-day training seminar will provide you with the knowledge necessary to assess credit using the reporting and analysis features of the RiskAnalyst software. Designed specifically for RiskAnalyst users, this hands-on, PC-based seminar will help you achieve two important objectives: It will increase your comfort level and confidence in evaluating credit risk and it will enable you to make more effective use of the RiskAnalyst program

Learning Objectives

Upon completion of this workshop delegates will be able to:

- » Use RiskAnalyst more effectively in the lending decision process
- » Identify why businesses borrow and their likely sources of repayment
- » Understand the basics of modern quantitative analysis and how it can be used in the lending decision process
- » Use key financial ratios for assessing credit risk
- » Analyze business cash flow and recognize the importance of this skill in the risk assessment process
- » Understand the basics of financial forecasting and develop long-term and short-term financial projections
- » Enumerate the key risks of a borrowing request and present them in the credit approval process
- » Determine whether or not the credit risk of a given loan request is acceptable

Who Should Attend

This seminar is designed for beginning to intermediate level credit or lending staff who use the RiskAnalyst software. Users may include those who input data, analyze reports, or generate financial projections in RiskAnalyst.

Program Level

Program Level: Basic

Prerequisites: No pre-requisites, though delegates are expected to possess a working knowledge of Moody's Analytics RiskAnalyst

Advance Preparation: None

Delivery Method: Group-Live

Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.nasbaregistry.org.

WHY MOODY'S ANALYTICS?

Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

RiskAnalyst™ for Credit Analysis – Agenda

DAY ONE

Session 1: Moody's RiskAnalyst Role in the Analytical Process

- » The premium on data quality and spreading classification accuracy common spreading "pitfalls"
- » RA as servant, not master
- » Integrating RA with the financial analysis/underwriting processes
- » The analytical value of consistency in process from credit to credit

Session 2: The Detailed Ratio Report – Developing an Initial Hypothesis as to Borrower Creditworthiness

- » Structure and contents of the Detailed Ratio report
- » Using ratios to develop an initial hypothesis regarding borrower creditworthiness
- » Focus on the cash-driving ratios and their role in the analytical process
- » How the ratios are effected of misclassified data
- » Group exercise using case study

Session 3: The UCA Cash Flow Report – Confirming/ Modifying the Initial Creditworthiness Hypothesis

- » Structure and contents of UCA Cash Flow report
- » How the cash flow report is constructed and the effects of misclassified data
- » Analysis of key subtotals on the cash flow report
- » Cash flow report interpretation and its value in either confirming or suggesting modification to the initial creditworthiness hypothesis
- » Group exercise using case study

Session 4: The Cash Flow Management Report – Assessing Borrower Management Expertise

- » Management competence – a key to credit risk
- » How the cash flow management report helps us determine management competence and priorities
- » Structure and contents of the cash flow management report
- » Interpreting the cash flow management report
- » Group exercise

DAY TWO

Session 5: Introduction – Why Project?

- » What are we trying to show?
- » What is the relevance to repayment?
- » How will this help with credit analysis and determining other needs?

Session 6: RA Projections Module – Functional Review

- » Creating long and short-term projections
- » Projection variables and quick assumptions
- » Entering new long-term debt
- » Using the 'Surplus/Deficit Allocation' feature
- » Other key features
- » Group exercise

Session 7: Case Study – Putting the Projections Module to Work

- » Identify risks in the company
- » Prioritize risks – particularly those which affect future cash flow repayment capacity
- » Enter projection variables and adjust other data
- » Assess the output; determine sensitive variables
- » Adjust input to reflect 'most likely' case

Session 8: Case Study – Evaluate the Projections

- » Review and evaluate 'most-likely' case projections
- » Derive conclusions and develop recommendations
- » Prepare and present conclusions

Session 9: Case Study – Debrief and Wrap-Up

- » Review presentations
- » Discuss outcomes and actual result
- » Answer last questions
- » Develop program learning points; adjourn

Tailor Any Seminar for Your Organization

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

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