



DURATION

3 Days



DELIVERY CHANNEL

Virtual
Instructor-Led



PROGRAM LEVEL

Intermediate

PREREQUISITES

Approximately two years' experience in a credit-related function

ADVANCED PREPARATION

None

Overview

It is the future generation of operational cash flow that pays interest and principal, not historic accrual profits. This seminar focuses on the importance of cash flow analysis in the credit assessment process. Beyond its focus on cash flow and liquidity analysis, the seminar deals with the impact of off balance sheet and contingent liabilities on credit risk issues of a firm, including companies with international activities. This seminar is part of the general corporate credit risk analysis seminars offered by Moody's Analytics and builds on the concepts explored in our Fundamentals of Corporate Credit Analysis seminar.

Learning Objectives

BY THE END OF THIS COURSE, YOU WILL BE ABLE TO:

- » Understand cash flow analysis and its role in the credit risk assessment process
- » Interpret the impact of primary cash drivers
- » Prepare a cash flow and liquidity analysis
- » Project future cash flows and debt service cover
- » Identify potential liquidity problems before they become a threat to a client's business
- » Assess cash flow issues specific to international companies

Who Should Attend?

The seminar is aimed at all those with some existing understanding of financial statements and knowledge of basic credit analysis, and whose aim it is to go beyond the assessment of historic financial statements to prepare a dynamic assessment of a company's cash flow and liquidity position. Delegates could come from a broad range of backgrounds, such as

- » Commercial credit analysts
- » Commercial lenders and loan officers
- » Relationship managers
- » Fixed income professionals
- » Investors
- » Other financial professionals

Virtual Delivery

You are able to access virtual courses from any location. Some courses, however, include region-specific content based on the host region. For example, a course beginning at 10 AM EST may include references to GAAP versus IFRS, since the course is being hosted in the Americas. Please contact us at learningsolutions@moodys.com for region-related content queries.

Course Detail

SESSIONS

1 **Review the Key Elements of Corporate Credit Risk**

- 1 A Structured framework for credit analysis
- 2 Identifying the sources of repayments
- 3 Establishing the importance of sustainable cash flow
- 4 Key ratios: calculations and interpretations
- 5 An introduction to cash flow and liquidity analysis
- 6 Group Exercises

2 **Cash Flow Statement Structure and Format**

- 7 Cash Flow Statement structure
- 8 Constructing a Cash Flow Statement in different formats
- 9 The conversion of accrual profits into cash flow
- 10 Group Exercises

3 **Cash Flow Analysis**

- 11 Identifying primary cash drivers
- 12 Establishing the link between the business and the cash flow
- 13 How management's strategy can impact the cash flow of a company
- 14 The key components of a cash flow analysis
- 15 Defining and calculating cash flow ratios
- 16 Group Exercises

4 **A Review of Cash Flow Ratios**

- 17 Interpretation and meaning of cash flow ratios
- 18 The uses of cash flow ratios in analysis
- 19 Group Exercises

5 **A Liquidity Assessment**

- 20 Establishing the importance of liquidity
- 21 Linking cash flow and liquidity
- 22 Preparing of a liquidity assessment
- 23 Identifying potential liquidity problems before they become a threat to a client's business
- 24 Group Exercises

SESSIONS

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Financial Projections

- 25 The role of projections
- 26 The principles and process of projections
- 27 Projecting future cash flows and debt service capacity
- 28 Assessing debt service capacity
- 29 Identifying potential liquidity requirements
- 30 Group Exercises

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Getting Behind the Numbers: Off Balance Sheet, Contingent, and Debt-like Obligations and International Challenges

- 31 Analysing the nature and risks associated with Off Balance Sheet obligations
- 32 Contingent Liabilities
- 33 Determining the analytical problems caused by non-cash items in the context of cash flow
- 34 Debt-like obligations: pensions, leases, and accounting differences
- 35 Group Exercises and Examples

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Putting It All Together

- 36 Group Comprehensive Case Study. Using the concepts learned during the course, delegates will prepare and present a credit assessment

Why Moody's Analytics?

Current and Consultative

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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, fintech, negotiation and leadership development.

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GROUP DISCOUNTS

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

FEES AND CANCELLATIONS

The fee listed is per participant. Course fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the course. Registrations may be canceled 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 course, but fees will not be refunded. We reserve the right to cancel or reschedule courses at any time. For further information on our refund and complaint policy, please contact us.

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