COURSE OUTLINE:

Corporate Credit Rating Analysis

Overview

This seminar provides delegates with an in-depth understanding of the rating practices employed by our sister company, Moody’s Investors Service, for assessing corporate credit risk - from rating methodologies and financial ratios to a rating committee simulation. Designed as an intermediate level course, the underlying goal is to improve delegates' use and interpretation of ratings in their day-to-day work.

Learning Objectives

Upon completion of this seminar, delegates will be able to:

» gain insight into the credit rating process of Moody’s Investors Service
» apply a structured approach to corporate credit assessment
» calculate and interpret key financial ratios used in the credit rating process
» understand the concepts behind alternative measures of risk, such as market implied signals, and their use in credit analysis

Who Should Attend

» Credit analysts
» Ratings advisors
» Investment and commercial bankers
» Fixed income professionals (both buy and sell sides)
» Portfolio/asset/fund managers
» Equity analysts
» M&A professionals
» Banking supervisors
» Credit risk professionals
» Basel II project managers

Program Level

Program Level: Introductory to Advanced

Prerequisites: Two years experience in a credit-related function or attendance at the Fundamentals of Corporate Credit seminar

Advanced Preparation: Research documents relating to the case study will be distributed before the course

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.

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Corporate Credit Rating Analysis – Agenda

DAY ONE
Session 1: Understanding & Using Credit Ratings
- Concepts of probability of default, loss given default, and expected loss
- Default and recovery statistics
Session 2: Industry Analysis & the Credit Rating Process
- Introduction to Moody’s Investors Service rating methodology for selected industries
- The credit rating process
Session 3: Cash Flow & Financial Ratio Analysis
- Financial statement adjustments
- Key cash flow concepts explained
- Key financial ratios used in the ratings process
- Treatment of off-balance sheet items

DAY TWO
Session 4: Comprehensive Industry Case Study
- Identification of industry and credit drivers; SWOT analysis
- Financial ratios calculation and interpretation
Session 5: Analyzing Corporate Groups
- Consolidated statements and their pitfalls
- Group structures and support mechanisms
- Principles of Moody’s Investors Service Joint Default Analysis

DAY THREE
Session 6: Assessing Liquidity & Alternate Liquidity
- Liquidity risk and alternate liquidity
- Rating triggers

Session 7: Introduction to Moody’s Investors Service Notching Principles for Corporates
- Moody’s Investors Service Expected Loss Framework explained
- Notching Principles for investment grade rated corporates
- Overview of Moody’s Investors Service new methodology for deriving LGD Assessments and instrument ratings
- Introduction to Moody’s Investors Service Expected Loss Framework
Session 8: Analyzing Hybrid Financial Instruments
- Moody’s Investors Service tool kit for assessing and rating hybrid financial instruments
Session 9: Moody’s Ratings and Other Credit Risk Assessment Tools
- Overview of Moody's Analytics Market Implied Ratings
- Overview of structural versus statistical models

RELATED COURSES
Corporate Credit
- Credit Masterclass
- Fundamentals of Corporate Credit
- Corporate Credit Rating Analysis
- Advanced Financial Risk Analysis
- Credit Analysis for RiskAnalyst Users
Troubled Credits
- Problem Credits
- Covenants & Documentation
- Liquidity Analysis & Refinancing Risk for Corporates
- Corporate Debt Restructuring

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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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