Overview

This seminar is the first level in the Moody’s Analytics credit series and provides participants with a solid foundation of best practice tools and techniques related to fundamental credit analysis. This seminar concentrates on the issues relevant to single obligor analysis, both qualitative and quantitative. The topics covered enable credit practitioners to review real market situations and assess the cash flow and credit implications. Where applicable, the course will draw on the insight, research, and rating methodologies of our sister company, Moody’s Investors Service. Each credit issue will be analyzed both from a theoretical and a practical perspective, using recent market examples.

Participants will be provided with a set of “tools” which are practical aids to use on the job.

Who Should Attend?

This course is recommended for:
» Relationship managers
» Credit risk managers
» Corporate lending officers
» Investment bankers
» Asset managers
» Fixed-income professionals
» Bond researchers
  (both buy and sell sides)

Course Benefits

By the end of this course, you will be able to:
» Apply a structured approach to corporate credit assessment
» Calculate and interpret key financial ratios used in the credit rating process
» Interpret financial statements for their effectiveness, relevance and vulnerability
» Determine cash movement dynamics and ascertain their importance in the analysis process
» Identify the major structure risks when lending into a group of companies

PROGRAM LEVEL
Introductory

PREREQUISITES
None

ADVANCED PREPARATION
None
## Course Agenda

<table>
<thead>
<tr>
<th>MODULES</th>
<th>TOPICS</th>
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| 1 | **Assessing and Measuring Credit Risk** | Credit risk, its components, and its drivers  
Role of rating agencies, ratings, and how they work  
Comprehensive risk analysis framework |
| 2 | **Business Risk Assessment** | Defining the client and the credit base  
Business risk factors and drivers  
Structured approach to industry risk analysis  
Assessing management |
| 3 | **Group Structure Risks** | Definition and exercises on structural subordination, dilution and holding company risk  
Introduction to mitigating group structure risks |
| 4 | **Understanding Financial Statements** | Statement structure and composition  
Accounting concepts and principles  
Reliability of financial statement data  
Accounting policies |
| 5 | **Financial Analysis** | The four key financial risk areas  
Financial ratios: use, mis-use, and interpretation  
Introduction to financial statement adjustments |
<table>
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<tr>
<th>MODULES</th>
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</tr>
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<tbody>
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<td>6</td>
<td><strong>Cash Flow Statements and Formats</strong>&lt;br&gt;The difference between cash and accrual accounting&lt;br&gt;Different cash flow statements and formats&lt;br&gt;Constructing a cash flow statement</td>
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<td>7</td>
<td><strong>Cash Flow Analysis</strong>&lt;br&gt;Cash drivers: the PACED framework&lt;br&gt;Asset conversion cycle&lt;br&gt;Why EBITDA is not cash flow&lt;br&gt;Linking cash flow and business risks</td>
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<td>8</td>
<td><strong>Debt Capacity and Debt Service Analysis</strong>&lt;br&gt;Why companies need external funding&lt;br&gt;Capital structure, sources of debt, and repayment sources&lt;br&gt;Debt capacity and debt service&lt;br&gt;Assessing stability and sustainability of cash flow</td>
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<td>9</td>
<td><strong>Cash Flow Forecasting &amp; Sensitivity Analysis</strong>&lt;br&gt;Structured approach to forecasting&lt;br&gt;Linking business risk drivers to projections&lt;br&gt;Assessing sensitivities and scenarios&lt;br&gt;Monitor when a client’s risk profile deteriorates</td>
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<td>10</td>
<td><strong>Putting it All Together = Preparing a Projection Analysis</strong>&lt;br&gt;Case study: Using the published data of a major company, delegates prepare and present a loan proposal to a credit committee</td>
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Why Moody’s Analytics?

Current and Consultative
We work with you to understand the distinct needs of your organization to 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, FinTech, negotiation and leadership development.

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In delivery, our people make the difference – combining deep experience with intellectual passion for content, and having earned superior academic credentials, they are committed to delivering outstanding quality.

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

FEES AND 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 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 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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