



DURATION

2.5 Days



DELIVERY CHANNEL

Virtual
Instructor-Led

OR

In-Person
Classroom



PROGRAM LEVEL

Intermediate

PREREQUISITES

Two years of experience
in a credit-related
function.

ADVANCED PREPARATION

Short pre-work and
homework assignments.

CPE CREDITS

16

Overview

Problem credits, how to identify them early and deal with them effectively has always been relevant for lenders. However, in the current economic climate it is even more immediate and necessary. This course begins by covering the key factors that cause companies to become financially distressed. It emphasizes the various early warning signs that lenders must be aware of and the importance of quickly identifying companies that are having problems to limit value destruction and improve recovery rates for lenders. Signs include understanding how and when cash flows become distressed, as well as measuring and assessing liquidity through a downturn. This course discusses the roles of covenants and collateral, including how they can fail to protect lenders. Finally, the course works through the measures that must be taken to resolve financial distress. The course uses a single case study based on a real company. It follows it through three separate phases:

- » Early stage financial distress
- » Cash crisis
- » Restructuring and bankruptcy

At each stage, the participants have to work through the issues the company faces and decide (i) what alternatives are available; and (ii) which are the most appropriate and why.

Learning Objectives

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

- » Recognize how credits behave through an economic/sector cycle
- » Recognize deterioration of credit quality early enough for efficient response
- » Identify creative accounting and understand a company's true financial performance
- » Assess a company's liquidity position and the factors that may cause it to deteriorate
- » Understand the role of covenants and collateral and their ability to improve recovery rates for lenders
- » Create an effective plan of action to address troubled situations and maximize recovery

Who Should Attend?

- » Bankers
- » Bondholders
- » Underwriters
- » Private placement investors
- » Credit analysts
- » Bond researchers (both buy and sell sides)
- » Corporate treasurers
- » Correspondent banking officers
- » Relationship managers

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

MODULES		
1	Financial distress and the credit cycle	1 The costs of problem credits
		2 Stages of the credit cycle
		3 The cash crisis timeline
2	Early warning signs ('EWS') of financial distress	4 Leading versus lagging indicators
		5 What is an LBO and why they might get into trouble?
		6 Business and operational EWS
		7 Management EWS
		8 Market EWS
		9 Accounting EWS
		10 Complex corporate structures
3	Cash flow and liquidity	11 Cyclical and credit
		12 Analyzing cash flow
		13 The importance of liquidity
		14 Moody's approach to analyzing liquidity

MODULES

4 Covenants, collateral and structure

- 15 Drivers of covenant strength
- 16 Covenant-lite and covenant-loose
- 17 The convergence of bond and bank covenants
- 18 Analyzing covenant weaknesses
- 19 Restricted groups and the credit implications
- 20 An action plan for covenant breaches
- 21 Collateral strengths and weaknesses
- 22 Valuing collateral and why it could go wrong
- 23 An overview of structure risk
- 24 Analyzing guarantees

5 Restructuring

- 25 Identifying the cause of the problem
- 26 Phases of a restructuring
- 27 The basic rules of restructurings and why it does not always work out as planned
- 28 Building a restructuring plan
- 29 Identifying the key stakeholders
- 30 Short-term actions
- 31 The long-term plan
- 32 What can go wrong in the restructuring process

RELATED COURSES

Liquidity – A Five Hour Virtual Instructor-Led Training session

- 1 Access to Capital and the Cost of Capital
- 2 Evaluating Liquidity and Refinancing Risk
- 3 Evaluating Sources of Liquidity
- 4 Evaluating Uses of Liquidity

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. Students should check for up to date information directly from the NASBA website: www.nasbaregistry.org.

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.

Unparalleled Expertise

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.

Register Online

If you are interested in this program, visit us at www.moodyanalytics.com/learningandcertifications

TAILOR ANY COURSE 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.

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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