

Financial Statement Adjustments and Ratios

A one-day course ~ £895 ~ 8 CPE Credits

Overview

The overall goal of this seminar is to provide delegates with an in-depth understanding of the analytical adjustments made by Moody's to the financial statements of rated corporate issuers. It also provides a detailed overview of those financial ratios and cash flow metrics most commonly used by Moody's Analysts and Rating Committees.

The seminar makes extensive use of data and reports available through Moody's Financial Metrics ("MFM") tool.

This workshop builds on Moody's Corporate Credit Ratings Analysis ("CCRA") seminar by exploring in greater detail the financial statement adjustments undertaken by Moody's Analysts. At the same time, it is a self-contained seminar that does not require delegates to have attended the CCRA course.

Learning Objectives

On completion of the seminar, delegates will be able to:

- recognise the financial metrics commonly used by Moody's corporate analysts
- calculate some of the key financial ratios used by Moody's
- identify Moody's standard financial statement adjustments for US GAAP and IFRS¹
- apply some of the important financial statement adjustments, including unfunded pension obligations, operating leases, hybrid financial instruments, and securitisations, to real case studies
- appreciate the impact that financial statement adjustments may have on the rating of the corporate issuer.

Who Should Attend

This workshop is aimed at credit professionals who would like a better understanding of the financial metrics most important in the ratings process, and how Moody's derives these metrics. Delegates attending this course may come from a variety of backgrounds, including:

- Ratings advisors
- Credit and fixed income analysts
- M&A professionals
- Debt originators
- Basel II and credit risk professionals
- Anybody who is looking for best practice financial statement analysis, or wants to understand which financial ratios drive a Moody's corporate rating.

Program Level: Intermediate

Prerequisites: Either approx. two years experience in a credit-related function or attendance on the CCRA seminar or equivalent.

Advanced Preparation: None

Delivery Method: Group-Live

Program Content

DAY ONE

▶ ▶ Session 1: Overview of Financial Ratios Used by Moody's

- Review of key cash flow concepts (CFO, FFO, RCF, FCF)
- Key financial ratios used in the ratings process
- Financial statement adjustments: rationale and overview
- **Group exercise/corporate examples**
- Review by industry sectors
- Introduction to Moody's Rating Committee Report

▶ ▶ Session 2: Moody's Global Financial Statement Adjustments

- Detailed explanation of Moody's standard financial statement adjustments for issuers using US GAAP/IFRS¹:
 - Unfunded and under-funded pension obligations
 - Operating leases
 - Hybrid financial instruments
 - Securitisations
 - Calculation of FFO
 - Other, including: capitalised interest, development expenses, discounted long-term provisions
- Examples of potential non-standard financial statement adjustments
- **Group exercises/corporate examples**

¹ The focus on the accounting standard differs depending on the geographic location of the seminar.



Registration Instructions

Financial Statement Adjustments and Ratios

I wish to attend the following training:

- London, 27 June 2008, £895

Applicable Tax

London seminars are subject to VAT at 17.5%.

How Did You Hear About The Training?

- Advertising Moody's Event
 Website Moody's Rep
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Registration / Questions / Cancellations

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If you are interested in other credit training seminars, please visit our website at www.moody's.com/trainingservices

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Fees: The fee for each seminar is per participant, inclusive of refreshments, lunches and seminar materials. Course fees do not include applicable tax, transportation or hotel accommodations. Preferential rates may be available; please mention our seminar when booking with the hotel. Payment must be received in full at least 30 days prior to the start of the seminar.

Special prices (participants are only eligible for one of the following):

- 10% reduction when an individual registers more than 60 days or more prior to the commencement of a seminar
- 10% reduction when 2 or more individuals from an organization register for the same seminar
- 10% reduction when an individual registers for more than one seminar at a time

Cancellation Policy: Cancellations may be made up to 30 days in advance of the seminar, after which date refunds cannot be given. Notification must be received in writing by letter, fax or email. In the event of a participant not being able to attend, a substitution may be made at no extra cost. We reserve the right to amend the prices, or cancel a seminar at any time.

Refund Policy: For further information on our refund and compliant policy, please contact us at + 44 20 7772 1636.

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