



Corporate Credit Risk Judgment

The Corporate Credit Risk Judgment Seminar is an four day course on corporate credit risk assessment and application. The course develops a framework and methodology for evaluating credit risk using current annual reports and industry information, rather than artificial cases. This framework and methodology leads to participant evaluation of credit ratings that are expressed in terms of a percent likelihood of default (company or issuer ratings) and adjusted default ratings that adjust for a percent likelihood of loss given default (facility or issue ratings).

The default rating methodology includes risk rating assessment of business risk (industry risk, competitive position, management), as well as financial risk (financial policy, profitability, leverage, cash flow and financial flexibility) and techniques for integrating these factors to come up with an overall default rating. The loss rating methodology includes methods for evaluating recovery based on enterprise and liquidation values, as well as on adjustments for collateral, covenants and structural and contractual seniority and subordination.

More important, while the training includes credit risk analysis, the primary focus is on credit risk judgment. The course uses mock rating committees and group presentations as an aid to developing a working knowledge rather than just a familiarity with the subject. The course includes both investment grade and non-investment grade cases. The course includes pre-course reading material, course handout material, and post course methodologies for updating the materials covered in the course.

Available Session(s):

22-Sep-2008 -- 25-Sep-2008	New York	USD \$3975
NY Institute of Finance - Midtown	9:00am - 4:30pm	Mon Tue Wed Thu
Instructor(s):[Jack Foster;]		

Targeted Audience

Credit officers, credit administrators, lending officers and bond investors

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected

financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

No previous credit experience is required.

Learning Objectives

Students will be able to:

- Develop the capacity to evaluate the risk of lending or investing in different industries
- Develop the capacity to evaluate a company's default risk rating
- Develop the capacity to evaluate a credit exposure's expected loss given default

Follow-Up Courses

Derivative Credit Risk Judgment and Management

Level: Intermediate

Detailed Outline

Day 1

Welcome, Introductions & Course Objectives

Understanding & Assessing Ratings & Risk Factors

- Definitions of Risk
- Rating Definitions
- Default Studies

Corporate Rating Judgment and Methodology

- Business Risk Analysis

Case Study - Investment Grade Case

- Rating Workshop - Business Risk Analysis

Case Study - Investment Grade Case

Day 2

Ratio Exercise & Adjustment to Ratios

- Ratio Definitions & Exercise
- Adjustments to Key Financial Ratios

Parent/Subsidiary Links

- Structural Seniority & Subordination

Corporate Rating Judgment and Methodology

- Financial Risk Analysis

Case Study - Investment Grade Case

- Introduction - Financial Risk Analysis & Overall Rating Analysis

Case Study - Investment Grade Case

- Rating Workshop - Financial Risk Analysis & Overall Rating Analysis

- Group Presentations

Case Study - Investment Grade Case

- Group Presentations
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Day 3

Facility/Issue Ratings

- Contractual Subordination
- Structural Subordination
- Covenants, Security
- Enterprise & Liquidation Value

Sovereign Risk: The Impact on Corporate Ratings

Integrating Market and Quantitative Based Rating Models

Loan Equivalents & Risk Equivalents

Pricing, Loss & Capital Allocation, and Shareholder Value

Day 4

Case Study - High Yield Case

- Introduction - Business Risk Analysis

Case Study - High Yield Case

- Rating Workshop - Business Risk Analysis

Case Study - High Yield Case

- Group Presentations

Case Study - High Yield Case

- Introduction - Financial Risk Analysis

Case Study - High Yield Case

- Rating Workshop - Financial Risk Analysis & Overall Rating Analysis

Case Study - High Yield Case

- Group Presentations

Program Wrap-up

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.