

€ TRAINING

Advanced Corporate Credit Analysis





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Introduction:

This training program teaches sophisticated methods for evaluating credit risk in corporate contexts. Participants learn to identify financial statement manipulation, analyze complex group structures, and assess securities' impact on credit quality. Mastering these techniques enables informed decision-making in corporate credit analysis.

Program Objectives:

At the end of this program, participants will be able to:

- Apply advanced techniques for evaluating credit risk in corporate environments.
- Analyze complex financial structures and identify manipulation of financial statements.
- Assess the impact of securities and group structures on credit analysis.
- Utilize sector-specific risk assessment and integrate macroeconomic factors into credit analysis.
- Implement effective credit risk mitigation strategies in corporate credit analysis.

Targeted Audience:

- Credit analysts, risk specialists, and fixed income fund managers.
- Buy-side credit analysts and sell-side managers.
- Investment bankers, fixed income investors, and credit sellers.
- Private equity directors, treasury professionals, and securities strategists.
- Compliance officials, equity traders, and finance attorneys.

Program Outline:

Unit 1:

Understanding Financial Statement Manipulation:

- Identification of GAAP and non-GAAP figure manipulation.
- Techniques for recognizing manipulated financial statements.
- Analysis of recommended adjustments to financial statements.

- Impact of financial statement manipulation on credit risk assessment.
- Case studies illustrating instances of financial statement manipulation.

Unit 2:

Complex Group Structures Analysis:

- Identification and analysis of complex group structures.
- Understanding the credit implications of group structures.
- Examination of different consolidation methods and their impact on credit analysis.
- Assessment of legal and structural subordination within group structures.
- Case studies exploring the credit impact of complex group structures.

Unit 3:

Evaluation of Hybrid Securities:

- Understanding the characteristics of hybrid securities.
- Analysis of how different types of hybrid securities are rated.
- Assessment of the credit implications of hybrid securities.
- Evaluation of hybrid securities' impact on credit quality.
- Case studies illustrating the use and impact of hybrid securities in credit analysis.

Unit 4:

Risk Analysis in Corporate Bonds:

- Techniques for assessing credit risk in corporate bonds.
- Analysis of bond covenants and their implications for credit risk.
- Evaluation of bondholder rights and protections.
- Assessment of bond default and recovery rates.
- Case studies examining credit risk analysis in corporate bond investments.

Unit 5:

Cash Flow Analysis and Forecasting:

- Techniques for cash flow analysis in corporate credit analysis.
- Forecasting future cash flows and their impact on credit risk.
- Assessment of liquidity ratios and cash flow coverage.
- Evaluation of cash flow sustainability and capital expenditure.
- Case studies demonstrating cash flow analysis and forecasting in credit assessment.

Unit 6:

Debt Structure and Capitalization Analysis:

- Understanding debt structure and capitalization in credit analysis.
- Analysis of debt capacity and leverage ratios.
- Evaluation of capital structure optimization and debt tranches.
- Assessment of debt maturity profiles and refinancing risk.
- Case studies exploring debt structure and capitalization analysis in credit assessment.

Unit 7:

Sector-Specific Risk Assessment:

- Identification and analysis of sector-specific risks.
- Understanding the impact of industry dynamics on credit risk.
- Assessment of regulatory and market risks in different sectors.
- Evaluation of sector-specific financial metrics and benchmarks.
- Case studies illustrating sector-specific risk assessment in credit analysis.

Unit 8:

Macroeconomic Factors and Credit Risk:

- Analysis of macroeconomic indicators and their impact on credit risk.
- Understanding the business cycle and its implications for credit analysis.
- Assessment of interest rate risk and inflationary pressures.

- Evaluation of currency risk and geopolitical factors.
- Case studies demonstrating the integration of macroeconomic factors into credit risk assessment.

Unit 9:

Environmental, Social, and Governance ESG Analysis:

- Understanding the importance of ESG factors in credit analysis.
- Analysis of environmental risks, social factors, and corporate governance practices.
- Assessment of ESG integration into credit risk models and frameworks.
- Evaluation of ESG disclosure and reporting standards.
- Case studies illustrating ESG analysis and its impact on credit risk assessment.

Unit 10:

Credit Risk Mitigation Strategies:

- Identification of credit risk mitigation techniques and strategies.
- Understanding the role of credit derivatives and credit default swaps.
- Evaluation of collateralization and asset-backed securities.
- Assessment of credit insurance and guarantees.
- Case studies demonstrating effective credit risk mitigation strategies in corporate credit analysis.