

PRODUCT TRAINING

HOW TO USE RISKANALYST

OVERVIEW

This two-day hands-on course is designed to teach how to use the capabilities of Moody's KMV RiskAnalyst™. Participants will learn how to enter historical and projected financial data utilizing features of Moody's KMV RiskAnalyst and produce accurate reports. Moody's KMV instructors are experienced technical support personnel and professionals with credit analysis and lending experience who make the material informative, enjoyable, and easy to understand.

This course is available through public seminars and at client sites. For client-site training, the course may be customized to fit client needs.

WHO SHOULD ATTEND

How to Use RiskAnalyst is designed for commercial and small business loan officers, credit analysts, loan review officers, and anyone else using Moody's KMV RiskAnalyst. Prerequisites are a working knowledge of statement spreading concepts and Microsoft Windows.

OBJECTIVES

Upon completion of this seminar, participants should be able to use Moody's KMV RiskAnalyst in the financial risk assessment process by:

- . Creating customer financial statement spread sheets
- . Entering historical financial statement data
- . Viewing and printing financial reports
- . Creating custom ratios for financial loan agreement covenants
- . Creating and modifying financial projections

TOPICS

- . Moody's KMV RiskAnalyst Standard Features
- . Historical Analysis
- . Rolling Statement Creator
- . Reporting
- . Comparing companies
- . Consolidating Companies
- . Creating Custom Calculations for Reports
- . Projections
- . Debt Payment in Projections

MATERIALS

Participants will receive the Product Use Training Guide for use during and after the seminar.

HOW TO USE RISK ANALYST: AGENDA

HOW TO USE RISK ANALYST – DAY ONE

9:00 – 9:15	Introduction
9:15 – 10:45	Historical Analysis Discussion and Demonstration As a class, participants create a new customer and enter data with the trainer. The following topics are covered: <ul style="list-style-type: none">• Identifying Moody's KMV RiskAnalyst screen elements• Creating customers• Modifying customer and RMA information• Selecting and changing statement rounding• Adding and deleting statements• Hiding and displaying statements• Reconciling statements• Entering financial statement information• Adding, deleting, and renaming accounts• Balancing statements• Creating and modifying footnotes• Choosing statement order and data entry options• Using cell copy options• Entering data using the calculator mode
10:45 – 11:00	Break
11:00 – 11:15	Rolling Statement Creator Discussion and Demonstration <ul style="list-style-type: none">• As a class, create trailing 12 month statements from interim statements with the trainer.
11:15 – 12:15	Historical Analysis Case <ul style="list-style-type: none">• Individually enter 2 years of financial statement data for Sharp Edge Products, Inc.• Review the data entry for account classification considerations.
12:15 – 1:15	Lunch
1:15 – 1:30	Review: Historical Features and Data Entry
1:30 – 2:15	Reporting Discussion and Demonstration As a class, participants create and view the reports included in the Historical Reports section of the Product Use Training Guide with the trainer. The following topics are covered: <ul style="list-style-type: none">• Selecting historical, consultant, and peer comparison reports• Selecting report rounding, order, and destination• Printing and viewing reports on screen• Creating and viewing customer comparison reports
2:15 – 2:30	Using the Help System Trainer-led discussion and demonstration of the Help features, including <ul style="list-style-type: none">• Determining report calculations• Using the system's functions
2:30 – 2:45	Break
2:45 – 3:15	Consolidations Discussion and Demonstration and Case

- As a class, create consolidated statements for the GM Group companies with the trainer.
- Individually, create consolidated statements for the Ginger Group companies.

3:15 – 3:30

User-Defined Analysis – Discussion

Trainer-led discussion explaining the purpose of User Defined Analysis and how to build formulas. Topics covered are:

- Building user-defined analysis
- Using classes, types, flows, and accounts
- Inserting macro formulas
- Using ratios created with User Defined Analysis for loan covenant compliance measurement.

3:30 – 4:00

User Defined Analysis - Examples

- Individually, create the custom calculations in the Seminar Cases section of the Product Use Training Guide
 - Without using macros
 - Using macros
 - Using the “LAG” operator
 - Using the “YEAR” operator
- As a class, review each calculation.

4:00 – 4:15

Review of Day 1

HOW TO USE RISK ANALYST – DAY TWO

8:30 – 8:45

Review of Day 1

8:45 – 9:30

Projections Discussion and Demonstration

As a class, participants create a new projection for Sample Customer. The following topics are covered:

- RiskAnalyst’s projection methodology
 - Projections Variables: “Cash Drivers”
 - System calculations
- Creating new projections
- Choosing account assumption types

9:30 – 10:15

Long-term Projections Case – Working with Management Forecasts

- Individually enter management’s forecast for Sharp Edge Products, Inc.
- Determine management’s assumptions using the Calculate Projection Variables feature.
- As a class, review the projection results.

10:15 – 10:30

Break

10:30 – 11:15

Using Quick Assumptions

As a class, participants create a new projection for Sample Customer and enter data with the trainer. The following topics are covered:

- Using Moody’s KMV Risk Analyst ’s Quick Assumptions
- Reducing existing long-term debt
- Inserting new debt
- Choosing interest rate assumption types
- Advancing debt mid-year (partial year’s calculation)

- 11:15 – 12:15 **Long-term Projections Case – Quick Projections Case Study**
- Individually create a long-term projection for Sharp Edge Products, Inc, using Quick Assumptions and modify the cash drivers.
 - As a class, modify the other accounts as indicated, and enter a new term loan.
 - As a class, review the projection results.
- 12:15 – 1:15 **Lunch**
- 1:15 – 1:45 **Surplus Deficit Allocation Demonstration**
As a class, complete the Quick Projection – Two case with the trainer.
- Allocate the cash surplus and required borrowings to specific balance sheet accounts
 - View the Projections Assumption report
 - Review the projections process
- 1:45 – 3:45
(break included) **Long-term Projections Case – All Projection Types Case Study**
- Individually create a long-term projection for C&C Products and project all accounts using Projection Types.
 - As a class, review the projection results and the company's ability to service the new term loan.
- 3:45 – 4:00 **Summary and Evaluation**