Moody’s Analytics & Institute of Banking Studies Joint Public Seminar in 2015

Due Diligence
October 11-12
COURSE OUTLINE:

Due Diligence

Overview
High-profile business crises in recent years have brought the necessity for good due diligence into sharp focus. Nevertheless, the process itself remains unclear and amorphous. How much investigation is necessary in each case? What areas should be looked into and how should this be done? How does one recognize real red flags and avoid going down blind alleys? With the understanding that transactions are frequently examined under competitive pressures and with limited time and personnel, this course, in a practical way, discusses fundamental practices for recognizing and selecting key information, while it presents guidelines and techniques for conducting an efficient and targeted investigative effort. The course is based on actual current examples throughout, including substantial examination of due diligence issues in well-known companies and prominent situations.

Learning Objectives
Upon completion of this seminar, delegates will be able to:
- develop a solid due diligence plan;
- conduct an effective investigation, asking key questions and uncovering crucial information;
- know how to respond to, and follow up on, statements in transaction proposals;
- recognize red flags and explore these efficiently.

Who Should Attend
This is an intermediate level course, well suited for new hires or more experienced personnel who wish to sharpen their skills in due diligence investigation. Appropriate attendees are those who work in credit and investing at commercial banks, as well as other financial professionals such as investment bankers, debt and equity analysts, portfolio managers, corporate treasurers, and venture capitalists.

Program Level
Program Level: Intermediate
Prerequisites: None
Advanced Preparation: None
Delivery Method: Group Live

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. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

Moody’s Analytics is accredited with the CFA Institute and the UK Solicitors Regulation Authority.

WHY MOODY’S ANALYTICS?
Consultative Approach
Our courses are built and updated based on extensive research, experience, and the dynamic changes in the financial markets. For in-house training, we work with you to understand the distinct needs of your organization and 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 list of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include:
- Banking & Credit
- Financial Markets & Investments
- Risk & Capital Management
- Corporate Finance
- Derivatives & Structured Products
- Professional & Personal Development

Unparalleled Expertise
Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody’s Analytics to deliver timely, deep, and comprehensive knowledge. In delivery, our people make the difference—they combine deep experience as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.
1. Course Outlines

Due Diligence

DAY ONE

Session 1: Introduction
- The due diligence obligation
- Risk and vulnerability
- Levels of fiduciary duties
- Experts and non-experts
- How much due diligence is adequate?
- Use of limited time, personnel, and resources
- Due diligence team
- Creating an effective due diligence plan
- Lists and questions
- Use of representations and warranties
- Confidentiality agreements
- Relative responsibilities of agents, participants, underwriters, and others.

Session 2: Critical Due Diligence
- Evaluating due diligence performed by others
- Reading reports critically
- Key questions and responses

Session 3: Managers and Directors
- Primary importance of assessing management
- Examining competence and integrity
- Planning as an indicator of management ability
- Standards for management compensation
- Relation between management and board of directors
- Analyzing corporate governance issues
- A look at Tyco
- Ownership by management and directors
- Promotion and succession as indicators
- Interviews
- Sources of information: managements and directors

Session 4: Company Operations and Structure
- Understanding the process of the business
- Following the sequence of operations
- Company tours and how to manage them
- Discussions with personnel: executive and middle management, line staff and workers
- Sources of information: publications, internet, suppliers, customers, competitors, and others
- Implications of corporate structure: ownership and reporting relationships
- Dealing with international subsidiaries

Session 5: Market Due Diligence
- Porter’s Five Forces: suppliers, customers, competitors, barriers to entry, substitutes
- Sources of market and competitive information
- Timing issues: seasonality, cyclical, corporate life cycle
- Creative methods of uncovering market knowledge

Moody’s Analytics
Due Diligence

DAY TWO

Session 6: Accounting Due Diligence
- What can be learned from the statements
- Accounting standards as an indicator
- Adequacy and consistency
- Change of standards, change of auditors
- Revenue and cost recognition
- Use of extraordinary items, reserves
- Key off-balance sheet issues
- Private and public companies and their accountants
- Large and small audit firms
- Use of SPVs, VIEs, SIVs
- Accounting for repos and similar financing vehicles
- Due diligence effect of Sarbanes-Oxley, the Patriot Act, Basel II, and other regulation

Session 7: Legal Due Diligence
- What attorneys must review
- Deal-specific attorney due diligence
- Viability of transaction, authority of signatories
- Legal vulnerability in company and transaction
- Perfection of security interests
- Environmental hazard issues

Session 8: Valuation Due Diligence
- Importance of valuation in different transactions
- Who performs valuation?
- Types of values
- Key valuation methodologies – strengths and weaknesses of each
- What must be examined to confirm valuations
- Fraudulent conveyance
- Fairness opinions

Session 9: Intellectual Property
- Increasing importance of IP due diligence
- Complexity of task, risks involved
- Copyrights
- Patents
- Trademarks
- Trade secrets
- Process vs. design or formula patents
- Timing issues
- Licenses
- Outsourced development
- Methods of research

Comprehensive Case Study
- on an operating business, incorporating the range of due diligence concepts explored in the seminar

Course Location & Timing
The program will be conducted at the Institute of Banking Studies, Jordan premises. The course will be delivered between 9:00am-5:00pm including one hour lunch and prayer break.

Fees
USD 1,500
The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar.

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2. Kristin Yeatman

Kristin brings over 20 years of banking and lecturing experience to Moody’s Analytics. With an emphasis on leveraged, structured and corporate finance, she has covered debt capital markets in the EMEA, US and Canada.

Kristin joined Moody's in 2011 from BlackRock Solutions where she was a Consultant providing expected loss opinions on distressed corporate, project and tax-driven debt to sovereign clients. Prior to BlackRock, she held Director level positions at Bank of Scotland, where she headed a buy-side acquisition finance team & investigated work-outs, and at Royal Bank of Canada ("RBC"), where she marketed, originated and executed structured finance transactions and managed a portfolio of investment grade loans. Earlier in her banking career, at Sumitomo Bank, she managed a portfolio of Broker/Dealers, Fund Managers, and Oil &Gas companies. This followed on from analyst positions for Non-Bank Financial Institutions and for an insolvent Commercial Property portfolio at RBC.

Prior to joining RBC in 1993, Kristin worked for several years as Business Development Manager for a marine engineering company and during her studies she interned with a private equity house.

Kristin has an M.B.A. in Finance from St. Mary’s University in Canada and a B.A. in English and Music from the University of Western Ontario.
3. MA & IBS Next Program's Schedule

Moody’s Analytics and Institute of Banking Studies, Jordan are pleased to offer the following course in the 4th quarter of 2015:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Duration</th>
<th>Date</th>
<th>Instructor</th>
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<tbody>
<tr>
<td>Advanced Bank Risk Analysis</td>
<td>3 Days</td>
<td>November 17-19</td>
<td>Maurice Skehan</td>
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The courses will be delivered between 9:00am-5:00pm including one hour lunch and prayer break.