

Credit Reasoning & Writing

Credit & Finance

MOODY'S
ANALYTICS



Virtual



16 hours



USD 1,200



Registration Deadline

12-Jan-2025

Course Description:

Credit Reasoning and Writing is a two-day seminar focused on the preparation of credit approval documents that summarize succinctly the overall credit risk exposure that an institution is asked to take on.

This topic is increasingly recognized by financial institutions as a significant skills gap in their staff. In an age where data proliferates, senior credit professionals in many financial institutions have lamented that credit approval documents are often lengthy, sometimes reaching 30 to 50 pages and containing a high volume of data without adding significant insight. Elevator analysis is prevalent in some parts of the industry and although possessing strong analytical skills, many analysts lack the ability to summarize their findings succinctly.

Target Audience:

- Relationship managers
- Risk managers
- Credit analysts

Course Objectives:

By the end of this course, participants will be able to:

- Write credit approval documents that are clear, concise, and cash flow focused.
- Select information for inclusion in credit approval documents that is relevant for the decision-maker and focused on key risks and mitigants.
- Write a financial risk analysis that is supported by facts.
- Describe the key facility risks and how they will be mitigated by the suggested loan structure.
- Use executive summaries to communicate the key issues to decision-makers.

Course Outline:

Module 1: Qualities of a Good Credit Approval Document

- Importance of effective but simple sentence structure, using short words and simple language
- The 4 golden rules and the 5C's of a credit approval document
- Avoiding vague concepts and ambiguity
- Passive and active writing
- Purpose of using tables, numbers and graphs
- Using the practical work aides (Tool Book) provided to improve the participants' own approval documents
- Considering the importance of information – is it essential, necessary or simply nice to know?

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Module 2: Effectively Summarizing Business Risks

- Business risk analysis and it forms part of the credit application document
- How to decide what information to use
- Qualitative analysis
- Structuring the analysis
- Case study – Breakout groups

Module 3: Effectively Summarizing Financial Risks

- The four pillars of financial analysis
- Key drivers of cash flow
- Ratio analysis
- Exercise – Financial ratios
- Writing opinions and judgments and supporting them with facts
- Avoiding elevator analysis
- Case study – Evening homework

Module 4: Effectively Summarizing Transaction and Structure Risks

- Debrief of the case study given for the evening work
- The three types of subordination
- Transaction specific risks
- Borrowing causes and loan structure
- Mitigating risk through loan structure
- Case study – Practically apply the learning

Module 5: The Executive Summary

- The “rules”
- Why an executive summary is needed
- How to write an executive summary
- Case Study – Write an effective executive summary

Module 6: The Recommendation and Individual Writing Sample

- Writing a compelling recommendation
- Linking the recommendation to the ES and the rest of the CAD

Module 7: Workshop Summary

- Case study – Using a structured approach to cover the three components of credit risk -business risks; financial risks: transaction and structure risk
- Key learning points of the workshop

Course Language:

English.

Fees:

In case of nominating 3 participants , the cost per participant will be USD 1,100.

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Trainer BIO:

Kieran Delaney

Kieran brings 30 years' experience in Banking across a wide variety of front line and Credit roles to his training.

Until 2016 Kieran worked at a senior level within the RBS real estate business, where responsibilities included credit approving the Bank's largest corporate deals. His other roles have also included being head of SME Real Estate, Director of Strategy and Business Management for the Corporate Banking Division, Head of Specialised Relationship Management - a real estate restructuring business, and as a Director within Corporate & Structured Finance.

Kieran first became involved in training in the 1990's as the senior tutor at NatWest's staff training college where he led the design and delivery of all the Bank's credit and corporate risk programmes. Since that time, he has continued to develop his training skills both within and outside the Bank, having facilitated over 40 separate programmes in the Middle East covering graduates to Board level programmes. As a trainer Kieran combines a rare blend of front-line hands on experience with his broad training background. This ensures his programmes are very practically based with an emphasis on real world implications and issues.

He has experience of working across many areas of bank training, including credit analysis, accounting, cash flow analysis, corporate finance, re-structuring, documentation and deal structuring.

Kieran graduated from Oxford Brookes University with a first class honours degree and he is also professionally qualified as a banker (ACIB), treasurer (AMCT) and accountant (ACMA).