

After a credit analysis of a loan request it is time to communicate the findings in writing in the form of a credit report. It is not only what you write but also how you write that is important. This course focuses on the content, factors and trends that need attention and presentation of facts, thoughts and opinions.

## CREDIT REPORT WRITING SKILLS



**Caribbean Information &  
Credit Rating Services Limited**

**Fitch**Learning

---

## **Background**

With working from home now the new normal, CariCRIS has introduced virtual learning so that we can continue to facilitate the high-quality credit risk workshops that Caribbean risk professionals have grown accustomed to from us over the past 15 years. Our live online workshops are being provided to you at reduced prices cognisant of the difficult economic times, but with no sacrifice to the quality and comprehensiveness of the workshop content and classroom experience. Further enhancing your value for money is that you are now able to benefit from this positive learning experience from the comfort of your own home or office, and without the added burden of travel and accommodation costs and the time involved.

## **Our Live Online Workshops – How it works**

The structure of our virtual learning programmes is designed to keep the same levels of engagement and networking as our in-person workshops. The workshops will be facilitated by highly knowledgeable and experienced instructors, who have successfully delivered their respective workshops both online and in-person over several years. Registered participants will join the workshops using standard virtual conferencing software and the workshop material will be presented live by the facilitator. Participants will be allowed to ask questions real time, there will be practical case studies to be completed in groups, and the number of participants will be capped to allow for an interactive, discursive style of training, just as in the classroom-based workshops. One-day courses will be split over two half-days and two-day courses over four half-days, to ensure a high level of engagement throughout the sessions and to give participants the flexibility to get other things done during the course of a workday.

## **About CariCRIS**

CariCRIS is the Caribbean's first regional credit rating agency. Our mission is to contribute to the development of a vibrant, integrated Caribbean capital market by setting the highest standards of credible independent analysis and opinion to enable informed financial decisions. Our technical consultant, CRISIL Limited, is the world's fourth largest rating agency and an associate company of Standard & Poor's (S&P), the world's leading index provider and the foremost source of independent credit ratings across the globe. CariCRIS has successfully delivered first-class training to over 1,000 credit and risk professionals across the Caribbean over the past 15 years.

## **About FitchLearning**

FitchLearning partners with clients to deepen knowledge, develop skills, and enhance conduct, delivering positive business outcomes. With centres in established financial hubs including London, New York, Singapore, Dubai, and Hong Kong, we are committed to understanding complex client needs across fast-paced financial markets globally. Our learning solutions encompass an expert faculty, e-learning, coaching and blended candidate assessments, improving individual contribution and collective business performance.

## **About the Course**

This three half-days workshop on “Credit Report Writing Skills” focuses on the content, factors and trends that need attention in credit reports and presentation of facts, thoughts and opinions. It is not only what you write but also how you write that is important. The report should address three functions: (1) Provide information on the condition and status of a relationship, (2) Provide a record of thoughts and actions, and (3) Support or recommend action

## **Key Learning Objectives**

The course, supported by case studies and exercises, will cover, among others, the following topics.

- Writing credit approval documents that are clear, concise, consistent, and complete
- Selecting information for inclusion in credit approval documents that is relevant for the decision-maker and focused on key risks and mitigants
- Writing a financial risk analysis that is supported by facts
- Writing a business risk analysis that is supported by facts
- Describing the key facility risks and how these will be mitigated by the suggested loan structure
- Writing effective executive summaries to communicate key issues to decision-makers

## **Content**

### Introduction to Credit Report Writing

- Purpose of writing reports
- Why credit reports are critical

### Components of a Credit Report

- Executive summary
- Introduction of organisation
  - Description of business
  - Product and services
  - Legal structure
  - Management and personnel
- Marketing
  - Target market
  - Competition
    - Industry trends
    - Sales and distribution

- Location
- Financial statement analysis
- Business risks
- Financial risks
- Credit recommendation
- Case study: credit the credit memo and recommend improvements

#### Data Accumulation

- Financial information
- Products
- Customer information
- Competition
- Marketing sales and distribution
- Research and development
- Management and personnel
- Legal and related matters
- Case study: due diligence checklist

#### Financial Statement Analysis

- Computing relevant financial ratios
- Interpretation of the ratios
- Cash flow analysis
- Analysing the health of the balance sheet
- Case study: how financial statement strengths and weaknesses are included in the credit report

#### Business Risk and Commercial Viability

- The 5 Cs of credit
- The four-step analytical review
  - Purpose
  - Payback
  - Risk
  - Structure
- Business strategy
- Earnings dynamics
- Asset management
- Case study: determine the key factors that need to be included in a credit report for business risk

#### Financial Risk

- Funding strategy
- Liquidity and refinancing risk
- Solvency
- Case study: determine the key factors that need to be included in a credit report for financial risk

#### Management and Organisation

- Management
  - Strategy, systems, skills and structure

- Integrity
  - Risk management
- Shareholders
  - Financial, influence, control
  - Organisational structure
- Case study: determine the key factors that need to be included in credit report management and organisation

#### Types of Credit Risk mitigants

- Financial covenants
- Non-financial covenants
- Collateral security and guarantees

#### Risk Mitigation and Loan Structure

- Factors impacting loan loss
- Types of commercial loans
- Mitigating risk through loan structure
- Ranking of the loan
- Case study: select optimal structure in the given situations

#### Executive Summary

- Key features of an executive summary
- Using executive summaries to communicate key issues to decision-makers
- Case study: identify drawbacks in the given executive summary

#### Improving Writing Skills

- Develop reports that are accurate, correct, objective, clear, concise, constructive, complete, and timely
- Develop coherence
- Practice objectivity
- Ensure sentence clarity, voice and tone
- Using technical terminology
- Using reader friendly writing
- Presenting tables and charts
- Keeping an appealing layout
- Overview of standard on quality of communication
- Examples on each of the above

## **Who should attend?**

This workshop should be of particular interest to:

- Commercial lenders, credit analysts and small business lenders, loan review specialists, special assets officers, lending managers and credit officers.
- Relationship managers from commercial banks, credit unions and other lending institutions.
- Risk analysts in banks, credit unions and other financial institutions.
- Board members and Credit Committee members of financial institutions.
- Banking and financial sector regulators.



## **Profile of the Facilitator**

### **Tracy Williams**

Tracy teaches courses and seminars in Corporate Credit Analysis, Financial-Statement Analysis, Debt Structuring, Corporate Finance, Investment Banking, Project Finance, Corporate Equity Valuation, Analysis of Financial Institutions, Bank Risk Management, Risk Strategy and Risk Policy to Bankers, Risk Managers, Traders and Investors from institutions around the globe. His experience in delivering courses includes Senior Managers, Client Relationship Bankers, Fixed-Income Analysts, Compliance Managers, Equity Analysts and Project-Finance Managers and Entry-Level Analysts and Associates.

Tracy retired from JP Morgan Chase after 27 years in investment and corporate banking and risk management. For 10 years, he was a Managing Director in the Financial Institutions Group where he managed a group responsible for portfolio and risk management, credit policy, financial analysis and models, loan operations, loan structures and loans syndications for a client base of over 250 broker/dealers, investment banks, funds, futures and commodity traders, securities and derivatives exchanges and other financial institutions.

Tracy is a founding member of the Consortium Finance Network, a network and forum for over 1,100 MBA students and graduates in finance. Since 2009, he has written over 225 blog posts on current topics in corporate finance, financial regulation, banking, and capital markets for the group. He has also contributed articles on risk management and risk policy to other publications.