

Certificates

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Certificate Code: 01023

Certificate Hours:

255

Target Audience:

This credit certificate is intended for credit department and financial institution employees, such as junior credit officers and portfolio and relationship managers.

Certificate Description:

The credit certificate provides participants with the fundamentals of accounting and financial statements. It also enables participants to understand lending techniques for effective credit decisions and techniques involving risks of trade operations from a credit perspective. Moreover, it gives participants perspective on the legal issues that govern the scope of credit activities. It is worth noting that EBI is applying up to date instructional methods; among them is Trial Desk, which allows participants to successfully complete the final desk based on real case studies.

C Certificate Objectives

- Prepare a financial statement analysis
- Describe how to take a credit decision, through industry analysis, financial statement analysis, cash flow statement analysis, and projections and lending rationales
- Identify the international trade services, documentary credits and letters of guarantee
- Identify the different financial institutions and the elements of bank risk appraisal
- Explain the advantages and limitations of the implementation of Basel II
- Explain credit risk ratings and discuss how to manage credit risk
- Prepare a credit facilities report
- Identify the role and function of credit administration
- Explain the banking information duties and responsibilities

Certificate Outline:

- List the legal aspects and regulations of credit and finance
- Detect non-performing loans and discuss how the bank handles them

Module 1: Accounting

- Conceptual framework
- Financial statement presentation
- Net profit for the year
- Time value of money - fundamentals
- Assets and related issues
- Investments in debt and equity securities (current and long-term)
- Accounting treatment of unusual issues
- Financial statement analysis

Module 2: Core Credit

- Industry analysis
 - Introduction to types of industry
 - Industry risk characteristics
- Financial statements analysis
 - Introducing the financial statements
 - The asset conversion cycle
 - Evaluating asset management efficiency
 - Evaluating profit performance
 - Evaluating financial risk
- The fact sheet
- Cash flow statement mechanics and analysis
 - Introduction to cash flow statements
 - Mechanics of the cash flow statements
 - Debt servicing ability
- Cash flow projections

- Introduction to term lending and cash flow projections
- Constructing projections
- Lending rationales
 - The asset conversion lending rationales
 - Asset protection lending
 - Subordinations

Module 3: Trade Finance

- International trade history
- International Chamber of Commerce history
- SWIFT (Society for World Wide Interbank Financial Telecommunication) organization and messages
- Shipping documents
- International payment tools
- Documentary credits
- International commercial terms (INCOTERMS)
- Letters of guarantee

Module 4: Financial Institutions

- Economic background
- Correspondent banking and trade finance services
- Correspondent banking and sovereign credit assessment
- Elements of bank risk appraisal (financial institution group)
- Bank and country risk
- Origins of bank failure

Module 5: The Basel II Agreement

- Introduction to Basel II
- The first pillar - minimum capital requirements
- The second pillar - supervisory review process
- The third pillar - market discipline
- The advantages and limitations of the implementation of Basel II

Module 6: Risk Rating (ORR)

- Conceptual framework
- Credit risk ratings and loan provisioning
- Credit risk management

Module 7: Report Writing and Facilities Structure

- Overview of credit facilities: types and structure
- Credit report writing
- How to prepare a credit report and what to include

Module 8: Credit Administration

- The role and function of credit administration
- Types of credit facilities
- Fully secured credit facilities
- Types of collateral

Module 9: Banking Information

- Introduction to banking information
- The banking information department
- Banking information department duties and responsibilities

Module 10: Legal Aspects

- Definition of the legal aspects of credit and finance

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- Credit facilities and loan regulations
- Rights and duties of the bank and bank staff
- Electronic credit and finance

Module 11 – Non-Performing Loans

- Introduction to non-performing loans
- The indicators of the non-performing loan
- The banking treatment of non-performing loans
- The banking treatment of non-performing investment projects
- Monitoring rescheduled non-performing loans
- Managing non-performing loans
- The principles of borrower credit ratings and provisioning
- Legal aspects of working with non-performing loans
- Lessons learned from classified loans

Assessment Strategy:

Upon Successful Completion of this Course, participants will obtain:

Certificate Language:

Prerequisites:

This Certificate entitles you to attend:

- Participants will be assessed based on the following:
- Post Tests: Participants will sit for an exam at the end of each module.
 - Final desk (Real Case Studies)
23 Quarter Credit Hours

Arabic and English

- Satisfactory score on the accounting pre-test
- Good command of English

None