
Financial & Credit Analysis of Banks

Excerpt

Financial Institutions play a critical role in both developed and emerging economies as sound banks are a pre requisite for healthy economic growth. The success of these institutions relies mainly on their effective management of their diverse risk portfolios. In addition, the upcoming Basel III regulatory guidelines will lead to recapitalizations, asset arbitrages and consolidation in the industry. This program will enhance the participants' understanding of the banking business, their ability to analyze banks financials and their skills at assessing and managing the diverse dimensions of risk inherent to banks' activities.

Who Should Attend?

- Financial Institutions specialized Relationship Bankers
- Credit Officers needing to assess the creditworthiness of Financial Institutions
- Financial Analysts
- Financial Controllers
- Auditors

Content

I. What Basel II & III are and how they affect banks

- Credit Risk – the 16 Principles and how they are implemented
- Background on:
 - o Market Risk
 - o Interest Rate Risk
 - o Liquidity Risk
 - o Operational Risk
 - o Reputation Risk
 - o Concentration Risk

II. How we assess banks

- Accounting Issues
- Balance Sheet and Income Statement for Banks
- Measuring Capital Adequacy
- What ratios do we use
- Analysis (CAMEL)

- Quality and transparency of disclosure in Bank's financials and its effect ultimately on the quality of our analysis:
 - o Nature of FI regulatory environment and its implementation.
 - o State of development of accounting standards and their uniform application by all players so we can compare apples with apples
 - o Quality and power of Central Bank supervision, which ensures regulations, disclosures and accounting standards are being implemented in letter and spirit.
 - o The significance of off-balance-sheet items.

III. Ratings and differentiation

- Banks' systemic risk in relation to macro prudential indicators.
- Compare and differentiate between emerging market banks vs. developed market banks. Commercial banks vs. Investment banks...
- External ratings definition: Issuer rating vs. individual rating vs. ST rating vs. LT rating...

IV. Cases

- Live cases from the bank will be used to apply the lessons learnt to reality.

We are a [CFA Approved-Provider](#) and as such CFA active members will earn CE credits and hours towards the content areas of their [SER](#).

Our Methodology

This full-time classroom training relies heavily on hands-on acquisition of skills through exercises and case studies. Participants are required to devote their time to the program which will also require after hours preparations. The use of MS Excel is one of the tools used in class to ensure that participants can create their own analysis.

Pre-Requisites

Participants should have the following to qualify to attend this program:

- A very good command of Financial Accounting and Analysis
- A laptop with MS Excel to use throughout the program and have a working experience with the handling of Excel

Duration

5 Days

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