

Measuring and Evaluating Banks Performance



CENTRAL BANK OF EGYPT
Egyptian Banking Institute

Investment and Treasury

Training Offerings 2024-2025



404-P24-CE-1



In-Class



20 hours



EGP 6120

Course Description:

This program provides participants with the necessary knowledge to analyze and evaluate the banks performance by acquiring the skills of analyzing the financial statements of the banks to identify the financial factors affecting the performance and evaluate its financial position. As well identify the most critical problems inside each bank and the reasons of bank failure.

Target Audience:

This program is Intended to employees of the Central Bank, Commercial & Specialized Banks, financial institutions, asset management companies, credit rating and evaluation companies, especially the credit and investment sectors, correspondents, risks, audit and compliance, as well as those responsible for relations between banks (local and foreign).

Course Objectives:

- Define bank objectives and explain sources and uses of bank funds.
- Analyzing the financial statements of the banks in detail performance of the Bank.
- Introduce the CAMEL analysis as tool of Financial Ratios Analysis.
- Explain the reasons of bank failure

Course Outline

Module 1: Introduction about Banking and Financial Markets

- What is a Bank?
- Banks primary role
- Types of banks
- Sources and uses of bank funds
- The internal sections of the bank
- Services offered by banks
- Financial Markets

Module 2: Analysis of Banks' Financial Statements

- Financial statements of banks
 - o Importance of financial statements
 - o Main users of financial statements
 - o Structure of income statement in banks
 - o Explanation of income statement items
 - o Structure of balance sheet in banks
 - o Explanation of the balance sheet items
- Analyze Banks' Financial Statements
 - o The concept of the financial analysis

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- o The purpose of the financial analysis
- o Vertical and Horizontal analysis of financial statements
- Case Study (1)

Module 3: Financial Ratios Analysis

- Financial analysis using financial ratios
- CAMEL analysis
 - o Capital Adequacy
 - o Asset Quality
 - o Management
 - o Earnings (Profitability)
 - o Liquidity & Funding
- Liquidity versus Profitability
- CAMEL Rating
- Case Study (2)

Module 4: Bank Failures

- Bank failures and bankruptcies
- Credit rating agencies
- The main reasons for bank failure
- Some other signs of the bank lead to failure
- Common examples in bank failures

Assessment Strategy

Participants will be informally assessed on their interaction during sessions and their participation in exercises.

Upon Successful Completion of this Course, participants will obtain:

1.7 CEUs

Course Language:

English

Prerequisites:

- Three years of experience in a related field
- Accounting and financial analysis skills
- Good command of English