



399-P25-CE



In-Class



25 hours

### Course Description:

In this course, participants will learn the basic elements of banks' financial statement analysis and the role and impact of asset/liability management in executing bank strategies and enhancing bank profitability. This course will also cover the time value of money, the risk-return trade-off, liquidity risk, interest rate risk, as well as the regulatory framework with regard to capital adequacy and Basel II.

### Target Audience:

- Bank staff in the following departments: credit analysis, marketing, risk management, internal audit and compliance, treasury and back office, financial control, and information technology and management information systems.
- Bank examiners.

### Course Objectives

- Identify the role of the central bank and banking system in designing and performing the monetary policy.
- Explain the Asset & Liabilities Items in commercial banks.
- Explain Asset & Liabilities management strategies.
- Identify internal & external regulations and standards.

### Course Outline

#### Module 1: The Role of the Central Bank and the Banking System in Designing and Performing the Monetary Policy

- The Central Bank.
- Commercial banks as catalysts for applying the monetary policy.
- The role of commercial banks in credit and finance.
- The difference between commercial and investment banks.

#### Module 2: Asset & Liability Items in Commercial Banks

- Balance sheet items:
  - Assets.
  - Liabilities.
  - Shareholders' equity.

- Income Items:
  - Interest Income.
  - Non-Interest Income (fees & commissions).
  - Financial Investments earning.
  - Trading Income.
  - Impairment for credit loss.
  - Other comprehensive income OCI.
- Cash Flows:
  - Cash flow from operating activities.
  - Cash flow from financing activities.
  - Cash flow from investing activities.

#### Module 3: Asset & Liabilities Management Strategies

- Profitability strategies:
  - Customers' Deposits pricing policy.
  - Loan pricing policy.
  - Fixing the FTP rate policy.
  - Calculating the time value of money.
  - Calculating the Book value of Bonds.
  - Maturity matching principle for assets and liabilities.
  - Analyzing the financial indicators.
- Risk management policies:
  - Interest rate risk.
  - Liquidity risk.
  - FX risk.
  - Hedging.
  - Flexibility & sensitivity analysis models.

#### Module 4: Internal & External regulations standards

- Internal regulation standards.
- Banks' Governance.
- Overview of Law 88/2003.
- Overview of Basel Accords.



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### **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:**

2.1 CEUs

### **Course Language:**

English

### **Prerequisites:**

- Knowledge of basic accounting principles.
- Minimum two years of experience in a related field.
- Good command of English.