

Risk Management



472-P26-V. E



Virtual



14 hours



EGP 4,050

Course Description:

Credit risk, as a core component of risk management, is a fundamental operating principle and a regulated area within both corporate and retail lending institutions. This course provides participants with an in-depth understanding of credit risk management, its key concepts, and the processes for monitoring and control under Basel II and III. It explores the areas and products that generate credit risk, the Basel Accords, and the associated regulations for measuring, managing, supervising, and disclosing credit risk. It also explains the approaches for calculating credit risk capital, as well as credit risk governance and reporting.

Target Audience:

This program targets 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 as well as Bank examiners.

Course Objectives

- Explain how to mitigate and manage credit risk.
- Analyze personal credit.
- Analyze corporate credit.
- Explain credit risk reporting.
- Explain the methods for calculating credit risk capital under Basel.
- Explain Collateral.
- Apply cases on Credit Risk.

Course Outline

Module 1: Mitigating and managing credit risk.

Session 1: Mitigating and managing credit risk.

- What is credit risk?
- Governance and structure.
- Credit assessments and scoring.
- Cash flow monitoring.
- Recovery management.
- Quiz.

Module 2: Personal Credit Analysis

Session 1: Personal Credit Analysis

- Retail credit risk.
- The nature of the products and risks.
- Identifying the customer.
- Analyzing cash flows.
- Sustainable free cash flow and its importance.
- Credit scoring and modelling.
- What goes wrong?
- Quiz.

Module 3: Corporate Credit Analysis

Session 1: Corporate Credit Analysis

- The governance structures.
- Analyzing a company.
- Assessing companies under crisis.
- Use of information.
- SWOT analysis.
- Approval, terms, and conditions.
- Corporate credit scoring.
- Quiz.

Module 4: Credit Risk Reporting

Session 1: Credit Risk Reporting

- Concentration and portfolio analysis.
- Data trends.
- Meaningful differentiation.
- Model validation.
- Quiz.

Module 5: Calculating credit risk capital under Basel.

Session 1: Calculating credit risk capital under Basel.

- Risk-weights and risk-weighted assets.
- Credit risk and Basel.
- Basel II and rating agencies.
- The approaches for measuring credit risk capital.

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- Standardized and proposed revised standardized approaches.
- EAD, PD, and LGD.
- IFRS9.
- Data issues.
- The Use Test.
- Quiz.



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Module 6: Collateral

Session 1: Collateral

- The role of collateral.
- Types of collateral.
- Haircuts.
- Collateral under Basel II.
- The effect of collateral on credit risk capital:
 - The Simple Approach.
 - The Comprehensive Approach.
 - The Advanced Comprehensive Approach.
- Quiz.

Assessment Strategy

- 80% Quizzes.
- 20% Participation.
- The cut-off score is 60% of the total grade, which is "100".

Upon Successful Completion of this Course, participants will obtain:

1.3 CEUs.

Course Language:

English.

Prerequisites:

Intermediate level of English.