Certified SME Practitioner – Level 1

Small and Medium Enterprises

9718-P26-CE-1

Blended/ In-Class

221 hours

EGP 60,000 + EUR 85

Course Description:

This certificate is designed to provide a practitioner training to banking experts catering to the financial needs of small and medium enterprises. This certificate enables bankers to get acquainted with the learning process by empowering participants to think broadly, manage globally and compete strategically. This certificate focuses on all aspects of Banking Credit whether short-term, medium-term or long-term, it also enables them to understand lending techniques for effective credit decisions.

Target Audience:

Entry-level staff who are currently in or potentially suited for SME responsibilities in banks, financial institutions, and companies.

Course Objectives:

- Understand the main principles of accounting.
- Understand the SME finance sector in Egypt.
- Understand the breadth and width of financial products that can be proposed to SMEs.
- Explain how to conduct financial and non-financial assessments of SMEs, analyze risks, and employ strategies to mitigate them.
- Understand the principles of financial statements analysis prepare balance sheets, income statements and cash flow projections, and be fully capable to analyze them, including with the use of a range of financial ratios.
- Understand how to analyze cash flow statement.
- Understand the SME facility structure and it's main components.
- Understand the Loan Portfolio Management & Monitoring and Non-Performing Loans.
- Create an appropriate credit report to the credit committee, which include facilities structure and recommendation.
- Justify the essential principles of trade finance.
- Understand and be aware of the legal aspects of credit and credit facilities
- Understand how AI is used in banking and how to engage effectively.
- Explain Sustainability.

Course Outline:

Module 0: Accountancy (In-class)

- Introduction and the needs for Financial Statements.
- The Income Statement – Profit and Loss.
- The Balance Sheets.
- The layout of a balance sheet.
- Depreciation and it's methods.
- Double Entry Book-keeping.

Module 1: Macro context of SME Lending (In-class)

- Key functions of a modern banking system.
- Money definition and function.
- Money Supply.
- Role and function of commercial banks.
- Main features of the banking system in Egypt.
- Definition of SMEs.
- SMEs as customers of financial institutions.

Module 2: Responding to SME Customer Needs (In-class)

- Products and services to SMEs.
- Relationship banking.
- SME customers.
- Risks of the cash conversion cycle.
- Cash-flow lending for SMEs.
- Lending rationales for SMEs.
- Structure of facilities.
- Eighteen credit principles.
- Matching products to the client's needs.
- Segmentation.
- Non-credit products.
- Types of bank products for financing SME clients.
- Relationship skills.
- Sales cycle.
- Listening skills.
- Cross sales techniques.

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Module 3: SME Client Assessment (In-class)
- Specifics of SMEs.
- Client needs.
- Business cycle.
- Sector / product lifecycle.
- SME business risks.
- The main SME risks.
- Useful lending acronyms.
- Non-financial analysis.
- Management skills – SME businesses.
- Business sector risks.
- Products and markets strategies.
- Verification of clients' information.
- Know your customer (KYC).

Module 4: SME Credit Analysis: Understanding Financial Statements (In-class)
- Analysis and assessment of financial statements.
- Ratio analysis with applications.
- The cash conversion cycle, CCC.
- Break-even point, BEP analysis, with applications.
- Verifying financial information model.
- Sales and inventory cross-check.
- Spreading financial statements.

Module 5: SME Credit Analysis: Cash-flow Analysis (In-class)
- Preparing and analyzing cash-flow statements.
- Preparing financial forecasts.
- Assessing financial forecasts.
- Assessing investment projects.
- SME credit products.

Module 6: SME Facility Structure (In-class)
- Various types of credit facilities (direct / indirect).
- The main components of facility structure.
- The 3W's model and the expected loss equation.
- Internal triggers & early warning signals.

Module 7: Post disbursement of loans (In-class)
- Loan portfolio management and monitoring.
- Analyzing warning signs.
- Non-performing loans, NPL.
- Insolvency and bankruptcy proceedings.
- Credit portfolio management with application.

Module 8: Credit Report (In-class)
- Main principles of effective report writing.
- Structuring the credit report.

Module 9: Trade Finance (In-class)
- Shipping documents.
- Documentary collections.
- Documentary credits.
- Classification of documentary credits.

Module 10: Legal (In-class)
- Introduction on the general legal principles.
- Legal aspects of credit, financing and credit facilities.
- Bank Guarantees and collaterals.
- Types of companies.

Module 11: AI in Banking (E-learning)

What is AI?
- AI Definition
- Types of AI
- Real-life examples

Why AI in Banking
- Reasons to adopt AI in the banking sector

AI Use Cases in Banking
- AI Use Cases in Banking

AI's Capabilities and Limitations
- What AI Can Do
- What AI Cannot Do

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Challenges and Risks
- Challenges and Risks
- How to handle these challenges

How to Get Ready for AI in Banking
- Steps to Get Ready for AI in Banking

Conclusion
- Conclusion

Module 12: Sustainability & Sustainable Finance (E-learning)
- Sustainability
- ESG
- Environmental
- Social
- Governance
- Highlight Physical risks:
  - On the environmental level:
  - On the social level
  - On the governance level
- The current efforts
- The national efforts on ESG
- The role of the banking sector in ESG
- Personal tips that support Sustainability

Trial Desk.
Final Desk.
Final Exam

Assessment Strategy:

Participants will be assessed based on the following:
- Participants must achieve 60% in the Accounting module exam, to continue attending the certificate.
- 60% cut-off score to attain a certificate of completion.
- 60% cut-off score in the Final exam (Frankfurt School Exam).
- 70% cut-off score in Final desk.
- 60% average cut-off score in the Post Exams.
- Participants are required to successfully complete the e-learning modules.

Weights in the certificate:
- Final Exam – 60%.
- Final Desk – 25%.
- Post Exams – 10%.
- participation – 5%.

Final Desk: (Real Case Studies):
Each participant will be assigned to analyze a real case study. A desk taker will discuss participant's findings and will be graded based on the participant's analytical and presentation skills.

Post Exams:
Distributed on 5 exams during the certificate.

Course completion will grant participants:
This course entitles participants to obtain 18 CEUs.

Course Language:
English.

Prerequisites:
NA.

This program entitles you to attend: Certified SME Professional - Level 2.