

CREDIT RISK MANAGEMENT

Duration: 3 Days, 18-20 October 2017

OBJECTIVES

The aim of this training programme is to enable participants to understand the key concepts of credit risk and how this risk is managed within financial institutions. The aim is also to equip participants with the knowledge and skills to proactively manage the credit risk.

- Identify the different types of credit risk and how they arise in a financial institution's lending function.
- Understand how credit risk can be identified, monitored and controlled, exploring the role of credit portfolio management tools such as collateral, guarantees, credit derivatives and documentation.
- Understand the various regulations set up by the Bank in respect of credit risk.

COURSE OUTLINE

1. Overview of Credit Risk Management

- Definition of credit risk
- Sources of credit risk
- Types of credit risk

2. Key Elements of an Effective Credit Risk Management Framework

- Board and Senior Management's Oversight
- Policies, Procedures and Limits
- Risk Measurement, Monitoring and Management Information System
- Internal Controls

3. Controlling / Mitigating Credit Risk

- Managing the Loss Given Default
- Diversification
- Covenants and Monitoring
- Risk Based Pricing
- Loan Loss Provisioning

4. Regulatory Issues

- i. BOT Guidelines on credit exposure and management
- ii. BOT Regulations on credit concentration
 - Single Borrowers Limit

- Insider Transactions
- iii. BOT Regulations on management of risk assets
 - Management of risk assets
 - Classifications of Loans
 - Provisioning for Loan Losses
 - Charging off loans
 - Reporting requirements

5. Effects of Non Performing Loans on Banks

- Profitability
- Liquidity
- Management Involvement
- Credit Loss

TARGET GROUP

The training is designed for staff dealing with credits/loans and supporting staff not necessarily from a credit background. The content is also appropriate for other professionals who wish to understand better the impact and management of credit risk on their businesses.

METHODOLOGY

Lectures, case studies and group discussions.

VENUE

TIOB Training Room, 10th Floor NIC Investment House, Dar es Salaam.