

BANKING INDUCTION TRAINING

1. Introduction to Banking
2. Introduction to Financial Mathematics & Statistics
3. IT Skills
4. Basic Accounting
5. Economic Indicators
6. Money Transmission, Plastic Money & e-Banking

INTRODUCTION TO BANKING

Learning Outcome Statements

- Develop an overall understanding of the banking industry and the functioning of different departments within a bank
- Understand work environment and culture
- Communicate with other participants at ease and understand peer learning techniques

Key Contents

- History of Banking and Financial System
- Role of Regulatory Institutions
- Role of Central Banks
- Retail (Consumer) Banking
- Private Banking
- Corporate Banking
- Islamic Banking (if relevant)
- Treasury Risk Management
- Technology in banking
- Challenges in Banking

INTRODUCTION TO FINANCIAL MATHEMATICS & STATISTICS

Learning Outcome Statements

- Understand the fundamentals of financial mathematics and its application
- Make use of various mathematical measures in performing day-to-day activities
- Use various statistics in performing key analysis
- Apply acquired knowledge to the related areas

Key Contents

- Basic Statistics in finance
 - Descriptive Statistics
 - First moments of statistics
 - Second moments of statistics
 - Volatility
 - Measure of Association
 - Regression Analysis
- Basic Financial Measures
 - Interest rates and discount factors
 - Total Return Analysis
 - Internal Rate of Return
 - Net Present Value
 - Price Value of a Basis Point
 - Time Value of Money
- Probability
 - Basic Concepts of Probability
 - Binomial Distribution
 - Normal Distribution
 - Probability of Default

IT SKILLS FOR BANKING

Learning Outcome Statements

- Understand the Dos & Don'ts when using Microsoft Office for professional use
- Effectively use Microsoft Excel for developing models related to pricing and risks
- Effectively use Microsoft Word for writing documents in a professional way
- Effectively use Microsoft Power point for creating various presentations both for internal and external purposes

Key Contents

Microsoft Excel

- The Excel Environment
 - Workbooks and worksheets
 - Formula bars, tool bars, menus
 - Worksheets and Excel settings
 - Entering and formatting data
 - Custom data formatting
 - Conditional formatting
 - Data validation
- Formulae and References
 - Inserting a basic function using formula bar tips or the Function Wizard
 - Using Goal Seek
 - Absolute and Relative References and cut/copy effects
 - Naming Cells and Ranges for referencing
 - Core Functions: SUM, AVERAGE, MIN, MAX, COUNT
- External Data and Charts
 - Text to columns
 - Delimiting data
 - Autofilter and custom filter
 - Data sorting
 - Chart Wizard
 - Chart formatting
- Logical Functions
 - The IF statement and its arguments
 - Error handling using ISERROR
 - Deliberate circular references
 - Use of iteration and binary switches
 - Text strings / Concatenation to reference multiple cells

- Text and lookup functions
 - Formatting text using formulae
 - Using LEFT, RIGHT, LEN, SEARCH to consider certain characters
 - Lookups Functions to cross reference data: VLOOKUP, HLOOKUP, MATCH, INDEX

Microsoft Word

- Creating a word document
- Formatting a word document
- Organizing Data in Tables
- Using word editing features
- Mail merge
- Recovering word documents
- Document Collaboration

Microsoft PowerPoint

- Creating a Basic Presentation
 - Formatting Text on Slides
 - Picture Basics
 - Using diagrams, charts, and tables
 - Use of animation
 - Change slide design
 - Adding Graphical Objects to a Presentation
 - Modifying Graphical Objects in a Presentation
- Working with Tables
- Working with Charts

BASIC ACCOUNTING

Learning Outcome Statements

- Explain fundamental objectives and principles of accounting
- Apply accounting principles in practice
- Differentiate between impact of accounting methods on performance and financial position
- Appreciate the role of statutory auditors and their reports

Key Contents

- Basic accounting principles
 - Entity going concern
 - Double entry systems
 - Principles of conservatism
 - Revenue recognition and realization
 - Accrual and cash basis
- Classifying Assets and Liabilities
- Double Entry bookkeeping
 - The Accounting equation
 - Double entry system for assets, liabilities and capital
 - The link between the income statement and the balance sheet
 - Balancing accounts
 - The trial balance
- Recording financial transactions
 - Journal
 - Cash, Sales & Purchases Day Books
 - Sales & Purchases Ledger
- Completing the Accounting Cycle
- IFRS and GAAP

ANALYZING BANK FINANCIAL STATEMENTS & RATING OF BANKS

Learning Outcome Statements

- Learn various tools and techniques of analysis and interpretation of bank financial statements
- Understand various banking risks
- Evaluate economic, regulatory and market environment in which banks in different countries operate
- Understand methodology adopted by rating agencies and regulators for rating of banks

Key Contents

- Global economic and banking scenario
- Bank financial statements –
 - balance sheet
 - income statement
 - shareholders' equity
 - cash flow statement
- Analyzing bank financial statements, trend analysis
- Inter-bank comparison
- Ratio analysis
- Evaluating bank performance – breakdown of ROE and ROA
- Banking risks – an overview
- Rating of banks
- Capital adequacy and Basel II framework
- Towards Basel III

ECONOMIC INDICATORS

Learning Outcome Statements

- Collect relevant authentic information related to economic indicators
- Interpret indicator levels
- Form an economic outlook based on the changes and current level of indicators
- Use indicators for corporate credit assessment
- Predict or form an opinion on predictions on the direction of the economy and its components
- Apply the economic data for professional needs

Key Contents

- Define Economic Indicators
- Leading indicators, Lagging indicators
- Coincident indicators
- Interpretation of changes in indicator levels
- Importance of monitoring Economic Indicators
- Locating economic indicators on the Internet
- Producer Price Inflation (PPI)
- Consumer Confidence Surveys
- Employment Report
- Unemployment Benefits Claims
- Personal Spending & Personal Income
- Retail Sales

Understanding Influential Economic Indicators

- Housing industry (new and existing home sales, housing starts, and other industry reports)
- Consumer Price Inflation (CPI)

International Economic Indicators

- Regional trade practices
- Emerging markets
- Economic indicator and impact on corporates

MONEY TRANSMISSION, PLASTIC MONEY AND E-BANKING

Learning Outcome Statements

- Understand the process of plastic money transactions
- Be aware of the forms of electronic money
- Understand the process of money transmission

Key Contents

- Credit Card
- Debit Card
- Payment Gateway Systems
- Electronic Currencies
- Electronic Funds Transfer
- Mobile Payments
- PayPal
- RTGS

ACHIEVING CONSISTENT SUPERIOR RESULTS - WORKSHOP FOR BRANCH MANAGERS

Learning Outcome Statements

- Work out business strategies taking into consideration local economic conditions and business environment
- Effectively execute business plans and mid-course corrections
- Identify and successfully tackle impediments and constraints

Key Contents

Analysis of Business Environment

- Credit Card
- Analysis of local banking business with its peculiarities, sources of income in the local economy, market share of various banks and non-banks, who are major players and why?
- Analysis of branch business - where is bulk of the revenue/profit coming from? - Is it in sync with local business conditions - what are the branch strengths and weaknesses
- Identifying few areas where branch can compete in delivering value to customers

Formulation and Execution of Business Strategy

- Reviewing and building service capacity in focus areas
- Focusing on existing business - ensuring customer and income stability
- Customer stratification and working out strategies and processes for each segment, personal focus on top 20 customers
- Widening and deepening existing business streams – minimum 3 products per customer
- Customer profitability analysis and pricing strategies
- Existing customers as spring board for new business - role of top 20%

- Marketing to new customers – target market and target list of customers
- Marketing pitch – why should customers be interested, what is in it for them?
- Customer meetings - proper study and preparedness
- Style and substance and their interaction in successful marketing
- Quarterly review – what is working and what is not? - fine tuning of strategy and marketing pitch

Supporting Ideas

- Importance of larger than life image and its systematic creation
- Customer orientation towards change
- Understanding body language
- What is your body language telling the customer?
- Staff motivation and involvement

Overcoming Impediments and Constraints

- Managing constantly shifting priorities
- What to delegate and how to monitor
- Handling customer apathy/hostility
- IQ/EQ/SQ and their importance in business management
- The demons within
- Managing friction between branch and controlling office.

EXPLOITING LENDING OPPORTUNITIES IN SERVICES SECTOR

Learning Outcome Statements

- Appreciate growing significance of services sector in emerging economies
- Identify lending opportunities in various areas of services sector
- Successfully exploit business opportunities using cash flow based lending approach and structured lending products

Key Contents

Growing role of services sector in emerging economies

Areas covered under services sector

- tourism related activities
- health related activities
- transportation
- educational services
- recreation and entertainment
- IT related services
- telecommunication and broadband
- print and multimedia
- trade related activities
- contracting services
- security and investigation services
- self-employed professionals etc.

General lending approach

Credit appraisal framework for financing asset light activities

- characteristic risk factors
- mitigation strategies
- key financial parameters
- typical financing needs
- suitable lending products
- security aspects and follow up issues

Cash flow based lending

- limitations of traditional financial appraisal
- why net profits do not repay loans?
- major sources and uses of cash

- components of a cash flow statement
 - operating cash flows
 - investing cash flows
 - financing cash flows
 - analyzing cash flows
 - cash flow based ratios
 - stages of a company and its cash flows – Case study 1
 - Widening and deepening existing business streams – minimum 3 products per customer

Projecting cash flows and debt servicing capacity

- objectives of financial projections
- critical factors affecting projections
- what to project
- procedure to construct pro forma statements
- sensitivity analysis
- base case/worse case scenarios – Case study 2

Structuring of loans

Projecting cash flows for seasonal activities – Case study 3

Exploiting lending opportunities in services sector: Illustrative cases

Movable asset based lending for services sector

Case study 4 - Movable asset based lending