

PROFESSIONAL DEVELOPMENT PROGRAM ON BANKING AND FINANCE

1. **Timing:** 09 May – 20 May 2011 (excluding travel time)

2. PROGRAM OBJECTIVES

This course comprises of four broad areas: credit analysis and management, financial system and risk management in banking, asset liability management in banking and financial system, and corporate environment management. The course is geared towards the need of financial managers to have a clear understanding on the concepts, best practices and tools and techniques in resolving issues in banking. It is expected that the participants should be able to:

- learn how to address the challenges of liquidity crisis through specific cases
- conduct a comprehensive industry analysis using the 5 forces framework
- conduct an analysis of the strategy of a business using a combination of the Value Chain and Positioning framework
- assign credit scores and a credit rating to a potential borrower using the outcome of the financial analysis
- understand the Thailand Banking System and Performance
- learn the issues and challenges in asset-liability management and how to deal with the issues
- construct a plan for asset liability performance management
- integrate strategies for corporate environmental management and its sustainability

3. COURSE OUTLINE

The course is divided into four different modules: (a) credit analysis and management; (b) financial system and risk management in banking; (c) asset liability management and (d) corporate environment management. The course will comprise of class room lectures, discussions, sharing of experiences by banking professionals, study visit to relevant organization to observe the best practices and interaction with the professionals regarding he challenges.

➤ CREDIT ANALYSIS AND MANAGEMENT

Module 1: Industry Analysis

This module will seek to address the question: “What is the competitive intensity and therefore attractiveness of a market in which a potential creditor is operating?” To analyze the industry in which a potential creditor is operating the 5 forces model developed by Michael Porter would be used.

Module 2: Strategy Analysis

This module will seek to address the question: “Given the size and scope of the market, as evident from the industry analysis, and considering its own competencies, how does the

potential creditor choose to compete and grow in the market?” To perform the strategic analysis, a combination of frameworks addressing competitive positioning strategies and competency assessment would be used.

Module 3: Financial Analysis and Projection of Financial Statements

This module will seek to address the question: “Given the industry in which the potential creditor has chosen to operate and the strategy it has adopted, how good has been its financial performance and what lies in the future?” To perform the financial analysis and projection, the classic Du Pont Framework would be combined with principles of forecasting financial statements to generate projections about the future financial performance

Module 4: Assessing Credit Risks and Credit Rating

This module will seek to address the question: “Given the projections about the future financial performance, what are the risk factors that can affect such projections and how seriously can they impair the potential creditor’s ability to repay a proposed loan?” To perform this analysis a standard credit rating model as used by an agency such as Standard and Poor would be used as a starting point. Modification to such a model based on industry and other contextual factors would be discussed.

➤ **FINANCIAL SYSTEM AND RISK MANAGEMENT IN BANKING**

Module 1: Financial Institution Management

- Risk of Financial Intermediation
- Interest Rate Risk I & II
- Market Risk

Module 2: Thailand Banking System and Performance

➤ **ASSET – LIABILITY MANAGEMENT IN BANKING**

Module 1: What is Asset Liability Management?

- Objectives of ALM
- Risks in ALM
- Mapping of institutional assets and liabilities to various types of risks

Module 2: Forex, Interest Rates and the Management Function

- a. Asset and liability management in modern environment
 - Financial market volatility
 - Financial instruments
 - The regulatory environment
 - Importance of management recognition
- b. Scope of asset liability management function
 - Foreign exchange exposure management
 - Interest rate exposure management
 - Liquidity management
 - Profitability and growth

- Funding and capital
- Trading risk
- c. Capital Planning
 - Risk based capital standards
 - Risk adjusted profitability measurement
 - Product and pricing implications
 - Capital planning and balance sheet management
 - Optimizing the balance sheet.
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Module 3: Asset Liability Performance and Performance Measurement

- Transfer pricing and performance management
- Off balance sheet activity
- Accounting considerations
- Organizational considerations

➤ **CORPORATE ENVIRONMENT MANAGEMENT**

- Overview of Corporate Environmental Management in Asian context
- Corporate Environmental Management and Sustainable Development
- Environmental Management in the Organization A: industry as a waste generator, moving beyond environmental compliance; standards, economic tools and policy instruments
- Environmental Management in the Organization B: environmental management system ISO 14000, planning, implementation and review with virtual field visit industries – cleaner production

➤ **STUDY VISIT**

Participants will visit banking and financial institutions in and around Bangkok. The study visit will allow the participants to interact with the organizations regarding the practical issues, challenges, opportunities of the concept dealt with in the training.

The course modules are subject to change based on the clients' request and resource person's availability. The client can choose three of the four different areas.

4. COURSE FEE

Training fee

Training fee per participant = USD 2,500

Note:

*****The total course fee does not cover the expenses for international travel, visa fees, and airport taxes. Client organizations will bear the above costs.***

Major medical treatment, health insurance or travel insurance is not covered in the course fee. Participants must secure their entry visa for Thailand, along with their medical and travel insurances.

The training fee includes the training, course materials, books or periodicals relevant for the class, study visit to local host organizations, pick up and transfer from the Bangkok Airport and AIT.

5. PAYMENT METHOD

The training fee is to be paid directly to the Asian Institute of Technology. The payment can be made by International Bank Draft or Bank Transfer to:

Account Name:	ASIAN INSTITUTE OF TECHNOLOGY
Account Number:	359-3-00001-2
Bank Name and Address:	SIAM COMMERCIAL BANK CO., LTD. AIT SUB-BRANCH, AIT CAMPUS PO BOX 4 KLONG LUANG, PATHUM THANI 12120 THAILAND
Account Type:	Current
SWIFT CODE:	SICOTHBK

6. CONTACT

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