



PROJECT FINANCE

OVERALL DESCRIPTION

With the growth in the economy and the revival in the industrial sector coupled with the increasing role of private players in the field of infrastructure, more and more Ethiopian banks are entering into the project finance area.

This training course will provide participants with the fundamentals of project financing; rationale for this type of financing; completion, operating, and risk analysis; and financing options. The course will cover cases of projects in developed economies as well as large scale infrastructure projects in developing countries.

In this course, we will focus on the Project, its viability and it's financing.

COURSE OBJECTIVES

The course has the following key objectives:

- ▶ *Help trainees to develop an appreciation of what is project finance and how it differs from conventional finance*
- ▶ *Familiarize participants with basic issues arising in financing projects*
- ▶ *Develop an understanding of the different issues involved in making project finance work*
- ▶ *Explore best practices in conducting financial, economic, and technical feasibility studies for bankable project finance transactions*
- ▶ *Examine key project finance structures*
- ▶ *Learn from real life project finance experiences*

CONTENT

- ▶ *Overview of project finance*
- ▶ *Traditional finance versus project finance*
- ▶ *Advantages and disadvantages of project finance*
- ▶ *Description of a typical project finance transaction & structure*
- ▶ *Participants of project financing*
- ▶ *Sources of project finance*
- ▶ *Legal ownership structure*
- ▶ *Project contractual structure*
- ▶ *Security arrangements*
- ▶ *Investment criteria*
- ▶ *Risk analysis*
- ▶ *Structuring the project contracts to allocate risk*
- ▶ *Estimating project cash flows*
- ▶ *Role and components of project evaluation*
- ▶ *Components of cash flow analysis and analysis of financial profiles from alternative points of view*
- ▶ *Opportunity cost of existing assets for cash flows*
- ▶ *Project finance: The lender's prospective*
- ▶ *Public private partnerships*
- ▶ *Recent trends in project finance and case study*

TARGET GROUP

- ▶ *Commercial bankers, credit analysts*
- ▶ *Other interested professionals*

DURATION

- ▶ *10 half days*



FOREIGN TRADE FINANCE

OVERALL DESCRIPTION

This training is designed for Ethiopian banking sector. The training focuses mainly on the modern instruments to finance export and import operations according to the international standards. Participants will obtain a good knowledge and good understanding of mechanism of documentary payments, incl. collections, letter of credits and bank guarantees. In addition, the participants will also get an insight into structured trade finance and commodity finance.

COURSE OBJECTIVES

After this course, the course participants will be able:

- ▶ *To apply modern schemes to finance export and import operations, using international standard payment conditions*
- ▶ *To structure a finance scheme for a foreign trade operation*
- ▶ *To explain modern delivery and payments conditions*

CONTENT

- ▶ *Dynamics of foreign trade & mechanisms of trade*
- ▶ *The difference between local & foreign trade*
- ▶ *ICC Inco Terms 2000*
- ▶ *Risks of import & export trade operations*
- ▶ *Methods of payments in international trade*
- ▶ *Advance payment, open account*
- ▶ *Documents used in foreign trade*
- ▶ *Documentary collections: Definitions and types of collections and payment procedures*
- ▶ *ICC (Uniform Rules for Collections)*
- ▶ *Bills acceptance procedures*
- ▶ *The documentary credits: the definition, meaning, concepts and credit cycle*
- ▶ *Different types of documentary credits used in Ethiopian banking practice and international best practices*
- ▶ *ICC UCP 600 (Uniform Customs & Practice 600)*
- ▶ *Shipping, insurance and payment documents used in documentary credits*
- ▶ *Short-term finance in foreign trade: Ethiopian banking practice vs. international best practices*

TARGET GROUP

- ▶ *Heads and employees of foreign trade finance departments in Ethiopian banks*

DURATION

- ▶ *10 half days*



Bank Accounting

OVERALL DESCRIPTION

This is a general course on modern bank accounting principles and methodology based on International Financial and Reporting Standards. The course is designed to help bankers and bank accountants understand IFRS as applied to banks.

Participants acquire theoretical knowledge about principles of preparation of international financial statements; and become familiar with the IAS / IFRS applicable to bank industry.

COURSE OBJECTIVES

The course has the following key learning objectives:

- ▶ *Obtain general basic knowledge on international accounting standards*
- ▶ *Understand the qualitative characteristics financial statements prepared under IFRS*

CONTENT

- ▶ *Overview*
- ▶ *Financial accounting within banks*
- ▶ *The financial equilibrium : the balance sheet components*
- ▶ *Analysis of the profit and loss account components*
- ▶ *IASB: Tasks, organization and history*
- ▶ *What are Accounting standards?*
- ▶ *'IFRS' Framework for the preparation and presentation of financial statements*
- ▶ *IFRS - Presentation of financial statements*
- ▶ *IFRS 1 First – time adoption of IFRS*
- ▶ *IFRS-based accounting and disclosures - securities accounting*
- ▶ *IFRS-based accounting and disclosures - loans accounting*

TARGET GROUP

- ▶ *Financial controllers*
- ▶ *Accountants & tax advisors*

DURATION

- ▶ *10 half days*



DOMESTIC BANKING PRACTICE

COURSE OBJECTIVES

This course is designed to provide a framework for understanding the role of banks in stimulating the national economy & equip participants with basic knowledge and skill on Domestic Banking Operations. In line with this, participants of the course will learn the nature and characteristics of all types of domestic bank products and related operational activities.

CONTENT

- ▶ *Introduction to Money and Banking*
- ▶ *Saving & Fixed time Deposit*
- ▶ *Current Accounts*
- ▶ *Local Transfer*
- ▶ *Cheque Clearance and Credit Summary*
- ▶

TARGET GROUP

- ▶ *Front line staff engaged in domestic banking operations.*

DURATION

- ▶ *10 half days*



HOUSING FINANCE

OVERALL DESCRIPTION

This course aims at providing training in mortgage lending according to international best practice, focusing on various types of mortgage products and underwriting techniques. The course looks at mortgage lending products designed according to the needs of target groups, their marketing, underwriting, servicing and monitoring.

COURSE OBJECTIVES

The course has the following key learning objectives:

- ▶ *Designing mortgage lending products*
- ▶ *Learn the role and place of housing mortgage system in housing finance*
- ▶ *Understand the key characteristics and purposes of mortgage loan instruments*
- ▶ *Understand the models of housing lending and main participants in housing market*
- ▶ *Introduce key criteria, standards and practices in mortgage lending*
- ▶ *Learn mortgage lending instruments*
- ▶ *Evaluate loan repayment capability of the potential borrower*
- ▶ *Analyze credit risk*

CONTENT

- ▶ *Types of mortgage products and inherited risks*
- ▶ *Marketing of mortgage loans and customer screening*
- ▶ *Application, documentation and file building*
- ▶ *Assessment of creditworthiness of employed borrowers*
- ▶ *Appliance of credit risk mitigation tools:*
 - ▶ *Property valuation report*
 - ▶ *Credit bureau*
 - ▶ *Property and life insurance*
- ▶ *Detailed financial analysis and underwriting for self-employed and small entrepreneurs*
- ▶ *Loan monitoring and servicing*

TARGET GROUP

- ▶ *Staff from credit and legal department*

DURATION

- ▶ *10 half days*



OVERALL DESCRIPTION

Generally leasing operations provide an efficient alternative for asset acquisition. In growing economies, the potential for leasing is immense and operating leases are a new phenomenon. Properly structured lease transactions could provide tax efficient, and quite often, off balance sheet funding means.

As both financial and operating leases have become worth-considering, this highly interactive and practical training program aims at introducing the participants to the areas of asset finance and leasing, with a comprehensive overview of leasing as a method of finance, covering finance and operating leases and other forms of asset finance as well as demonstrating the benefits of lease transactions for both the lessor and lessee.

COURSE OBJECTIVES

After this course, the participants will be able to:

- ▶ Understand and apply modern leasing instruments.
- ▶ Understand key issues such as funding, risk assessment, lease administration, asset management, defaults and problem cases.

CONTENT

- ▶ Overview of the leasing market
 - Introduction to leasing
 - Development of leasing
 - Significance for SMEs
 - Consumer leasing
- ▶ Leasing and Asset Finance Products
 - Finance leases
 - Hire purchase
 - Operating leases
 - Contract Hire
 - Add-on services
- ▶ Understanding funding issues
 - Deposits
 - Equity
 - Loans
 - Commercial bond issue
 - Leverage loans
 - Securitization
- ▶ Interest rates and concept of time value of money
- ▶ Lease evaluation and structuring
 - Basics of lease evaluation
 - Structuring lease rentals
 - Residual values
- ▶ Credit and asset risk assessment
 - Financial statements
 - Ratio analysis
 - Asset risk assessment
- ▶ Accounting and tax considerations
- ▶ Legal and documentation
- ▶ Defaults and problem cases
- ▶ Pricing and structuring the operating leases
- ▶ Residual values
- ▶ Marketing leasing

TARGET GROUP

- ▶ Bankers
- ▶ Financial Controllers
- ▶ Asset Managers
- ▶ Accountants & tax Advisors
- ▶ Lessors & Lessees
- ▶ Sales Personnel
- ▶ Equipment Vendors

DURATION

6 half days



FUNDAMENTALS OF CREDIT APPRAISAL

OVERALL DESCRIPTION

The learning goal of the credit appraisal is to understand the lending principles & techniques and to identify their advantages and limits. The tools and methods used will be analyzed in detail by the participants to verify their validity as a whole or to implement parts of these ideas in existing lending procedures.

COURSE OBJECTIVES

After this course, the participants will be able:

- ▶ To understand the general application of credit processing
- ▶ To conduct financial and non-financial analysis in relation to credit operations
- ▶ To understand the legal issues in credit processing

CONTENT

1. Credit Processing
 - Introduction: Importance of Credit
 - Credit products (incl. Medium Term Loans)
 - Customer Relationship Management
 - Collateral
 - Report Writing
2. Financial Analysis
 - Financial Statements
 - Ratios
 - Operating Performances
 - Working Capital Management
 - Cash flow Projection
3. Non-financial Analysis, Monitoring and control)
 - Industrial Risk Assessment and Business Appraisal
 - Management Skill and Competitive Advantage
 - Identifying Problem Accounts
 - Loan portfolio Management
 - Basel II
4. Legal issues in Credit
 - Contracts
 - Security
 - Business Organization
 - Negotiable Instruments

TARGET GROUP

- ▶ Middle managers and branch managers of a bank
- ▶ Loan officers
- ▶ Credit approval staff

DURATION

- ▶ 10 half days