



RBRDFI

STRUCTURED TRAINING PROGRAM FOR RURAL BANKERS (STPRB)



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INTRODUCTION:

STPRB is a ladderized learning program with the end goal of capacitating rural bank officers and staff with the right tools that will provide them with the necessary knowledge, skills and competencies necessary for the effective and efficient performance of their functions. This is consistent with RBAP's mission of supporting the ability of its members to offer quality banking services to all their constituencies, comply with regulatory requirements, and promote the welfare of the communities in which they operate; and the RBRDFI's role of establishing programs, projects, and studies geared towards the development and improvement of rural banking in various fields especially on financial and business management, practices, and procedures by engaging in activities, projects, studies and/or programs, specifically involving rural development all over the country.

STPRB is an integrated approach to learning that covers the end-to-end operations of a typical rural bank and is designed to meet the training needs of its officers and staff. Some of the existing seminars and trainings of the RBRDFI were subsumed in the program. STPRB initially consist of 11 courses and several supplemental courses which shall be delivered and run by professionals who are experts in their respective fields, as well as by the existing pool of Subject Matter Experts (SMEs) of RBRDFI.

This training program is also aimed at facilitating the assessment of the competencies and skills developed by the officers and staff as well as determine the other relevant trainings necessary in the performance of their respective roles and functions. Thus, the program also identified five (5) core competencies/skills that rural bankers may acquire by attending the courses.

CORE COMPETENCIES/SKILLS ADDRESSED BY THE PROGRAM

- 1. Understands the Banking Business and its Operating Environment.**
 - Understands the general banking operations and what drives them. Has knowledge about the different banking products and services which is essential in providing accurate information and in determining the appropriate product or service that would suit the clients' objectives.
 - Keeps abreast with relevant developments in the banking, economic and financial environments, as well as with the latest trends in the different industries, that the bank may have exposures to.
 - Has the ability to implement the strategies that are right for the client and the environment. Not only needs to appreciate the clients' financial situation, but also look beyond that and understand their family, social and work context, to be able to package a proposal best suited to their circumstances.

- 2. Interpersonal and Communication Skills**
 - Clear and effective written and verbal communication skills. Has the ability to articulate ideas well, communicate information clearly, take on instructions clearly and confidently, listen well, and maintain professional and friendly demeanor.
 - Has the ability to respond to the needs of customers, negotiate effectively to build trust, close deals, arrive at favorable terms for both the bank and the clients, thus, establish strong and long-lasting client relationships.
 - Has the ability to foster positive working relationships and resolve conflicts within the bank.

3. Analytical and Critical Thinking

- Has the ability to assess financial risks; process, interpret, and analyze data; and identify problems and develop innovative solutions to make an informed decision about the bank's operations and/or the clients' needs, investment strategies, and future growth; monitor market trends; and offer innovative solutions to meet clients' objectives. Has the ability to know what exactly to look for in the data, as well as how the data can be used to gain a competitive edge.
- Keeps abreast with banking regulations, compliance standards, and emerging fraud threats.
- Has sharp attention to detail. Is accurate and meticulous in handling financial transactions, ensuring compliance with regulations, or producing accurate financial reports for board and management. Has the ability to spot simple mistakes or identify discrepancies or even anomalies.
- Has the capability of making difficult decisions in a timely manner. This involves gathering input from stakeholders, evaluating options objectively based on key priorities, and choosing a path forward decisively.

4. Professionalism and Ethical Conduct

- Maintains a high level of professionalism and ethical standards (i.e., strictly observes client confidentiality and adheres to regulatory guidelines), which are essential for building trust and credibility in the bank.
- Demonstrates efficient time management and organizational skills in prioritizing tasks, meeting deadlines, and maintaining productivity.

5. Adaptability and Resilience

- Able to embrace change and continuously upgrade personal and technical skills to adapt to changing technologies and market conditions.
- Keeps up with evolving regulations, risk management and compliance. Has developed an in-depth knowledge of laws and regulations and international standards. Stays on top of frequent changes to avoid penalties and litigation risks.
- Can collaborate with colleagues and work in a team, with the end in mind of contributing to collective goals.
- Has firm determination to succeed and has high tolerance for stress and good coping mechanisms.

COURSE DESCRIPTION AND OUTLINE

Course I: RURAL BANKING 101

Overview

A foundational course designed to provide participants with a clear understanding of the roles and core functions of the Bangko Sentral ng Pilipinas and the banking industry, particularly focusing on rural banking, including how it is organized, who are its stakeholders, and will navigate the various areas within a bank, from its fundamentals and regulatory aspects to customer relations, deposit accounts, loans and advances, electronic banking, and the like.

Learning Objectives:

1. Understand the banking landscape; its history; and role in the financial system.
2. Understand the role of the BSP in the Phil. Financial system
3. Determine the various types of financial institutions and how they differ from one another

4. Describe the range of products and services offered by banks
5. Gain basic understanding of the functions and operations of rural banks
6. Understand and explore BSP regulatory framework meant to ensure the safety and soundness of banks while also protecting the interests of consumers.

Outline:

- A. Overview of the Philippine Banking System and the BSP
 - History of Philippine banking
 - Role of the BSP in the Philippine Financial System
- B. Types and structures of financial institutions
 - Classification of Banks and Non-Bank Financial Institutions
 - Structure of Bank Operating Units
- C. Rural banking -
 - Brief History of rural banking in the Philippines
 - Functions of a RB
 - Organization and Management (including Duties and responsibilities of BOD and Management)
 - Overview of Lending and Deposit Operations and other types of services offered.
 - Different stakeholders
- D. BSP Regulatory Framework
 - Regulations Applicable to RBs
 - Mergers and Consolidation
- E. The Future of Banking: Market Developments and Challenges

Target Participants

The course is ideal for new hires, non-bankers who may have interest in banking, and even those who have been into rural banking who want to refresh their understanding and knowledge of banking operations.

Course II: FUNDAMENTALS OF ACCOUNTING

Analyzing a bank's financial statements is very different from analyzing the financials of all other types of businesses as banks have different metrics. This course will walk the participants through basic accounting for both the bank and non-financial types of business.

Course II.1: BASIC BUSINESS ACCOUNTING & FINANCIAL STATEMENTS & CASH FLOW ANALYSIS

Overview

The participants in this course will gain basic understanding of the nature and importance of accounting as the language of business and the different accounts used by business organizations (vis-à-vis the nature of their business of the organization). This is also where the types of financial statements (such as the balance sheet, income statement, statement of stockholder's equity and cash flow statement) shall be introduced and the overall financial health and performance of a business shall be discussed through the employment of different tools and techniques in financial statement analysis.

Learning Objectives:

Understand:

1. The nature and importance of accounting as the language of business.
2. The different accounts used by business organizations (vis-à-vis the nature of their business of the organization)
3. The use and importance of the financial statements.
4. The elements of the financial statements.
5. The general concepts and techniques used in financial statements analysis.
6. Basic techniques in the preparation of cash flow statement.

Outline

Day 1

- A. Introduction to Accounting and Financial Statements
 - Accounting Defined
 - Classification of Accounts
 - Objectives of Financial Statements
 - Users of Accounting Information
 - Forms of Business Organizations
 - Characteristics of Accounting Information
 - Generally Accepted Accounting Principles
 - How Transactions Flow
 - Adjusting Entries
 - Exercises
- B. Understanding the Financial Statements
 - The Balance Sheet
 - The Income Statement
 - The Statement of Changes in Equity
 - The Statement of Cash Flows
 - Elements of Financial Statements

Day 2

- C. Financial Statements Analysis
 - Objectives of Financial Statements Analysis
 - Techniques in Financial Statements Analysis
 - Comparative Analysis
 - Horizontal Analysis
 - Vertical Analysis
 - Trend Analysis
 - Ratio Analysis
 - Financial Ratios and their Relevance
 - Limitations of Financial Statements
 - Exercises

DAY 3

- D. Cash Flow Analysis
 - What is a Cash Flow Statement?
 - Purpose of Cash Flow Statement
 - Cash and Cash Equivalents
 - Preparing Cash Flow Statements (Illustrating Cash Flow Statement for microfinance; SME; corporation)
 - Summarizing the results of the Cash Flow Statements
Notes to the Financial Statements
- E. Exercise/Cases

Target Participants

This course is ideal for new hires; Bookkeepers; Accounting Staff; Accountants; Credit Analysts/Operations Personnel; Cashiers; Branch Managers; Loan/Account Officers; and Risk Officers. Also, for those with little or no exposure to basic accounting, financial statements and those pursuing a career in credit risk management

Course II.2: Bank Accounting and Performance Ratios Analysis

Overview:

In this course, participants will gain basic understanding of the different types of bank accounts through the products and services offered by banks and how they are reflected in the financial statements; how banks earn money; how bank accounting differs from typical business accounting; and how the accounts in the financial statements of a bank differ from that of the other forms of business. This course will also introduce bank ratios that are used in assessing the performance and financial condition of a bank.

Objectives:

1. Understand:
 - a) What bank accounts are.
 - b) How bank accounts differ from business/corporate accounts
 - c) How banks earn/generate income (Income Statement).
 - d) What are the components of a balance sheet.
 - e) How a bank's performance is measured.
2. Apply knowledge in accounting for informed decision-making

TOPIC OUTLINE:

DAY 1

- A. Introduction to the Manual of Accounts for Banks (FRP)
 - Common Types of Bank Products and Services of Rural Banks
 - How do banks earn/generate income?
 - How do Bank Accounts Differ from Business/Corporate Accounts
 - Classification of Asset Accounts
 - Classification of Liabilities Accounts
 - Other Bank Accounts (i.e., Provisioning, Impairment, Fee Income)
 - Bank Transaction Analysis
- B. Understanding Bank Financial Statements
 - The Balance Sheet
 - The Income Statement
 - The Statement of Changes in Equity
 - The Statement of Cash Flows

DAY 2

- C. Introduction to Bank Performance Indicators/Financial Ratios
 - Asset Quality Ratios
 - Liquidity Ratios
 - Profitability Ratios
 - Capital Adequacy Ratios
 - Benchmarking
- D. Prudential Reporting (Financial Reporting Package)

E. Exercises/Cases

Target Participants

This course is intended for new hires; Bookkeepers; Accounting Staff; New Accounts Clerks; Tellers; Cashiers; Operations Personnel; Loan Processors; IT Staff; Branch Managers; Accountants; Loan Officers; Credit Reviewer; Risk Officers; senior officers; directors; internal auditor and compliance officers.

Course III: DEPOSIT OPERATIONS

Overview:

This course starts with understanding the different types of deposit products and how interest and fees on deposits are determined. It provides participants with the information necessary to perform daily customer service needs; maintain good customer relations; develop essential teller skills; techniques in generating deposits; and clearly identify and flag fraudulent transactions or potential risks that could pose a threat of loss to the bank. This shall also include a brief discussion on the role of the Philippine Deposit Insurance Corporation.

Objectives:

1. Promote a deeper understanding of the various facets of deposit operations.
2. Enhance the knowledge and understanding as well as develop skills and competencies of bank staff involved in deposit operations.
3. Review and enhance existing processes to achieve operational efficiency.
4. Understand the supervisory role of the Philippine Deposit Insurance Corporation (PDIC) in rural banking.

Outline

Day 1

- A. Deposit Account Operations
 - Types of Deposit Products
 - Account Opening Process, Updating and Maintenance
 - Deposit, Withdrawal, Reactivation and Closure
- B. Cash and Check Handling
 - Cash Deposits and Withdrawals
 - Cash Counterfeit Detection
 - Cashing Checks
 - Check Endorsement or Clearing
- C. Roles and Responsibilities of Bank Staff (Cashiers/Operations Supervisor, Tellers, New Accounts Clerks, Clearing Assistants, Bookkeepers)
- D. Other Deposit-related Operations/Regulations
 - BP 22
 - Know Your Money

Day 2

- E. PDIC 101
 - PDIC and its Authorities
 - Background
 - Mandates and Roles
 - PDIC Examination
 - Scope of PDIC Examination (focus on deposit operations)
 - Close coordination and info sharing between PDIC and the BSP
 - Objectives of PDIC Examination
 - Deposit Operations Rating System
 - Reliability of Deposit Records
 - Risk Management and Governance on Deposit Operations
- F. Appropriate Internal Control on Deposit Operations

- Activities Considered as Deposit-taking
 - Internal Control Framework
 - Definition of Internal Control
 - Components of Internal Control
 - Types of Controls
 - Control Activities for Various Deposit Processes
 - Organization and Infrastructure
 - Products and Services
 - Account Opening
 - Transaction Processing and Booking
 - Accounts Management
- G. Group Activity/Cases/Exercises

Target Participants

This course is a must for New Tellers/Accounts Clerks; Cashiers; Bookkeepers; Accounting Staff; Branch Heads/Managers. This is also ideal for Risk Officers; internal auditor and compliance officers; new directors.

Course IV: RISK MANAGEMENT SYSTEM

Overview

This course introduces the various risks in banking and the risk management framework of banks, highlighting the importance of corporate governance and the independent control functions in the oversight framework. This also covers how a bank is expected to implement a risk management system, and interpret laws and regulations related to risk management. An overview of the BSP's supervisory assessment framework (SAFr) is also included in the package.

Learning Objectives

1. Understand the nature of different types of risks that banks face and the causes and sources of risks.
2. Discuss how different types of risks are interrelated.
3. Understand and discuss how risks are identified, measured, monitored and controlled.
4. Learn the roles and responsibilities of the board and management and discuss the governance structure of bank

Outline

Day 1

- A. Introduction to Risk Management
 - Definition
 - Importance of Risk Management
- B. Risk Management Regulatory Framework
 - BCBS Principles
 - BSP Issuances
 - Enterprise Risk Management
- C. Types and Definition of Risks
 - Credit Risk
 - Market Risk
 - Operational Risk
 - Liquidity Risk
 - Reputational Risk
 - Compliance Risk
 - Environmental and Social Risks
- D. Operational Risk Management
 - Overview of Operational Risk
 - Risk Identification and Assessment

- Risk Mitigation and Control
- Internal Controls
- E. Credit Risk Management
 - Overview of Credit Risk
 - Credit Risk Management Framework
- F. Liquidity Risk Management
 - Overview of Liquidity Risk
 - Measurement and Monitoring
 - Liquidity Risk Management strategies
- G. Reputational and Strategic Risk Management
 - Sources and Impact of Reputational Risk
 - Definition of Strategic Risk and integration with Bank's Corporate Strategy
 - Mitigation Techniques

Day 2

- H. Corporate Governance and Risk Culture
 - Board and Senior Management Oversight
 - Roles and Responsibilities of Board and Management
 - Governance Structure
 - Risk Culture
- I. Enterprise Risk Management/Risk Management Process
- J. Exercises and Cases

Target Participants

This course is a must for all directors, officers and bank personnel.

Course IV.1: Environmental and Social Risk Governance/Management System

Overview:

This course is geared towards equipping rural bankers with the knowledge and skills to integrate Environmental, Social, and Governance (ESG) factors into their operations and decision-making; understanding the concepts of ESG sustainability and their relevance to the rural banking sector; and identifying the risks and opportunities associated with integrating ESG principles into business practices.

Objectives:

1. Equip the rural bankers with the knowledge and skills to integrate environmental, social, and governance (ESG) factors into their operations and decision-making.
2. Understand the concepts of ESG sustainability and their relevance to the rural banking sector.
3. Identify the risks and opportunities associated with integrating ESG principles into business practices
4. Understand the importance of incorporating ESG considerations into the overall bank operations.

Outline

- A. Introduction to Sustainability and its Importance for Businesses
- B. Philippine Sustainable Finance Guiding Principles and the BSP Sustainable Finance Initiatives
- C. Defining Environmental, Social, and Governance (ESG) Factors
- D. ESG for Rural Banks: Why it Matters
- E. Key Areas of the Sustainable Finance Framework
- F. Identifying ESG Risks and Opportunities

Target Participants

This course is a must for all directors, officers and bank personnel.

Course V: OPERATIONAL RISK & OPERATIONAL RISK MANAGEMENT SYSTEM (ORMS)

Participants will develop an understanding of the importance of operational risk management and build an appreciation on the impact that operational risk can have. The goal is for participants to not only have a better understanding of operational risk, but also on how to better manage it. As operational risk exists in all areas of bank operation, this course will also introduce the concept of enterprise risk management.

Course V.1: Introduction to Operational Risk and ORMS

Overview

Participants to this course will learn the definition of operational risk and the concept of operational risk management. Given, however, that operational risk exists in the whole of the banking business, this course will also introduce the different concepts in enterprise risk management and the different tools and models to identify, assess, monitor, mitigate, and report risks. The discussion will also center on the top operational risks for banks; the sources of operational risk and how these arise within the context of a bank's main business activities; the three lines of defense; and the governance structures, systems, procedures and cultural aspects necessary for an organization to successfully manage operational risk. This shall also emphasize the importance of a strong control environment and what operational risk management strategies to employ to ensure security of bank operations.

Learning Objectives

1. Understand the key concepts and importance of operational risk
2. Understand the regulatory framework and guidelines on operational risk management.
3. Develop skills in assessing operational risks and implementing strategies for risk mitigation and control.
4. Identify red flags in their respective operations and from individual transactions or events.
5. Identify the different types of financial crimes and their counter measures as well as the importance of financial crimes programs.
6. Improve sense of ownership in the processes and activities bank officers and personnel have authority or responsibility over.
7. Contribute on the improvement of governance, risk management and internal controls within the bank

Outline

Day 1

A. Overview of the Operational Risk Management Regulatory Framework & Guidelines

B. Introduction to Operational Risk

- Definition and scope of operational risk
- Importance of operational risk management in banks
- Key differences between operational risk and other risk types (credit, market, etc.)

C. Enterprise Risk Management

- Definition and Framework
- Governance Structure (Roles and Responsibilities; Three Lines of Defense)
- Risk management processes and tools – planning, identification, assessment, decision making, monitoring, mitigation, reporting

Day 2

D. Types of Operational Risks

- Internal and External Frauds
- Cybersecurity Risk
- Third-Party Risk
- Business disruption and systems failures
- Other Operational Risks

Day 3

E. Internal Controls

- Key Concepts and Objectives of Internal Control
- Internal Control Process
- Effective Internal Control Function

F. Cases and Exercises

Target Participants

This course is a must for all directors, officers and bank personnel.

Course V.2: ORM Oversight and Risk Control and Self-Assessment Process

Overview

Participants to this course will learn the effective management of operational risk and to perform risk control and self-assessment (RCSA) process to assess, manage and monitor a bank's key operational risks and controls. The sessions will include the approaches for assessing and prioritizing risks; criteria for key risk indicator (KRI) selection and best practices in monitoring and reporting operational risk; as well as the techniques and resources to gather data, perform the RCSA, and monitor and report results.

Learning Objectives

1. Learn the effective management of operational risk
2. Use Risk Control and Self-Assessment (RCSA) to assess, manage and monitor key operational risks and controls

Outline

- A. Purpose and benefits of conducting a risk and control self-assessment (RCSA)
- B. Considerations for effective implementation of the RCSA
- C. Approaches for assessing and prioritizing risks
- D. Criteria for key risk indicator (KRI) selection and best practices in monitoring and reporting operational risk
- E. Techniques to gather data, perform the RCSA, and monitor and report results
- F. Workshop: Applying the RCSA process and workflow

Target Participants

This course is designed for Internal Auditor; Risk Officer; Compliance Officer; Audit Committee members and Senior Management

Course VI: CREDIT RISK & CREDIT RISK MANAGEMENT (CRM) SYSTEM

This course will enable the participants to gain comprehensive understanding of the credit risk and credit risk management system of banks and learn the process of identifying, measuring, monitoring and controlling credit risk.

Course VI.1: Basic Concepts of Credit Risk and CRM Framework

Overview

This is an introduction to credit risk and the credit risk management principles and concepts. The participants will get familiarized with the different types and sources of credit risk and the various risks related to lending to emphasize the interrelatedness of these risk types. They will likewise be introduced to the various types of loans typically found in the loan portfolio of a bank and how loans differ from investments. The elements of a sound credit risk management framework shall also be discussed.

Learning Objectives:

1. Understand the basic concepts of credit risk
2. Identify the different types and sources of credit risk
3. Define loans and identify the different types of loan products offered by banks
4. Discuss the various borrowing purposes and financing requirements as well as the operating cycles of a borrower
5. Identify and discuss the how credit risk management function is organized and illustrate the credit risk management framework
6. Discuss the importance of credit risk management to the whole risk management system

Outline

- A. Basic Concepts of Credit Risk
 - Definition
 - Types of Credit Risk
 - Sources of Credit Risk
 - Risks Related to Lending
- B. Loan Basics
 - Definition
 - Different types of Loan Products
 - Borrowing Purposes and Financing Requirements
 - Different Industries and their Operating Cycles
- C. Credit Risk Management System
 - Appropriate Credit Risk Environment
 - Sound Credit Granting Process
 - Appropriate Credit Administration, Measurement, and Monitoring Process
 - Appropriate Credit Control Process
- D. Credit Policy for an Appropriate Credit Risk Environment
 - Role of the Board and Senior Management
 - Credit Risk Management Structure
 - Credit Risk Strategy

Target Participants

This course is a must for all officers and bank personnel involved in lending operations as well as for Operations Personnel; Loan Processors; IT Staff; Credit Reviewers; Branch Managers; Internal Auditors; Compliance Officer; Risk Officer; President/CEO/ COO; and Credit Committee members, new directors.

Course VI.2: THE CREDIT/LENDING PROCESS

Overview

Given the introduction on the various types of credit risks and loans in the previous course, participants now understand why businesses borrow, identify the different industries and their operating cycles; and understand the related risks thereof. The next step after risk identification will be risk measurement. In this course, participants will be made to perform comprehensive evaluation and analysis of a loan application using the 5 Cs of credit. The learnings under Course II.1 on financial statements analysis and cash flow preparation, supplemented by account profitability analysis, will be used in the quantitative assessment of risk. The borrower risk rating will then be determined after considering the qualitative assessment of the industry, market and management risks. Thus, the internal credit risk rating system, its functions and minimum attributes and what such risk rating systems are expected to accomplish, will also be discussed in this course. Participants will also learn how to offer the right loan products with correct pricing to clients. To cap this course, participants will be required to underwrite or structure a loan, which will include writing of recommendation for the approval of the loan proposal.

Learning Objectives

1. Describe the basic components of credit process and explain the importance of each component.
2. Perform comprehensive evaluation and analysis of a loan application using the 5 Cs of credit
3. Apply the learnings under Course II.1 on financial statements and cash flow analyses in the quantitative assessment of credit risk.
4. Demonstrate the credit underwriting process of a bank
5. Define internal credit risk rating systems (ICRRS), describe their functions, and explain their attributes
6. Understand certain types of rating systems

Outline:

Day 1

- A. Types of Loan Products (*loop with Course V.1*)
 - Retail Credits
 - MSMEs
 - Corporate Loans
- B. Components of the Credit Process
- C. Credit Initiation and Analysis
 - Standards/Criteria for Sound Credit Granting (*loop with Course V.1*)
 - Credit Evaluation and Analysis Process (Application of the **5Cs**)
 - cash flow and financial statements analysis (*loop with Course II.3*)
- D. Application/Workshop (Case Exercises)

Day 2

- E. Internal Risk Rating Systems
 - What is an ICRRS
 - Functions of ICRRS
 - Types of Rating System
 - Credit Scoring for Retail Credits
 - Validation of Risk Rating Systems
- F. Application/Workshop (Case Exercises)

Day 3

- G. Credit Underwriting (loan packaging/preparation of loan proposal)

- Steps in the Underwriting Process
 - Risk-based pricing strategies
 - Contents of a Loan Approval Memorandum
 - Documentary Requirements, including Loan Agreement
- H. Application/Workshop (Case Exercises)
- I. Credit Policy Appropriate for Credit Granting Process

Target Participants

This course is a must for Credit Analysts, Loan/Account Officers, Credit Reviewers; Internal Auditors; Compliance Officer; Risk Officer; President/CEO/COO; and Credit Committee members

Course VI.3: THE CREDIT ADMINISTRATION/LOAN OPERATIONS AND MONITORING

Overview

This course will enable the participants to understand what credit administration is and why it is an important credit function. Discussion shall include a look at the types of documentation necessary to support the full credit administration process, including credit investigation and appraisal process. The roles and responsibilities of the back office shall likewise be covered.

Learning Objectives

- Define the roles and responsibilities of the back-office function
- Explain the importance of credit administration
- Recognize the different types of loan documentation
- Identify the steps taken when monitoring loan accounts

Outline

Day 1

- A. Back Office Function
 - Roles and Responsibilities
- B. Credit Administration
 - What is Credit Administration
 - Importance or Benefits of Credit Administration
 - Areas Covered
- C. Documentation and Record Keeping
 - Types of Documentation
 - Record Keeping
 - Collateral Management
 - Legal Considerations
- D. Loan Processing and Servicing
 - Data/Information Collection and Verification
 - Documentation Preparation
 - Disbursement/Payment Processing
 - Account Maintenance
 - Collection Strategies

Day 2

- E. Credit Management Information System
 - Types of information/reports
 - Data Security
 - Recent Innovations in Loan Processing
- F. Monitoring and Reporting
 - Types of Monitoring
 - Early Warning Systems
 - Reporting to Management

G. Cases and Exercises

Target Participants

This course is intended for loans processor, credit administration personnel, bookkeeper, credit investigator, appraiser, credit analysts, loan/account officers, Credit Reviewers; Internal Auditors; Compliance Officer; Risk Officer; President/CEO/COO; and Credit Committee members

Course VI.4: CREDIT CLASSIFICATION AND PROVISIONING

Overview

This course will provide participants with the basic understanding of why it is important for banks to classify loans and how expected credit losses under PFRS 9 are calculated. Participants shall also gain understanding of the 3 stages for accounting for ECL and the provisions of Appendix 15 of the MORB. The session will end with sample computation of ACL.

Learning Objectives:

1. Understand the framework for credit classification and provisioning under PFRS9
2. Discuss methodologies for determining provisions
3. Develop skills in classifying loans and calculating provisions.

Outline

A. Introduction

- Importance of Classification and Provisioning
- Impact on the Bank's Financial Statements

B. Loan Loss Estimation Methodology and Provisioning

- **Expected Credit Losses (ECL) under PFRS 9 (Appendix 100)**
- Historical loss rates
- Migration Analysis

C. Classification and Provisioning Using Appendix 15

D. Cases and Exercises

Target Participants

This course is intended for loan/account officers, relationship managers, Credit Reviewers; Internal Auditors; Compliance Officer; Risk Officer; and Credit Committee members

Course VI.5: Management of Problem Loans

Overview

In this course participants will learn about what a problem loan is; its causes; warning signals of deteriorating credits, early detection techniques; restructuring strategies, types of workout plans; and steps in problem loan management. Writing off of problem loans will also be discussed.

Objectives:

1. Be able to apply the key elements of effective problem loan management to the participants' jobs.
2. Understand the objectives of problem loan management and the framework guiding the process.
3. Develop the skills to effectively analyze and implement restructuring strategies.

Day 1

- A. Introduction and Objectives
 - Definition of Problem loans
 - Objectives of Problem Loan Management
- B. Minimizing Problem Loans
 - Key Steps to Minimizing Problem Loans
 - Benefits of Effective Monitoring Process
 - Key Indicators of Effective Monitoring Process
 - Best Practices for Effective Monitoring Process
 - Challenges in Effective Monitoring Process
- C. Identification of Problem Loans
 - Causes of Problem Loans
 - Warning Signs or Red Flags
- D. Affordability/Recovery Assessment
 - For Retail Loans
 - For Corporate Borrowers
- E. Determination of Appropriate Strategy
 - Restructure or Exit?

Day 2

- F. Restructuring Strategy
 - Definition of Restructured Loans
 - Restructuring Strategies
- G. Execution and Monitoring of Restructuring Strategy
 - Recovery Strategy Monitoring
- H. Problem Loans Process Flow
- I. Credit Policy for Effective Problem Loans Management
- J. Exercises and Case Analysis

Target Participants

This is designed for Loan/Account Officers; Relationship Managers; senior-level officers responsible for problem loan management; legal unit staff; as well as Credit Reviewer; Internal Auditor; Compliance Officer; Risk Officer; Credit Committee members.

Course VI.6: Loan Review Function

Overview

Participants will learn to perform a detailed, holistic and objective review of a bank's CRMS, at individual and portfolio levels, and prepare a comprehensive loan review report. The course will cover the elements of an effective loan review process and identify the steps in the loan review.

Learning Objectives

1. Understand the importance of credit review and of assessing the CRMS
2. Identify issues and problems in the performance of credit reviews
3. Develop skills to translate the results of the credit review into meaningful assessment of the overall quality of a bank's CRMS and write effective loan review reports.
4. Learn procedures in evaluating CRMS for retail (pooled) and other credits

Outline

Day 1

- A. Introduction and Overview
 - Review of the Credit Risk Mgt System (*loop with Course V.1*)
 - Individual Level

- Portfolio Level
 - Definition and Scope
 - Objectives of Loan Review
- B. Elements of an Effective Loan Review Process
- C. Loan Review Techniques
- On-site and Off-site Reviews
 - Sampling Techniques
 - Data Collection and Analysis
 - Interview Techniques

Day 2

- D. Steps in the Loan Review Process
- E. Evaluating Retail and other Credits
- F. Loan Review Report
- Key Elements/Contents of Loan Review Report
 - Effective Loan Review Report
- G. Cases and Exercises (Role-Playing/Simulation)

Target Participants

This is a must for Credit Reviewer; Internal Auditor; Compliance Officer; Risk Officer; and optional for Loan/Account Officers; Relationship Managers; Credit Committee members; and personnel in the credit administration or loans operations units.

Course VII: TREASURY OPERATIONS AND LIQUIDITY RISK MANAGEMENT

Overview

This course aims to provide an overview of treasury operations and introduce the concept of liquidity risk, asset-liability management and the liquidity risk management process. Participants will also learn about the importance of a bank's funding strategy and the development of contingency funding plan.

Learning Objectives:

- Elaborate why rural banks should prudently and effectively manage liquidity risk.
- Illustrate how liquidity risk is managed.
- Present the relevant liquidity risk management issues to focus on.

Outline:

- A. Why Manage Liquidity Risk?
- B. How to Identify Liquidity Risk
- C. How to Measure Liquidity Risk
- D. How to Control and Monitor Liquidity Risk
- E. Liquidity Funding Strategy
- F. Contingency Funding Plan
- G. Regulatory and Other Considerations

Target Participants

This course is designed for bank personnel in charge of treasury operations and those involved in asset-liability management; Risk Officers; Internal Auditors; Compliance Officers; Senior Management

Course VIII: SELF-ASSESSMENT FUNCTIONS

Course VIII.1: INTERNAL AUDIT

Overview

Participants to this course will learn the role and importance of internal audit and be able to utilize the different tools necessary to perform a risk-based internal audit.

Particular focus will be on the principles of auditing, the importance of planning, how to gather effective audit evidence and report on the audit findings, and the required follow-up activities as an auditor.

Learning Objectives

1. Understand the role and importance of the internal audit function.
2. Develop skills in:
 - a) preparing an audit plan;
 - b) performing audits in various areas of banking operations;
 - c) writing clear and concise internal audit reports; and
 - d) communicating and presenting audit findings and recommendations to the board of directors, audit committee and senior management.

Outline

Day 1

- A. The Internal Audit Function
 - The Audit Committee
 - Internal Auditor
 - Audit Roles and Responsibilities
- B. Overview/Introduction
 - What is risk-based internal audit approach?
 - Differences between internal and external audits
 - Importance and Benefits of a Risk-Based Internal Audit
- C. The Principles of Auditing
- D. Audit Planning and Risk Assessment
 - Setting Objectives
 - Scope and Timing
 - Resource Allocation
 - Creating the Audit Plan
 - Identifying Risks and Assessing Risk Impact and Likelihood
 - Risk Mitigation Strategies

Day 2

- E. Exercise/Case: Preparation of an Audit Plan
- F. Audit Techniques for Gathering information
 - Data Collection Methods
 - Interviewing Techniques
 - Sampling Techniques
- G. Conduct of Audit
 - Evaluating Internal Controls
 - Fraud Detection and Investigation

Day 3

- H. Audit Report Writing, Presentation and Follow Up
- I. Exercises and Cases

Target Participants

This is a must for Interna Auditors and optional for Risk Officer; Compliance Officer; and Audit Comm members.

Course VIII.2: Compliance Risk and Compliance Risk Management System

Overview

This course provides participants with an understanding of the role of the compliance officer in creating and adhering to a culture of compliance to mitigate compliance risk. It will also cover the roles and responsibilities of the board and senior management in the development and administration of an effective compliance management system (CMS), including what is needed in a CMS, and how it should be adapted in the bank. The course will include steps in the effective implementation

of a compliance program and how the bank fairs in compliance through the compliance rating scorecard. Inasmuch as the compliance officer also liaises with the BSP especially during examination, the course will also include an overview of the BSP examination process and the importance of documentation in the examination.

Learning Objectives

1. Understand the roles, responsibilities and goals of the compliance function.
2. Gain knowledge and understanding of the compliance risk management process.
3. Develop skills in:
 - a) preparing an audit plan;
 - b) performing audits in various areas of banking operations;
 - c) writing clear and concise internal audit reports; and
 - d) communicating and presenting audit findings and recommendations to the board of directors, audit committee and senior management.

Outline

Day 1

- A. Introduction to the Compliance Function
 - Definition of compliance risk
 - Goals of the compliance function
- B. Principles on Compliance Function (Basel)
- C. Elements of an Effective Compliance Management System
 - Governance Structure
 - Compliance Program
 - Policies and Procedures
 - Risk Assessment and Monitoring
 - MIS and Reporting
 - Compliance Testing and Review

Day 2

- D. Compliance Audit
- E. Compliance function vs. Risk Management Unit vs. internal audit, what's the difference?
- F. Common Compliance Issues and Concerns
- G. Exercises and Cases

Target Participants

This is a must for Compliance Officer; Internal Auditors; Risk Officer; Senior Management; directors, and optional for all bank personnel.

Course IX: CORPORATE GOVERNANCE

Course IX.1: BASIC CORPORATE GOVERNANCE

Overview

This course is designed to equip participants with the knowledge and understanding of the principles on good corporate governance. Discussions will center on how the board and management can effectively carry out their roles and responsibilities to ensure adherence to best practices on risk management and internal controls, and in developing a culture of good governance.

Learning Objectives:

1. To gain comprehensive understanding of:
 - The principles of Good Corporate Governance (GCG)

- The value of the roles of directors/officers in promoting GCG in their respective banks
 - The significance of GCG in maintaining the stability of the financial system.
2. Explain the importance of regulation in corporate governance.

Outline

Day 1

- A. Overview of Corporate Governance
- Definition of Corporate Governance
 - Importance of Corporate Governance
- B. Key Elements of Good Corporate Governance
- C. The Board of Directors/Bank Officers
- Composition of the Board of Directors
 - Duties and Responsibilities
 - Qualifications / Disqualifications
 - Specific Duties and Responsibilities of a Director
 - Duties and Responsibilities of Officers

Day 2

- D. Board-Level Committees
- Corporate Governance Committee
 - Audit Committee
 - Risk Management/Oversight Committee
 - Related Party Transactions (RPT) Committee
- E. Risk Governance framework
- Establish strategy/business model
 - Risk appetite and risk limits
 - Risk management system
 - The Three Lines of Defense
 - Transparency & Disclosure Requirements
 - Rewards and Compensation Management
- F. Common Issues/Concerns in Corporate Governance
- G. Cases/Exercises

Target Participants

This is designed for directors; senior management; Risk Officer; Compliance Officer; and middle management (for succession planning purposes).

Course IX.2: ANALYZING BANK PERFORMANCE

Overview

In this course, participants will learn to understand, analyze and interpret a bank's performance through financial ratios. The session will include illustrations of the interrelationship between the income statement and balance sheet as well as the risk and return trade-off underlying management decisions. Data from the financial statements shall be used to identify key ratios that signify the degree of risks assumed by a bank, evaluate capital adequacy and determine its the economic performance.

Learning Objectives

1. Understand the role of the banking sector in the economy.
2. Analyze and interpret bank balance sheet, income and cash flow statements.
3. Assess bank asset quality profitability, liquidity, and capital adequacy.

Outline

- A. Overview of the Banking Sector (Loop with Course I on Rural Banking 101)

- B. Financial Statements (Loop with Course II.2 on Bank Accounting)
 - Balance Sheet
 - Income Statement
 - Cash Flow Statement
 - Key Financial Ratios
- C. Performance Analysis
 - Asset Quality
 - Profitability
 - Liquidity
 - Capital Adequacy
- D. Exercises/Case Analysis

Target Participants

This is designed for directors; senior management; Risk Officer; Compliance Officer; and middle management (for succession planning purposes).

Course IX.3: Operational Resilience and Creating Recovery and Resolution Plans

Overview

The disruption caused by the COVID-19 pandemic has put the banks' operational resilience at the forefront and prompted the issuance of regulatory requirements (business continuity and recovery plans) to reduce the risks posed by potential distress to the stability of the financial system and the economy. Thus, banks must thoroughly assess their ability to respond to disruption, address potential gaps and strengthen their overall operational resilience. This course will provide the participants with basic knowledge on operational resilience, why operational resilience matters, what makes a bank operationally resilient; principles on operational resilience, and the key trends in operational resilience. Participants shall likewise gain basic understanding of how to develop a concrete and reasonable recovery plan that is linked to a bank's risk management framework, capital and liquidity plans, and business contingency plans.

Course Objectives

1. Equip participants with knowledge and practical skills necessary to build, maintain, and enhance operational resilience within the bank.
2. Understand the concepts and significance of operational resilience in banks.
3. Gain basic understanding of how to develop and implement business continuity and recovery plans to ensure continued operations during disruptions.
4. Understand cyber threats and vulnerabilities, including how to effectively use data management strategies.
5. Learn to identify and manage vendor risk and implement regular monitoring of vendor performance.
6. Learn to manage crises effectively and conduct post-incident reviews.

Outline

Day 1

- E. Introduction
 - Definition and Importance
 - Understanding a bank's operational resilience
 - Key differences between business continuity, disaster recovery, and operational resilience
- H. Regulatory Framework
 - BCBS Principles for Sound Management of Operational Resilience
 - BSP Regulatory Issuances
- I. Identifying Important Business Services

- J. Business Continuity and Disaster Recovery
 - Business Continuity Planning
 - Disaster Recovery
 - Incident Response and Crisis Management, Monitoring and Review

Day 2

- K. Cybersecurity and Technology Resilience
 - Implementing An Effective Cybersecurity Framework
 - Resilience in IT Systems and Infrastructure
- L. Third-Party Risk Management
 - Identifying and Managing Outsourcing/Third Party/Vendor Risks
 - Monitoring and Review
- M. Governance and Oversight
 - Roles and Responsibilities
 - Policies and Procedures
 - Data Governance, Management and Protection
 - Monitoring and Reporting (Internal and External Reporting)
- N. Cases and Exercises

Target Participants

This is designed for directors; senior management; Risk Officer; Compliance Officer; and middle management (for succession planning purposes).

Course X: STRATEGIC RISK AND STRATEGIC RISK MANAGEMENT

Overview

This course will provide participants the basic concepts on strategic risk and its sources. Participants will learn how the strategic risk management process will enable them to make strategic decisions fit for the future needs of their customers and in line with the bank's risk profile and regulatory requirements. They will learn to develop an appropriate strategic plan; evaluate strategic options based on risk & return; and implement & manage strategic decisions

Learning Objectives

1. Understand the basic concepts of strategic risk and strategic risk management.
 - Develop an appropriate strategic plan
 - Evaluate strategic options based on risk & return
 - Implement & manage strategic decisions
 - Suggest and evaluate the bank's asset & liability portfolio
 - Act within regulatory requirements

Outline

- A. Introduction to Strategic Risk Management Framework
 - Definition of Strategic Risk
 - Importance of Strategic Risk Management
- B. Strategic Planning Process
 - Development of Vision and Mission
 - Environmental Scanning
 - Setting Strategic Objectives
- C. Formulation of Strategy
 - Evaluating the Bank's Current Position
 - Corporate Strategies (Growth and Diversification)
 - Functional Strategies (Marketing, Financial Management, Technology & Innovation)
- D. Implementing Strategies

- Developing Action Plan and Resource Allocation
- Managing Change
- Key Performance Indicators

E. Exercises/Cases

Target Participants

This is designed for directors; senior management; Risk Officer; Compliance Officer; and middle management (for succession planning purposes).

Course XI: SUPERVISORY ISSUES & CONCERNS & BSP SUPERVISORY ENFORCEMENT ACTIONS

Overview

The BSP recognizes that risk-taking is integral to a bank's business. The existence of risk is not necessarily a reason for concern so long as Management exhibits the ability to effectively manage that level of risk and operates the financial institution (FI) in a safe and sound manner. Thus, when risk is not properly managed, the BSP may deploy a wide range of enforcement actions provided under existing laws, BSP rules and regulations, taking into consideration the nature and extent of the supervisory issues and concerns and the level of cooperation provided by Management. *(Excerpted from the BSP Manual of Regulations for Banks)*

This course will focus on understanding the BSP's supervisory authority over banks and why BSP conduct examination of banks. The enforcement tools that the BSP may deploy in the course of performing its supervisory function, as well as their guiding principles and objectives, shall be discussed. The course shall include illustrations on common supervisory issues and concerns noted by the BSP and how these should be addressed.

Course Objectives

2. Gain better understanding of the processes and key areas of on-site examination by the BSP.
3. Understand the BSP supervisory framework and enforcement tools.
4. Learn root cause analysis to appropriately and effectively address the supervisory issues and concerns raised in the BSP examination.

Outline

- A. BSP Supervisory Enforcement Policy (Sec 002 of the MORB)
- B. Examination by the BSP
 - Supervisory Assessment Framework (SAFr)
- C. Common Supervisory issues and concerns in the ROE
 - Identification of Supervisory Issues and Concerns
 - Root Cause Analysis
- D. Examples of Unsafe or Unsound Banking
- E. How to respond to BSP Directives
- F. Escalation of Enforcement Action
- G. Prioritization of BSP Directives
- H. Practical tips on how to improve the SAFr Rating
- I. Exercises/Cases

Target Participants

This is designed for directors; senior management; Risk Officer; Compliance Officer; and middle management.

STPRB POINEER BATCH

From July up to October, the STPRB Pioneer Batch go on a 41-day journey of extensive and collaborative learning on different areas on rural bank operations. Capacitating them with right tools, necessary skills and knowledge to assume their role in their respective rural banks. Starting in the basics of Rural Banking up to BSP's supervisory issues, concern and action.



Month	Schedule	Modality	Course Code	Course Title	Day/s
	Day				
July	6 Sat.	Online	C-I	RURAL BANKING 101	1
	12-13 Fri. & Sat.	Online	C-III	DEPOSIT OPERATIONS	2
	19-20 Fri. & Sat.	Online	SC-XX	Strategic and Persuasive Communication for Banking Professionals	2
	23-25 Tues. to Thurs.	Face to Face	C-II.1	Basic Business Accounting & Fin. Statements & Cash Flow Analysis	3
	26-27 Fri. & Sat.	Face to Face	C-II.2	Basic Bank Accounting and Performance Ratios Analysis	2
August	12-13 Mon. & Tues.	Face to Face	C-IV	RISK MANAGEMENT (RM) SYSTEM	2
	14-16 Wed. to Fri.	Face to Face	C-V.1	Introduction to OR & ORMS	3
	17 Sat.	Face to Face	C-V.2.a	ORM Oversight and Risk Control and Self-Assessment (RCSA) Process (Abridged)	1
	26 Mon.	Face to Face	C-VI.1	Basic Concepts of Credit Risk and the CRM Framework	1
	27-29 Tues. to Thurs.	Face to Face	C-VI.2	Loan Origination and Underwriting Process	3
	30-31 Fri. & Sat.	Face to Face	C-VI.3	Loan Administration and Operations	2
September	2 Mon.	Face to Face	C-VI.4	Loan Classification and Provisioning	1
	2-4 Tues. & Wed.	Face to Face	C-VI.5	Management of Problem Loans	2
	5-6 Thurs. & Fri.	Face to Face	C-VI.6	Loan Review Function	2
	14 Sat.	Online	C-VII	TREASURY OPERATIONS AND LIQUIDITY RISK MANAGEMENT	1
	19-21 Thurs. to Sat.	Online	C-VIII.1	Internal Audit	3
	27-28 Fri. & Sat.	Online	C-VIII.2	Compliance Risk and Compliance Risk Management System	2
October	4-5 Fri. & Sat.	Online	C-IX.3	Operational Resilience: Creating Recovery and Resolution Plans	2
	7-8 Mon. & Tues.	Face to Face	C-X	STRATEGIC RISK AND STRATEGIC RISK MANAGEMENT SYSTEM	2
	9 Wed.	Face to Face	C-IX.2	Analyzing Bank Performance	1
	10-11 Thurs. & Fri.	Face to Face	C-IX.1	Basic Corporate Governance	2
	12 Sat.	Face to Face	C-XI	SUPERVISORY ISSUES AND CONCERNS AND BSP ENFORCEMENT ACTIONS	1
Duration of the Whole Course (Total # of Days)					41



The **Rural Banker's Research and Development Foundation Inc. (RBDFI)** is a non-stock, non-profit corporation duly registered with SEC on January 06, 1988 and is a Certified Science Foundation of Department of Science and Technology.

The Foundation's main objective is to establish programs, projects and studies geared towards agricultural research, development, and improvement in the various fields specially on financial and business management, practices and procedures by engaging in activities, projects, studies and/or programs, specifically involving rural development all over the country. We also served as the research and training arm of Rural Bankers in the Philippines.

VISSION: To be the thought leader and leading solution provider for Rural Banks to become effective agents in countryside development and inclusive growth

MISSION: We are the thought leader of the Rural Banking Industry by providing capacity building and research

STRUCTURED TRAINING PROGRAM

Course Code	Course Title	Duration In Days	New Hires
BASIC OR ENTRY LEVEL		11	
I.	RURAL BANKING 101	1	✓
II.	FUNDAMENTALS OF ACCOUNTING		
II.1	Basic Business Accounting & Fin. Statements & Cash Flow Analysis	3	✓
II.2	Basic Bank Accounting and Performance Ratios Analysis	2	✓
III.	DEPOSIT OPERATIONS	2	
IV.	RISK MANAGEMENT (RM) SYSTEM	2	✓
IV.1	Environmental and Social Risk Governance/Mgt. System	1	
INTERMEDIATE LEVEL		21	
V.	OPERATIONAL RISK AND OPERATIONAL RM SYSTEM (ORMS)		
V.1	Introduction to OR & ORMS	3	
V.2	ORM Oversight and Risk Control and Self-Assessment (RCSA) Process	2	
VI.	CREDIT RISK AND CREDIT RM SYSTEM		
VI.1	Basic Concepts of Credit Risk and the CRM Framework	1	
VI.2	Loan Origination and Underwriting Process	3	
VI.3	Loan Administration and Operations	2	
VI.4	Loan Classification and Provisioning	1	
VI.5	Management of Problem Loans	2	
VI.6	Loan Review Function	2	
VII.	TREASURY OPERATIONS AND LIQUIDITY RISK MANAGEMENT	1	
VIII.	SELF-ASSESSMENT FUNCTIONS		
VIII.1	Internal Audit	2	
VIII.2	Compliance Risk and Compliance Risk Management System	2	
ADVANCED LEVEL		8	
IX.	CORPORATE GOVERNANCE		
IX.1	Basic Corporate Governance	2	
IX.2	Analyzing Bank Performance	1	
IX.3	Operational Resilience: Creating Recovery and Resolution Plans	2	
X.	STRATEGIC RISK AND STRATEGIC RISK MANAGEMENT SYSTEM	2	
XI.	SUPERVISORY ISSUES AND CONCERNS AND BSP ENFORCEMENT ACTIONS	1	
SUPPLEMENTAL COURSES			
SC – IV.1	Environmental and Social Risk Management System (<u>Writeshop</u>)	2	
SC – VI.3.1	Basic Appraisal	2	
SC – VI.3.2	Advanced Appraisal	2	
SC – VIII.2	Complaints Management	2	
SC – IX.1	Corporate Secretary As Corp. Governance Professional	2	
SC – VIII.2.1	AML Intermediate Course on Inst. Risk Assessment & Transaction Monitoring	1	
SC – VI.3.3	Credit Investigation	1	
SC – I.1	Strategic Marketing and Basic Branding	1	
SC – I.2	Customer Service Excellence	1	
SC – I.3	High Performance Sales and Business Development	2	
SC – VI.3.4	Debt Collection Approaches and Strategies	1	
SC – VIII.2.2	Data Privacy for Rural Banks	1	
SC – V	Enhancing RB Cybersecurity: It Risk Management Awareness Course	2	
SC – XX	Strategic and Persuasive Communication for Banking Professionals	2	

❖ Track for New Hires

Course Code	Course Title	Pre-requisite	Duration (Day/s)
C - I	RURAL BANKING 101	None	1
C – II.1	Basic Business Accounting and Financial Statements and Cash Flow Analysis	C - I	3
C - II.2	Basic Bank Accounting and Performance Ratios Analysis	C – II.1	2
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental and Social Governance/Mgt. System	C - IV	1

Track for New Accounts Clerk; Tellers; Cashiers

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C – II.2	Basic Bank Accounting and Performance Ratios Analysis	C - I	3
C - III	DEPOSIT OPERATIONS	C – II.2	2
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental & Social Risk Governance/Mgt. System	C – IV	1
INTERMEDIATE			
C – V.1	Introduction to OR and ORMS	C - IV	3
C – VIII.2	Compliance Risk & Compliance Risk Mgt System	C – V.1	2
SUPPLEMENTAL			
SC– VIII.2.1	AML Intermediate Course on Institutional Risk Assessment & Transaction Monitoring	None	1
SC – I.2	Customer Service Excellence	None	1
SC-VIII.2.2	Data Privacy for Rural Banks	None	1
SC – VIII.2	Complaints Management	None	2

Track for Bank Operations Personnel, Loan Processors, IT Staff

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C – II.2	Basic Bank Accounting and Performance Ratios Analysis	C - I	3
C - III	DEPOSIT OPERATIONS	C – II.2	2
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental & Social Risk Governance/Mgt. System	C – IV	1
INTERMEDIATE			
C – V.1	Introduction to OR and ORMS	C - IV	3
C – VI.1	Basic Concepts of Credit Risk and the CRM Framework	C – IV	1
C – VI.3	Credit Administration/Loan Operations	C – VI.1	2
C – VIII.2	Compliance Risk & Compliance Risk Mgt System	C – V.1	2
SUPPLEMENTAL			
SC– VIII.2.1	AML Intermediate Course on Institutional Risk Assessment & Transaction Monitoring	None	1
SC-V	Enhancing Cybersecurity: IT Risk Management Awareness Course	None	2
SC-VIII.2.2	Data Privacy for Rural Banks	None	1

Track for Loan/Account Officers, Relationship Managers, Credit Reviewers

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C - II.1	Basic Business Accounting and Financial Statements and Cash Flow Analysis	C - I	3
C - II.2	Basic Bank Accounting and Performance Ratios Analysis	C - II.1	2
C - IV	RISK MANAGEMENT SYSTEM	C - III	2
C - IV.1	Environmental & Social Risk Governance/Mgt. System	C - IV	1
INTERMEDIATE			
C - V.1	Introduction to OR and ORMS	C - IV	3
C - V.2	ORM Oversight and the Risk Control and Self-Assessment (RCSA) Process (for credit reviewers)	C - V.1	2
C - VI.1	Basic Concepts of Credit Risk and the CRM Framework	C - IV	1
C - VI.2	Loan Origination and Underwriting Process	C - VI.1	3
C - VI.3	Credit Administration/Loan Operations	C - VI.1	2
C - VI.4	Loan Classification and Provisioning	C - VI.3	1
C - VI.5	Management of Problem Loans	C - VI.4	2
C - VI.6	Loan Review Function	C - VI.5	2
C - VIII.2	Compliance Risk & Compliance Risk Mgt System	C - V.1	2
ADVANCED			
C - XI	Supervisory Issues and Concerns and BSP Enforcement Actions	C - VIII.2	1
SUPPLEMENTAL			
SC-VIII.2.1	AML Intermediate Course on IRA & Transaction Monitoring	None	1
SC-VIII.2.2	Data Privacy for Rural Banks	None	1

Track for Senior Officers and Directors

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C - III.a	Deposit Operations (Abridged)	C - I	1
C - IV	RISK MANAGEMENT SYSTEM (including Environmental and Social Risk Governance)	C - III.a	2
INTERMEDIATE			
C - V.1.a	Introduction to OR and ORMS (Abridged)	C - IV	1
C - V.2.a	ORM Oversight and the Risk Control and Self-Assessment Process (Abridged)	C - V.1.a	1
C - VI.1	Basic Concepts of Credit Risk and the CRM Framework	C - IV	1
C - VII	Treasury Operations and Liquidity Risk Management	C - V.2.a & VI.1	1
C - VIII.2	Compliance Risk & Compliance Risk Management System	C - VII	2
ADVANCED			
C - IX.1.a	Corporate Governance: A Refresher	C - VIII.2	1
C - IX.2	Analyzing Bank Performance	C - IX.1.a	1
C - IX.3	Operational Resilience	C - IX.2	2
C - X	Strategic Risk and Strategic Risk Management	C - IX.3	2
C - XI	Supervisory Issues and Concerns and BSP Enforcement Actions	C - VIII.2	1
SC - XX	Strategic & Persuasive Communication for Banking Professionals	None	2

Note: Course Codes with the "a" extension are abridged versions that are only available for Senior Officers and existing Directors

Track for Bookkeeper, Accounting Staff, and Accountant

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C – II.1	Basic Business Accounting and Financial Statements and Cash Flow Analysis	C - I	3
C – II.2	Basic Bank Accounting and Performance Ratios Analysis	C - I	3
C - III	DEPOSIT OPERATIONS	C – II.2	2
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental & Social Risk Governance/Mgt. System	C – IV	1
INTERMEDIATE			
C – V.1	Introduction to OR and ORMS	C - IV	3
C – VI.1	Basic Concepts of Credit Risk and the CRM Framework	C – IV	1
C – VI.3	Credit Administration/Loan Operations	C – VI.1	2
C – VIII.2	Compliance Risk & Compliance Risk Mgt System	C – V.1	2
SUPPLEMENTAL			
SC– VIII.2.1	AML Intermediate Course on Institutional Risk Assessment & Transaction Monitoring	None	1
SC-V	Enhancing Cybersecurity: IT Risk Management Awareness Course	None	2
SC-VIII.2.2	Data Privacy for Rural Banks	None	1

Track for Credit Analysts, Credit Investigators, Appraisers, Collectors

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C – II.1	Basic Business Accounting and Financial Statements and Cash Flow Analysis	C - I	3
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental & Social Risk Governance/Mgt. System	C – IV	1
INTERMEDIATE			
C – V.1	Introduction to OR and ORMS	C - IV	3
C – VI.1	Basic Concepts of Credit Risk and the CRM Framework	C – IV	1
C – VI.2	Loan Origination and Underwriting Process	C – VI.1	3
C – VI.3	Credit Administration/Loan Operations	C – VI.1	2
C – VI.4	Loan Classification and Provisioning	C – VI.3	1
C – VI.5	Management of Problem Loans	C – VI.4	2
C – VIII.2	Compliance Risk & Compliance Risk Mgt System	C – V.1	2
C - XI	Supervisory Issues and Concerns and BSP Enforcement Actions	C – VIII.2	1
SUPPLEMENTAL			
SC–VIII.2.1	AML Intermediate Course on Institutional Risk Assessment & Transaction Monitoring	None	1
SC –VI.3.1	Basic or Advanced Appraisal	None	1
SC –VI.3.3	Credit Investigation	None	1
SC –VI.3.4	Debt Collection Approaches and Strategies	None	1
SC-VIII.2.2	Data Privacy for Rural Banks	None	1

Track for Internal Auditor, Compliance Officer, Audit and Compliance Staff

<i>Course Code</i>	<i>Course Title</i>	<i>Pre-requisite</i>	<i>Duration (Day/s)</i>
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C – II.1	Basic Business Accounting and Financial Statements and Cash Flow Analysis	C - I	3
C - II.2	Basic Bank Accounting and Performance Ratios Analysis	C – II.1	2
C - III	Deposit Operations	C - 1	2
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental and Social Governance/Mgt. System	C - IV	1
INTERMEDIATE			
C – V.1	Introduction to OR and ORMS	C - IV	3
C – V.2	ORM Oversight and the Risk Control and Self-Assessment (RCSA) Process	C – V.1	2
C – VI.1	Basic Concepts of Credit Risk and the CRM Framework	C – IV	1
C – VI.2	Loan Origination and Underwriting Process	C – VI.1	3
C – VI.3	Loan Administration/Operations	C – VI.2	2
C – VI.4	Loan Classification and Provisioning	C – VI.3	1
C – VI.5	Management of Problem Loans	C – VI.4	2
C – VI.6	Loan Review Function	C – VI.5	2
C – VII	Treasury Operations and Liquidity Risk Management	C – IV	1
C – VIII.1	Internal Audit Function	C – V.1 & VI.6	3
C – VIII.2	Compliance Risk & Compliance Risk Mgt System	C – V.1 & VI.6	2
ADVANCED			
C – IX.1	Basic Corporate Governance	C–VII & C- VIII	2
C – IX.2	Analyzing Bank Performance	C – IX.1	1
C – IX.3	Operational Resilience	C – IX.1	2
C - X	Strategic Risk and Strategic Risk Management	C – IX.1	2
C – XI	Supervisory Issues and Concerns and BSP Enforcement Actions	C – VIII.2	1
Supplemental Courses			
SC – IV.1	Environmental & Social Risk Mgt System (Writeshop)		2
SC – VIII.2	Complaints Management	None	2
SC–VIII.2.1	AML Intermediate Course on Institutional Risk Assessment & Transaction	None	1
SC–VIII.2.2	Data Privacy for Rural Banks	None	1
SC - V	Enhancing Cybersecurity; IT Risk Management Awareness Course	None	2
SC - XX	Strategic and Persuasive Communication for Banking Professionals		2

Track for Branch/Department/Unit Heads, and Newly-appointed Directors

Course Code	Course Title	Pre-requisite	Duration (Day/s)
BASIC OR ENTRY LEVEL			
C - I	RURAL BANKING 101	None	1
C - II.2	Basic Bank Accounting and Performance Ratios Analysis	C – II.1	2
C - III	Deposit Operations	C – II.2	2
C - IV	RISK MANAGEMENT SYSTEM	C – III	2
C – IV.1	Environmental & Social Risk Governance/Mgt. System	C – IV	1
INTERMEDIATE			
C – V.1	Introduction to OR and ORMS	C - IV	3
C – V.2	ORM Oversight and the Risk Control and Self-Assessment (RCSA) Process	C – V.1	2
C – VI.1	Basic Concepts of Credit Risk and the CRM Framework	C – IV	1
C – VII	Treasury Operations and Liquidity Risk Management	C – IV	1
C – VIII.2	Compliance Risk & Compliance Risk Mgt System	C – V.1	2
ADVANCED			
C – IX.1	Basic Corporate Governance	C - IV	2
C – IX.2	Analyzing Bank Performance	C – IX.1	1
C – IX.3	Operational Resilience	C – IX.2	2
C - X	Strategic Risk and Strategic Risk Management	C – IX.3	2
C - XI	Supervisory Issues and Concerns and BSP Enforcement Actions	C – VIII.2	1
SUPPLEMENTAL			
SC – VIII.2	Complaints Management	None	2
SC – 1.1	Strategic Marketing and Basic Branding	None	1
SC – I.2	Customer Service Excellence	None	1
SC – 1.3	High Performance Sales & Business Development	None	2
SC–VIII.2.1	AML Intermediate Course on IRA & Transaction Monitoring	None	1
SC-VIII.2.2	Data Privacy for Rural Banks	None	1
SC - XX	Strategic & Persuasive Communication for Banking Professionals	None	2

CORE COMPETENCIES DEVELOPED THROUGH THE STRUCTURED TRAINING PROGRAM FOR RURAL BANKERS (STPRB)

Course Code	Course Title	Understands the Banking Business and Its Operating Environment	Interpersonal & Communication Skills	Analytical and Critical Thinking	Professionalism and Ethical Conduct	Adaptability and Resilience
BASIC OR ENTRY LEVEL						
I.	RURAL BANKING 101	★				★
II. FUNDAMENTALS OF ACCOUNTING						
II.1	Basic Business Accounting & Fin. Statements & Cash Flow Analysis	★		★	★	★
II.2	Basic Bank Accounting and Performance Ratios Analysis	★		★		★
III. DEPOSIT OPERATIONS						
IV.	RISK MANAGEMENT (RM) SYSTEM	★	★	★	★	★
IV.1	Environmental and Social Risk Governance/Mgt. System	★		★	★	★
INTERMEDIATE						
V. OPERATIONAL RISK AND OPERATIONAL RM SYSTEM (ORMS)						
V.1	Introduction to OR & ORMS	★	★	★	★	★
V.2	ORM Oversight and Risk Control and Self-Assessment Process	★	★	★	★	★
VI. CREDIT RISK AND CREDIT RM SYSTEM						
VI.1	Basic Concepts of Credit Risk and the CRM Framework	★	★	★	★	★
VI.2	Loan Origination and Underwriting Process	★	★	★	★	★
VI.3	Loan Administration and Operations	★	★	★	★	★
VI.4	Loan Classification and Provisioning	★	★	★	★	★
VI.5	Management of Problem Loans	★	★	★	★	★
VI.6	Loan Review Function	★	★	★	★	★
VII. TREASURY OPERATIONS AND LIQUIDITY RISK MANAGEMENT						
VIII. SELF-ASSESSMENT FUNCTIONS						
VIII.1	Internal Audit	★	★	★	★	★
VIII.2	Compliance Risk and Compliance Risk Management System	★	★	★	★	★
ADVANCED						
IX. CORPORATE GOVERNANCE						
IX.1	Basic Corporate Governance	★	★	★	★	★
IX.2	Analyzing Bank Performance	★	★	★	★	★
IX.3	Operational Resilience: Creating Recovery and Resolution Plans	★	★	★	★	★
X. STRATEGIC RISK AND STRATEGIC RISK MANAGEMENT SYSTEM						
XI.	SUPERVISORY ISSUES AND CONCERNS AND BSP ENFORCEMENT ACTIONS	★		★	★	★
SUPPLEMENTAL COURSES						
SC – IV.1	Environmental and Social Risk Management System (Writeshop)	★	★	★	★	★
SC – VI.3.1	Basic Appraisal	★			★	★
SC – VI.3.2	Advanced Appraisal	★			★	★
SC – VIII.2	Complaints Management	★	★	★	★	★
SC – IX.1	Corporate Secretary As Corp. Governance Professional	★			★	★
SC–VIII.2.1	AML Intermediate Course on Inst. Risk Assessment & Transaction Monitoring	★			★	★
SC–VI.3.3	Credit Investigation	★			★	★
SC – I.1	Strategic Marketing and Basic Branding	★	★	★	★	★
SC – I.2	Customer Service Excellence	★	★		★	★
SC – I.3	High Performance Sales and Business Development	★	★		★	★
SC–VI.3.4	Debt Collection Approaches and Strategies	★	★			★
SC–VIII.2.2	Data Privacy for Rural Banks	★			★	★
SC - V	Enhancing RB Cybersecurity: It Risk Management Awareness Course	★				
SC - XX	Strategic and Persuasive Communication for Banking Professionals		★	★	★	★

Key Examination Issues Faced by BSP¹

The **Bangko Sentral ng Pilipinas (BSP)** faces several critical examination issues when overseeing rural banks and other financial institutions in the Philippines. These issues are essential to ensure the safety, soundness, and compliance of the Philippine financial landscape. Here are some key examination issues faced by BSP:

- **Asset Quality:** BSP examines the quality of assets held by the rural banks, including loans, investments, and other holdings. Poor asset quality can indicate higher risks and may lead to potential losses.
- **Capital Adequacy:** BSP assesses whether the rural banks have enough capital to support their operations and absorb possible losses. Inadequate capitalization can weaken a bank's ability to withstand financial shocks and fulfill its obligations.
- **Management Soundness:** BSP evaluates the effectiveness of rural bank management in decision-making, risk management, and compliance with regulations. Weak management practices can increase operational risks and impair the bank's performance.
- **Earnings Performance:** BSP analyzes the profitability and sustainability of rural bank's earnings. Low or unstable earnings may indicate inefficiencies, inadequate risk management, or unfavorable market conditions.
- **Liquidity Management:** BSP ensures that rural banks maintain sufficient liquidity to meet their financial obligations and withstand liquidity stress. Inadequate liquidity management can lead to liquidity crises and disrupt the stability of the financial system.
- **Compliance with Regulations:** BSP verifies whether rural banks comply with relevant laws, regulations, and BSP

¹ <https://www.collegesidekick.com/study-docs/14405228>

guidelines. Non-compliance can expose banks to legal and reputational risks and undermine confidence in the banking system.

- **Risk Management Practices:** BSP assesses the effectiveness of rural banks' risk management frameworks, including policies, procedures, and controls for identifying, measuring, monitoring, and mitigating risks. Weak risk management practices can expose banks to excessive risk and financial losses.
- **Governance Structure:** BSP reviews the governance structure of rural banks, including the roles and responsibilities of the board of directors and senior management which includes their capability, responsiveness, integrity and effectiveness². Inadequate governance practices can lead to conflicts of interest, poor decision-making, and increased risk exposure.
- **Consumer Protection Practices:** BSP examines banks' conduct in the market to ensure transparency, fairness, and ethical behavior. Unethical practices or market abuse can harm consumers, investors, and the overall integrity of the financial system.
- **Technology and Cybersecurity:** With the increasing usage of technology in banking operations, BSP assesses banks' IT systems and cybersecurity measures. Weaknesses in technology infrastructure or cybersecurity can expose banks to operational disruptions and cyber threats.

Addressing these key examination issues is the goal of STPRB program by capacitating rural bank employee thru a ladderize training program to maintain stability, integrity, and resiliency of the Philippine rural banking system and safeguard the interests of depositors, investors, and other stakeholders in the countryside.

² https://rbap.org/wp-content/uploads/2018/11/Lyn-Javier_Sound-Corporate-Governance.pdf



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