JUPITER PRIME

Consulting • Training • Advisory

جوبيتر برايم للاستشارات والتدريب

COURSE BROCHURE

Advanced Bank Financial Soundness Analysis Training Course

22 March – 2 April 2027
Amsterdam

Advanced Bank Financial Soundness Analysis Training Course

Ref: 317_10735 **Date:** 22 March – 2 April 2027 **Location:** Amsterdam **Fees:** 9500 GBP

Bank Financial Soundness Analysis at advanced level is a 2-week training course for bank analysts, credit risk officers, supervisors and treasury staff who judge whether a bank is strong enough to lend to, invest in or supervise lightly, and it ends with a Bank Soundness Scorecard. Rapid rate changes, deposit flight driven by social media and concentrated loan books have shown how quickly an apparently profitable bank can weaken. Jupiter Prime Training runs this course on bank financial soundness analysis for experienced practitioners.

Why Bank Financial Soundness Analysis Matters Now

Three groups depend on reading a bank correctly. Supervisors need early signals that capital, liquidity or asset quality is slipping before a failure spreads. Corporate treasurers and correspondent banks must decide where to place deposits and set counterparty limits. Investors and rating analysts price bank debt and equity on judgements about earnings resilience. Those who analyse banks rigorously spot hidden losses, maturity mismatches and rate exposure early; those who rely on headline profit and reported ratios can be caught by sudden deposit runs or provisions. The course uses the CAMELS rating approach and the international capital and liquidity framework for banks, described in general terms.

Who Gains Most from Bank Financial Soundness Analysis

- Financial institution analysts who rate banks and set counterparty limits
- Credit risk officers who assess bank exposures in lending and trade finance
- Supervisory staff who monitor bank condition and plan on-site examinations
- Treasury and investment staff who place deposits and buy bank-issued securities
- Internal capital and liquidity planners who benchmark their own bank against peers

A group combining counterparty analysts, treasury dealers and capital planners from one institution gains most, because limit setting, placements and self-assessment then use the same soundness view.

Bank Financial Soundness Analysis Capabilities

Participants learn to read beyond reported ratios to the quality of capital, the true condition of loan books, the stability of funding and the sensitivity of earnings to rates.

- Assess capital adequacy and the quality of capital instruments — counterparty limit committees
- Analyse asset quality through staging, coverage and concentration data — credit approvers and supervisors
- Calculate liquidity and funding indicators and judge deposit stability — treasury placement decisions
- Measure interest rate risk in the banking book from repricing and duration data — investors and asset-liability committees
- Build a CAMELS-style rating with peer benchmarks — internal rating and supervisory planning
- Design stress scenarios that test capital and liquidity under severe conditions — boards and rating committees

Key Bank Financial Soundness Analysis Terms

- CAMELS — a rating approach covering capital, asset quality, management, earnings, liquidity and sensitivity to market risk.
- Capital adequacy ratio — a bank's eligible capital divided by its risk-weighted assets, showing its buffer against losses.
- Non-performing loans — loans where the borrower is significantly overdue or unlikely to repay in full.
- Coverage ratio — loan loss allowances as a proportion of problem loans, indicating how much expected loss is already provided for.
- Liquidity coverage — the stock of high-quality liquid assets compared with net cash outflows under a stress period.
- Interest rate risk in the banking book — the risk to earnings and economic value from rate changes affecting non-trading assets and liabilities.

Bank Financial Soundness Analysis Day by Day

Day 1: How Banks Fail

- Bank Business Model Map — Deposits, Lending, Fees And Trading Income
- Failure Case Studies — Rate Shock, Property Lending And Deposit Runs
- CAMELS Framework Overview — Six Dimensions Of Bank Condition
- Conventional And Islamic Bank Differences — Adjusting The Analytical Lens
- Information Sources — Annual Reports, Pillar Disclosures And Rating Reports

Day 2: Reading Bank Financial Statements

- Bank Balance Sheet Structure — Why It Differs From Corporates
- Income Statement Drivers — Net Interest Margin And Fee Income
- Notes Analysis — Maturity Tables, Segment Data And Related Parties
- Spreading Templates — Standardising Statements For Comparison
- Accounting Red Flags — Aggressive Recognition And Off-Balance-Sheet Items

Day 3: Capital Adequacy

- Capital Tiers — Common Equity, Additional And Supplementary Capital
- Risk-Weighted Assets — Credit, Market And Operational Components
- Leverage Ratio — Checking Capital Without Risk Weights
- Capital Buffers And Distribution Limits — Room Above Minimums
- Internal Capital Generation — Retained Earnings Versus Asset Growth

Day 4: Asset Quality

- Loan Book Segmentation — Retail, Corporate, Real Estate And Government
- Expected Credit Loss Staging — Migration Between Stages
- Problem Loan And Coverage Ratios — Judging Provision Adequacy
- Concentration Analysis — Single Name, Sector And Related Party Exposure
- Restructured Loans — Detecting Evergreening And Hidden Weakness

Day 5: Earnings and Management Quality

- Return On Assets And Equity Decomposition — Sources Of Profit
- Cost-To-Income Ratio — Efficiency Against Peers
- Earnings Volatility — One-Off Gains And Trading Dependence
- Management And Board Assessment — Strategy, Risk Culture And Track Record
- Ownership And Group Support — Parent, State And Shareholder Strength

Day 6: Liquidity and Funding

- Funding Mix Analysis — Retail, Corporate, Wholesale And Interbank
- Deposit Stability Indicators — Concentration, Insurance And Digital Outflow Risk
- Liquidity Coverage And Stable Funding Ratios — Short And Long Horizons
- Maturity Gap Tables — Identifying Refinancing Pressure
- Contingency Funding Plans — Assessing Credibility Of Backstops

Day 7: Interest Rate and Market Sensitivity

- Repricing Gap Analysis — Earnings Sensitivity To Rate Moves
- Economic Value Of Equity — Duration Effects On Long Assets
- Securities Portfolio Review — Unrealised Losses And Classification
- Foreign Currency Positions — Open Exposure And Funding Mismatch
- Asset-Liability Committee Practices — Judging Rate Risk Discipline

Day 8: Peer Comparison and Rating

- Peer Group Selection — Size, Model And Market Comparability
- Ratio Benchmarking Dashboards — Spotting Outliers Quickly
- CAMELS-Style Scoring Grid — Weighting Components Into A Rating
- Qualitative Overrides — Documenting Judgement Beyond Numbers
- Counterparty Limit Setting — Linking Rating To Exposure Appetite

Day 9: Stress Testing Banks

- Scenario Design — Recession, Property Correction And Rate Shock
- Credit Loss Projection — Applying Stressed Default And Loss Rates
- Liquidity Stress — Deposit Outflow And Collateral Haircut Assumptions
- Capital Depletion Path — Measuring Headroom Under Stress
- Reverse Stress Testing — Finding What Breaks The Bank

Day 10: Practising the Bank Soundness Scorecard

- Applying Statement Spreading — Preparing Two Case Banks For Comparison
- Applying Asset Quality And Liquidity Analysis — Identifying Weak Points
- Applying Stress Scenarios — Testing Capital And Funding Headroom
- Credit Committee Simulation — Defending Rating And Limit Proposals
- Bank Soundness Scorecard — Ratings, Peer Position, Stress Results And Limits

Applying Bank Financial Soundness Analysis After the Course

- Re-rate the five largest bank counterparties with the CAMELS-style grid and present any limit changes to the counterparty risk committee.
- Run a deposit outflow and rate shock stress on one counterparty bank and share the headroom results with treasury before the next placement round.

Bank Financial Soundness Analysis Questions FAQ

What is bank financial soundness analysis and why does it matter now?

Bank financial soundness analysis assesses a bank's capital, asset quality, earnings, liquidity and rate sensitivity to judge its resilience. It matters now because rate shocks and fast deposit runs have shown that reported profit can hide serious weakness.

Which roles gain most from bank financial soundness analysis training?

Bank analysts, credit risk officers, supervisors and treasury staff gain most, along with capital and liquidity planners who benchmark their own institution against peers.

How does bank financial soundness analysis differ from an operational risk course for financial firms?

Bank financial soundness analysis evaluates a whole bank's financial strength from statements, ratios and stress tests. An operational risk course for financial firms focuses on losses from failed processes, people, systems and suppliers inside an institution.

What do you bring back from bank financial soundness analysis training?

You bring back a scorecard rating two or more banks with peer comparisons, stress results and proposed limits. You also return with spreading templates and a CAMELS-style scoring grid you can reuse.

Bank Financial Soundness Analysis: The Way Forward

The Bank Soundness Scorecard first informs counterparty limits and placement decisions in the next review cycle. Financial institution analysts maintain it, while treasury and credit committees rely on its ratings. After its first use, revisit deposit stability assumptions, since digital banking can make previously stable funding move far faster than historical data suggests.