Provisioning & Allowance Policies for MFIs Training Course

Professional Development Training Course Outline

Category	Microfinance & Financial Inclusion	**Duration**	5 Days
Base Fee	$1,500 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

Provisioning and allowance policies are critical for microfinance institutions (MFIs) to manage credit risk, maintain portfolio quality, and ensure regulatory compliance. Provisioning & Allowance Policies for MFIs Training Course equips participants with knowledge of loan loss provisioning, risk assessment frameworks, accounting standards, and effective policy formulation that support sustainable financial performance. Participants will gain insights into applying global best practices, aligning with local regulatory requirements, and using data-driven approaches to strengthen credit portfolio management.

The course combines theory, practical examples, and case studies to enhance understanding of provisioning strategies, allowance calculations, classification of loan portfolios, and reporting mechanisms. Participants will learn to implement provisioning policies that protect institutional liquidity, improve transparency, and support decision-making, enabling MFIs to operate efficiently while maintaining financial sustainability in challenging market conditions.

Programme Curriculum

Provisioning & Allowance Policies for MFIs Training Course

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Course Objectives

1. Understand the principles of provisioning and allowance policies for MFIs.
2. Analyze portfolio risk and classify loans effectively.
3. Apply trending risk-based provisioning methodologies.
4. Develop policies in line with international accounting standards.
5. Calculate allowances for impaired and non-performing loans.
6. Implement reporting and monitoring frameworks for provisions.
7. Strengthen credit risk management through accurate provisioning.
8. Assess regulatory requirements for MFIs and compliance standards.
9. Use data analytics for portfolio assessment and provisioning decisions.
10. Align provisioning policies with organizational strategic objectives.
11. Mitigate financial and operational risks associated with lending.
12. Enhance internal controls and audit readiness for provisioning practices.
13. Build sustainable approaches for long-term portfolio quality management.

Organizational Benefits

- Improved credit portfolio quality and risk management
- Enhanced compliance with regulatory and accounting standards
- Reduced financial losses from non-performing loans
- Strengthened internal controls and audit readiness
- Data-driven decision-making for provisioning and allowances
- Increased transparency and reporting accuracy
- Optimized liquidity management for sustainable operations
- Better alignment of risk and capital allocation
- Enhanced credibility with investors and stakeholders
- Long-term financial sustainability of MFIs

Target Audiences

- Microfinance managers and credit officers
- Risk management and compliance professionals
- Finance and accounting teams in MFIs
- Internal auditors and portfolio analysts
- Regulators and supervisory authorities
- Loan recovery and operations staff
- MFI consultants and trainers
- Development finance specialists

Course Duration: 5 days

Course Modules

Module 1: Introduction to Provisioning & Allowance Policies

- Overview of provisioning and allowance concepts
- Role in financial sustainability of MFIs
- Types of loans and risk classification
- International accounting standards for provisions
- Importance of portfolio quality management
- Case Study: Implementing provisioning policies in a rural MFI

Module 2: Loan Portfolio Risk Assessment

- Techniques for evaluating credit risk
- Risk rating methodologies and scoring systems
- Identifying early warning indicators
- Monitoring portfolio performance
- Risk-adjusted loan classification
- Case Study: Risk assessment reducing portfolio defaults

Module 3: Provisioning Methodologies

- Standard vs. specific provisions
- Expected credit loss (ECL) models
- Regulatory approaches to provisioning
- Adjusting provisions based on risk profiles
- Integration with financial statements
- Case Study: Applying ECL methodology in a micro-lending institution

Module 4: Allowance Calculation Techniques

- Methods for calculating loan loss allowances
- Adjusting for impairment and non-performing loans
- Accounting for collateral and guarantees
- Periodic review and recalibration of allowances
- Ensuring transparency in calculations
- Case Study: Allowance calculation improving portfolio stability

Module 5: Regulatory Compliance & Reporting

- Key regulatory requirements for MFIs
- Reporting provisions and allowances to authorities
- Maintaining audit trails and documentation
- Aligning with local and international accounting standards
- Reporting challenges and solutions
- Case Study: Compliance reporting minimizing regulatory penalties

Module 6: Monitoring & Review of Provisions

- Ongoing monitoring of loan portfolios
- Adjusting provisions based on portfolio changes
- Setting KPIs and dashboards for provisioning
- Integrating monitoring with internal controls
- Corrective actions for under- or over-provisioning
- Case Study: Continuous review improving portfolio performance

Module 7: Risk Mitigation Strategies

- Linking provisioning to risk management frameworks
- Portfolio diversification and risk-adjusted lending
- Contingency planning and liquidity management
- Using data analytics for predictive provisioning
- Strengthening governance and oversight
- Case Study: Risk mitigation reducing non-performing loans

Module 8: Building Sustainable Provisioning Policies

- Developing institutional provisioning frameworks
- Aligning policies with strategic objectives
- Training and capacity building for staff
- Technology solutions supporting provisioning processes
- Evaluating effectiveness and continuous improvement
- Case Study: Sustainable policy implementation increasing institutional resilience

Training Methodology

- Instructor-led presentations and conceptual briefings
- Practical exercises on loan classification and allowance calculations
- Hands-on workshops using real MFI portfolio data
- Case study discussions and group problem-solving
- Interactive sessions with scenario-based simulations
- Continuous feedback and participant assessments

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.com or call *+254769199797*

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

a. The participant must be conversant with English.

b. Upon completion of training the participant will be issued with an Authorized Training Certificate

c. Course duration is flexible and the contents can be modified to fit any number of days.

d. The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.

e. One-year post-training support Consultation and Coaching provided after the course.

f. Payment should be done at least a week before commence of the training, to FINESKILL TRAINING CENTER account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

Start Date	End Date	Location	Price
07 Sep 2026	11 Sep 2026	Physical	$1,500
14 Sep 2026	18 Sep 2026	Physical	$1,500
21 Sep 2026	25 Sep 2026	Physical	$1,500
28 Sep 2026	02 Oct 2026	Physical	$1,500
05 Oct 2026	09 Oct 2026	Physical	$1,500
12 Oct 2026	16 Oct 2026	Physical	$1,500
19 Oct 2026	23 Oct 2026	Physical	$1,500
26 Oct 2026	30 Oct 2026	Physical	$1,500

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