Portfolio Risk Management for Microfinance Institutions Training Course

Professional Development Training Course Outline

Category	Microfinance & Financial Inclusion	**Duration**	10 Days
Base Fee	$3,000 USD	**Delivery Mode**	Online / On-site Hybrid

Course Introduction

Portfolio Risk Management for Microfinance Institutions equips practitioners, analysts, and financial managers with advanced strategies for identifying, measuring, and mitigating risks within microfinance portfolios. In today's evolving financial landscape, microfinance institutions must balance outreach to underserved populations with strong credit discipline, sustainable loan management, and resilience against market shocks. Portfolio Risk Management for Microfinance Institutions Training Course provides participants with comprehensive tools and methodologies for credit risk analysis, portfolio diversification, loan monitoring, internal controls, and early-warning systems grounded in data-driven decision-making and global best practices.

By integrating trending approaches such as digital credit scoring, predictive analytics, client segmentation, and regulatory risk alignment, the training strengthens institutional capacity to safeguard portfolio quality and ensure long-term sustainability. Participants will learn to evaluate portfolio performance, implement robust risk mitigation mechanisms, strengthen governance, and adapt their risk frameworks to dynamic economic environments. Real-world case studies, hands-on exercises, and microfinance-specific simulations help translate theoretical concepts into practical applications that enhance institutional stability and financial inclusion impact.

Programme Curriculum

Portfolio Risk Management for Microfinance Institutions Training Course

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Course Objectives

1. Understand core principles of portfolio risk management in microfinance institutions.
2. Identify major risk categories affecting microfinance lending operations.
3. Apply trending credit risk assessment tools and methodologies.
4. Strengthen loan underwriting through advanced risk-based techniques.
5. Use portfolio analytics to measure delinquency, repayment trends, and portfolio quality.
6. Develop predictive early-warning systems for emerging portfolio risks.
7. Enhance credit policies and internal controls using modern risk frameworks.
8. Improve portfolio diversification strategies using data insights.
9. Strengthen monitoring and evaluation of loan performance at all levels.
10. Align portfolio risk practices with regulatory and supervisory requirements.
11. Integrate digital lending and fintech tools into portfolio risk analysis.
12. Apply stress-testing and scenario analysis for portfolio resilience.
13. Develop actionable portfolio risk mitigation and recovery strategies.

Organizational Benefits

- Stronger portfolio quality and reduced delinquency
- Enhanced institutional sustainability and resilience
- Improved credit policies and decision-making structures
- Better risk identification through advanced analytics
- Increased confidence among regulators and investors
- Strengthened operational controls and governance
- Reduced loan losses and improved recovery rates
- Improved customer segmentation and loan targeting
- Higher efficiency through digital risk tools
- Alignment with global microfinance risk standards

Target Audiences

- Microfinance credit managers and loan officers
- Portfolio analysts and risk management teams
- Microfinance institution leadership and board members
- Financial inclusion and development finance professionals

- Regulatory and supervisory officers
- Monitoring, evaluation, and compliance specialists
- Fintech and digital lending professionals
- Consultants supporting MFIs and financial programs

Course Duration: 10 days

Course Modules

Module 1: Introduction to Portfolio Risk in Microfinance

- Key concepts and risk frameworks for MFIs
- Overview of portfolio quality indicators
- Major internal and external risk drivers
- The role of governance in portfolio stability
- Integrating risk culture into operations
- Case Study: Strengthening risk culture in a growing MFI

Module 2: Credit Risk Assessment Fundamentals

- Key credit risk concepts and indicators
- Creditworthiness analysis for low-income borrowers
- Qualitative and quantitative assessment tools
- Loan appraisal best practices
- Key factors affecting credit portfolio performance
- Case Study: Improved credit screening reducing delinquency

Module 3: Loan Underwriting and Approval Systems

- Risk-based loan approval processes
- Setting loan limits and credit scoring principles
- Documentation and verification standards
- Preventing underwriting-related fraud
- Strengthening internal approval structures
- Case Study: Transforming underwriting to reduce high-risk loans

Module 4: Portfolio Monitoring and Early Warning Systems

- Monitoring tools and key performance metrics
- Identifying early warning signs of default
- Building dashboards and monitoring templates
- Branch-level portfolio oversight mechanisms
- Best practices for proactive loan follow-up
- Case Study: Early-warning system reducing portfolio arrears

Module 5: Portfolio Diversification Strategies

- Diversification principles and benefits
- Balancing geographic, sectoral, and demographic exposure
- Identifying concentration risks
- Using segmentation to improve diversification decisions
- Using data analytics for diversification planning

- Case Study: Mitigating risk through rural–urban portfolio balancing

Module 6: Delinquency Management Techniques

- Causes and patterns of delinquency in MFIs
- Collection strategies and operational guidelines
- Loan restructuring versus refinancing decisions
- Strengthening collection teams and field controls
- Metrics for evaluating delinquency interventions
- Case Study: Field collection improvements reducing portfolio-at-risk

Module 7: Internal Controls and Risk Governance

- Control mechanisms for loan administration
- Effective segregation of duties
- Audit trails, documentation, and verification
- Strengthening governance oversight
- Compliance standards for MFIs
- Case Study: Governance reforms improving accountability

Module 8: Fraud Prevention in Microfinance Portfolios

- Common fraud risks in microfinance credit processes
- Strengthening fraud detection systems
- Building ethical culture and staff integrity
- Use of digital tools in fraud monitoring
- Legal and disciplinary measures
- Case Study: Detecting and mitigating branch-level fraud

Module 9: Digital Credit and Technology-Driven Risk Tools

- Digital lending models and associated risks
- Alternative data and credit scoring innovations
- Automated loan processing risks
- Cybersecurity and digital fraud concerns
- Regulatory guidelines for digital credit
- Case Study: Digital scoring improving portfolio performance

Module 10: Stress Testing and Scenario Analysis

- Purpose and principles of stress testing
- Designing scenarios for MFIs
- Assessing resilience under economic shocks
- Using stress testing to inform decision-making
- Integrating results into risk planning
- Case Study: Stress-testing during economic downturn

Module 11: Risk-Based Pricing and Interest Rate Management

- Pricing strategies for risk-adjusted lending
- Interest rate setting models
- Balancing sustainability with affordability

- Regulatory considerations
- Monitoring profitability impacts
- Case Study: Risk-based pricing stabilizing portfolio margins

Module 12: Regulatory and Supervisory Requirements

- Compliance with microfinance regulations
- Reporting standards for risk indicators
- Supervisory expectations for MFIs
- Aligning credit processes with regulatory norms
- Importance of consumer protection compliance
- Case Study: Compliance alignment reducing regulatory penalties

Module 13: Social Performance and Client Protection

- Social performance indicators
- Assessing client vulnerability and risk
- Avoiding over-indebtedness
- Client protection principles
- Integrating social risk into portfolio management
- Case Study: Client protection reforms reducing drop-out rates

Module 14: Portfolio Reporting and Performance Analysis

- Reporting structures for portfolio management
- Data analytics for portfolio evaluation
- Using MIS and dashboards effectively
- Branch-level and institution-wide reporting
- Linking analysis to strategic planning
- Case Study: Dashboard analytics improving senior decision-making

Module 15: Crisis Management and Recovery Planning

- Identifying crisis triggers in microfinance portfolios
- Developing crisis mitigation protocols
- Designing recovery strategies
- Strengthening resilience during systemic shocks
- Communication strategies during crises
- Case Study: Crisis response actions stabilizing portfolio quality

Training Methodology

- Instructor-led presentations and theory sessions
- Practical exercises and hands-on portfolio analysis
- Group discussions and peer-learning workshops
- Case studies from real microfinance experiences
- Simulations and scenario-based activities
- Continuous assessments and applied learning tasks

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org 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
23 Nov 2026	04 Dec 2026	Online	$2,000
23 Nov 2026	04 Dec 2026	Physical	$3,000
23 Nov 2026	04 Dec 2026	Physical	$6,000
23 Nov 2026	04 Dec 2026	Physical	$6,000
23 Nov 2026	04 Dec 2026	Physical	$12,000
23 Nov 2026	04 Dec 2026	Physical	$9,000
23 Nov 2026	04 Dec 2026	Physical	$12,000
23 Nov 2026	04 Dec 2026	Physical	$12,000

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