Risk Mitigation in MSME Lending by 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

Microfinance Institutions (MFIs) play a crucial role in expanding financial inclusion for Micro, Small, and Medium Enterprises (MSMEs). However, MSME lending carries unique risks linked to informality, limited data availability, unpredictable cash flows, and market volatility. Risk Mitigation in MSME Lending by MFIs Training Course provides a comprehensive framework for identifying, assessing, and mitigating credit, operational, portfolio, and compliance risks in MSME lending. It integrates strong financial analysis, risk modeling, loan structuring, monitoring tools, and regulatory alignment to enhance portfolio resilience and institutional sustainability.

Participants gain practical skills to design risk-based lending methodologies, develop internal controls, apply technological solutions, and manage stressed portfolios effectively. Using real-world case studies, the course empowers MFIs to strengthen underwriting processes, reduce non-performing loans, enhance client evaluation, and build robust credit systems that support responsible MSME lending while maintaining institutional growth and profitability.

Programme Curriculum

Risk Mitigation in MSME Lending by MFIs Training Course

Introduction

Microfinance Institutions (MFIs) play a crucial role in expanding financial inclusion for Micro, Small, and Medium Enterprises (MSMEs). However, MSME lending carries unique risks linked to informality, limited data availability, unpredictable cash flows, and market volatility. Risk Mitigation in MSME Lending by MFIs Training Course provides a comprehensive framework for identifying, assessing, and mitigating credit, operational, portfolio, and compliance risks in MSME lending. It integrates strong financial analysis, risk modeling, loan

structuring, monitoring tools, and regulatory alignment to enhance portfolio resilience and institutional sustainability.

Participants gain practical skills to design risk-based lending methodologies, develop internal controls, apply technological solutions, and manage stressed portfolios effectively. Using real-world case studies, the course empowers MFIs to strengthen underwriting processes, reduce non-performing loans, enhance client evaluation, and build robust credit systems that support responsible MSME lending while maintaining institutional growth and profitability.

Course Objectives

1. Strengthen understanding of MSME lending risk fundamentals and industry trends.
2. Apply advanced credit risk assessment tools for MSME borrowers.
3. Use predictive indicators to evaluate borrower capacity and repayment behavior.
4. Implement trending digital tools for data-driven loan decision-making.
5. Establish structured risk scoring frameworks for MSME clients.
6. Develop internal controls to mitigate operational and fraud-related risks.
7. Strengthen portfolio monitoring techniques using real-time analytics.
8. Improve early warning systems for distressed MSME accounts.
9. Apply recovery and restructuring strategies to minimize losses.
10. Align MSME lending practices with regulatory and compliance requirements.
11. Integrate sector risk analysis to enhance lending decisions.
12. Foster risk-based pricing strategies for sustainable MSME lending.
13. Build institutional resilience through robust risk governance structures.

Organizational Benefits

- Stronger MSME portfolio performance and reduced loan defaults
- Improved credit underwriting standards and verification processes
- Enhanced operational efficiency through structured risk controls
- Increased profitability through risk-based pricing and cost efficiency
- Reduced fraud incidents and internal control failures
- Greater resilience during economic shocks and market disruptions
- Strengthened compliance with regulatory frameworks
- Better portfolio visibility through continuous monitoring
- Improved stakeholder confidence and institutional sustainability
- Enhanced decision-making supported by risk analytics

Target Audiences

- Credit officers and loan analysts
- MSME lending managers
- Risk management and compliance officers
- Portfolio monitoring teams
- Microfinance operations supervisors
- Internal audit and control officers
- Financial inclusion program managers
- Microfinance consultants and trainers

Course Duration: 5 days

Course Modules

Module 1: Foundations of MSME Lending Risk

- Overview of MSME markets and risk characteristics
- Typical risk drivers in MSME lending
- Borrower behavior and informality patterns
- Economic and market dynamics affecting MSMEs
- Regulatory expectations for MSME credit risk
- Case Study: High exposure in a single sector causing portfolio stress

Module 2: Credit Assessment Techniques for MSMEs

- Evaluating borrower capacity using alternative data
- Financial and non-financial assessment tools
- Cash-flow–based lending methodologies
- Sector analysis for MSME credit decisions
- Screening mechanisms for high-risk applicants
- Case Study: Improved appraisal process reducing NPL levels

Module 3: Risk-Based MSME Loan Structuring

- Matching loan terms with MSME cash flow cycles
- Collateral and guarantee mechanisms
- Risk-based pricing and interest rate strategies
- Tailoring products for micro, small, and medium segments
- Mitigating default risk through contract design
- Case Study: Loan restructuring preventing business closure

Module 4: Operational and Fraud Risk Controls

- Sources of operational risk in MFI lending
- Internal controls for field operations and credit processes
- Fraud detection mechanisms and red flags
- Segregation of duties and approval workflows
- Digital solutions for process security
- Case Study: Control lapses leading to internal fraud exposure

Module 5: Portfolio Monitoring and Early Warning Systems

- Portfolio segmentation and risk-based supervision
- Delinquency analysis and aging reports
- Building effective early warning indicators
- Monitoring borrower performance post-disbursement
- Using analytics for portfolio insights
- Case Study: Early warning triggers preventing major defaults

Module 6: MSME Loan Recovery and Loss Mitigation

- Best practices in loan follow-up and field visits
- Customer engagement strategies during stress
- Restructuring and refinancing approaches

- Recovery planning and collateral realization
- Minimizing losses through structured interventions
- Case Study: Successful recovery through targeted borrower support

Module 7: Digital Tools for MSME Risk Management

- Mobile data collection and digital appraisal tools
- Credit scoring models and automated decision engines
- Integration of alternative data sources
- Real-time monitoring dashboards
- Benefits of automation in risk mitigation
- Case Study: Digital tools reducing appraisal turnaround time

Module 8: Building a Risk Governance Framework for MFIs

- Institutional risk policies and governance structures
- Roles and responsibilities within risk management
- Board oversight and reporting mechanisms
- Embedding risk culture across operations
- Aligning governance with regulatory frameworks
- Case Study: Governance gaps leading to rising portfolio risk

Training Methodology

- Instructor-led sessions with practical demonstrations
- Case study analysis from real MFI operational environments
- Group work focused on problem-solving in microfinance settings
- Hands-on exercises using risk evaluation tools
- Scenario-based simulations for MSME lending decisions
- Continuous feedback through interactive discussions

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	27 Nov 2026	Online	$1,000
23 Nov 2026	27 Nov 2026	Physical	$1,500
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$3,000
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$4,500
23 Nov 2026	27 Nov 2026	Physical	$6,000
23 Nov 2026	27 Nov 2026	Physical	$6,000

Ready to enroll or request a customized program? Book online or contact us:

Register Online Now

Email: info@fineskilltrainingcenter.com | Website: www.fineskilltrainingcenter.com