



PRESENTS
ANALYSIS OF RETAIL CREDIT

Background	A proper understanding of Retail lending concepts and systematic process would lead to quality decisions and avoid costly mistakes. In order to save the bank from reputation risk, the retail lending team should be aware of retail lending and security procedure.
Duration (in Sessions)	3 session of 1.5 hours each (on-line Virtual Class Room)
Target Audience	Staff working on credit and Risk department.
Contents	<ul style="list-style-type: none">• Concept of Credit• Retail Lending• General Principles of Retail Lending• Analysis of Retail Loans• Retail Credit Due Diligence
Date	21st to 23rd June 2020
Time	3:00pm to 4:30pm
Facilitator	Mr. Kumar Lamsal Chief Executive Officer National Banking Institute Ltd.

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Concept of Credit

Definition
Credit Risk
Sources of Credit Risk

Retail Lending

Definition
Characteristics of Retail Lending
Study result on Factors affecting Risks in Retail Lending

- Loan to Income ratio
- Down Payment
- Assets and Liabilities
- Stability of Occupation
- Stability of Residence
- Occupation and Industry
- Personal Characteristics

General Principles of Retail Lending

Character
Capacity
Collateral

Analysis of Retail Loans

Obtaining Application
Capacity Analysis

- Source of Income
- Consistency and Continuity of Income
- Consistency and Continuity of Business or Self-employment Income
- Availability and Authenticity of Documents
- Reasonable Debt Service Coverage
- Income to Installment Ratio
- Asset and Liability Analysis
- Stability of Residence
- Down Payment

Character Analysis

- Past Payment Record
- General Integrity
- Spending Habits
- Family Background

Collateral Analysis

- Importance of Collateral
- Types of Collateral
- Risk Factors to Consider
- Loan to Value Ratio

Retail Credit Due Diligence

Definition and Objectives
Critical Areas of Due Diligence

- Customer Identification Due Diligence
- Character Due Diligence
- Capacity Due Diligence
 - Income Due Diligence
 - Expense Due Diligence
 - Assets and Liabilities Due Diligence
- Collateral Due Diligence
- Loan Swap Due Diligence
- Credit Appraisal Due Diligence
- Documentation Due Diligence
- Disbursement Due Diligence
- Monitoring Due Diligence

Challenges Lenders Face
Precautions to be taken

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