



Basic Credit Course

1. **Duration** : 12 Mornings.
2. **Nature** : Program
3. **Target Group** : Newly appointed MTs, ARMs /RMs in credit areas (having less than 1 year experience in the credit Areas) or someone who would be interested in building their career in lending units
4. **Methods** : Presentation, Exercise & Discussion
5. **Resource Person** : Mr. Sumed Bhattarai, Mr. Nirmal Dahal, Mr. Bikas Khanal, Mr. Prashant Raj Dangol, Mr. Rajan Bikram Thapa and Mr. Bidya Kant Adhikari
6. **Objectives**
 - a. Understanding the basic principles of credit risk management.
 - b. Performing financial, management and business environment analysis to make sound lending decision.
7. **Contents**
 - a. Introduction to credit.
 - b. Credit Underwriting
 - c. Loan Documentation & Execution.
 - d. NRB Directives/Circulars.
 - e. Relationship Management.

Time: 7:30 am to 9:00 am

Date: 1st Feb to 13th Feb, 2014

Venue: NBI Hall, Kathmandu

Program Outline

<u>Session (Date & Time)</u>	<u>Content</u>
Session 1	<p><u>I) An Introduction to Credit</u></p> <ul style="list-style-type: none"> • Meaning, Definition, Importance of Credit, Types (Corporate/Retail/SME/ Term Loans/Working Capital Loans/ Consortium Loans, Fund based and Non Fund based credit facilities etc.) Policy Guide, Credit Process
Session 2	<p><u>II) Credit Underwriting</u></p> <ul style="list-style-type: none"> • Meaning of Risk and Default Risk, Credit Analysis Process (Purpose, Amount, Information Gathering & Verification/First Way Out/Second Way Out-types of collateral, Credit Structuring, Credit Pricing, terms & condition etc.
Session 3	<ul style="list-style-type: none"> • Introduction to Operating Cycle
Session 4 & 5	<ul style="list-style-type: none"> • Financial Risk Analysis (Balance Sheet, P & L A/C, Cash Flow Statement, Key Ratios)-2 session
Session 6	<u>An introduction to non funded facilities</u>
Session 7	<p><u>III) Loan Documentation & Execution</u></p> <ul style="list-style-type: none"> • Types of Loan Documents: Offer Letter, Loan Deed, Mortgage Deed, Hypothecation Deed, Assignments, Pledge Deed Execution & Perfection (In House/ Mortgage of FA/ Registration of Vehicles/ Pledge of shares etc.) Implementation of limits
Session 8	<p><u>IV) Credit Reviewing & Monitoring</u></p> <ul style="list-style-type: none"> • Why Review, what to review, Early Warning Signals
Session 9	<p><u>V) Some Relevant NRB Directives / Circulars</u></p> <ul style="list-style-type: none"> • Basel II • Loan Loss provisioning, Grouping, • Consortium, Black Listing & Others
Session 10	<p><u>VI) Relationship Management</u></p> <ul style="list-style-type: none"> • Traits / Role, Establishing New Relationship, Maintaining Relationships / Do's and don'ts of Relationship Management etc.
Session 11	<u>Case Study</u>
Session 12	<u>Case Study Cont...</u>

