



PRESENTS
**EFFECTIVE CREDIT
UNDERWRITING
PROGRAM**



Background

National Banking institute Ltd. (NBI) an apex level banking and finance academy presents a “Four–Day” face-to-face interactive training program on “**Effective Credit Underwritings**” in collaboration with Manipal Global Education Services.

The program on **Effective Credit Underwritings** highlights the topics such as Bank’s Credit Policy, Proposal study Due Diligence, Developing insights through financial statements, Cash flow and funds flow statement, Working capital Financing, Project & Term loan financing, Import /export financing, Risk analysis, rating and pricing, Structuring credit Facilities, Documentation and Credit Monitoring.

Program Details

Date: 10th to 13th March, 2020

Program Time : 9:30 am - 4:45 pm

Venue: NBI Hall, Kathmandu

Target Audience: RM’s of Corporate Banking, RM’s of Large SMEs, RM & BMs above Senior Officers in Credit Risk and interested in Effective Credit Underwriting

Program Objectives

To enable credit underwriters understand medium to large business and objectively assess credit proposals by leveraging sound credit underwriting knowledge and skills

Program Outcome

On completion of the program, the participants will be able to

- Assess business environment and lending opportunities
- Understand the borrowing needs
- Conduct Due Diligence
- Develop financial insights and inferences
- Assess and structure credit solutions
- Monitor and manage credit portfolio

Team of Subject matter experts

Any two of them will deliver the program based upon their availability



Prof Kulkarni Krishna : M.Sc., CAIB
Deputy Director –MABFSI.
UCO Bank, 34 years, Last Position Held-
General Manger



Prof Rukmangadhan J. M.A , CAIB
Senior Faculty–MABFSI.
State Bank of Mysore, 34 years, Last
Position Held- Assistant General Manger



Prof Balasubramanyam, M.Com, MBA ,
CAIB
Head of the Department–MABFSI.
Syndicate Bank, 35 years, Last Position of
Principal of Staff Training College



Prof Srinivas SR, B.com, PGDHRM,CAIB
Senior Faculty –MABFSI.
State Bank of Mysore, 27 years, Last
Position Chief Manager



Prof Parameshwaran Iyer, B.Tech
Senior Faculty–MABFSI.
City Union Bank, 35 years, Last Position
Held-General Manger-Credit

Course Outline

S.N	Topic	Coverage	Classroom
1	Bank's Credit Policy	Loan Policy- Salient features; Objectively assess credit proposals, Understand competition and prevailing rates;	1
	Proposal study & Due Diligence	Industry analysis, Management and business analysis - Management evaluation and business model evaluation; Net worth Scrutiny, Commercial, financial and legal due diligence Management Risk-Promoters Integrity, Risk Appetite, Control and Execution ability, Scope & Succession Planning Financial Risk-Liquidity risk, Capital Structure Risk, various ratios used in financial risk assessment, business cash flow risks Case study -Analysis and Presentation	2
2	Developing insights through financial statements	Relevant Act (Companies Act.) Analyzing auditors report, notes to balance sheet and director's report – NFRS Interpretation of ratios- Deviations and impact - Tools and techniques	3
3	Cash flow and funds flow statement	Cash Flow. Analysis and interpretation Funds Flow statement - analysis and interpretation Identifying points of concern Case study Analysis and Presentation by Participants	2
4	Working capital Finance	Identification of borrowing needs Working capital Assessment- Nuances in working capital assessment and financing Fund Based Non-fund based -Letter of Credit (Inland and Foreign) and Bank Guarantee Presentation of case study in bank specific format by Participants	4
5	Project & Term loan	TEV study Analysis of project cost and means of finance Assessment of cash flows- IRR calculation, NPV calculation, Break-even point, MOS, DSCR, Sensitivity analysis Deviations – Evaluation metrics. Project monitoring, implementation vis-à-vis release/disbursement of loan Sector specific analysis	3
6	Import /export financing	Relevant guidelines, UCPDC 600 Buyers / Suppliers Credit; SBLC-Regulatory guidelines, Pre-shipment and post shipment credit facilities (Domestic & FC), Risk cover	2

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Course Outline

S.N	Topic	Coverage	Classroom
7	Risk analysis, rating and pricing	Rating model, grading, internal and external rating, Hurdle rate, Loan covenants, Loan pricing	2
8	Structuring credit Facilities	Alternate financing, discreet financing – Supplier/Buyer Credit, Vendor financing, Channel financing, Cash Management services, Assignment of receivables	2
9	Documentation	Corporate documentation including consortium lending. Borrowing Power, General Body Resolution, ROC Charge registration, Property Charge registration, Stamp Duty, Document Execution, Guarantee/ Corporate Guarantee – viz. Company law Provisions & Specific Board Resolutions.	2
10	Credit Monitoring:	Setting risk triggers and covenants, Scrutiny of stock and book debt statement, calculation of drawing power, QIS – vis-à-vis operative limit, monthly monitoring report. NPA and provisioning norms, Restructuring of Accounts & Preventing slippage with case study	2
	Wrap up	Session to bring clarity on all topics.	1
		Test and feedback	

Delivery methodology:

- Case study based simulated learning
 - Learning session followed by relative case study analysis and discussion
 - Hands on assessment of cases in the computer lab and presentation session
 - Each case aiming to bring focused learning points
 - Group formation and discussions moderated by panel of faculty members
- Key learning from cases will be as below
 - Understanding the benchmark parameters as per the loan policy of the bank
 - Estimate the borrower's position
 - Compare estimates with benchmark parameters
 - Identify and evaluate deviations
 - Propose with recommendations for approval or rejection
 - Acquire skills in evaluating proposals & drafting & Preparation of Board Note (Ideal Note)
- Highly participative learner centric
- open ended discussions to appreciate the learning
- A group of two banking industry experts with diverse experience who have handled credit management at senior levels will be guiding the participants throughout the program.
- The participants will be provided insights on how proposals are viewed at different levels. Inputs will be provided on:
 - Sector analysis & deployment (portfolio)
 - Risk based analysis (Micro & Macro). Risk/reward parity; Pricing
 - Deviations and impact

eLearning

- Relevant eLearning material will be hosted on the learning platform and access will be provided for a period of 3 months.