



FUNDAMENTALS OF CREDIT AND CREDIT APPRAISAL SKILL (INTERMEDIARY LEVEL)



Background

Lending or advancing credit facilities is one of the core functions of banks and financial institutions. All employees engaged in credit related jobs should possess basic knowledge about the function before or at the time of assuming such role.

Basic knowledge on credit activities would typically include understanding credit facilities and need for advancing it, types of funds and non-funds based loans/credit facilities and associated risks, structured (product-based) and standalone credit facilities, terms of credit facilities, pricing of credit facilities, financial and non-financial risk assessment, security and security documents, terms/conditions/covenants, credit administration and monitoring, key compliance requirements etc. It would be highly risky for an institution to expose someone in any credit function without fundamental knowledge on these aspects.

Program Details:

Date: 14th - 25th February, 2022

Mode: Virtual Platform

Target Audience: Relationship managers, Credit Underwriters with less than 1 year of experience.

Prerequisites: None - Employee with minimal or no experience in credit related areas of bank and financial institution.

Program Methodology: Presentation, case studies, discussion and Test.

Program Details

| Day | Topic & Faculty | Coverage | Virtual sessions (1 session = 1.5 hours) |
|--|---|--|---|
| Day 1 Monday, 14th Feb'22 | 1. Overview of Credit Mr. Gyaneshwor Acharya (1 session) | <ul style="list-style-type: none"> • Meaning, Objective & Importance of Credit • Credit Cycle Framework • Principles of Credit (5 Cs of lending) • Insight on impact of credit decisions | 7:00am - 8:30am 8:30am - 8:45am (Break) |
| | 2. Types of Credit Facilities Mr. Gyaneshwor Acharya (1 session) | <ul style="list-style-type: none"> • Fund Based – Overdraft and other loans • Non- Fund Based - LC , Guarantee • SME Loans • Commercial Loans • Corporate Loans | 8:45am - 10:15am |
| Day 2 Tuesday, 15th Feb'22 | 2. Types of Credit Facilities Mr. Gyaneshwor Acharya (1 session) | <ul style="list-style-type: none"> • Fund Based – Overdraft and other loans • Non- Fund Based - LC , Guarantee • SME Loans • Commercial Loans • Corporate Loans | 7:00am - 8:30am 8:30am - 8:45am (Break) |
| | 3. Basics of Financial Statement Analysis Mr. Sudeep Khanal (1 session) | <ul style="list-style-type: none"> • Basic Accounting and tax aspects of bankers • Ascertaining correctness and authenticity of Financial Statements | 8:45am - 10:15am |
| Day 3 Wednesday, 16th Feb'22 | 3. Basics of Financial Statement Analysis Mr. Sudeep Khanal (2 session) | <ul style="list-style-type: none"> • Balance Sheet analysis • Income statement Analysis • Ratio Analysis • Cash Flow Analysis | 7:00am - 10:15am 8:30am - 8:45am (Break) |

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|---|--|---|--|
| Day 4 Thursday, 17 th Feb'22 | 3. Basics of Financial Statement Analysis Mr. Sudeep Khanal (2 sessions) | <ul style="list-style-type: none"> • Balance Sheet analysis • Income statement Analysis • Ratio Analysis • Cash Flow Analysis | 7:00am - 10:15am 8:30am - 8:45am (Break) |
| Day 5 Friday, 18 th Feb'22 | 4. Projection Analysis Mr. SudeepKhanal (1 session) | <ul style="list-style-type: none"> • Purpose • Projection Analysis | 3:00pm - 4:30pm 4:30pm - 4:45pm (Break) |
| 19 th Feb'22 | Enjoy your holiday!! | | |
| Day 6 Sunday, 20 th Feb'22 | 5. Retail Credit Products Mr. Hemantha Angdemby (2 session) | <ul style="list-style-type: none"> • Retail Loan Products, its analysis and Due Diligence • Unsecured - Credit Card /Personal Loan • Secured - Auto / Home/ Share/ Gold • Margin Lending/ Loan & its associated risks | 7:00am - 10:15am 8:30am - 8:45am (Break) |

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|--|---|--|--|
| Day 7 Monday, 21st Feb'22 | 5. Retail Credit Products Mr. Hemantha Angdemby (1 session) 6. Business, Industry and Market Risk Assessment Mr. Pushparaj Bhandari (1 sessions) | <ul style="list-style-type: none"> · Retail Loan Products, its analysis and Due Diligence · Unsecured - Credit Card /Personal Loan · Secured - Auto / Home/ Share/ Gold · Margin Lending/ Loan & its associated risks · Management Risks with case study | <p>4:30pm - 6:00pm</p> <p>6:00pm - 6:15pm (Break)</p> <p>6:15pm - 7:45pm</p> |
| Day 8 Tuesday, 22nd Feb'22 | 6. Business, Industry and Market Risk Assessment Mr. Pushparaj Bhandari (1 sessions) 7. Security Mr. Pushparaj Bhandari (1 sessions) | <ul style="list-style-type: none"> · Management Risks with case study · Acceptable tangible security: land, building, shares, bonds, current assets, vehicle, fixed and other assets. · Personal guarantee, corporate guarantee and cross guarantee. · Affecting Collateral acceptability/ Value of security | <p>4:30pm - 6:00pm</p> <p>6:00pm - 6:15pm (Break)</p> <p>6:15pm - 7:45pm</p> |

Program Details

| Day | Topic & Faculty | Coverage | Virtual sessions (1 session = 1.5 hours) |
|---|--|---|--|
| | | <ul style="list-style-type: none"> • Valuation of security: Professional valuation, in-house valuation, fair market value (FMV) and distress value (DV). • Nature of charge: lien, pledge, registered/unregistered mortgage and hypothecation charge recorded as per Secured Transaction Registry Act. • Pledge over shares/bonds of public limited company and government securities. | |
| Day 9 Wednesday, 23rd Feb '22 | 7. Security Mr. Pushparaj Bhandari (1 sessions) | <ul style="list-style-type: none"> • Acceptable tangible security: land, building, shares, bonds, current assets, vehicle, fixed and other assets. • Personal guarantee, corporate guarantee and cross guarantee. • Affecting Collateral acceptability/ Value of security • Valuation of security: Professional valuation, in-house valuation, fair market value (FMV) and distress value (DV). • Nature of charge: lien, pledge, registered/unregistered mortgage and hypothecation charge recorded as per Secured Transaction Registry Act. • Pledge over shares/bonds of public limited company and government securities. | 4:30pm - 6:00pm 6pm - 6:15pm (Break) |

Program Details

| Day | Topic & Faculty | Coverage | Virtual sessions (1 session = 1.5 hours) |
|--|---|--|---|
| | 8. Loan Monitoring & Risk Minimization Mr. Pushparaj Bhandari (1 session) | <ul style="list-style-type: none"> • Assessment of borrowing power. • Inspection of stock and receivables. • Insurance of stock and assets. • Early Warning Signals • Monitoring of progress of project or capital expenditure | 6:15pm - 7:45pm |
| Day 10 Thursday, 24th Feb'22 | 9. NPA Management Mr. Pushparaj Bhandari (1 session) | <ul style="list-style-type: none"> • Assessment of borrowing power. • Inspection of stock and receivables. • Insurance of stock and assets. • Early Warning Signals • Monitoring of progress of project or capital expenditure | 7:00am - 8:30am |
| | 10. NRB directives regarding lending- Brief overview Mr. Gyaneshwor Acharya (1 session) | <ul style="list-style-type: none"> • Loan Classification & Provisioning • Credit information and Blacklisting. • Interest rate. • Single Obligor Limit • Sectoral Limit • Priority/Deprive Sector • Credit Facility to Shareholders • Credit Facility to Directors and Employees | 8:30am - 8:45am (Break) |
| | | | 8:45am - 10:15am |
| Day 11 Friday, 25th Feb '22 | 11. Compliance Mr. Gyaneshwor Acharya (1 session) | <ul style="list-style-type: none"> • Anti-money laundering. • Provisions related to availing loans as per Company Act. • Banking Offence and Punishment Act related provision • ESRM Awareness | 7:00am - 8:30am |
| | 12. Multiple Choice Questions (MCQ) | | 8:30am - 9:30am |

Facilitators' Profile



1. Mr. Sudeep Khanal, Former Assistant CEO

Mr. Khanal retired on his own from NIC Asia Bank as Assistant CEO. He is a senior Chartered Accountant (ICAI), and Certified Information System Auditor (CISA, USA) by profession, and also holds the Master Degree in Business Administration (E-MBA) from KU. He has experience of about two decades comprising

of a year in heading Internal Audit Function of Soaltee Group, few years year in Rastriya Banijya Bank (during the financial reform period of the Bank) as Deputy Head of Internal Audit Department, Compliance Officer and Head of Internal Audit Department, more than a decade in Nepal SBI Bank as Head of Internal Audit and Compliance Department, Branch Manager and Regional Manager, and few years in NIC Asia Bank as Chief Corporate Banking Officer, Chief Support Officer and Assistant CEO-Support Service Ecosystem. Recently, he has restarted his Chartered Accountancy practice. Thus, he has long experience in business, support and control verticals of Banking industry.

2. Mr. Puspa Raj Bhandari, Former Chief Business Officer, Bank of Kathmandu

Mr. Bhandari has more than 25 years of experiences in Banking Sector. Previously he was associated with Bank of Kathmandu as Chief Business Officer. Prior to this he was the Chief Executive Officer of Birgunj Finance Ltd. for 7 years. He started his career from Nepal Rastra Bank and worked for 6 years in different department. He also worked in Nepal SBI Bank for 8 years in multiple depart as a Department head, Branch Manager, & Assistant Manager. Mr. Bhandari was also a representative of Forex and Treasury Department while in NSBI Bank where he attended various meetings of the FEDAN (Foreign Exchange Dealers Association of Nepal). He was also a part of the Consortium Financing Committee.

Facilitator's Profile

3. Mr. Gyaneshwar Acharya, Former Chief Corporate Officer/ AGM, Nabil Bank Ltd.

Mr. Acharya, was the Chief Corporate Officer/ AGM at Nabil Bank Ltd. He has had 32 years of work experience at Nabil Bank Ltd. and served considerable period in Executive/ Senior Management position. Being the Executive and Senior Management Committees member, he was involved in various core decision making functions in relation to Assets & Liabilities Management, Credit / Business Risk Management, Human Resource Management, Administration, Business Budgeting and Strategic Business Planning of the bank. He was Senior Relationship Manager- Corporate Banking for 4 years, and was the Head of SME, Micro-finance and Mid-Corporate for 6 years.

4. Mr. Hemanth Raj Angdebay

- Worked with Standard Chartered Bank Nepal for 22 years
- Managed SCBNL retail products for 14 years of which handled home loan product 12 years (2002 to 2014).
- MBA from Ace Institute of Management
- Undergone training in areas like, sales & marketing, presentation and facilitator skill training, negotiation skills, time management etc. Higher level training like Great Manager Programs, Leadership training etc.

5. Mr. Kumar Lamsal, CEO, National Banking Institute

With over 25 years of experience in commercial banking, Mr. Lamsal has diversified experience in the field of Organizational Leadership, Strategic Planning, Management, Goal Attainment, Commercial and Consumer Lending, Project Financing, Credit Risk Analysis, Risk Management, Relationship Management, Portfolio Management, Credit Approval, Trade Finance, Compliance Service Excellence and Training.