



PRESENTS

INTERPRETING RATIOS, DETERMINING REPAYMENT CAPACITY THROUGH CASH FLOW ANALYSIS & PRE-SANCTION RISK MITIGATIONS AND CONTROL



**Background :**

Financial Statement analysis is at the heart of Credit Analysis by which the RMs determine the repayment possibility of loans. As such it is very important that the RMs are well versed with the techniques and have skills for interpreting ratios and cash flows correctly. Moreover, to make loans safer, analysis and use of covenants collateral (fixed & stock and receivables) and proper loan structuring are of paramount importance for safe and sound lending. The proposed program covers these important aspects of lending.

**Program Details:**

**Date & Time:** 9th (3:00pm-6:00pm) & 10th Feb( 8:00 am-3:30 pm) 2024

**Venue:** Hotel Sirachuli, Chitwan

**Target Audience:** Above 1 year of experience in Credit Department

\*\*Pre and Post Training Assessment of shall be conducted at the beginning end of the program.

# Program Contents

## Program Takeaway:

- Understanding the importance of ratio analysis in assessing financial performance of the borrower.
- Ability to interpret ratios effectively and make informed decisions based on the analysis.
- Knowledge of cash flow analysis and its significance in determining repayment capacity.
- Understanding the sources and uses of cash and their impact on performance.
- Insights into pre-sanction risk mitigations and control measures.
- Understanding loan structuring principles, including working capital loans as per NRB guidelines.
- Knowledge of loan covenants and their implications for borrowers and lenders.
- Knowledge of Analysis of collateral security including stock & receivables and their role in ensuring loan security. Ultimately be able to build a healthy credit portfolio at respective branches.

S. No.	Content	Duration
1.	<b>Interpreting Ratios</b> Ratio Analysis Considerations Ratio Characteristics Types of Ratios Exercise on interpretation of ratios	3 hrs (2 sessions)
2.	<b>Cash Flow Analysis &amp; Determining repayment capacity</b> Why Bankers Focus on Cash Flow Sources and Uses of Cash Statement of Cash Flows- Direct Method Exercise on cash flow analysis	3 hrs (2 sessions)
3.	<b>Pre-Sanction Risk Mitigations and Control</b> Loan Structuring (Including Working Capital loans Covering NRB Guidelines) Loan Covenants Collateral Security	3 hrs (2 sessions)

## Facilitator's Profile



**Mr. Parshuram K. Chhetri**

**Former CEO- Global IME Bank**

**Banking Expert**