



PRESENTS

## MERGER CONFERENCE - 2016

### Merger, Challenges & Opportunities - a Local Perspective



#### Background

Nepal Rastra Bank (NRB) brought out Merger Bylaw 2068 aiming to get the Financial Consolidation Policy into a logical end. 84 Banks and Financial Institutions have become 33 after merging into each other as of Magh end 2072.

Merger and acquisitions bring opportunities in strengthening the organizations by increasing capital base and risk management capabilities and it contributes in creating value. However, Swap ratio, formation of Board of Directors and handling of management are the issues, which do creates hurdles in merger process.

Similarly, there are challenges relating to pre and post merger communication, cultural, human resources, operations, system, integration etc. More importantly, meeting the expectations of various stakeholders after merger is one of the key challenges.

Total 68 BFIs merged into each other and became 25 as of Poush 2071. NRB carried out study on those 25 BFIs to understand the impact of the merger by interviewing Promoters, Directors, Senior Management, Employees, Accountholders and Borrowers. 550 concerned stakeholders, 22 each from 25 BFIs were interviewed and brought out the report in Aswin 2072. **A few concerning findings are:**

- 17% employees responded that their motivation level has further worsened, 34% employees mentioned that their performance level has improved whereas 49% employees indicated same level as it was earlier.
- 51% Promoters and Directors mentioned that the risk management system has improved, 41% indicated that it is in the same level and 8% responded that it has further worsened after merger.
- Interestingly, 20% accountholders responded that the service delivery period has increased, which is a concern to them and 13% borrowers showed interest to change the BFIs due to merger.

On the one hand, merger is having positive impacts and it is posing threats too especially meeting the expectations of stakeholders on the other hand. Some of the BFIs have gone into de-merge process even after signing MoU and executing lots of merger procedural activities.

Then, the question arises, after all what makes a merger work and how value can be created from merger? NBI is therefore organizing a **Merger Conference - 2016** titled "**Merger, Challenges and Opportunities - a Local Perspective**" aiming to contribute to the industry in getting the merger success. Senior industry experts who have already made the merger success and capitalizing the opportunities are expected to answer the above question rightly.

## Program Itinerary

Time	Particular
9:00 am - 9:30 am	<b>Registration and Light Breakfast/Tea/Coffee</b>
9:30 am - 10:00 am	<ul style="list-style-type: none"> <li>• Welcome Speech, Mr. Sanjib Subba, CEO, NBI</li> <li>• Speech, Mr. Shovan Dev Panta, Chairman, NBI</li> <li>• Speech, Executive Director, Banking Regulations Department, NRB</li> <li>• Key Note Speech on Merger and Acquisition (Central Bank Executive)</li> </ul>
10:00 am to 10:30 am	Merger: A Tool for Value Creation and Risk Management, Mr. Bhaskar Gnawali, Former Executive Director, Nepal Rastra Bank
10:30 am - 11:15 am	Pre-merger Due Diligence & Valuation, Issues and Solutions, Mr. Sudarshan Raj Pandey, FCA
11:15 am - 11:30 am	<b>Tea/ Coffee Break</b>
11:30 am - 12:30 pm	Post-merger: Communication Issues and Key Challenges in Cultural and HR Integration: Mr. Umesh Singh Bhandari, CEO Kasthamandap Development Bank Ltd.  <b>Panel Discussion:</b> <ul style="list-style-type: none"> <li>• Panel Moderator: Mr. Upendra Poudyal, CEO, NMB Bank Ltd. and President Nepal Bankers Association</li> <li>• Panel Members: Mr. Janak Sharma Poudyal, Senior Deputy Chief Executive Officer, Global IME Bank Ltd./ Mr. Umesh Singh Bhandari, CEO, Kasthamandap Development Bank Ltd./ Mr. Anil Shrestha, CEO, Reliance Lotus Finance Ltd.</li> </ul>
12.30 pm - 1.30 pm	Operations & System Integration and Post Merger Business Planning: Mr. Sunil KC, DCEO, NMB Bank Ltd.  <b>Panel Discussion</b> <ul style="list-style-type: none"> <li>• Panel Moderator: Mr. Ratna Raj Bajracharya, CEO, Sunrise Bank Ltd.</li> <li>• Panel Members: Mr. Sunil KC, DCEO, NMB Bank Ltd. / Mr. Narayan Babu Lohani, CEO, Reliable Development Bank Ltd.</li> </ul>
1:30 pm - 2:15 pm	<b>Lunch</b>
2:15 pm - 3:15 pm	Post-merger Challenges in Meeting the Expectation of Stakeholders: Mr. Govinda Gurung, DCEO, Civil Bank Ltd.  <b>Panel Discussion</b> <ul style="list-style-type: none"> <li>• Panel Moderator: Mr. Rajan Singh Bhandari, CEO, Citizens Bank International Ltd. (Former President, Nepal Bankers Association)</li> <li>• Panel Members: Mr. Anuj Dahal, Deputy Director, NRB/ Mr. Govinda Gurung, DCEO, Civil Bank Ltd. / Mr. Om Krishna Joshi, Director, Narayani National Finance Ltd.</li> </ul>
3:15 pm - 3:30 pm	<b>Tea / Coffee Break</b>
3:30 pm - 4:30 pm	<b>What Makes a Merger Work</b> <ul style="list-style-type: none"> <li>• Panel Moderator: Mr. Sashin Joshi, CEO, NABIL Bank Ltd. (Former President, Nepal Bankers Association)</li> <li>• Panel Members: Mr. Basu Dev Adhikari, Director, NRB/ Mr. Ashok Sherchan, CEO, Prabhu Bank Ltd.</li> </ul>
4:30 pm - 4:45 pm	Conclusion Note and Closing Remarks



## Program Takeaways

The participants are expected to get valuable inputs in:

- Utilizing the merger as tool of Value Creation and Risk Management
- Identifying the hurdles in merger process
- Formulating strategies in order to address the pre and post-merger issues
- Understanding the secrets for addressing Cultural, HR, System and Operations Integration challenges.
- Understanding necessary preparatory works required to meet stakeholders expectations after mergers
- Retaining the customers
- Shorting the Service Delivery Period
- Creating synergistic effect in meeting expectation of shareholders.

## Target Audience:

Board of Directors to Various Level Staffs involve in the Merger Process. Therefore, the conference is expected to be beneficial to :

- ◆ Board of Directors/ Promoters
- ◆ Merger Committee Members
- ◆ Chief Executive Officers
- ◆ Deputy Chief Executive Officers
- ◆ Deputy / Assistant General Managers
- ◆ Department Heads
- ◆ HR / IT Managers

## Program Details

<b>Date</b>	<b>: 3<sup>rd</sup> March 2016</b>
<b>Time</b>	<b>: 9:00am to 9:30am (Registration)</b> <b>: 9:30am to 4:45pm</b>
<b>Venue</b>	<b>: Hotel Soaltee Crown Plaza, Kathmandu</b>
<b>Facilitators</b>	<b>: Senior Industry Experts/ Regulators</b>

## Terms and Conditions

### Fee/ Charges :

1. Cancellation/ withdrawal of participants must be done 24 hours prior to start of the program. If participant does not attend the program without cancellation, full charge shall be levied to the client.

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