



WORKING CAPITAL ASSESSMENT AS PER NEPAL RASTRA BANK GUIDELINES



Background

National Banking Institute (NBI) is pleased to present a one day program on Working Capital Assessment as per NRB Guidelines facilitated by the industry expert practitioner along with the regulator.

Working capital loans are a vital source of financing for businesses to meet their day-to-day operational needs. Loan is an asset to any financial institution. A bank normally maintains more than 60% of its loan portfolio under working capital. That is why it is very much necessary to ensure that a working capital loan does not become bad as it is normally not secured by other collateral security. These types of loans are secured by current assets and that are in the possession of the borrower themselves.

The recent draft guidelines issued by NRB on working capital also explains the need for making the working capital lending more transparent and effective on its purpose and utilization.

Program Details

Date & Time: 16th Nov, 2024 (8.30am- 3.45pm)

Duration: 4 sessions (6 hours)

Venue & Location: Hotel Devotee, Dhangadhi

Target Audience: Relationship Managers/Credit Officers/Risk Officers/Branch Managers and any other staffs who are directly being involved in doing appraisal and assessment of business loans and project loans.

Course Outline

Program Takeaways

- To be able to explain the key concepts related to working capital loans, such as understanding the operating cycle and cash flow cycle, the causes and needs for borrowing, sources of payment for working capital loans, and structuring working capital loans.
- Highlights the importance of working capital loans for businesses and the role of regulators in monitoring the activities of banks and financial institutions to maintain financial stability.
- A case study on working capital loan structuring and projection to provide practical insights into the topic

Program Delivery Method: Slide Presentation, Discussion, Case Studies, Q & A

Program Content:

Sessions	Content	Trainer
Session 1	Supervisory Perspective on Working Capital Loan	NRB Executive
Session 2	Supervisory Perspective on Working Capital Loan	
Session 3	Projections and Structuring of Working Capital Loans 1. Understanding Operating Cycle and Cash Flow Cycle 2. Borrowing Cause vs. Borrowing Need 3. Borrowing Caused by Sales Growth <ul style="list-style-type: none">• Long Term Sales Growth• Short Term Sales Growth	Mr. Kumar Lamsal Chief Executive officer National Banking Institute
Session 4	4. Borrowing Caused by Declining Efficiency of WC accounts 5. Sources of Payment of WC Loans 6. Structuring Working Capital Loans 7. Case Study on Working Capital Loan Structuring and Projection (covering seasonal, permanent and fluctuating WC)	

Course Outline



- ◆ **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.

- ◆ **Executive from NRB.**