



PRESENTS

## MICRO, SMALL & MEDIUM ENTERPRISE (MSME) PERSPECTIVE IN NEPALESE BANKING SECTOR

MORE THAN 90% OF THE WORLD'S BUSINESSES ARE MICRO, SMALL AND MEDIUM SIZED ENTERPRISES



The MSMEs sectors has been considered as a vibrant and dynamic sector in the industrial scenario and the sector acts as an engine for the economic growth of the country and banking sector by means of its contribution towards employment generation, export earnings, production and assisting in satisfying the requirement of medium and large scale industries. Most of the population of Nepal lives in rural and semi-urban areas. There is higher scope of business in such areas as the economic activities has been increasing in local level with the introduction of federal government system. It is estimated that at least one million youths will return Nepal from abroad because of the global impact of COVID-19 pandemic. Looking at the present scenario for BFIs to lend, this Micro and small sectors could be one of the promising sectors. Not only the returnee migrants but also the large numbers of people of domestic market have lost their jobs from many sectors. No doubt, ultimate resort for them to engage in present context is agriculture, low business segment and allied activities.

Realizing this fact, the government has also more focused and internalized the priority sector as a key component for economic development and employment creation through its various policies mechanism like Fiscal policy, monetary policies and NRB regulation etc. There is a huge unseen market segment in the country as an emerging sector of Nepal.

Considering all the aforementioned facts, BFIs need to priorities for developing/delivering the customer driven innovative products and providing MSMEs with prompt, effective and hassle free banking facilities other than conventional banking practices that aims to enhance "access to finance" specially targeting to the productive and priority sector lending like Deprived sector, Micro missing middle sector, interest subsidized loan, retail agriculture loan, MSMEs etc. There are vast differences for lending to the Micro customers rather than other customers.

Hence, this course will provide the overview of Micro retail business segment, credit analysis process, market segmentation, identification of risk, relationship management, which will be instrumental for the staff to grab the untapped and highly prioritized market segment of the country.

Duration:  
6 hours

Date:  
11th & 12th November 2020 (7:30am to 9:00am)  
13th November 2020 (3 to 6:15pm)

Program Delivery:  
Presentation via online/classroom, Discussion, Case Studies, interaction with illustration.

Course Fee:  
Nrs. 3,000 + VAT per person (10% discount for individual)

## Course Details

<b>Level</b>	<b>Middle/Low : Up to Officers Level.</b>
<b>Duration (in Days)</b>	1 days, 4 session (1.5 hours each session)
<b>Time</b>	As per suitability of organization and participant's requirement.
<b>Intended Audience</b>	Middle/Low: Branch Manager, Loan Officer/Credit staff, Credit Marketing, Risk staff, recovery function staff especially for MSME Segment working staff of any BFIs. (A,B,C and D class Banks)
<b>Prog. Delivery</b>	Presentation via online, Discussion, Case Studies, interaction with illustration.
<b>Programme Take-aways</b>	<p><b>General Objectives:</b></p> <ul style="list-style-type: none"> <li>• Conceptualizing/Understanding/Assessing various aspects of Micro and Retail Lending Segment perspectives in Nepalese Banking Sector.</li> </ul> <p><b>Specific Objectives:</b></p> <ul style="list-style-type: none"> <li>• To understand various aspects of micro/retail lending in banking sectors.</li> <li>• Be able to know about the market segment of customers and different marketing tools.</li> <li>• Be aware the micro customer need/characteristics and how to handle the segment in different way.</li> <li>• Enhance the knowledge of managing Micro and retail lending.</li> <li>• Be able to analyze/ appraise credit proposals more effective and comfortable way.</li> <li>• Identify various risk in lending, mitigating strategies and how to handle the delinquent loan.</li> </ul>

### FACILITATORS PROFILE

**Mr. Keshab Khati**  
**Head – Micro, Rural & Branchless Banking**  
**Siddhartha Bank Ltd**

Mr. Khati is associated with Siddhartha Bank Ltd. as Head – Micro, Rural & Branchless Banking for the past 3 years. He has more than 15 years of versatile in-depth experience with D class Micro Finance Institute to A class commercial Bank specialized in Micro & Retail Banking Sector. Previously, he has varied exposures from entry level loan Assistant to policy level in different areas like credit, programme, operation, Branch Manager, Head Credit Department, Head Internal Audit Department in core leading micro finance institution; Nirdhan for 8 years plus and first commercial Bank's fully subsidized microfinance company Laxmi Laghubitta for 4 years plus since its inception. Academically, he has also completed Mphil Degree in Management from TU in the same financial background. He has long experiences on agro retails lending and participated agriculture trainings. Further, he has good exposures in National and International project management as well as others training programme.

# Course Outline

S.N	Topics	Session	Duration
1	<p><b>Conceptual understanding and Various Aspects of MSMEs Lending.</b></p> <ul style="list-style-type: none"> <li>• Introduction of MSMEs Sector Lending</li> <li>• Various Business Model and successful model for Micro Lending in Nepalese Banking Perspectives.</li> <li>• Micro Lending approaches in Commercial/Development Banks Vs Microfinance Institutions</li> <li>• Status and Outreach of Micro Lending in Nepalese Financial Scenarios.</li> <li>• Few international Successful story sharing of Micro Lending in BFIs.</li> <li>• Overview of Recent Regulatory Provision in Micro Lending Sector: Rural Branches Mandatory Provision, Deprived Sector Lending (DSL), Agriculture Lending, Interest Subsidy Loan &amp; MSME requirement, Pricing, Criteria etc. as defined by NRB.</li> <li>• Why Micro Retail Segment is important/emerging in Nepalese Banking Sectors?</li> </ul>	I	1.5 hours
2.	<p><b>Understanding Market and Marketing Strategy for Micro Retail Sector.</b></p> <ul style="list-style-type: none"> <li>• Banking Practices for Micro &amp; Retail Market Segment in Nepal.</li> <li>• Scope of Micro Segment customers.</li> <li>• Changing Characteristics/Requirement of the Micro Customers that need to be addressed by the Bankers.</li> <li>• Barriers of existing practices to the customers for availing Micro Banking Facilities.</li> <li>• Target Market Segmentation of the Micro Customers.</li> <li>• Various Marketing Strategy for customer penetration.</li> <li>• Retail customer outreach through Value Chain Financing Model</li> </ul>	II	1.5 hours
3.	<p><b>Managing Micro Lending &amp; Credit Appraisal Techniques.</b></p> <ul style="list-style-type: none"> <li>• Various effective step/process from customers' sourcing to loan recovery in Micro Lending Cycle.</li> <li>• Credit Appraisal Techniques in Micro Retail Loans.</li> <li>• Credit Decision Process</li> <li>• What are the fundamental differences between Micro Lending Management than other Lending?</li> <li>• Major factors to be considered by the Bankers while lending Micro loans.</li> </ul>	III	1.5 hours
4.	<p><b>Risk/Challenges in Micro Lending and its Mitigation Strategy.</b></p> <ul style="list-style-type: none"> <li>• Identifying various Challenges/Risks associated with Micro Lending.</li> <li>• Role of Loan Officer for minimization the risks while lending.</li> <li>• Credit Risk Management in Micro Segment.</li> <li>• NPA &amp; Delinquency Management in Micro Lending.</li> </ul> <p><b>Discussion/Q &amp; A Session/Closing of the Training</b></p>	IV	1.5 hours