

Small and Medium Enterprises (SMEs) are considered as driving engines for the developments of the nation in the least developing countries like Nepal. SME Lending is financing to the SMEs. Bank and Financial Institutions (BFIs) in Nepal were much concentrated on large-ticket corporate loans in the past for maximizing profitability by managing very limited customers. They used to consider that SME Loans requires high operating cost against low return.

Now, the time has changed. BFIs have now been focusing in growing high volume small ticket SME loans. They have therefore been bringing out SME Loan products by packaging differently as much as they can. SME Loans not only contribute in diversifying the risks but also enable the BFIs in enhancing customer base, maximizing interest and fee income, fostering cross-selling culture and graduating those customers for availing large ticket corporate loans.

Needless to mention that, as compared to the untrained officials, trained officers / managers can maximize the sales and profitability, grow the relationship, monitor the loan accounts more proactively and efficiently and exit from the relationship safely before the loan turns to problematic. NBI has therefore designed **One Day Training on SME Lending**. This training aims to hone the skills of related Bank employees in SME Lending, which is expected to be instrumental in achieving the goals set by the BFIs in SME Lending and managing SME.

Program Details

Level	Officer / Manager Level
Duration	1 day
Target Audience	Branch Managers / Relationship Managers / Relationship Officers / Credit Analysts / Risk Managers/Supervisors
Program Takeaways	Understanding Various Risks Affecting the Banks & Financial Institutions
	Defining SME Lending Including the Provision in Industrial Enterprises Act 2050
	Understanding Advantages of SME Lending and Challenges in Growing and Managing SME Loans
	Understanding Credit Risks Weightage and Capital Requirements as per BASEL – II <ul style="list-style-type: none"> • Credit Limit Below Rs 10 Million (Claims Regulatory Retail Portfolio)

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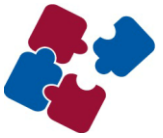
	<ul style="list-style-type: none"> • Credit Limit Above Rs 10 Million (Claims on Domestic Corporates)
	Formulating Relationship Strategy (Grow or Maintain), Estimating Wallet Size and Deriving Value of Account / Share of Wallet
	Understanding & Calculating Cash Operating Cycle and Assessing Working Capital / Term Loan Requirement
	Guiding Principles in Extending SME Loans
	<p>Assessing Risks and Having Risk Mitigants:</p> <ul style="list-style-type: none"> • Business Risks • Financial Risks • Management Risks • Security Risks • Environment Risks
	Obtaining / Executing Security Documents
	<p>Managing Collateral Securities:</p> <ul style="list-style-type: none"> • Reviewing the Documents relating to the Collaterals and Insuring its sufficiency • Inspecting the Collateral Securities and Preparing Collateral Site Visit Report • Getting Valuation of the Collateral and Review of the Report • Inspecting the Collaterals Periodically • Getting Insurance of the Collaterals
	<p>Monitoring / Administering the Account</p> <ul style="list-style-type: none"> • Inspection of Factory Site / Business Site • Inspection and Verification of Current Assets • Review of Account Movements • Review of Actual Achievements viz a viz Targets / Projections • Review of Clients Performance in terms of Current Assets Statement Submission, Interest Payment, Utilization of Facilities, Submission of Documents Sought by the Bank, Response to the Bank, etc
	Recognizing Early Warning Signals and Setting Relationship / Recovery Strategy (Taper / Exit)
	Reporting Risk Events with Action Plans
	Understanding Legal Consequences Including the Provisions in Banking Offense Act
Methodology	Presentation, Exercise, Discussion and Practical
Date & Time	20 th June, 2015, 7:45am to 3pm
Venue	Hotel Royal Palm, Pokhara.
Facilitator	<p>Mr. BN Gharti, an MBA, having more than 18 years of banking experience, is the former Acting Chief Executive Officer of Kist</p>



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Bank.

Mr. Gharti started his banking career from Nepal Bangladesh Bank where he worked at Marketing and Credit Departments. Before joining the banking sector Mr. Gharti had worked in the government, private and social organizations for 9 years.

Mr. Gharti, who served 10 years at NIC Bank, was head of Marketing and Transaction Banking there before joining Kist Bank in the Capacity of Chief Business Officer in April 2009. He was the first employee who received "Excellent" rating in the history of NIC Bank and was awarded with many awards including "Excellence Award" and "Best Branch Award". He was the Member of Human Resources Committee, Management Committee and Asset and Liability Management Committee. He had developed deposits and transaction banking products and prepared standard operating procedures for those products operations. He had driven the marketing department growing the customer base by threefold during a period of 2 years and slashing the concentration risks considerably.

He was instrumental in inculcating commercial banking and risk management culture at Kist Bank. Mr. Gharti played a key role in formulating about 20 policies including Credit Policy and Deposit Management Policy, about 30 standard operating procedures including Credit Risk Management Manual and Deposit Management Manual, about 25 product papers including deposit product having features of both savings and fixed deposit, a path-breaking deposit product and SME Loan Product and about 15 Plans including Strategic Plan and Risk Diversification Plan in order to build up a strong systemic infrastructure. On account of which, Kist Bank was having highest savings and retail deposits in the industry with a customer base of about four hundred thousands, which was 7th position in the industry. Due to timely formulation of 'Risk Diversification Plan', 'Liquidity Management Plan' and 'NPA & Watch-list Accounts Management Plan', in his initiation, Kist Bank was successful to slash Real State Loan below 15% from more than 50%, have liquidity ratio above 30% from as low as 10% and recover NPA loans sizably, which rescued Kist Bank from near to failure. Mr. Gharti therefore shares his practical experience in sales maximization, risks diversification and overall risks management.

Mr. Gharti has taken much training including various domestic and international trainings on "Train the Trainer". He has conducted 150 plus trainings on Credit Relationship Management, Sales and Marketing, Credit Risks Management and Operational Risk Management. Mr. Gharti, who has received many awards from various social organizations, has written many articles on Operational Risk Management and other banking issues on various national dailies and journals.

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