

PAPER 2 : LENDING OPERATIONS AND RISK MANAGEMENT
Full Marks : 100

Module A : Introduction of Loan Portfolio Management in Financial Institution

- Credit Planning, Policy and Vision, Complete Transaction.

Module B : Principles of Good Lending and Credit Process

- Different Types of Borrowers and Loan Accounts, Selection of a Borrower, Loan Interviewing and Credit Investigation, Loan Sanctioning and Disbursement Process.

Module C : Commercial Lending Environment

- Characteristics of a Good Credit Officer, Features of Good Loan Policies.

Module D : Basic Financial Analysis

- Financial Statement Analysis, Financial Spread Sheet: Communize and Comparative Financial Statements, Cash Flow, Fund Flow, Ratio Analysis, Credit Scoring System.

Module E : Term Lending by Banks

- Appraisal of Term Lending Cases, Technical Aspect, Marketing Aspect, Managerial Aspect, Financial Aspect and Economic Aspect, Cost of The Project and Means of Financing, Capital Budgeting Techniques, Internal Rate of Return (IRR), Economic Rate of Return (ERR), Cost-Volume-Profit Relationships.

Module F : Working Capital Lending

- Requirements, Estimation and Techniques.

Module G : Financial Projection

- Projected Financial Statements, Cash Budget.

Module H : Lending Risk Management

- Concept and Technique, Credit Risk Grading (CRG) Techniques, Bangladesh Bank Guidelines and Regulations, Portfolio Risk Assessment and Management Technique, Asset Securitisation, Credit Derivatives, Loan Syndication, Loan Sales etc.

Module I : Loan Structuring and Pricing

Module J : Modes of Charging Securities, Loan Documentation

Module- H : Follow-up, Repayment and Reporting, Problem Loans

References

- 1 Bedi, H.L. and V.K. Hardikar. Practical Banking Advances. Institute of Banking Studies, India.
- 2 IBB guidelines and Circulars.
- 3 Morsman, Jr. Edgar M. Commercial Loan Portfolio Management. Robert Morris Associates, U.S.A
- 4 Ruth, George E. Commercial Lending. American Bankers Association, U.S.A.

- 5 Signoriello, Vincent J. Commercial Loan Practices and Operations. Bankers Publishing Company, U.S.A.
- 6 Simha, S.L.N. Credit Management. IFMR, Madras.