

October 12 – 17, 2020

(Online Course Duration 20 hours)

**Online Programme on
Pricing of
Loans and
Deposits**

(Focus: FTP and Credit Risk Premia)

Coordinators

Prof Sanjay Basu

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**National Institute of
Bank Management
Pune, INDIA**

The implementation of scientific Funds Transfer Pricing (FTP) methods and incorporation of accurate credit risk premium are core components of product pricing strategies at banks and financial institutions. Such practices allow banks to align their lending and deposit rates to a dynamic market environment and protect their net interest margins. Recent crisis episodes have also shown that flawed pricing strategies can also disrupt financial sector stability.

In this context, recent guidelines by the Reserve Bank of India have advised banks to adopt appropriate external benchmarks to fix their lending rates. These guidelines entail the implementation of advanced FTP methods. On the other hand, the credit risk premium will need to capture both the expected credit loss under impending IFRS migration and the cost of regulatory and economic capital under Basel III. These measures will allow banks to address ALM challenges and credit quality issues while ensuring profitable customer relationships. It will also improve their risk-adjusted performance metrics.

With this background, NIBM introduces a programme on Pricing of Loans and Deposits with focus on FTP and Credit Risk Premia.

Content

Deposit and Loan Pricing Strategies

- Evolution of Pricing Regimes in India (BPLR, Base Rate, MCLR and External Benchmarks)
- Funds Transfer Pricing: Methods for Loans and Deposits
 - ❖ Duration based pricing of loans and deposits
 - ❖ Choice of External Benchmark (Repo / GSec / TBill rates)
 - ❖ Computation of tenor premium
 - ❖ Impact of Liquidity Standards under Basel III
 - ❖ Computation of premia for prepayment and premature withdrawal options
- Credit Risk Premium
 - ❖ Computation of expected credit loss and provisioning costs
 - ❖ Computation of cost of economic and regulatory capital
 - ❖ Impact of Capital Standards under Basel III
 - ❖ RAROC based loan pricing
- Estimating allocatable operating costs and the allocation methodology across loan and deposit products

Who should Attend?

Middle and Senior Executives from Banks and Financial Institutions in the Treasury, ALM, Risk Management, Finance departments

Modalities

This online course will have 20 hours of engagement time spread over a maximum 6 days, which includes several self-paced study and live interactions of participants. The courseware will include the following:

- I. Reading material for self-study, Case study or exercise material and Online references
- II. Video sessions comprising of:
 - i. Pre-recorded video sessions.
 - ii. Live video sessions by faculty or guest lecturers, for discussions, clarification of doubt, etc.

Participants enrolled to the programme will be provided with login id and password to enter into the learning management platform of the institute. Guidance will be provided for navigating through the various activities in the platform such as accessing courseware, viewing video sessions, participating in live sessions, taking quizzes, etc. The programme window will be open for maximum 6 days including date of commencement.

Live session schedule will be provided at the start of the programme.

Executives attending the programme would need internet access on a desktop or laptop with Google Chrome to enable access to live and recorded sessions.

Completion Certificate

A completion certificate will be given to the participant at the end of the programme. Participant has to remain logged in for at least the total number of engagement hours within the duration of the programme for being considered to have completed the same.

Nominations and Enquiries

Nominations are invited from executives working in Banks, FIs and NBFCs. Individuals can also apply for the programme in their personal capacity.

Please address your enquiries and nominations to:

Prof Sanjay Basu

Prof Tasneem Chherawala

Programme Coordinators

National Institute of Bank Management

NIBM Post Office, Kondhwe Khurd Pune 411 048 (INDIA)

Tel. : 0091-20-26716000 (EPABX)

E-mail : sbasu@nibmindia.org, tasneem@nibmindia.org

For further details, visit us at Website: www.nibmindia.org

Last Date for Receiving Nominations: October 10, 2020

Programme Fee (per participant) for 20 hours programme

US \$ 800 for foreign participant

	Fee	GST	Fee+GST	TDS
Member Banks :	18000	3240	21240	1800
Non-Member Banks :	21000	3780	24780	2100
Individual Nominee :	21000	3780	24780	----

The fee includes the cost of tuition, access to reading material and recorded videos, etc. (Central Goods and Services Tax (GST) @ 18%, and TDS @ 10%. Kindly send the TDS Certificate on priority to NIBM).

Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and GSTIN No. 27AAATN0040P1ZJ.
- National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

Mode of Payment for Foreign Participants

Mode of Remittance: SWIFT*

1. Name & Address of our Bankers : **Oriental Bank of Commerce
C-2, Shop No. 4-5, Bramha Estate
Kondhwe Khurd, Pune 411 048
Maharashtra, India**
2. Name of the Account : **National Institute of Bank Management**
3. NIBM's Bank Account No. with Oriental Bank of Commerce : **Current A/C 11281131004402**
4. Bank's Swift Code : **ORBCINBBFCP**
5. Oriental Bank of Commerce A/c No. with Correspondent Bank : **36152559**
6. Preferred currency : **USD**
7. Correspondent Bank : **CITIBANK N.A.**
8. Swift code for Citi Bank : **CITIUS33**

*** The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

***Payments will be accepted only through electronic mode.
Cheques/DDs/Pay Orders will not be accepted.**

- **For all electronic remittances, kindly send a confirmatory e-mail at: accounts@nibmindia.org giving details of the remitter and participant, name and dates of programme, etc.**