

BNK 212: Wholesale and Retail Banking

(focus area II)

Credits: 3

Lecture Hours: 48

Course Objectives:

Familiarize the students with the knowledge related to banking business. Develop skill to acquire knowledge of wholesale and retail banking, make able to know lending principles and practices, various aspect of bank loan, their features, credit risk and other associated risk with wholesale and retail product of bank.

Course Description

This course contains introduction of wholesale and retail banking, wholesale banking, retail banking, corporate lending vs. consumer lending, credit process for corporate and consumer.

Course Details

Unit 1: Introduction

LH 5

Nature of banking business, Major functions of bank, Different types of Bank and FIs, Present status of banking business in Nepal.

Unit 2: Wholesale Banking

LH 8

Meaning and concept of wholesale banking, Characteristics, Target group of wholesale banking, corporate client, Individual client, Pros and cons of wholesale banking. Fund transfer facility, corporate salary account, Real time gross settlement Aid to trade, trade finance, corporate depositors- Insurance Company, investment trust, pension fund.

Unit 3: Retail Banking

LH 7

Meaning and concept of retail banking, characteristics, Target group, retail Loan product, Retail Deposit product, Opportunities and challenges of retail banking, Motivating factors for retail client, agency services, utility payments. Debit card, credit card and others retail services

Unit 4: Corporate lending Vs. Consumer Lending

LH 8

Meaning and concept, Characteristics, motivation factors, Selection of corporate client, product paper, Credit policy guideline, types of corporate lending- Working capital loan, term loan, mortgage loan, project loan, equity loan, consortium loan, bridge gap loan. Types of consumer loan- Home loan, auto loan, education loan.

Unit 5: Credit Process for Corporate and Consumer Lending

LH 9

Credit appraisal- 5 c's Model, SWOT analysis, Industrial analysis, Financial viability of proposed project, evaluation of risk in Product. Credit approval, Credit documentation and administration, Credit disbursement, credit monitoring and supervision, Collateral: Cash backed and assets backed

Unit 6: Marketing of Banking product and Services

LH 7

Marketing concept- Products and Services in Banks, define customer, Marketing mix: Product strategies- Pricing: objectives, factors, methods, strategies-Distribution channels-Promotion: Components, Factors, Strategies-Promotion mix integration-Marketing Information Systems.

Unit 7: Case study for assessing business loan and consumer loan

LH 4

References

Edward W. Reed (1964), *Commercial bank Management*, A Harper International student. London.

Peter. S. Rose (1999), *Commercial Bank management*, McGraw-Hill.

Thapa R.B and D. Rawal (2010), *Principles and practices of Nepalese Banking*, Buddha Academic Enterprises, Kathmandu, Nepal