

“.....
*How did you go bankrupt? **Two**
ways. Gradually, then
suddenly.....*”

Ernest Hemingway, *The Sun Also Rises*

PROBLEM LOAN MANAGEMENT

A Framework for Managing,
Mitigating And Resolving
Non-Performing Loans

TRAINING
PROGRAMME

GBRW
LEARNING

OVERVIEW

This intensive three-day course provides a rigorous and comprehensive framework for managing problem loans, from a strategic and operational prospective. It will provide participants with a sound approach and methodology for identifying, assessing and managing problem loans from origination to resolution. Beginning with how problem loans impact an institution's soundness and reputation, the programme also explores the root causes, both internal and external which contribute to problem loans. It address the implementation of an effective early warning system, as well as the benefit of scenario planning and stress testing. The programme then covers the practical options, approaches and methods for resolving both non-performing portfolios and individual loans, illustrated with real-life case studies. By addressing the day-to-day challenges of non-performing loans, as well as extraordinary circumstances, the programme prepares and enables the participants to develop and implement an effective plan for improving their bank's position.

WHO SHOULD ATTEND?

The course has been designed for credit professionals responsible for detecting, assessing, monitoring, managing and resolving problem loans, as well as professionals with portfolio management responsibilities. Credit professionals within departments such as Credit Risk Management, Credit Policies and Procedures, Risk Assessment, Credit Approval, Loan Administration/Monitoring, Collections and Workouts, as well as managers within Retail, SME and Corporate Business Units would benefit from this training program.

If you are asking yourself any of the following questions, then it is definitely for you:

- Is there a methodology for managing problems?
- How can I and my management avoid being surprised by or unprepared for an increase in problem loans?
- Are there early warning indicators of problem loans; if so what are they and how can we use them?
- Should we create a specialist workout department and, if so, how should it be structured?
- What tactics and tools are available to help resolve a portfolio of Non-Performing Loans?

SHARING KNOWLEDGE, DEVELOPING SKILLS

OUTLINE

OBJECTIVES

Participants will come away from this workshop with:

- A fundamental understanding of how problem loans impact a lending institution's operations
- An understanding that defining problem loans effectively facilitates identification and resolution
- An approach of classifying problem loan causes that facilitates the task of prioritizing mitigation strategies
- An awareness of various strategies for resolving problem loans
- An understanding of financial analysis approaches used assess distressed companies
- An understanding of how negotiating fundamentals are applied to resolving problem loans
- An ability to contribute to their institution's problem loan policies and procedures

COURSE DELIVERY

- This is a three-day course totalling 21 hours of delivery time
- It consists of six tutorial modules approximately 2 hours each (i.e. a total of 12 hours of instruction).
- A further nine hours of the schedule is dedicated to intensive group work and exercises, underpinned by case studies, all facilitated by the instructor
- All hand-outs and instruction will be in English; participants should have a good working knowledge of English
- The course can be customised to the specific needs of the client, to ensure maximum relevance and benefit
- Ideally delegates should have at least three years experience working in a bank either in a general management or leadership role, or employed in credit risk management or lending role. Basic familiarity with key concepts of credit analysis would be helpful
- Because the course involves participative group work on case studies, and considerable interactivity during tutorials, the number of participants is limited to no more than 20

TRAINING SURVEY & POST-TRAINING EVALUATION:

To ensure that participants gain maximum benefit from the course, it is our practice to send a detailed questionnaire to all course participants to ensure we fully understand their specific training needs and objectives. The completed questionnaires are analysed by the course instructor who will tailor the course content and style of delivery to the requirements of the participants. Following completion of the course, participants are asked to measure and assess the effectiveness of the training. The results are collated and reviewed, and the analysis shared directly with the relevant client stakeholders.

OUTLINE

MODULE 1:

DEFINING PROBLEM LOANS AND ASSESSING THEIR COST ON INSTITUTION'S SOUNDNESS AND REPUTATION

- Costs of Problem Loans
- Problem Loans and Their Impact on an Institution's Operations, Soundness and Reputation
- Defining Characteristics of Problem Loans
- How Banks Get into Trouble
- Objectives of Problem Loan Management
- Preventing Problem Loans

MODULE 2:

CAUSES OF PROBLEM LOANS AND EARLY DETECTION

- Major Causes of Problem Loans
- Profiles of Problem Companies
- Early Detection
- Early Warning Signs
- Information Needs and Information Gathering
- The Role and Importance of the Interview and Monitoring Process

MODULE 3:

ANALYZING AND SOLVING THE PROBLEM LOAN

- Analyzing the Problem (Big Picture)
- Analysis of (Management, Financials and Strategy)
- Solving the Problem
- Situation Analysis

MODULE 4:

DEVELOPING THE PLAN TO IMPROVE THE BANK'S POSITION

- Preliminary Considerations
- Stages or Steps (Typical/Possible) to Payout
- Anticipating the Possible Stages to Payout
- Discounting as an appropriate alternative
- Preparing a Wish List
- Assessing Your Strengths and Weaknesses

MODULE 5:

FUNDAMENTALS OF LOAN RESTRUCTURING

- Fundamental Concepts of Loan Structuring and Restructuring
- Purpose of the Workout
- Liquidating Collateral
- Reviewing Collateral and Ensuring Perfection
- Fundamentals of Bankruptcy
- Resolving and/or Restructuring Problem Loans
- Negotiating a Loan Restructuring

MODULE 6:

ADMINISTERING PROBLEM LOANS AND POLICIES AND PROCEDURES

- Preventing Problem Loans (Four Ps of Prevention)
- Strengthening Credit Administration
- Preventing Problem Loans
- Prioritizing Tasks Involved in Managing a Problem Loan Portfolio
- Considerations when Developing a Workout Department
- Good Bank vs. Bad Bank Case Study

DETAILS

TOOLS, MODELS & TEMPLATES

Courses are supplemented with a range of practical documented methodologies, models, tools, and templates refined from best practice, and tried and tested in a range of leading banks. Participants can take these back to the workplace to adapt and apply, and wherever appropriate, to make a tangible improvement to policy and practice in their own bank.

THIS COURSE INCLUDES:

- ✓ Problem Loan Early Warning Checklist
- ✓ Cash Crisis Checklist
- ✓ Workout Problems and Issues Aide Memoire
- ✓ Distressed Borrower Financial Performance Monitoring Tool
- ✓ Problem Loan Management Planning Template

TERMS & CONDITIONS

Total fee cost for the delivery of the three-day course at the client's site is US\$ 11,500 (eleven thousand five hundred United States Dollars).

This is EXCLUSIVE of:

- Flights (discounted business class)
- Accommodation (min. 4★) for every night required on site
- Local travel costs and subsistence; and
- Venue and equipment hire (if required) and materials production.

These additional items will be for the account of the client or, alternatively, we can provide an all-inclusive quote encompassing all expenses if that is more convenient.

GBRW Learning can also host the course at or near our London headquarters for an all-inclusive fee of US\$14,500 plus VAT. This includes venue and equipment hire but does NOT include the travel, accommodation and subsistence expenses of participants. Please contact us for revised pricing.

A 60% deposit is payable one-month prior to the scheduled course date, with the balance payable immediately following completion of the course.

Note: Discounts are available for multiple course bookings

FOR MORE INFORMATION OR TO ARRANGE A BOOKING, PLEASE CONTACT:

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**Nate
Dickerson**
Principal Consultant,
GBRW Learning

GBRW Principal Consultant Nate Dickerson, is a seasoned banking consultant with thirty-five years of experience within the financial service industry, initially as a commercial lender and subsequently as a consultant and training and development specialist.

As a commercial lender, Nate enjoyed a fifteen-year career with The Chase Manhattan Bank, N.A., where his experiences included commercial lending, credit administration, corporate finance, as well as domestic and international debt restructuring, within the United States and South America. As a banking consultant, he has provided advisory services within the United States, as well as Bosnia and Herzegovina, China, Jamaica, Kazakhstan, Laos, Moldova, Mongolia, South Korea, Sri Lanka, Thailand, Ukraine, and Vietnam.

Nate regularly runs courses on such topics as Problem Loan Management, SME Lending Risk Management, Understanding and Appraising a Business Plan and Strategic Marketing for Senior Management. To find out more about Nate, his credentials, and previous experience, please visit his LinkedIn profile page at:

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LinkedIn

ABOUT GBRW LEARNING

GBRW Learning is the training and knowledge-sharing arm of GBRW Limited. Founded in London in 1995 by a group of senior bankers GBRW's mission is to provide first-class consulting and training to banks and bankers in Emerging Markets, to the same standard as would be expected in developed markets. From our London headquarters and subsidiary offices in Washington DC and Singapore we have served clients in more than 50 countries in Europe, the Middle East, Africa, Asia and the Caribbean. Our clients include banks and other financial institutions, governments, and economic development agencies and institutions.

Through our training programmes we share the experience and knowledge of our experts with bankers in Emerging Markets, supported by high quality materials and taking advantage of the latest technologies. Our courses are all highly inter-active, and make use of carefully designed case studies and simulations.

We offer a range of training topics for banks and financial institutions including:

- Strategy & Management – Formulating, Implementing & Monitoring Strategy
- Risk Management – Credit, Market & Operational Risk
- Human Resources Management
- SME Banking – Customer Relationship Management; Credit Risk Management
- Retail Banking – Customer Relationship Management, Distribution Strategy, Product Management, Credit Risk
- Corporate Banking – Customer Relationship Management, Credit Risk Management
- Governance, Regulation & Compliance
- Financial Markets

For more information, visit our website at:

<http://www.gbrw.com/training>

To discuss your specific requirements email us at:

mail@gbrw.com