

**Live Online Programme on**

# **Pricing of Loans and Deposits**

**(Focus: FTP and Credit Risk Premia)**

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**October 26 – 30, 2021**

**(Online course duration 20 hours)**

*Coordinators*

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Bank Management  
Pune, India**

The inception of scientific Funds Transfer Pricing (FTP) methods and incorporation of accurate credit risk premiums are core components of product pricing strategies at banks and financial institutions. Such practices allow banks to align their lending and deposit rates to dynamic market conditions and protect their net interest margins. Recent crisis episodes have also shown that flawed pricing strategies can aggravate asset-liability mismatches, worsen credit risk profiles and disrupt financial sector stability.

In this context, the implementation of Basel III Liquidity standards will encourage banks to adopt advanced FTP methods. Recent RBI guidelines, which have advised banks to choose appropriate external benchmarks for their lending rates, will reinforce the transition process. On the other hand, the credit risk premiums 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.

Furthermore, the transition from LIBOR to Alternative Reference Rates (ARR) from 31st December 2021 onwards will affect the choice of benchmarks and credit spreads for foreign currency assets and liabilities. Banks and FIs will need to address the pricing challenges triggered by LIBOR cessation in the near future.

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

## **Programme 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**
- Impact of LIBOR transition on benchmarks and credit spreads**

## Who Should Attend

Middle and senior executives from banks and financial institutions in the Treasury, ALM, Risk Management, and Finance departments

### Modalities

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

- I. Reading material for self-study, case studies and online references .
- II. Video sessions :
  - i. Pre recorded video sessions
  - ii. Live interactive video sessions by faculty and guest lecturers

Participants enrolled to the programme will be provided with login id and password to enter into the learning 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 5 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 both Institutions and Individuals from India and abroad. Executives working in banks/financial institution/consulting firms/technology firms in the banking and financial services domain can also apply for the programme in their individual 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](mailto:sbasu@nibmindia.org)  
[tasneem@nibmindia.org](mailto:tasneem@nibmindia.org)

Web : [www.nibmindia.org](http://www.nibmindia.org)

**Last Date for Receiving Nominations: October 23, 2021**

## 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 ST No. AAATN0040PST001.
- National Institute of Bank Management  
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

### Mode of Payment for Foreign Participants

#### Mode of Remittance: SWIFT\*

- Name & Address of our Bankers : Punjab National Bank  
C-2, Shop No. 4-5, Bramha Estate  
Kondhwe Khurd, Pune 411 048  
Maharashtra, India
- Name of the Beneficiary : National Institute of Bank Management
- NIBM's Bank Account No. with Punjab National Bank : 11281131004402
- Bank's Swift Code : PUNBINBBDIB
- Preferred Currency : USD
- Correspondent Bank of Punjab National Bank : WELLS FARGO BANK NA
- Punjab National Bank A/c No. with Correspondent Bank : 2000193007918
- Swift Code with Wells Fargo Bank : PNBpus3nnyc
- IFSC : PUNB0108810

\* 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](mailto:accounts@nibmindia.org) giving details of the remitter and participant, name and dates of programme, etc.**

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