

**NCC Bank**नेपाल क्रेडिट एण्ड कमर्स बैंक लि.
Nepal Credit & Commerce Bank Ltd.**Addendum to Administration Circular No: 11/2016****Date of Issue: December 1, 2016 (Marga 16, 2073)****Subject: Revised Terms and Conditions of Product Paper of NCC - Professional Loan****To: All the Staff Members of Nepal Credit & Commerce Bank Ltd.**

This is in reference to the Administration Circular No. 11/2016 issued on February 28, 2016 (Falgun 16, 2072) regarding Product Paper of NCC - Professional Loan.

This is to inform all the staff members of NCC Bank that the Management Committee (Board) Meeting No. 585 held on November 21, 2016 has decided to amend the following Terms and Conditions of Product Paper- NCC Professional Loan.

S.N.	Existing Terms & Conditions	Revised Terms & Conditions
1	<u>Pricing</u> <ul style="list-style-type: none">Interest Rate - 9%Processing Fee - 0.75% Pricing may be reviewed periodically based on market scenario.	<u>Pricing</u> <ul style="list-style-type: none">Interest Rate - 12%Processing Fee - 1% Pricing may be reviewed periodically by ALCO based on the market scenario.
2	<u>Eligible Source of Income</u> <ul style="list-style-type: none">Salary Income supported by salary statement issued by the employer.	<u>Eligible Source of Income</u> <ul style="list-style-type: none">Salary Income monthly/ yearly supported by salary statement certified copy issued by the employer.Spouse income can be considered.
3.	<u>Security</u> <ul style="list-style-type: none">Personal guarantee of spouse in case of married applicant.	<u>Security</u> <ul style="list-style-type: none">Personal Guarantee of one of the family members in case of unmarried applicant.

Other Terms & Conditions remain unchanged.

The copy of amended Product Paper - NCC- Professional Loan is attached herewith for information and implementation with immediate effect.

Bandana Pathak
Chief Resources Officer



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Product Paper – NCC - Professional Loan

Introduction

This product has been structured for financing personal financial requirement for the Nepali professionals (individuals) having identifiable and stable source of income

Type of Loan

Mid Term Loan

Purpose of the loan

- To meet personal needs of an individual (Professional).

Eligibility

- Should be a Nepali Citizen
- Self-employed professionals (Doctors, Engineers, Chartered Accountants, Lawyers, Consultants and other Professionals etc)
- Employees of corporate entities
- Any other professional (individual) having identifiable and stable sources of income.

Basic Criteria

- Minimum and Maximum age of the applicant to be 21 years and 65 years respectively by the time of expiry of loan.
- The applicant should have a stable and sustainable source of salary income or consulting fees/remuneration.
- The sources of income should be verified through bank statement and should be acceptable to the bank. In case of requirement, the source of income shall also be verified with the supporting of income tax paid/deposited for further information
- The Mid Term loan will be considered keeping in view of the financial requirement of the (professional) individual
- Gross income of the applicant should be double of EMI. This is the decisive criteria to determine the quantum of loan under this product paper.

Loan Amount

- Minimum amount of the loan shall be NPR 100,000
- Maximum amount of the loan shall be NPR 1,500,000

Pricing

Interest Rate 12% p.a

Processing Fee 1% to be collected up front upon approval of the loan

Pricing may be reviewed periodically by the ALCO committee based on the market scenario.



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Service Delivery

3 to 5 days

Disbursement

- Lump sum after completion of security documentation.

Tenure

- Maximum period of 5 years

Repayment

- The term loan to be repaid in Equated Monthly Installment (EMI) basis.
- The first EMI shall start from 1st day of Gregorian month from the next or next to next month of the disbursement.

Eligible Source of Income

- Monthly/Yearly salary income supported by salary statement/certified copy issued by the employer.
- Professional income supported by Income/ Expenditure statement and bank statement.
- Rental Income and any other income can be considered as an additional cushion.
- Spouse income can be considered.

Insurance

- Accidental insurance of the applicant equal to the loan amount.

Security

- Personal Guarantee/Corporate Guarantee of the applicant/employer.
- Personal Guarantee of the spouse in case of married applicant.
- Personal Guarantee of one of the family member in case of unmarried applicant.
- Insurance policy endorsed in favor of the Bank.
- Demand Promissory Note.
- Loan Deed.

Basic Documentation

- CIC report.
- PAN of the applicant.
- Proof of Self Tax Assessment Statement submitted to Inland Revenue Office (for professionals other than salary earner).
- Completed application form.
- Completed Know Your Customer (KYC) form.
- Net Worth Declaration Form.
- Family Tree of the applicant



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- Passport size photograph of the borrower and guarantor.
- Map of the applicants' and the guarantor's residence.
- Copy of Citizenship/passport of the applicant and guarantor.
- Salary Statement from the employed organization/company.
- Income statement or cash flow of the applicant- proof for substantiation of the income to be submitted.

Credit Approval Discretion (CAD)

- The CAD is rest with Chief Executive Officer until further notice from the Corporate Office.

Loan Recovery Process

- In case of default of any loan for more than 1 month, a follow up letter would be sent to the borrower immediately.
- If the default is not rectified within 2 months from the date of the follow up letter a legal notice of 35 days would be sent in similar manner.
- If the default is not rectified upon initiation of above processes, legal action to be initiated against the Borrower/ Guarantors.

Reporting to Corporate Office

- Monthly / Quarterly statement of NCC-
- Monthly Irregular Statement of NCC-

Credit Waiver

- The waiver in the terms and conditions of the proposal should specifically approve by Chief Executive Officer under their CAD.