

**Report On**  
**“Managing salesforce target and challenges on  
loan department of BASIC Bank Limited”**

By  
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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration

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BRAC University  
July 2021

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## Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

### **Student's Full Name & Signature:**

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**Student Full Name**  
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### **Supervisor's Full Name & Signature:**

Zaheed Husein Mohammad Al-Din  
Senior lecturer,  
BRAC Business School,

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**Supervisor Full Name**  
Designation, Department  
Institution

## Letter of Transmittal

Zaheed Husein Mohammad Al-Din

Senior lecturer,

BRAC Business School,

BRAC University

66 Mohakhali, Dhaka-1212

**Subject: Internship report submission title “Managing salesforce target and challenges on loan department of BASIC Bank Limited”.**

Dear Sir,

This is the pleasure to submit the internship report “Managing salesforce target and challenges on loan department of BASIC Bank Limited” under your supervision as a part of BUS400 and I have started my internship at BASIC Bank Limited (Banani Branch, Dhaka). This report focuses on the challenges and target in loan department, how they overcome it and how they train to solve the issues.

I have tried my best to finish the report appropriately with the essential data and recommended proposition in a significant compact and comprehensive manner as possible. I hope that you will be kind enough to appreciate my hard work and the report will meet the desires.

Sincerely yours,

---

Faria Rahman

16304048

BRAC Business School.

BRAC University

Date: June 6, 2021

## Non-Disclosure Agreement

This agreement was made and entered into by and between BASIC Bank Limited and Undersigned student of BRAC University.

Name: Faria Rahman

Student ID: 16304048

Department: BRAC Business School.

## Acknowledgement

From the outset, I am thankful to Al-Mighty Allah, the Sustainer of the Universe, who has given me the opportunity to finish the internship program and report properly.

Above all, expressing gratitude toward to the respected faculty Zaheed Husein Mohammad Al-Din instructor of BRAC Business School for the assistance all through the Internship period and furthermore showed the rule and rule to complete the report, he gave his significant time in conversation hours, through telephone and messages and also gratitude to our faculty and co-supervisor Feihan Ahsan sir.

Also, I was selected as an assistant in Loans and advance division of The BASIC Bank Ltd. Whereby my boss Momtaz Afsana (Assistant Manager) at Banani branch helped me by giving information in the Internship time bounding. She guided me to lead outline of different advances of banks. Additionally, I find support from different workers of credits and advance for giving central information which I expected to complete my report.

Ultimately, expressing gratitude toward the aggregate of the people who maintained in BRAC Business School since 2016. By their help driving in this Internship paper and serve the country by showing as a praiseworthy alumni from BRAC Business School.

## Executive Summary:

BASIC bank (Bangladesh Small Industries and Commerce Bank Limited) is a state owned bank. The bank is devoted to offer remarkable support to its clients, convenient items and administrations while involved in the most recent innovation.

At first in this report, I have written the origin, methodology, objective and limitation and internship related information in chapter 1. Then in chapter 2, I described the organizational history and its mission and vision. Additionally, I showed the different types of loan and loan products of BASIC bank and their lending procedure in chapter 3. However, I described the main topic of report in chapter 4, what types of challenges BASIC bank employees face in bank lending, how they overcome these problems and what types of training they give to solve this problem. Furthermore, how their target is set and what are the rules and regulation. I also showed the barriers in bank lending. Thereafter, I showed the in organization structure about their management, resource and capabilities, organizational goal and corporate organogram, corporate strategy and divisions in chapter 5. In addition, in chapter 6, I showed the financial situation of bank during 2016 to 2019, social activities as well as services. Finally, showed the SWOT analysis of BASIC Bank as well as I recommended some points as intern to the bank. At last, I concluded the report with a conclusion.

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## List of acronyms:

CA/SA	Current account/ saving account
FDR	Fixed deposit Receipt
KYC	Know your customer
KYB	Know your borrower
CS	Customer Service
KPI	Key Performance Indicator
KSA	Knowledge, skill and ability
GB	General Banking
CD	Current Deposit Account
FDR	Fixed Deposit Receipt
CSR	Corporate Social Responsibility
GR	Green Banking

# Chapter 1(Overview of internship)

## 1.1 Student information:

Name: Faria Rahman

ID: 16304048

Major: Human Resource Management

Department: BRAC Business School

## 1.2 Internship Information

### 1.2.1 Period, Company Name, Department/Division, Address

Internship: The BASIC Bank Limited, Bangladesh. This is a three months Internship program which has started from 14th February 2021 and it will end on 14th May 2021. The posting was on Loan department, Banani Branch. It is located at Kemal Ataturk Ave, 2nd Floor, 6, Banani, and Dhaka- 1212.

### 1.2.2 Internship Company Supervisor Information

During these three months' time span Momtaz Afsana (Assistant Manager) of Banani Branch of Dhaka was the in-site supervisor. He was a truly help and guardian in the entire internship period.

### 1.2.3 Job Scope

❖ The main work was on the loan department of The Basic Bank Limited. And the posting was on Banani Branch. As this branch is adjacent to the shopping center territory, ordinarily there are bunches of costume result in these present circumstances branch for taking assistance. There are

gigantic remaining burdens and weight in this branch. As, the intern had likewise work weight and day by day work routine like loans and advance department.

- ❖ At the first day at office the supervisor presented the intern with various sorts of loans and loan client list. Besides, she educated what are the essential loans and different clients file.
- ❖ The intern used to furnish information related with all the loan department to make the work simpler.
- ❖ The loan application, renewal letter and accounting opening has done by the intern appropriately.
- ❖ Besides, the intern prepared for how to manage clients in the bustling hours to guarantee the service quality.

In this way, these are the nearly exercises that the intern has done in the internship residency.

## 1.3 Internship outcome

### 1.3.1 Students Internship role and Experience:

- First of all, I was assigned in loan department. My supervisor showed me with different loan client list. Who are the customer, who are classified, interest rate, single or joint account, customer type, balance, account status open or closed? Then she showed me different type of loan file. Like trade loan, industrial loan, service loan, SOD and house building loan. She tried to show what necessary attachment for different kind of loans have.
- I went to different desks and tried to understand how they manage the HR.
- Then I experienced how to make different types of CLP client proposal.
- I had to write letter to the client as well as head office for paying loan installment.
- I used to sign in e-nothy for inward and outward letter.
- Sometimes I had to write letter to head office for renewal.
- I learned how to write letter for disbursement of loan amount to the head office.

- Account opening for clients.
- Finding out loan growth rate.
- I used to make visit report using samples for future learning.
- I helped to correct different type of budgeting.
- Collecting CIB from Bangladesh Bank to understand the client position is he classified or not?
- Writing Loan application for client to head office.
- LDCL (Loan documentation check list) list how shows client activities.
- Branch valuation report value assessment my branch how calculate face value and encashment value.
- How to disburse SOD loan against FDR.
- How to disburse house building loan and what are the necessary to attachment.
- What are the necessary requirement for trade loan, service loan and industrial loan? What they judge for this kinds of loan.
- Prudential requirement KYC and KYB verification by branch.
- How to give certification for clients to head office.
- Making survey report and CRG.
- Making branch collateral for valuation report and description and lacking in land.
- How to write application to the head office and client for reshuffling property.
- CLP making for term loan and CC loan by using samples for learning.
- Helped to photocopy and print.

Moreover, my main experience was acquainted with totally a new culture, how to work there as well as communicating with different environment.

### 1.3.2 Benefits to an internship program is a stage of preparation for a graduate before entering the workforce.

- The intern had the scope to learn about corporate culture through this internship program.
- This entry-level role allows you to demonstrate your dependability and expertise in your field of work.
- Also, a student may have no idea how to deal with clients, but an internship may improve their communication skills.
- Furthermore, an intern was mentored by a large number of experts from different kinds of industries with whom he or she could talk. It's possible that the intern would be able to build a skilled connection.

### 1.3.3 Problems / Difficulties:

- Because of this covid situation it was so risky to work there.
- As, there were too many customers wanting for taking services.
- The bank was conscious to follow every single hygiene rules but some customer's did not follow rules. So it was risky to go in bank.
- There was no particular seat or place for the intern to work.

### 1.3.4: Recommendation:

- We require some important data to make Internship report however these sorts of data isn't accessible. We emphatically recommend helping us in this matter.
- As having an intern every now and then is normal and mandatory so the bank arrange an extra seat or desk for the intern as they have nowhere else to sit.

# Chapter 2(Organization part: Overview, Operation and strategic audit)

## 2.1: Introduction

### 2.1.1 Vision and Mission:

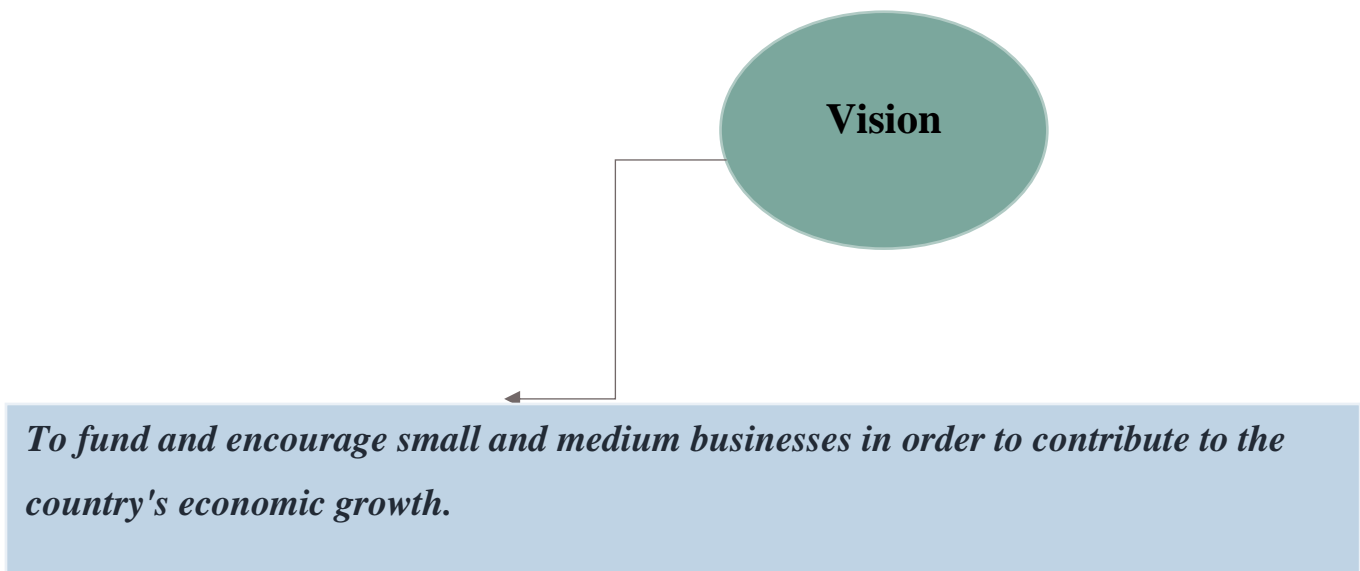


Figure 1: Vision



## Mission

*To become most powerful bank in the banking industry by providing high quality, timely services as well as creative ideas for entrepreneurship growth by effectively using human capital and ensuring corporate governance for the greater good.*

Figure 2: Mission

### 2.1.2BASIC Bank objectives:

- ◆ To develop compassionate banking culture.
- ◆ To open branches and offices to carry business within the country and abroad.
- ◆ To ensure the security in banking.



## 2.2 Overview of the company

### 2.2.1 Organization History:

The full form of BASIC Bank is Bangladesh Small Industries And Commerce Bank Limited. It was a basically a foreign Bank. Then it divided into two part BASIC and Eastern Bank. Basic Bank system is government but administration is private. BASIC Bank Limited was one of Bangladesh's seven state owned banks. In a statement in 2016, the finance minister characterized the bank's condition as bad because of corruption by top management and it would take time to change. Basic bank had been sanctioned by Sonali Bank UK Ltd and other foreign banks due to their irregularities. Basic bank has been barred from international transactions since 2012. BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited) began their journey on January 21, 1989, after being incorporated as a banking company on August 2, 1988, under the Companies Act of 1913. The Bank Company Act of 1991, as amended until 2013, now governs it. It began as a joint venture between the defunct Bee Foundation, which held 70% of the shares, and the Government of Bangladesh (GOB), which held the remaining 30%. Following the closure of BCCI, the BCC Foundation became inactive, and on June 4, 1992, the Government of Bangladesh took full ownership of the bank. It had a default story of 2009 to 2014. Still now 51% to 56% clients are classified. As a result, it is classified as a state-owned bank.

## 2.2.2 Board of Directors



***Professor Dr. Abul Hashem***

***Chairman***

Board of Directors

BASIC Bank Limited



***Mr. Md. Shaheb Ali Mridha***

***Director***

BASIC Bank Limited

Joint Secretary (Retired)

Govt. of Peoples republic of Bangladesh



***Mr. Md. Razib Pervez***

***Director***

BASIC Bank Limited

Founder and Chairperson

Governance Policy Explore Centre



***Mr. Md. Rafiqul Islam***

***Director***

BASIC Bank Limited &

Joint Secretary

Govt. of Peoples republic of Bangladesh



***Dr. Nahid Hossain***

***Director***

BASIC Bank Limited

Joint Secretary

Financial institution Division

Ministry of finance

Govt. of Peoples republic of Bangladesh



***Mr. Md. Anisur Rahman***

***Managing Director &***

CEO of BASIC Bank Limited

## 2.3 Management Practices

### 2.3.1 Organizational structure:

Each and every Organization has goals. To fulfil the goals bank has to maintain the major policy guidelines which is formulated by top management. And the management observe and operate the day to day activities of the employees. Organizational structure is a system and outlines. It shows how to achieve the goals according to direction. Rules, roles, and responsibilities are these types of activities. Organizational structure shows how information flows inside the company. For instance in centralized structure decisions flow from the top down but in decentralized structure, decision making power is distributed among various levels of the organization.

#### □ **Management:**

The head of the management is managing director. For branch level GM is Department head and two General Managers in the head office assist MD. Additionally, branch manager report directly to the MD and heads of department for functional purpose. In Banani branch they have 3 department GB, foreign exchange and loans and advance.

#### □ **Resource and capabilities:**

Basic bank is well organized and capable of fulfilling the demand for broad range of banking service. Bank has sufficient resources both physical and human to serve the best to the customer.

#### **Technological and physical resources:**

Basic bank invested a great amount to develop the physical resources. In the center of industry and trade Basic bank has major industrial and commercial hub of Bangladesh. Now it has 72 Branches in all over Bangladesh.

## □ Human resource:

Basic bank has experienced and higher educational background employees. They has diversification in human resource. In loan department there is a practice of human resource management. Bank authority try their best to satisfy the employees by bonus, remuneration training and other facilities. Additionally, they always believe potential in human resource upholds the reputation of the bank. To increase job satisfaction of employees, they focus on developing knowledge, skill and motivation.

## **Training:**

As, human resource is a moving and critical resource. Basic Bank give more focus on employees training and development. The quality of human resources keeps vital role in the success of organization. They arrange intensive training program to meet the challenges in banking industry and adapt changes in technology and new working condition. Basic bank arrange training for non-performing loans after 2 years. Basically, different types of training are arranged BIBM and other local and foreign institution. Basic bank established their own training center in 2005 with modern facilities. The budget of training and human resource develop in 2019 was 17.50 million. As well they sent 7 employees abroad to participate discussion, session and training. After giving training new software or economical changes they give training. Additionally, they arrange training for marketing to fulfill the deposit crisis. They also arrange training for each department about their issues. Furthermore, they give on the job training, internship and mentorship. However, the common method I observed in Basic Bank the job rotation training method for development of human resource.

## **Recruitment:**

Basic bank is very concern and strict about their recruitment. They try their best to hire the best people by following the recruitment policy. In case of fresh recruitment they require very excellent academic background. Interested and eligible candidate apply through Bangladesh bank website.

Due to covid situation their recruitment has stopped now. But they follow very strict policy to hire best and capable employees.

### 2.3.2 Organizational goal:

#### Ambitions:

- ✓ BASIC Bank Limited dedicated their service to the nation through active financial participation in all segments of economy, small industries, trade, commerce and service sector etc.
- ✓ The Banks main aim is to progress as an organization par excellence to customer satisfaction.
- ✓ Global Banking has change rapidly and BASIC as worked hard to adapt to these changes.
- ✓ To pay a vital role in human development and employment generation.
- ✓ To undertake project promotion to identify profitable areas of investment.
- ✓ To search for newer avenues for investment and develop new products to suit such needs.
- ✓ To establish linkage with other institution which are engaged in financing micro enterprise.
- ✓ BASIC staying up with the evolving climate.
- ✓ To corporate and work together with organizations endowed with the obligation of advancing and helping SSI area.
- ✓ Deep obligation to the general public and development of public economy.

### 2.3.3 Corporate organogram:

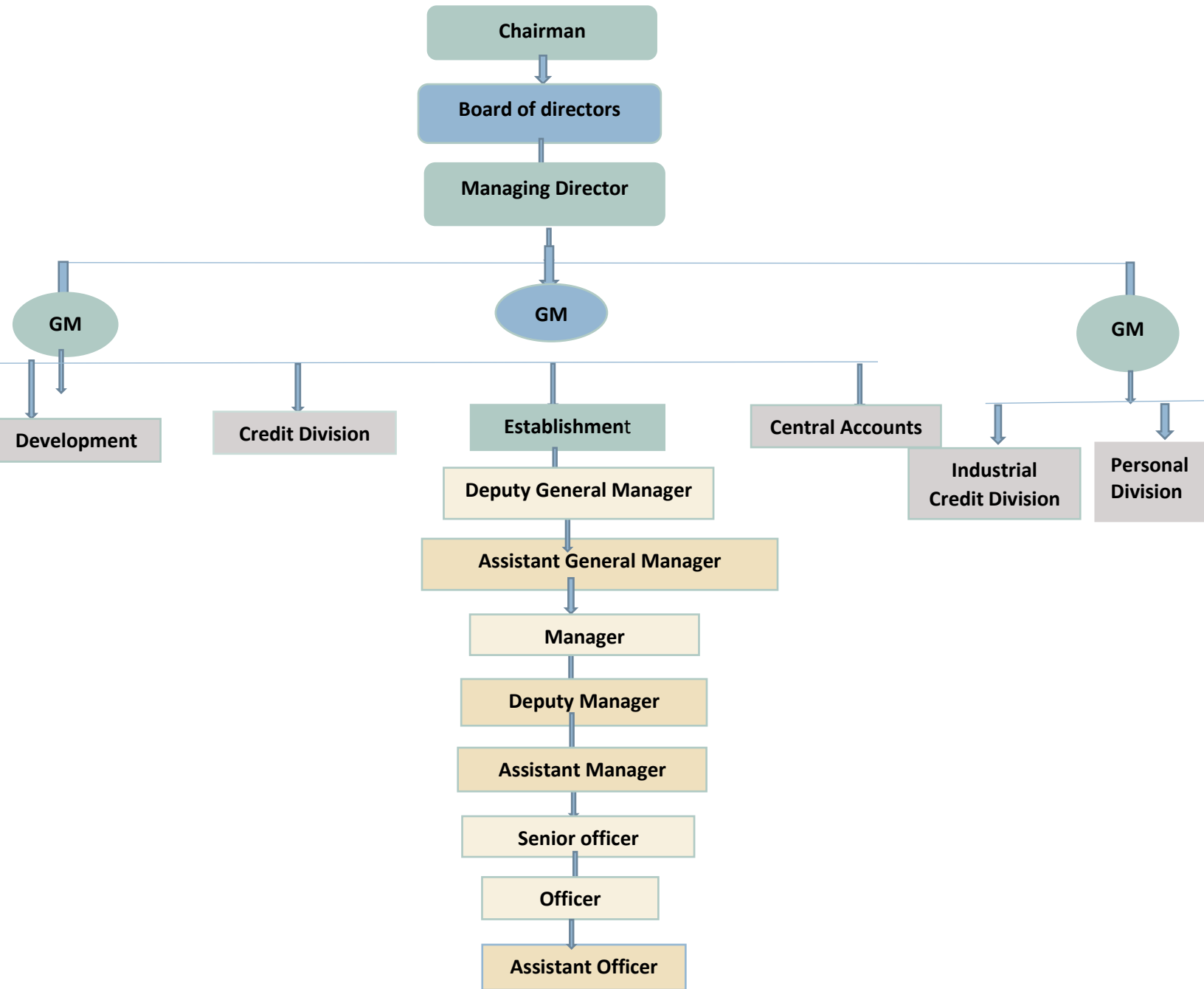


Figure3: Organogram

### **2.3.4 Corporate Strategy:**

- Financial foundation of small unit's enterprises and organizations and work with their development.
- Steady and feasible development.
- Investment in a careful manner.
- Adoption of new structure innovation.
- Profit augmentation.
- Establishing small enterprise

### **2.3.5 Risk Management:**

One of the crucial part of bank is risk management. Effective management of risk ensures profitability, capital adequacy and liquidity in a balanced manner. BASIC Bank does risk management in managerial, strategic and operational level. Board of directors control risk management at strategic level. Through BMRC (Broad Risk Management Committee) they sets Governance structure and risk philosophy. Senior management converts the strategy in to operational policies at managerial level. In operational level head office and branches, they follow the process of assess, measure, monitor, mitigate and report on risks. Additionally, they do internal audit. All risk committee (Executive Risk Management Committee) and 6 committee implement and monitor approved policies. BASIC bank also have Risk management Division which is headed by Chief risk officer for risk management. Furthermore, BASIC Bank has several number of risk management policy: credit policy, ALM policy, ICC policy, AML and CFT policy, Treasury Risk Management policy, CT policy, Whole sale borrowing and funding guideline, Fraud Management, Liquidity contingency plan as well as ICCAP policy. These are used to identify, mitigate and report on the risk.



### 2.3.6 Divisions:

BASIC bank has three divisions in their Banani Branch.

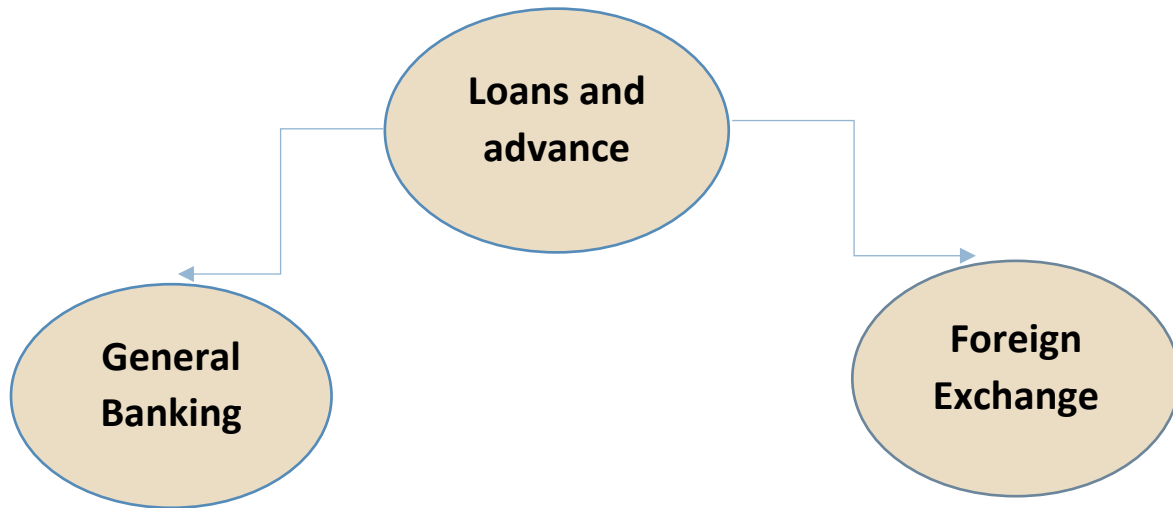


Figure 4: Division

## 2.4 Marketing Practices

### 2.4.1 Services:

Basic Bank offers the accompanying administrations to its clients, which incorporate all business banking capacities.

- ✚ Term loans to businesses, mostly small businesses (SSIs)
- ✚ SSIs receive technical assistance to help them run their companies profitably.
- ✚ Microcredit for the vulnerable in cities
- ✚ All commercial banking services, such as savings accounts, trade credit (both domestic and international), and working capital financing are available.

The bank maintains close contact with all parties involved, including government agencies, NGOs, and the central bank, in order to provide these services to deserving customers.

### 2.4.2 New products:

- ✚ Customers of Basic Bank can now choose from a variety of new deposit options. These are mostly for low-income individuals.
- ✚ Basic Double Benefit Scheme, Basic Monthly Benefit Scheme.
- ✚ Basic Premium plus Current Account are the three plans. These services provide enticing benefits to clients and are well-received.
- ✚ Basic Bank Limited began its journey with a specific target in mind.

In the meantime, it has demonstrated its ability and efficiency in establishing a strong footing for approaching the goal.

### **2.4.3 Social initiatives and CSR:**

BASIC Bank involves with social work such as employees safety and health issues, child labor, working hour, borrowers entity, remuneration and compensation. They focus on this for employee satisfaction and performance improvement.

Since 2008 BASIC Bank is engaged CSR. Additionally, they work for disaster relief, scholarship, sports, culture and poverty eradication and healthcare. With the collaboration of 4 banks they made a daycare center. Bank donate blankets at winter season. Furthermore, bank also financed 56 NGO's since 1996.

### **2.4.4 Green Banking:**

BASIC Bank's another important initiative is green banking. They finance for environment friendly project. Showing the responsibility in socially and business environment, bank is trying to take a good position for stakeholders by creating standards. Furthermore, bank reports for green banking activities to quarterly progress report. Moreover, banks aim is sustainable environment, sustainable economy, social value and long-term resilient. On the other hand, they launched high deposit product and school banking conferences, development fair and SME fairs. They also arrange seminar, workshop in branches to train employees.

## 2.5 Financial performance and Accounting practices

### Financial Situation Of BASIC Bank 4 years given below:

<b>A.From the balance sheet( million taka)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Authorized Capital	55,000.00	55000	55000	55000
Paid up Capital	10846.98	10846.98	10846.98	10846.98
Share Money Deposit	26000	26000	26000	16000
Reserve and Surplus	-29839.8	-26465.7	-22939.9	-16038.66
Shareholders' Equity	7007.14	10381.32	13907.09	10808.32
Fixed Assets	472.71	312.29	349.66	409.03
Total Assets	194916	191560.4	198816.7	204739.63
Deposits	138307.4	131821.6	143180.2	158070.98
Long term debt	7315.44	7082.11	2198.15	2325.16
Loan and advances	151769.6	151968.1	145568.6	134882.8
Placement & Investment	27995.9	25313.44	37599.23	54209.42
<b>B. From the Income Statement</b>				
Gross Income	8489.12	9586.44	10615.17	11932.41
Gross Expenditure	11555.65	10787	10263.62	11841.56
Profit before Tax & Provision	-3066.53	-1200.56	351	90.85
Profit/Loss after Tax	-3269.03	-3538.95	-6843.69	-14,930.40
Tax Paid(cumulative)	8245.39	8124.98	8067.46	7918.05
<b>C. Others(Million tk)</b>				
Import Business	32514.7	41925.4	39035.9	30380.2
Export Business	22470.9	23102.4	22285.7	23415.8
<b>D. Financial Ratios Percentage</b>				
Capital Adequacy Ratio	6.53	8.25	-13.22	-15.59

Capital Fund to Deposit Liabilities	5.07	7.88	9.71	6.84
Liquid Assets to Deposit Liabilities	9.58	7.75	13.6	10.86
Loan to Deposit Liabilities	103.88	109.45	100.25	83.62
Earning Assets to Deposit Liabilities	72.82	68.7	67.5	73.5
After Tax Return on Average Assets	-1.69	-1.81	-3.39	-7.49
Net Profit to Gross Income	-38.51	-36.92	-64.47	-125.12
Interest Margin Cover	-77.25	-41.11	-6.52	-39.29
After Tax Return on Equity	-20.57	-21.08	-55.38	-81.24
SMI/SMI Loan and Micro credit to Loanable fund	39.71	40.72	40.34	40.57
Number of Branches	72	68	68	68
Number of Employees	2097	2075	2103	2132
Deposits Per Employees(Million Taka)	65.95	63.53	68.08	74.14
Advance Per Employee( Million Taka)	72.37	73.24	69.22	63.27
Profit before Tax Per Employee(Million Taka)	-1.46	-0.58	0.17	0.04

## 2.6 Industry and Competitive Analysis

### 2.6.1 SWOT Analysis

The SWOT review demonstrates the Bank's resilience and strategic capabilities. The SWOT analysis is based on the idea that strategy making activities should look for a good match between a company's resource capacity and its external situation. We can understand the situation of bank or any organization by SWOT analysis. BASIC Bank Limited's SWOT review is as follows:

#### Strength:

**Sponsor:** BASIC Bank has supports from an alternate Bangladeshi businesses. This organization was set up by the most conspicuous business visionaries from various enterprises. Thus, the bank's supervisory group had a different scope of thoughts and aptitude, which is basic for achievement in the present serious market.

**Shariah-Based Banking:** BASIC Bank follows the Islamic Shariah. Since Bangladesh is a Muslim country. Shariah banking is fruitful in drawing in clients and in the private financial area.

**Branches:** BASIC Bank has 72 branches across the country and plans to continue expanding their business by opening new branches across the country. It has strengthened the distribution of the bank's services.

**Government Bank:** The 100% Share of BASIC Bank is Government. So it is a very Good Strength for any Company. It is known to people as state owned bank.

## Weakness:

**Promotion:** The bank doesn't take part in any proper advancement. They essentially don't publicize in any capacity and don't take part in any showcasing exercises. They don't have a great deal of announcements. This is the reason they are so a long ways behind their private financial rivals. Likewise a few group don't know about BASIC Bank follows Shariah rules.

**Compensation:** In contrast with other private banks, BASIC bank's officials are saved money. What's more, entry level position understudies are not redressed. This is the reason high-talented representatives are deterred from joining the organization.

**Internet Banking:** Currently, every bank is endeavoring to change their clients over to internet banking. BASIC Bank doesn't give an internet banking administration. Subsequently, they use what's app and sms banking. I trust BASIC Bank will likewise carry out internet banking framework and offer phenomenal assistance to its clients.

**Decision-Making Centralization:** The bank's dynamic is excessively unified. No choice is taken without the endorsement of the corporate base camp. Frequently a sudden decision is required, however nobody can settle on such a choice from the branch. This is one of the bank's most genuine imperfections.

**Lacings in punctuality:** Some BASIC Bank Ltd. officers are not serious in their work. They don't show up on a regularity, and when they do, they don't do their job properly. They simply converse to pass the time. Some of the officers aren't right for the job.

## Opportunities:

**Consumer Banking:** BASIC Bank offers corporate banking services. Consumer banking is a huge opportunity in our country. As a result, BASIC Bank will rebrand itself and combine consumer and corporate banking.

**Automated Teller Machines (ATMs):** Our nation's financial framework is modernizing. Individuals appreciate having the option to pull out cash whenever and from any spot. Consequently the ATM card is currently basic around there. Essential bank has the alternative of introducing an ATM framework in their office. Notwithstanding, Shariah-agreeable banks don't give ATM cards. The individuals who need an ATM card however don't have any desire to pay interest can be captivated by a Shariah-agreeable ATM card.

**More Branch Locations:** Our country's economy is developing. Outside of Dhaka, the organization is additionally developing. Therefore, interest for banking administrations is consistently developing. Thus, BASIC Bank will actually want to open more branches in the country and extend its administrations.

## Threats:

**Local Currency Devaluation:** The worth of the neighborhood money is declining. Therefore, nearby financial venture is declining. Moreover, the country's swelling rate is increasing. Individuals need to set aside cash, however they can't do as such in specific circumstances. Subsequently, banks get less stores.

**Competition:** Considering the financial circumstance in Bangladesh, more private banks have started to work around there. They are bringing different sorts of alluring products. The quantity of private banks has developed because of this is extreme for bank to put due to its embarrassment.



**Bank Default:** The citizens of the country have a proclivity to go bankrupt. Sonali and BASIC Bank went through a difficult period a few years back. Because of the scandal 2009 to 2014, this deters banks from making new investments. (51%-56%) Clients are classified and default. Which is threat for now and future.

## **Chapter 3 Project Part: Title of the project**

**“Managing salesforce target and challenges on loan department of BASIC Bank Limited.”**

### **3.1 Introduction to the study**

#### **3.1.1 Origin of the report:**

One of the most significant aspects of the BBA program is the internship program. It's a place where students can get hands-on experience and develop their skills. In today's dynamic environment, a student's future cannot be confined solely by classroom education. An internship program will help a student become more punctual and genuine.

It will also benefit them a lot in their future professional life because they are professional, well communicator, and swift in different aspects to choose a typical company-based internship program. This study was written to fulfill the requirements for the Bachelor of Business Administration degree at BRAC University. On February 14, 2021, I began my internship at Basic Bank Limited (Banani Branch). This essay is focused on my internship experience.

This internship program has given me confidence and will be extremely beneficial to me in the future. During this internship, I gained information about banking sectors and also have developed my skills because I was applying what I have learned in class.

### **3.1.2 Limitation of the report:**

- Accessibility in information and restriction in working because of covid situation.
- There is a scarcity of knowledge.
- My designated supervisors and other banking officers was unable to give enough time due to the rush of banking hours.
- Most of the employees had rostering duty.
- Because of time scarcity it is almost difficult to learn anything there is to know about the banking industry.
- Accessibility restriction in some departments.

### **3.1.3 Objectives of report:**

- To fulfil the prerequisites of BBA program.
- To be comfortable with the reality and attempt to set myself up to adjust with the corporate world.
- To interconnect my human resource management course with Basic bank loan department.

- To apply my hypothetical information essentially.
- To understand organizational activities.
- To learn loan department activities.

### 3.2 Methodology:

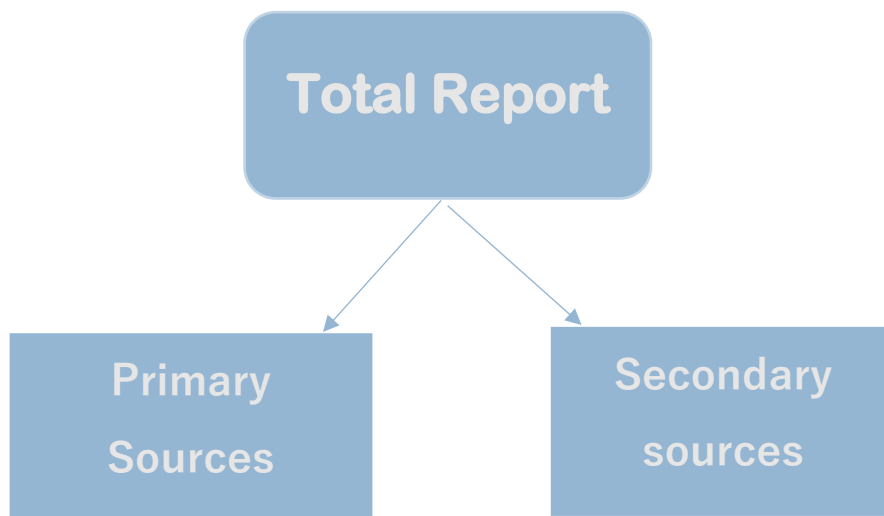


Figure 5: Methodology

Both primary and secondary data sources is used in this internship report.

#### Primary Sources:

Primary information sources are booked review, casual discussion and perception when working in different work areas.

The following are the primary sources of my information:

- Observation on the spot.
- A unique perspective.

- Interrogating the people who are involved.
- Interacting with the other bankers.
- Job rotation.

*Secondary sources:*

BASIC Bank Limited's website, annual report, the related department's desk report, other manual information, loan client information, and some of my course elements related to this report. To identify the implementation, monitoring, training, tracking, loan sales force target, overcoming challenges, interview with the employees, a detailed analysis of the current file, and a practical case assessment were used.

In certain instances, existing data and knowledge was not enough.

## 3.3 Finding And Analyzing

### 3.3.1 Types of Loan:

Basically, Basic Bank gives 4 types of loan according to universal classification. When they give loan, they consider different things for different loan. Their requirement is different in terms of loan.

**Continuous loan:** The continuous loan in which exchanges might be made inside certain restriction and limits. It has an expiry date for full adjustment. For instance, CC, OD and so on.

**Demand Loan:** A demand loan is a credit that a moneylender can need to be reimbursed in full. It is a rare form of loan which can be called to complete repayment without any prior warning to the borrower. However, in the demand of lender, borrower must have to pay for it. The more time borrower takes, the more interest will have to pay.

**Term Loan:** A term loan is a credit given by a bank for a fixed sum and fixed reimbursement plan with either a fixed or skimming revenue rate. Term loan is disbursed one time basis. Additionally, it is repaid in installments which is equated in different amount. Interest is charged in a daily outstanding balance which reduces daily basis of time. The loan is basically given for purchase of machinery, vehicles, furniture and building construction.

**Short term agriculture and micro credit:** The term agriculture credit alludes to one of a few credit vehicles used to back rural exchanges. These vehicles incorporate credits, notes, bills of trade, and broker's acknowledgments. This sort of financing is exceptionally adjusted to the particular monetary requirements of ranchers and permits them to get gear, plant, reap, showcasing, and do different things that are important to keep their homesteads running.

Additionally, BASIC Bank categorize the loans in 3 ways internally.

**Trade Loan:** Trade loan is basically not related to manufacturing but related to buy and sell. Importers exporters and domestic trader make profit from trade loan. These are short-term loans between a borrower and a lender. Each loan would be for a single transaction, and these funds are typically used for product purchases and sales. Limits are not based on a single factor, and lenders are not always interested in these type of trade used. Traders that have open account purchases, documentary credit, or collections may use the facility. Trade loans help in the financing of trade deals at critical points in a company's trading cycle and this is useful since it increases the cash flow. Trade loans are regarded as fully revolving credit facilities that are used to bridge the gap between the purchasing of a commodity and the end buyer's repayment.

Depending on the level of protection, the funder would be able to exercise control over the transportation. In basic bank they basically give trade loan who has already an established business.

**Industrial loan:** Industrial loan is basically related to manufacturing. Any loan made to a company or organization rather than an entity is referred to as an industrial loan. Industrial loan is mainly used to fund working capital or capital investments including machinery or equipment. This is a short-term loan that is almost secured by some kind of collateral. Industrial loans usually have variable interest rates tied to the bank prime rate or another benchmark rate like LIBOR. Many borrowers are often required to file regular financial statements, at least once a year, and more often in the case of higher risk borrowers. Small and medium sized firms account for the majority of C&I loan borrowers because they are unable to produce adequate cash flow to finance operations on a continuous basis and lack access to the equity and bond markets that large corporations do. For industrial loan Basic Bank need some attachment CLP( credit line proposal), loan application, stock report, CRG, visit report, branch valuation, KYC, KYB, machinery list, LDCL and disbursement proposal.

**Service loan:** BASIC Bank mainly disburse service loan to the service based organization like hospital, consultancy, law firms, airlines and parlor. In service loan they basically judge location and service. For example, a hospital applied for the loan for buying machineries and salary of the



doctor. If they disburse loan to the hospital, how hospital will pay their loan interest? In these case, they will pay interest from the fees of the patient and fees from the machine test. In this way, they will pay the loan. Moreover, the attachment they need in service loan CLP( credit line proposal), client application, trade license, NID, PI quotation, legal opinion ,survey report, CRG, visit report, branch valuation, KYC, KYB, machinery list, license of the organization..

### 3.3.2 Different types of loan product BASIC Bank offered:

<b>Loan type</b>	<b>Loan product offers</b>
<i>Continuous Loan</i>	CC-HYPO agriculture primary product-crops CC-HYPO AGRI Primary Products- others CC-HYPO –BASIC NANDONIK CC-HYPO –BASIC(AMONTRON) CC-HYPO –BASIC (HAATER KAAJ) CC-HYPO –BASIC(AKKHOR) CC-HYPO –BASIC(SHAAT SHODAI) CC-HYPO –BASIC ( PROYASH) CC-HYPO- AGRO BASED INDUSTRY CC-HYPO- MICRO AND COTTAGE INDUSTRY CC-HYPO- SMALL INDUSTRY CC-HYPO- MEDIUM INDUSTRY CC-HYPO- LARGE INDUSTRY CC-HYPO- SMALL ENTERPRISE CC-HYPO- MICRO ENTERPRISE CC-HYPO- MEDIUM ENTERPRISE CC-HYPO- LARGE ENTERPRISE CC-PLEDGE- AGRO BASED INDUSTRY CC-PLEDGE- MICRO AND COTTAGE INDUSTRY CC-PLEDGE- SMALL INDUSTRY CC-PLEDGE- MEDIUM INDUSTRY CC-PLEDGE- LARGE INDUSTRY CC-PLEDGE- MICRO ENTERPRISE CC-PLEDGE- SMALL ENTERPRISE CC-PLEDGE- MEDIUM ENTERPRISE CC-PLEDGE- LARGE ENTERPRISE

	<p>OVERDRAFT FOR FINANCE TO CROP SECTOR OVERDRAFT TO MBFI</p> <p>TEMPORARY OVERDRAFT OVERDRAFT (CLEAN) OVERDRAFT- BASIC FRIENDSHIP OVERDRAFT- IND SPECIAL CMSME COVID 19 OVERDRAFT SER SPECIAL CMSME COVID 19 OVERDRAFT COM SPECIAL CMSME COVID 19 OVERDRAFT REAL ESTATE- INDUSTRIAL OVERDRAFT REAL ESTATE- COMMERCIAL OVERDRAFT SECURED MORTGAGE OVERDRAFT SECURED (OTHER SECURITIES) OVERDRAFT TRANSPORT LOAN INDUSTRIAL OVERDRAFT TRANSPORT LOAN COMMERCIAL</p>
<p><i>Term Loan</i></p>	<p>TERM LOAN BASIC agriculture(crops) TERM LOAN BASIC PROYASH TERM LOAN BASIC NANDONIK TERM LOAN BASIC AMONTRON TERM LOAN BASIC HAATER KAAJ TERM LOAN BASIC OKKHOR TERM LOAN BASIC SHAAR SHODAI SHORT/ TERM LOAN AGAINDST SALARY TERM LOAN NGO COVID (RS-3000) SHORT TERM LOAN- INDUSTRIAL SHORT TERM LOAN- COMMERCIAL SHORT TERM LOAN AGAINST FBC TERM LOAN –SIMPLE TERM LOAN-AAGRO BASED INDUSTRY TERM LOAN-SMALL INDUSTRY TERM LOAN- MEDIUM INDUSTRY TERM LOAN- LARGE INDUSTRY TERM LOAN-SMALL ENTERPRISE TERM LOAN-MEDIUM ENNTERPRISE TERM LOAN-LAARGE ENTTERPRISE TERM LOAN INDUSTRIAL TERM LOAN COMMERCIAL TERM LOAN TRANSPORT LOAN-INDUSTRIAL TERM LOAN TRANSPORT LOAN-COMMERCIAL TERM LOAN- REAL ESTATE LOAN- INDUSTRIAL TERM LOAN- REAL ESTATE LOAN- COMMERCIAL TERM LOAN FOR FINANCE TO CROP SECTOR TERM LOAN TO MBFI</p>



## *Demand Loan*

TL agriculture(Primary product others)  
STL agriculture ( primary product crops)  
STL agriculture(Primary product others)  
STL agriculture( others)  
INTG. COW REARING & BIO GAS PLANT(W/O-REF) BRANCH  
INTG. COW REARING & BIO GAS PLANT(W/O-REF)-MFI  
INTG. COW REARING & BIO GAS PLANT(W/O-REF)-AGENT  
STL FOR 10 TK ACCOUNT HOLDERS(MFI)  
STL FOR 10 TK ACCOUNT HOLDERS( INDIVIDUAL)  
BASIC KALYANI  
LOAN FOR BID INSTRUMENT PURCHASE(BIP)  
STL BASIC NANDONIK  
STL BASIC KHAMARBARI  
STL BASIC ATMOJOYEE ( W/O REFINANCE SCHEME)  
STL BASIC ATMONIRVOR ( W/O REFINANCE SCHEME)  
STL BASIC SUFOLA  
STL BASIC RUPALI REKHA  
BILL PURCHASED CLEAN  
BILL PURCHASED( DOCUMENTARY SIGHT)  
BILL PURCHASED ( DOCUMENTARY USANCE)  
FOREIGN BILL PURCHASED CLEAN  
BASIC HOME LOAN  
MEET THE NEED  
MEET THE NEED BASIC  
BASIC SOLARE SYSTEM FINANCING SCHEME  
BASIC EXPATRIATE LOAN  
EXPORT CASH CREDIT  
PACKING CREDIT  
INTG. COW REARING & BIO GAS PLANT(REFINANCE)- BRANCH  
INTG. COW REARING & BIO GAS PLANT (REFINANCE)-MFI  
INTG. COW REARING & BIO GAS PLANT( REFINANCE)- AGENT  
STL BASIC ATMOJOYEE(REFINANCE SCHEME)  
STL BASIC ATMONIRVOR(REFINANCE SCHEME)  
STL FOR 10 TK ACCOUNT HOLDERS(IND)( REFINANCE SCHEME)  
STL FOR 10 TK ACCOUNT HOLDERS(MFI) (REFINANCE SCHEME)  
MILK PROD. & ARTIFICIAL INS(REFINANCE SCHEME)  
HOUSING REFINANCE GOVT.  
BASIC SOLAR SYSTEM REFINANCING GOVT.  
BRICK FIELD ( HFK/TK/ZK) (REFINANCE SCHEME)  
STL – AGRI- COVID R.S 5000  
STL – NGO- COVID R.S 3000  
STL- LARGE INDUSTRIAL COVID9(08/20)  
AIDB- REIMBURSEMENT IN FC  
AIDB- REIMBURSEMENT IN LC

	<p>LADB- REIMBURSEMENT IN FC  LOAN AGAINST IMPORTED MERCHANDISE – INDSUSTRIAL  LOAN AGAINST IMPORTED MERCHANDISE-COMMERCIAL  LOAN AGAINST TRUST RECIEPT-INDUSTRIAL  LOAN AGAINST TRUST RECIEPT-COMMERCIAL  LOAN AGAINST TRUST RECIEPT-INDUSTRIAL (SIMPLE)  MICRO CREDIT TO INDIVIDUAL- (COMPOUND)  MICRO CREDIT TO INDIVIDUAL- (SIMPLE)  SHORT TERM LOAN AAGST WORK ORDER</p> <p>MICRO CREDIT TO NGO- (SIMPLE)  MICRO CREDIT TO NGO-(COMPOUND)  STL AGRICULTURE BASED INDUSTRIES  LOAN GENERAL  e- BIP CREDITR  DEMAND FORCED- INDUSTRIAL  DEMAND FORCED- COMMERCIAL  PAYMENT AGAINST DOCUMENT INDUSTRIAL</p> <p>PAYMENT AGAINST DOCUMENT COMMERCIAL  SOD AGST BANKS OWN FDR  SOD AGST GOVT. BONDS AND SECURITIES  SOD AGST BANK’S OWN DEPOSIT SCHEME  STAFF HOUSE BUILDING LOAN (NEW) - SIMPLE  STAFF HOUSE (RENOVATION) – COMPOUND  STAFF COMPUTER LOAN  STAFF LOAN AGAINST SALARY(COMPOUND)  STAFF COMPUTER PF  STAFF INVESTMENT PURPOSE LOAN (SIMPLE)  STAFF INVESTMENT PURPOSE LOAN (COMPOUND)  STAFF CONSUMER CREDIT  STAFF HOUSE BUILDING- COMPOUND  STAFF HOUSE BUILDING- RENOVATION- SIMPLE  STAFF LOAN AGAINST SALARY</p>
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Table 1: Different types of loan



### 3.3.3 Lending procedure:

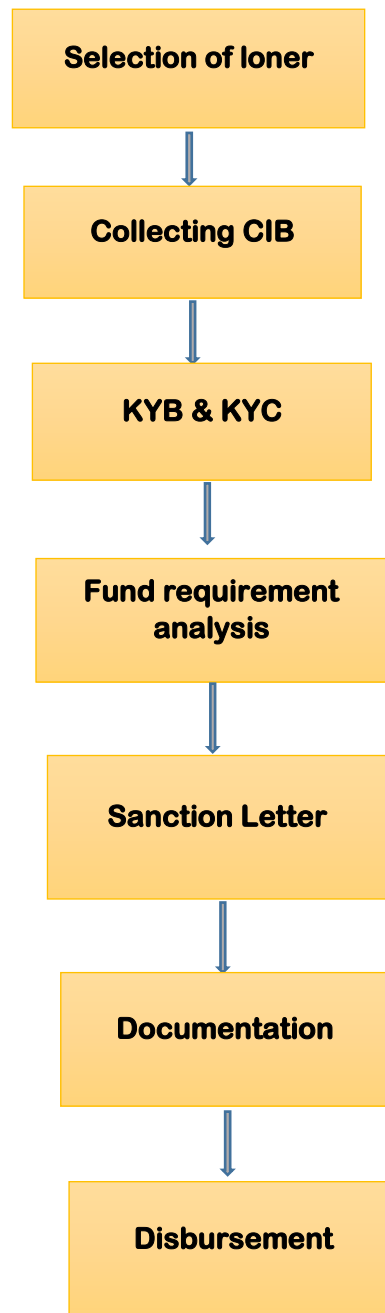


Figure 6: Lending Procedure

## Selection of loner:

**Entrepreneur:** Entrepreneur use their fund to establish a new business and contribute to the economy Entrepreneur or promoter has to be credit worthy and compete enough to run the proposed industry. But BASIC bank lend money who are established entrepreneurs and who has existing business.

**Viability of the Project:** From an operational, technological, commercial and economic standpoint, the project must be viable. If it is not viable, loner will not able to pay the installment and interest.

**Technical Viability:** The project should be both technically and environmentally sound. The structure of the business should be well-designed and built.

**Commercial viability:** The product's market potential must be completely assured at all times .Entrepreneurs should have access to the product's marketing channel.

**Financial Viability:** A fair debt equity ratio should be calculated by the bank on case-by-case basis. At the optimal level of output, the debt service coverage ratio should be at least 2.5 times. Additionally, The IRR should ideally be no less than 20%.

**Economic viability:** The project should have a positive impact on the national economy and provide enough job opportunities for the country.

## Collecting CIB:

BASIC Bank collect CIB from Bangladesh Bank to know about the client. They can know all the history of borrower from CIB. On the off chance that the customer is ordered they don't give any credit to him. By getting the borrower's credit application, the bank composes a letter to Bangladesh Bank mentioning a report. The Credit Information Bureau (CIB) report is the name of this report. This report reveals whether the borrower has taken out a loan from another financial institution. If the client is classified or not what his status all the things are known by this CIB. So, Basic bank can understand about the viability of the project.

## KYB & KYC:

This is one of the most important term. KYB (Know your borrower) different than KYC (know your customer). Because they need to do more inquiry for borrower. Because bank is lending money to someone, they should know the borrower status by visiting business, property and trade license.

## Fund requirement analysis:

Basic Bank do not dispense advance with no vow. Since they had a bad history of bank default. The condition of the firm clarifies why the borrower requires reserves. In the event that the bank advance staff establishes that the advance necessity is substantial, credit scattering is very insignificant. The bank's development group goes through a cycle to try not to default on a credit.

## Sanction Letter:

When the Head-Office approves, the branch issues the sanction to the borrower.

The following elements create a sanction:

- Borrower's name
- Interest rate

- Investment period and mode of adjustment
- Facility authorized Security
- Purpose
- Other terms and conditions

## **Documentation:**

When the borrower accepts the sanction letter, the documentation process begins. Documentation is a written record of a transaction involving legal sites that has been signed by a person with legal standing. Basic made a file of all documents each clients.

The BASIC Bank Limited utilized the following documents to approve various types of investments

- CLP
- Client Application
- Trade license
- NID
- CIB
- Survey report
- Branch Valuation
- CRG
- Machinery list
- Visit report
- KYB & KYC
- Genuineness of collateral
- Stock report

## **Disbursement:**

After done with all procedures and approvals have been completed, the advance officer should disburse the loan. The officer presents the solitary with a check. Loner must have to open a bank account at that branch in order to withdraw funds from the account.

### 3.3.4 Challenges face to Bank Lending

#### □ Non-performing loan:

First of all client applies for the loan to take loan from bank. And client pay his installment on the basis of time and annuity. For example, In BASIC Bank, if a client could not pay his installment for the first month he can pay it to second or third month. If they could not pay his installment during three months, Basic bank sends a reminder letter to the client. Because of three month non payable installment bank classified the client as SMA. After six month of non-payable interest, Basic Bank started them to classify as SS. If there is a good relation with client they don't classify the client. After passing 9 months bank classified them as doubtful. Bank sends a reminder letter after every 3 months. At last after 12 month client don't clear the installment are considered as in a bad and loss position.

When the full amount of installment and interest is given by the client after long time, it cannot be included in income statement. So, this is not recognized as an income and which is also not counted as profit for bank. For this reason, the loan is not performing as income of the bank. So, this is a challenge for bank. Because banks main aim is making profit.

#### **Challenges they face:**

There are several difficulties they have to face for non-performing loan.

- Loan client can make false property document or sell his mortgage property.
- It is tough for loan employees to deal with the clients and convince them for repaying the interest.
- This is also a great challenge to time to time send reminder letter and pressurize the client for money.
- Sometimes they have to manage meeting with classified clients.
- On the other hand, non-performing loan doesn't perform in income statement and it doesn't create profit.

- If bank cannot make profit, it will create impact on employee's salary and yearly profit.

## Overcome:

Basic bank employees need to solve many problems related to non-performing loans. The attempts they take to overcome problems:

- Employees have to perfectly inquiry loan clients.
- They need to do KYB (know your borrower) more seriously than KYC (know your customer).
- Bank do inquiry the business and property by their visit team and make a visit report. How much money they have. Is there any default in land? Is it sold to other person?
- Verification, NID, trade license, land papers all are properly checked by employees.
- To recover the loan first they send reminder letter so that the client can know about situation.
- After 3 months they send reminder letter.
- When the account position is deteriorating of the clients, here the basic banks main duty is to communicate with clients.
- Bank also need to inquiry about mortgage property. When the communication is not effective bank called a meeting with client with higher managerial and loan and advance department employees.
- Lastly, when clients classified as BL (bad and loss) position after 3 years bank can file a case against client. Then sell property by bidding. In this way they overcome the non-performing loan related problem.



## Training:

At least after 2 years training is given by the bank for non-performing loans related issues. They basically give the training for filling the target.

## □ Operational Challenges:

**Increased regulatory procedures:** Bank has to face different kind of problems because of new regulation. For example: During Covid situation according to Bangladesh bank circular they have to follow some rules. Like Banks were open for selective time and days. They employees did rostering duty. Basic Bank could not follow their own rules. Sometimes Bangladesh bank give circular where in some selected area they cannot open branch. Maybe bank could do some profit by loan disbursement on those particular areas. When they cannot open branch it will become problematic for their operation. For different kind of regulations basic bank is not able to continue their operations in their own way. Furthermore according to BRPD Circular of Covid 19 there are time extension policy has been occurred which is good for customer in short term but in long run bank will face so many problems. Later, bank now have less classified loan in near future it will have more classified loan.

**Slow economy:** Economic situation is not always same for the country. Like during the covid 19 economy was in a bad situation. It had a bad impact on bank. People couldn't pay the interest of their loan. It starts to show deposit crisis. For this reason, bank couldn't able to perform their operational activities as well as it had a bad impact on employee's salary and bonus. During the recession and when the economy is sluggish it become an operational challenge.

To mitigate the situation they give the employee deposit target. For this reason Basic bank give training on marketing how they can convince for deposit target.

**Technological challenges:** With the changes of time technology is updating. So bank has to update their operation according to technology. In previous time banking system was based on pen and

paper. But now it is based on software. According to the instruction of Bangladesh bank they have to work using the new technology. One of the operational challenge for basic bank is they don't have internet banking. They use what's app and sms banking. In their client valuation report they rate the risk using a software. It became an operational challenge to use new software. During the technological changes they give training on new software. Basically they normally don't give training on operational challenges.

**Alternative competition:** Different types of bank has different kind of facilities. Competition is not only bounded in national lender but also in retailer, telecommunication and others in banking payment system. They maintain their competition based on alternatives. It had a great impact on operations. Based on alternative competition they set their deposit rate, loan interest rate and quick service. Like they increase their deposit rate and decrease loan interest rate.

Additionally, non-banks started lending business and they are not confined only retail payment market in euro area. In some years, we have been seen the trends of capital market based financing in euro area and very low cost of market finance as well as driven by deleveraging among banks.

### Overcome:

- So according to the competition basic bank arrange training and overcome the operational challenges which is the reason of alternative competition.
- They basically arrange more training technological related problem or for new software installment.
- Additionally arrange marketing training for deposit crisis.
- Decrease loan interest rate to avoid alternative competition.

## Training:

They arrange training for operational challenge based on situation and changes.

## □ Liquidity risk:

Liquidity risk means the capacity of a bank to get to money to meet funding obligation. Taking out the deposit is the obligation of clients as well as bank is not able to lend money to the client. However, snowball effect can be occurred for inability to provide cash to the customer. In the event that a bank delays giving money to a couple of their client for a day, different investors may race to take out their deposit as they lose trust in the bank. This further brings the bank's capacity down to give assets and prompts a bank run.

Reasons that banks face liquidity issues incorporate over-dependence on short term assets, having an accounting report amassed in illiquid resources, and loss of trust in the bank with respect to clients. This happens when a bank has many short term liabilities and not many short-term resources.

## Challenges:

- Assets liability mismanagement can create funding problems
- Customer become dissatisfied with bank.
- Bad impact on bank reputation.
- Not able to disburse loan.
- Creates problem between surplus and deficit.
- If bank has shortage of liquid asset, they are not able to lend other bank in a repo rate.

## Overcome:

- The bank maintains diversifies and stable funding and corporate deposits and institutional balance.
- Asset liability committee liquidity management team.
- Contingency planning to manage extreme situation.
- Basic Bank usually solve liquidity problem by deposit collection target.
- Decreasing bank lending.
- Increasing deposit rate
- Guidelines exist to reduce liquidity issues
- Should hold enough liquid assets to survive at the time of liquidity problem.

## Market risk:

### Challenges:

- The market risk of the bank is foreign exchange risk, interest risk and equity risk.
- Market risk for the most part happens from a bank's exercises in capital business sectors. It is because of the eccentrics of value markets, item costs, interest rate, and credit spreads. Banks are more uncovered on the off chance that they are vigorously associated with putting resources into capital business sectors or deals and exchanging. Commodities price effects bank because bank invests resources into organizations that produce products. Commodities price changes because of supply and demand. Changes in product costs are brought about by market interest moves that are frequently difficult to anticipate. These create problems in bank lending.
- On the other hand, Market risk is a challenge for a bank. There is an impact of market risk in Basic bank. Because they had a history of bank default 2009 to 2014. Additionally, classified clients still now did not clear their installment. For this it had impact on their reputation in market. Now basic bank don't disburse loan to the new entrepreneurs. They give loan who already has an existing business. For this reason they had not a very good image in the market.

People sometimes don't want to take loan or deposits for bank reputation. It effects on their salary of the employees. In some month they got less salary than before. It actually affects employee's satisfaction and performance.

### **Overcome:**

- ❑ In this way, to diminish market risk, expansion of diversification is significant. Alternate ways banks lessen their venture incorporate hedging investment with other, conversely related speculations.
- ❑ Additionally, overcome these problem for market reputation, they are decreasing interest rate for loans than other bank. Basic Bank also increase the rate of deposit interest. Furthermore, bank sets target of deposit account for all the employees.

### **Training:**

Market risk related training are given for different type of marketing risk.

### 3.3.5 Salesforce Target:

According to the interview of loan department employees of BASIC Bank Limited, I asked them some questionnaires about how they meet their target, what the challenges are and how they overcome the challenges.

Their target is set basically on yearly basis. It changes from 2 to 3 times. In their Bank they have deposit targets more than loan target. Because, they had a very bad history of bank default. About 51% to 56% clients are classified. The target of bank is achieving profit by balancing the liabilities and assets. But in their BASIC bank their loan is more than deposits. For this reason their loan deposit is 102 % which should be 87 %. Additionally the 80% deposits of bank has highest interest rate. Consequently, the Bank had to face the lacking in provision and capital. To make the bank profitable they are giving more priority to deposit without interest and more focus on loan repayment.

In Basic Bank loan department they have 5 employees. To meet their loan or deposit target they need a very good marketing skills. They have to meet up the target according to the rules of authority.

**According to April 5, 2021 the target of 2021:**

<b>1. Below officer level</b>	<b>100 accounts and amount of status will be 1crore</b>
<b>2. Officer to Executive manager</b>	<b>100 accounts and the amount of status will be 5 crore</b>
<b>3. AGM to DGM</b>	<b>100 accounts and the amount of status will be 7c-rore</b>
<b>4. GM to upper level</b>	<b>100 accounts and the amount of status will be 10 crore</b>

Table 2: Deposit Target of 2021

**Challenges face to fulfill target:**

In terms of loan disbursement they had some risks and they are personally liable for some tasks. They had to deal with their client properly. Sometimes, the collateral they shows are fake. Like papers related to property and land is not according to they described. On the other hand, they take loan showing for business but using for other sectors. They had to visit particular property, land and business where they are personally liable for any error. To fulfil their loan target they had to deal very carefully with fraud client.

If they cannot meet their target, they will have to face some problems. Like in the sector of their promotion they face some problems. When organization do performance appraisal they could not able to show the skills. They get less marking in their promotion.

The challenges they had to face it become so much tough to fulfill the target of deposit. But most of the case they are able to fulfill the target of deposits. Usually marketing training is given for deposit target.

### **3.3.6 Barriers to Bank lending:**

**Banks are not source of start capital:** Most of the startups need capital for starting new business. Basically many banks don't want to give capital to the startups. It is a great problem BASIC Bank only disburse loan to the existing business.

**Location of the business:** Banking is a business of getting your cash back. Therefore banks need to make great credits. One of the primary issues for banks is that they need to decide if the credit application is to grow a productive on-going business or is this an advance to fund unbeneficial tasks? What frequently happens is that private ventures, in any event, existing one. Basic bank normally give service loan based on the location like hospital, consultancy and parlor etc. Based on the location they can assume how their business situation will be and how they will pay business.

**Payment challenge:** One of the key difficulties confronting banks is the effect of troublesome new advances on their retail payment business. Such rivalry from non-banks in retail payments administrations is obviously not new. Western Union and MoneyGram, for instance, are grounded non-bank suppliers. Yet, what is distinctive now is that different elements are corresponding which look set to on a very basic level change the scene of the retail installments market, and in manners that compromise banks prevailing business sector position.

- Regulation is opening up market access.
- Consumer preferences are shifting rapidly.



- payments technology changing day by day in a speed

**Market challenge:** Non-banks are entering into market for lending business which become a challenging issues for bank. For certain years now, we have been seeing a pattern towards more capital market-based financing in the euro territory, driven by both deleveraging among banks and the extremely minimal expense of market money.

### 3.4 Conclusion:

Each organization has a few advantages and disadvantages. Though the default story of 2009 to 2014 became the reason of bank scandal. There is practically nothing which doesn't have the both side. Basic Bank isn't likewise not the same as them. The bank is providing multiple products with huge and attractive services. It has a great contribution to the economic growth and social progress. But, sometimes the bank fails to fulfill the demand of its clients.

Basic bank Limited is a state owned bank. It has as of now set up its altruism among the customer. This happens as a result of devotion, dynamic initiative, responsibility to the country. In the end, the bank has shown me the method of corporate world. Hence, I will consistently thankful to them and wish them to a more prosperous and effective future.

As, human resource is a moving and critical resource, they have to manage and arrange training properly to overcome their challenge and target. Because there is a no alternative of human resource. BASIC Bank have to more focus on their human resource development as well as to manage their challenges and difficulties in bank lending properly.

### 3.5 Recommendation:

Basic Bank is a state owned bank in our country. At the point when I was put at Banana Branch I didn't have major issues in regards to the activity, client care, the board, human asset office or whatever else.

- ❑ Notwithstanding this I discovered not many issues as follows: I noticed that Shortage of human capital. I figure the branch ought to be recruited more representatives in the overall financial division in light of the fact that there is just 3 official in this division and similarly to the responsibility and pressing factor this is not very many in numbers. Also, GB handles every one of the client's enquiries and issues. In this way, it is hard for the representatives to do all the inside work with taking care of customers.
- ❑ They had very unsatisfactory software and network System. Secondly, they should change their inward programming and organization framework on the grounds that the worker is moderate and at times it is totally down which makes inconvenience for the representatives and clients.
- ❑ Some employees are not aware about time. They don't maintain schedule. They come late and sometimes on leave at the time of work pressure.
- ❑ Loan and advance division should expand the quantity of advance executive in corporate branch for offering great assistance to the borrower.
- ❑ Head office and Divisional office should not interfere in the branch administrator choice. It will assist corporate branch with picking right customer.
- ❑ Basic Bank has still now (51-56%) classified client who has not clear their loans. They should give more focus on deposit target.
- ❑ Basic Bank has just 72 branches, which are not so good to serve the nation broadly. It requires more branches all through the country.

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