

INTERNSHIP RESEARCH REPORT ON

Dutch-Bangla Bank Limited
YOUR TRUSTED PARTNER

Internship Report on
**“Evaluation of Credit Assessment & Risk grading
management of Dutch-Bangla Bank Ltd.”**

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Subject: Submission of Internship Report

Dear Madam,

This is my great pleasure to submit the Internship report of my three months long Internship program in the Dutch Bangla Bank Limited in Credit Risk Management. The title of the report is “Evaluation of Credit Assessment and Risk grading management of Dutch Bangla Bank Ltd.” This report has been prepared to fulfill the requirement of my internship program at my assigned organization in Dutch Bangla Bank Limited.

I have put my best effort to make this report successful one. It has been joyful and enlightening experience for me to work in the organization and prepare this report. However this has been obviously a great source of learning for me to conduct similar types of studies in the future.

I would like to express my sincere gratitude to you for your kind guidance and suggestions in preparing the report. It would my immense pleasure if you find this report useful and informative to have an apparent perspective on the issue. I shall remain deeply grateful if you kindly take some plan to go through the report and evaluate my performance.

My effort will be reworded it adds value to the research literature.

Sincerely Yours,
Zenith Fatima
ID: 08204008

Acknowledgement

To prepare this internship report considerable thinking and information input from various sources were involved. But at the beginning I would like to convey my sincere appreciation to the almighty Allah for giving me the strength and the ability to finish the task within the planned time. Then I like to express my sincere gratitude to everyone who contributed towards preparing and making this study successfully. Major contribution was received from the officer of the Dutch Bangla Bank Limited as from the Credit Risk Management (CRM).

First of all I would like to express my sincere and immense gratitude to my internship supervisor Ms. Sharmin Shabnam Rahman, Lecture, BRAC University. I am deeply indebted to her whole hearted subversion to me during the internship period. Her valuable suggestion and guideline helped me a lot to prepare the report in a well organized manner.

After that I especially thank to our manager sir Mr. Sumon Rahman (SVP) and my supervisor Monir Hossain Chowdhury (SEO) of that branch for guiding me through the internship program and also Khondoker Habibur Rahman (VP), MD. Abdul Wadud (SEO), MD. Bazlur Rashed (SO) was very mush sincere to give me the knowledge of Credit Assessment and Credit Risk Grading.

I would also like to thank the authority of Dutch bangle Bank Limited giving me the opportunity to do my internship in their well renowned bank. The experience and knowledge gained in Dutch Bangla Bank limited helped me to understand different element related to my study.

I am also grateful to the other officials and my friends who helped me while preparing the study by giving their suggestion, assistance and supply of information, which were valuable to me. Their helping hand supported me to complete my report successfully. Finally, I want to keep my thanks to my parents who gave special attention to me from the very beginning and during the preparation of report and the internship program.

Executive summary

This paper has attempted to highlight on an evaluation process of Credit Assessment and Credit Risk Grading (CRG) in the context of Dutch Bangla Bank Limited. It leads in the financial institute market among the privatized commercial banks of the country as well as in the entire banking industry. The diversified products of the bank have been focused on the daily life financial needs of the people irrespective to the economic classes.

In the light of the assignment the present study has gone through the process involved in lending in different levels and in different modes. Lending is one of the principal functions of the bank as usual which is part and parcel of public money deposited to the Bank. Thus Banks are obviously obligated to manage the risks and to ensure the repayment of the lent money. Sound lending practices therefore, are very important for the trustworthiness, profitability and success of a bank. For the sake of sound lending, it is necessary to develop a sound credit policy and modern credit management techniques equipped with adequate logistic support to ensure that loan/advances are safe and the money will come back within the time set for repayment. For this purpose, proper and prior analysis of credit proposal is required to assess the risk. Credit risk analysis is one of the basic tools of risk management and control, as it identifies the risk factors inherent in lending process of the banks and as quality credit operation deserves critical analysis. For the effective application of CRA, efficient IT based operational software, expertise and proper monitoring of the management. Moreover, willingness and motivation of the concerned individuals are needed. By removing the road block of CRM and CRG implication through the recommendations mentioned in this paper Dutch Bangla Bank Limited can open a new horizon to better assess the risks for lending bankers and will bring the accountability in financial sector.

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CHAPTER-1

INTRODUCTION

Introduction

1.1 Background of the study

Credit Risk Grading is an important tool for credit risk management as it helps a bank to understand various dimension of risk involved in different credit transactions. Credit risk grading manual of Bangladesh was circulated by Bangladesh bank vide BRPD Circular No.18 dated December 11, 2005 on Implement of Credit Risk Grading Manual which is primarily in use for assessing the credit risk grading before a bank lend to its borrowing clients.

Since the natural of business as well as leverage level of Bank is different from that of other borrowing clients, the need for a separate Credit risk Grading Manual has been felt. Keeping this in mind and with a view to properly risk rate a Bank in order to step up counter party limits for providing credit products extended by one bank to another Bank this Credit Risk Grading Manual developed for a Bank shall be an effective tool to help a bank to take a sound decision in analyzing credit risk on another bank and to step up a credit limit for money market and other business operations.

According to Bangladesh Bank “Credit Risk Grading Manual” I have decided to prepare a report on Evaluation of Credit Assessment and Risk grading management on Dutch Bangla Bank Ltd.

1.2 Rationale of the study

Bangladesh is one of the underdeveloped countries in the world. The economy of the country has a lot left to be desired there are lots of scopes for massive improvement. In an economy link this, banking sector can play a vital role to improve the overall social-economic condition of the country. The banks by playing the role of an intermediary can mobilize the excess fund of surplus sectors to provide necessary finance, to those sectors, which are needed to promote for the sound development of the economy. As the banks provide finance or lending to its counter parts, there arises a risk of credit risk, which is the possibility that a borrower or counter party will fail to meet its obligations in accordance with agreed terms. Even at present, this problem is haunting many banks and poses a major threat towards their sound performing. So it's very important to have an effective and sound credit risk management system in place which will help the bank mitigate its risk factors and carry out successful financing service or lending. With that issues in mind, the topic “Credit Risk Management” has been undertaken as my topic for internship report.

1.3 Statement of the Problems

To make the consequence more specific we have focused different sectors. Those are:

- What are the most important assessment criteria?
- How grading are done based on assessment?
- To analyze the Credit flow of DBBL
- To evaluate the overall credit management system of DBBL
- Function and use of Credit Risk Grading in DBBL

1.4 Scope of the Study

The report commences with the outline of the organizing in focus, presenting the mission and vision, individual department job responsibilities, Credit Risk Management and Credit Analysis related issues are discussed in detail along with their results and possibilities. In this report is all the aspects of credit risk management will be discussed detailed by those the management can take decisions regarding modifying their plans for granting loan and can strengthen the relationship with the business with the business environment as well as with the strengthen the relation with the business environment as well as with the stakeholders and clients.

1.5 Limitation of the Study

Although I was tried on the level best to make this report based on facts and complete information available, there are some limitation that are inevitable. Those are following:

- Sufficient records and publications as well as up to date information are not readily available.
- Many more information could not accumulate for the resources of maintaining confidently
- During my internship period I do not have that much time to visit other branches to collect more data and take interview to the officers and executives of the bank cause they are very much busy with their day to day activities.
- Time duration of my internship period is not sufficient enough to prepare my report the best one but where I tried my best to make it an effective report.
- Another limitation of this report is that the Bank's policy of not to disclose some data and information for obvious reason, which could be much more useful.

1.6 Objectives of the study

This report has put emphasized to identify the existing and probable risk on Credit Risk Management System of the Dutch-Bangla Bank Limited. Meanwhile, evaluating the risk on lending and making the risks at a tolerable extent is very important.

Broad objective:

The broad objective is to know about the **credit assessment and risk grading process in DBBL.**

Specific Objective

- To have better orientation on credit management activities specific credit policy Dutch Bangla Bank Limited.
- To familiarizes with the credit management in the Banking arena and to grasp an idea about bank involved in credit management system
- Evaluation of credit risk
- Lending Procedure of Dutch Bangla Bank Ltd

1.7: Methodology of the study

The internship report has been written on the basis of information collected from primary as well as secondary sources. The primary information has been collected from the personnel. I also collect information form managers of the company.

1.7.1: Primary Data Collection: The main source of the primary data collection of my report by will be my discussion with senior officers of the Credit Risk Management (CRM) and Credit Administrative Division (CAD) of the Dutch Bangla Bank Limited and their opinions and comments.

1.7.2: Secondary Data Collection: The secondary data will be collected from the following sources:

1. Credit Policy Manual of the DBBL
2. Credit Instruction Manual of the DBBL
3. Circular, letters and memos issued by the banks and regulatory organization i.e. Bangladesh Bank and Govt.
4. Prudential Guideline on Credit Risk Management issued by Bangladesh Bank.
5. Annual report of DBBL
6. Annual report of Bangladesh bank
7. News paper and journals
8. Internet and websites

CHAPTER-2

ORGANIZATION PART OF DUTCH BANGLA BANK LIMITED

Organization Part of Dutch-Bangla Bank Limited Company Information: **(The company: Dutch Bangla Bank Limited)**

2.1 Background

Dutch-Bangla Bank Limited (the Bank) is a scheduled commercial bank set up as a joint venture between Bangladesh and The Netherlands. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Dutch-Bangla Bank Limited is Bangladeshi-European joint venture banking company in corporate in Bangladesh on the 4th July, 1995. Presently the bank has 28 branches spreading over the country. It conducts all types of commercial banking activities and renders all types of personal and corporate banking services to the customers of all strata of the society within the framework of bank companies Act 1991 and rules and regulations laid down by Bangladesh Bank from time to time. The core business of the bank is trade financing. DBBL is rendering customer services related to local & foreign remittances such as issuance and encashment of traveler's cheque, Demand Draft, Telegraphic Transfer etc. It also extends short and medium term loans to the industrial undertakings. As per charter DBBL can also go for- Lease financing, merchant banking, offshore banking, Retail banking etc. The bank participates in fund syndication with other banks. DBBL as a part of its increasing customer service benefit allowed commission free TT, DD and PO facilities.

2.2: Company profile at a glance

Name	Dutch Bangla Bank Limited
Year of Establishment	1996
Authorized Capital	400 core Tk
Paid up Capital	20 core TK
Total Number of Branches	126
Total Number of SME Branches	03
Total number of First Track	57
Total number of ATM Booth	2266
Mobile Banking Agent Companies	Citycell, Banglalink & Airtel

2.3: Mission

DBBL engineer's enterprise and creativity in business and industry with a commitment to responsibility "Profits alone" do not hold a central focus in the Bank's operation because "man does not live by bread & butter alone".

2.4: Vision

"To become a leading banking institution and play a pivotal role in the development of the country."

Dutch-Bangla Bank dreams of better Bangladesh where arts & letters, sports and athletics, music and entertainment, science and above all a society based on morality and ethics make all our lives worth living. DBBL's essence and ethos rest on creativity and the marvel- magic of a charmed life that abounds with spirit of life and adventures that contributes towards human development.

2.5: Core objective of DBBL

Dutch-Bangla Bank believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. Taking cue from its pool esteemed clientele, Dutch-Bangla Bank intends to pave the way for a new era in banking that upholds and epitomizes its vaunted marquee "Your Trusted Partner".

To establish relationship banking and improve services quality through development of strategic marketing plans.

- To remain one of the best bank in Bangladesh in terms of profitability and asset quality.
- To introduce fully automated systems through integration of information technology.
- To ensure an adequate rate of return on investment.
- To keep risk position at an acceptable range (including any off-balance sheet risk)
- To maintain adequate liquidity to meet maturing obligations and commitments.
- To maintain adequate control system and transparency in procedures.
- To maintain a healthy growth of business

2.6: Focus of DBBL

DBBL's focus is to provide one counter service to our clients covering:

- ❖ Commercial Banking (Deposit Accounts)
- ❖ Consumer Banking (Retail Banking)-
 - a. Traveler Cheques, b. Foreign & Inland Remittances
- ❖ Financial Services
- ❖ Corporate Banking
- ❖ Asset & liability management
- ❖ Liquidity & Capital Resources Management
- ❖ Information Technology
- ❖ Human Resources

2.7: Strategies of DBBL

The strategies are as follows:

- ❖ To manage and operate the bank in the most efficient manner to enhance financial performance and to control cost of fund
- ❖ To strive for customer satisfaction through quality control and delivery of timely service
- ❖ To identify customers credit and other banking needs and monitor their perception towards our performance in meeting those requirements.
- ❖ To review and update provides and practices them adequate resources so that customers need can be reasonably addressed.
- ❖ To promote organizational effectiveness by openly communicating company plans, polices, practices and procedures to employees in a timely fashion
- ❖ To diversify portfolio both in the retail and wholesale market
- ❖ To increase direct contact with customers in order to activities to cultivate a closer relationship between the bank and its customer

2.8: Objectives of DBBL

- ❖ To earn and maintain CAMEL rating 'Strong'
- ❖ To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- ❖ To remain one of the best banks in Bangladesh in terms of profitability and assets quality
- ❖ To introduce fully automated systems through integration of information technology
- ❖ To ensure an adequate rate of return on investment
- ❖ To keep risk position at an acceptable range (including any off balance sheet risk)

2.9: The overall Divisions of Dutch-Bangla Bank Limited

The bank is divided into several divisions which are also further sub-divided. The divisions are mainly based on some services line designed for and provided to targeted customer as well as some divisions and units are to support the business activities of the major service based division. The following is the list of the divisions of Dutch-Bangla Bank Limited.

1. Credit Division (Foreign Trade)

Principles services of this division are to the people are Import Letter of Credits (L/C), Import Bills for Collection, Back to Back Letter of Credit, Direct Export Bills for Collection, Bulk Letter of Credit Collection, Bonds and Guarantees.

2. General Service Division

Superior retail banking services comprising a wide range of deposit and cash transaction, clearing are offered by the Dutch-Bangla Bank to its individual customers. The General Service division constantly faces challenges and meets them by developing new products and services to fulfill the specific requirements of local and foreign customers. Bank offers a 24-hour service in Bangladesh through its ATM network and Phone-link Phone Banking services.

3. International Division (Treasury Back Office)

In the past the activities of Treasury Back office and Front office were performed by the same department but there was lack of transparency and the possibility of illegal activities also so high. For this the Treasury Division divided into two unique divisions. One is Treasury Back Office and other is Front Office. Treasury Back Office does what is assigned or started from the Front office. That means at the ending of the front office task start the back office work. After taking any decision related with treasury like- fixing currency rate for buying or selling, giving any buying or selling order of local or foreign currency, reserve any deposit in hand or other bank etc. gives a note of the decision to the back office and then the back office prepares a formal document and takes the end result of the task that, is the work done properly or not.

4. Treasury Division (Front Office)

The activities of front office are already discussed. But an important point is any mismatch or weak decision of front office able to destroy a bank at any moment. So the job of the Front Office is very hard, Critical and risky.

5. Internal Control & Compliance Division

This department deals with internal audit and always tries controlling any type of illegal and false financial information including or disclosing in or from the financial record. So, this department always verifying all the record time to time and has to submit the end resultant their recommendation to the management. If the committee gets any mistake or wrong information in the record the department takes quick action against the employee or employees who are engaged with the task.

6. Human Resource Division

This department manages recruitment, training and career progression plan. DBBL highlight the importance of developing its people to create a culture of customer service, innovation, teamwork and professional excellence. DBBL mainly recruits people by two ways. One is as Management trainee or probationary officer and other is experienced person as regular basis.

DBBL pays attention to recruit high quality staff through proper evaluation and improving their skills through structure training, reward and punishment base on strict performance evaluation and opportunities of promotion is given after every two years as the feature of the personnel policy of DBBL. Every year all employees are gotten physical full check up facility by the bank's own financing. Every employee gets yearly earn leave facility. The employees are given different types of training time to time to progress their professional efficiency.

7. Marketing & Development Division

Marketing & Development Division's task is to modify their products, introducing new and unique product, survey the market, research with the consumer demand and want etc. Though DBBL mainly deals with the corporate banking but also going to introduce more new consumer products with the old products like- credit card, all saving account holder are given debit cart facility by the ATM card. This division also research about prospect of the introducing product.

8. Credit Administration Division

This department always concerns about the loan amount those are given by the bank it may be small or medium or large in size. Every member of the division are assigned to concern about the sanctioned loan and advance- for what purpose it is given, in which sector it is given, what is the transaction performance of the loan etc.

9. Credit Monitoring & Recovery Division

After the sanctioned of loan Credit Monitoring & Recovery Division time to time monitors the loan and the transaction of the loan. After giving the loan if there is loan occurred no transaction then the authority becomes award about the loan and takes it seriously to monitor the credit. If the credit crosses the time limit without any transaction or repayment then the monitoring division becomes hard with the client and for recovering the division may take any legal action against the client.

10. Corporate Banking Division

Corporate Banking meets the needs of companies, banks and other financial institutions. DBBL provides a full range deposit and loan products to its corporate clients. Rapid decision taking is an important feature of DBBL's services to international and domestic companies doing business in Bangladesh. All a/c are assigned to the head of the branch manager to look after the clients need. Each manager keeps close contact with the client obtaining in-debt knowledge of the client's business and providing timely advice. All kinds of supervision and monitoring of the corporate banking services are done by the direct handling of the Corporate Banking Division. The large portion of the income of DBBL is come from the corporate banking. So the liability of this division is very high to run the banking service smooth and well.

11. Card Division

Card Division deals with the card facility of the DBBL. DBBL provides debit card to all the deposit holders. There are many debit card booths in Dhaka city and outside the Dhaka city. By this card the card holder is gotten 24 hours banking facility from the booth. And there are some shops and clinics are given extra facilities to the card holder. There is only one time the bank takes 200 TK charge for the facility where other banks like SCB take charge for every transaction of the debit card.

12. IT Division

IT Division deals with all IT program of the Bank. The bank uses flex cube which is used by Dhaka Bank, Eastern bank. All information of the bank is store in 3 steps. First it is stored in the branch, secondly in the Head office or IT department and lastly for final backup it is stored in main storage in Uttara.

2.10: Product Services Information

IT Products	Truly Online Banking Wide range of ATM and POS Internet Banking SMS & Alert Banking Mobile Banking
Retail Banking Products	Clean credit lines DBBL Life Line Health Line Education Line Profession Line Marriage Line Travel Line Festival Line Dreams Come True Line Care line General Line
Secured Credit Lines (Flexible Facilities with minimum Security)	Auto Line Home Line Full Secured Lines

DBBL Future Line	DBBL Deposit Plus Scheme (DPS) DBBL Periodic Benefit Scheme (PBS) DBBL Children Education Savings Scheme (CHESS) DBBL Pension Plus(PP)
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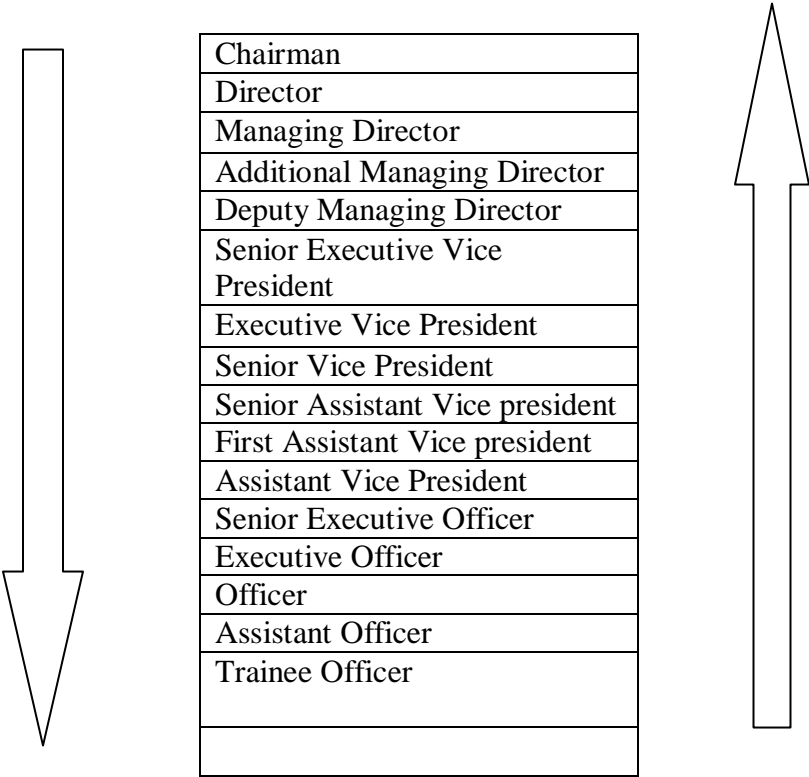
2.11 Banking Products

Deposit	Term Deposit
1.Savings Deposit Account Current Deposit	1. Monthly Term Deposit
2.Account Short Term Deposit Account	2. Term Deposit 3 Months
3. Resident Foreign Currency Deposit	3. Term Deposit 6Months
4.Foreign Currency Deposit	4.Term Deposit 12 Months
5. Convertible Taka Account	5. Term Deposit 24 Months
6. Non-Convertible Taka Account	6. 1 Year Payout Term Deposit
7.Exports FC Deposit(FBPAR)	7. 36 Months Term Deposit
8. Current Deposit Account- Bank	8. Term Deposit Above 36 Months
	9. Month TD NFCD
	10.3 Months TD NFCD
	11. 6 Months TD NFCD

2.12: Loans and Advances

- ✚ Life Line (a complete series of personal credit facility)
- ✚ Loan angst. Trust Receipt
- ✚ Lease finance
- ✚ Transport Loan
- ✚ Real Estate Loan (Res. & Comm.)
- ✚ Agricultural Term Loan
- ✚ Loan Angst. Accepted Bill
- ✚ Industrial Term Loan
- ✚ FMO Foreign currency Loan
- ✚ Cash Credit (Hypothecation)
- ✚ Small Shop Finance Scheme
- ✚ Overdraft
- ✚ Other Term Loan

2.13: Management Hierarchy



JOB PART

Job Description

I worked Dutch Bangla Bank Limited as an intern. First of all my supervisor suggested me to work with ARO (Assistant relationship officer) which is related with marketing sector of the bank. Here, I had to work for opening bank account, DPS and FDR. There are local people who are willing to open an account come to us for helping them.

There is some procedure for opening bank account. For opening bank account person have to need two copy passport size pictures, one nominee picture, one introducer with the sign in two passport size picture, national ID photocopy. But if anyone do not have national id care photocopy they have to have student ID card photocopy, passport photocopy and birth certificates.

There is an officer who is responsible for opening bank account. ARO works are depending upon filling the targets. Each ARO have open 34 saving account par month. If any ARO over their targets they will get performance bonus.

After that I worked with check clearing division. It is a very important part for the bank activities. First of all I have to receive the check for the clients. Before receiving the checks we have check the date that will be the past six months, the payees signature, amount and they have write a deposit slip which will consider as a voucher. There are several types of cheque. Those are: 1. Account payee cheque 2. Cash Cheque 3. Transfer cheque. Now I want to discuss the function of these cheques.

Account Payee cheque will be given by payee to the bank and officer send it to the clearing house. To send this cheque, we have to follow some process. First of all we have to seal the cheque properly. Every cheques need three types of seal such as. 1) Clearing Seal, 2) Crossing seal 3) Endorsement seal. Every seal is important for clearing cheque. After that, we have to put all the cheque for scanning. There is a scanning machine where all the cheque will be scanned. Moreover, all the cheque account number and amount will be entered to the server. The server stores all the cheque and time to time they collect all the cheques. The cheques will be collect two times a day. We ask to the client weather the cheque will be collected by someday or regular basis. The same day collection will be the cheque is collected by same day clearing and regular cheque need 1 day for clearing.

Cash cheque will be paid to the client by cash officer directly. There is no need any formalities to collect money to the bank.

Transfer cheque ia a cheque which is collected by same bank. It would be transfer one account to another account by giving cheque. This cheque is collected within one hour if our responsible officer will be free. My work is to receive the cheque. When I received the cheque from the client have to give transfer seal to the voucher and other seal will be given by our responsible officer.

I also worked in card division. In card departments all kinds of card will be delivered. Our responsible officer is checking the clients account number and their national ID cadre number. Then they give the card. If the client is not registered the server or their information is not enough, they have to give their electric bill paper for collecting the cards. Our responsible officer gives card to the client. After that the client came to me and I gave them their pin number. There is a process for giving pin number. First of all, I have to ask them for for their card, then their bill paper which will be telephone bill or electric bill. Then I was registered their account number, name, signature and mobile number to the register book and I gave the card to them.

I also gave the return cheque to the client. We reserved the return cheque to our store. If the particular cheque is returned, we called the cheque holder. When the cheque holder comes to our bank, we collect deposit slip to them. After that, we enroll their name and sign to the register book and give it to the client with authorized signature.

CHAPTER-3

REVIEW OF RELATED LITERATURE

REVIEW OF RELATED LITERATURE

3.1 Definition of Credit

The word Credit comes from Latin “Credo” meaning "I believe". It is a lender's trust which allows one party to provide resources to another party where that second party does not reimburse the first party immediately generating a debt, but instead arranges either to repay or return those resources or other materials of equal value at a later date. Credit is extended by a creditor, also known as a lender, to a debtor, also known as a borrower. Credit does not necessarily require money. The credit concept can be applied in barter economies as well, based on the direct exchange of goods and services (Ingham 2004 p. 12-19). However, in modern societies credit is usually denominated by a unit of account. Unlike money, credit itself cannot act as a unit of account.

Movements of financial capital are normally dependent on either credit or equity transfers. Credit is in turn dependent on the reputation or creditworthiness of the entity which takes responsibility for the funds. Credit is also traded in financial markets. The purest form is the credit default swap market, which is essentially a traded market in credit insurance. A credit default swap represents the price at which two parties exchange this risk – the protection "seller" takes the risk of default of the credit in return for a payment, commonly denoted in basis points (one basis point is 1/100 of a percent) of the notional amount to be referenced, while the protection "buyer" pays this premium and in the case of default of the underlying (a loan, bond or other receivable), delivers this receivable to the protection seller and receives from the seller the par amount (that is, is made whole).

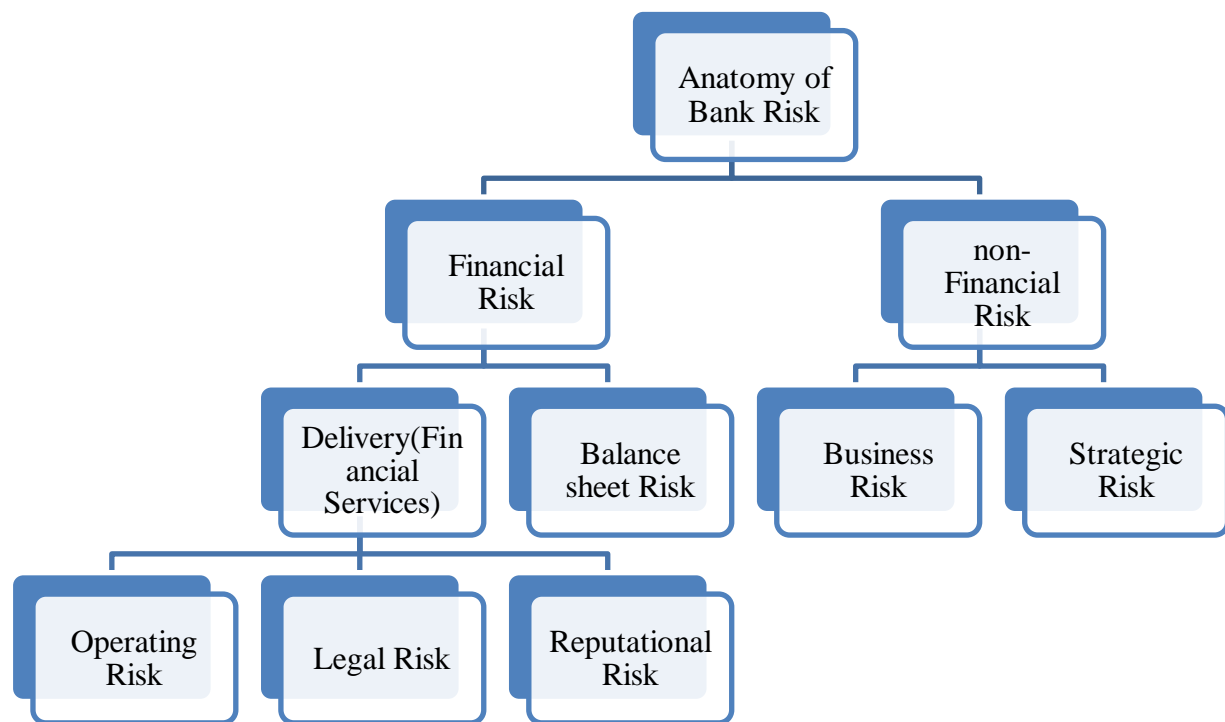
Credit, in commerce and finance, is a term used to denote transactions involving the transfer of money or other property on promise of repayment, usually at a fixed future date. The transferor thereby becomes a creditor, and the transferee, a debtor; hence credit and debt are simply terms describing the same operation viewed from opposite standpoints.

3.2 Factors Related with Credit

- Risk
- Time
- Interest Rate
- Security or Collateral
- Opening Expenses
- Legal Considerations
- Inflation
- Finance Charge

3.3 What is Risk?

- Risk is the probability that the realized return would be different from the anticipated/expected return on investment
- Risk is a measure of likelihood of a bad financial outcome
- All other thing being equal risk will be avoided
- All other things are however not equal and that a reduction in risk is accompanied by a reduction in expected return.
- The uncertainties associated with risk elements impact the net cash flow of any business or investment. Under the impact of uncertainties, variations in net cash flow take place. This could be favorable or un- favorable. The un-favorable impact is ‘Risk’ of the business.

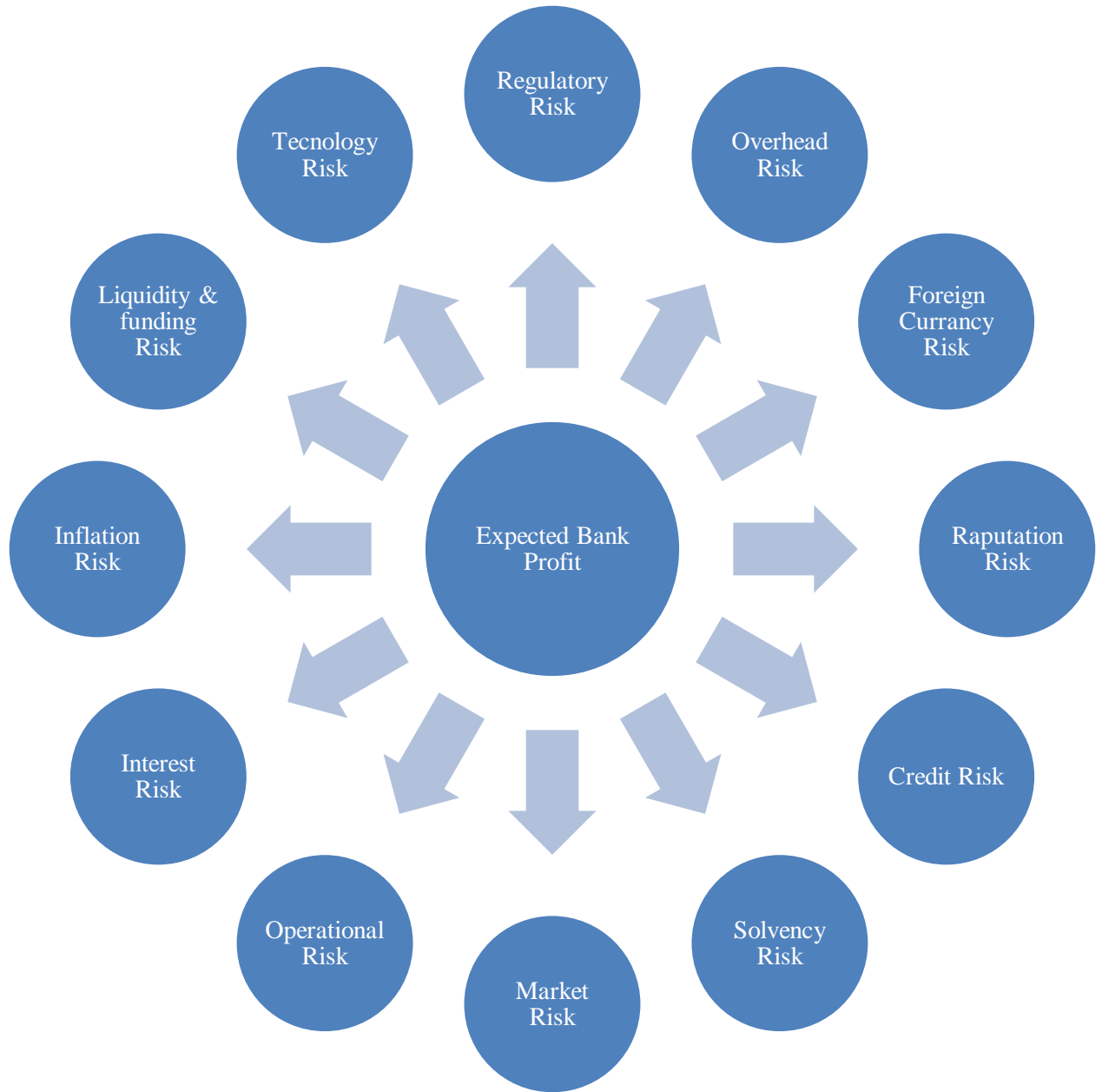


3.4: Risks in Banking Business

Banking business is broadly grouped under following major heads from Risk Management point of view:

- The Banking Book
- The Trading Book
- Off-Balance-sheet Exposures

Appropriate Balance between Expected Profit and Risk



3.5: Risk Management process

- To Identify
- To Measure
- To Modify
- To Manage
- To Monitor

3.6: Risk Management

Credit risk, arises from the bank's dealing with or lending to corporate, individuals, and other banks or financial institutions.

Credit risk management needs to be a robust process that enables banks to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders. Central to this is a comprehensive IT system, which should have the ability to capture all key customer data, risk management and transaction information including trade & Forex. Given the fast changing, Dynamic global economy and the increasing pressure of globalization, liberation, consolidation and disintermediation, it is essential that DBBL have a robust credit risk management policies and procedures that are sensitive and responsive to those changes.

The purpose of this document is to provide directional guidelines that will improve the risk management culture, establish minimum standards for segregation of duties and responsibilities, and assist in the ongoing improvement of our Bank's performances. Credit risk management is of utmost importance, and as such policies and procedures should be endorsed and strictly enforced.

3.7: Lending Risk Analysis (LRA)

One of the important functions of any banks is considered to be lending. This is the main sources of income for the bank. The modern concept of lending has shifted from the security- oriented approach to business viability one. The emphasis is given on the likelihood of repayment, business viability, management competence and management integrity of proposed debtor. AS the prevailing legal system of the country often favor the borrower by making it difficult for the Bank to foreclose on collateral. The ultimate security of the Bank is the Commercial success of the borrower. Adequate emphasis of business risk is more important than analysis of security risk.

Experienced people of the credit department of DBBL Bank do this sort of analysis. It is a ranking whose total score are 140. Among these scores 120 is for total business risk and 20 for total security risk. It is a four- scale rating.

In case of business risk , if the point falls between 13 to 19 then poor risk; if the score falls between 20to 26 then acceptable risk ; if the score falls between 27 to 34 then marginal risk and if the score is over 34 then good risk.

In case of security risk, if the score falls between-20 to -15 then poor risk; if the score falls between -14 to 0 then acceptable risk; if the score falls between 0 to 10 then marginal risk and if the score is over 10 then good risk.

CHAPTER-4
CREDIT MANAGEMENT OF DUTCH- BANGLA
BANK LIMITED

CREDIT MANAGEMENT OF DUTCH- BANGLA BANK LIMITED

4.1: Credit flow of DBBL

Credit Risk Management is basic to risk management and controlling, as it is the major risk factor in most bank business. Therefore, a bank should assess the degree of risk associated with each loan transaction constitute essential ingredients of the credit risk control process. An in-depth analysis of the borrower financial conditions, expected usages of funds, ability to repay, willingness to repay and sources of repayment all together constitution step one in the risk control processes.

Continuous supervision, monitoring and follow-up are highly required for ensuring the timely repayment and minimizing the default. Actually the credit portfolio is not only constituted the bank's asset structure but also a vital factor of the bank's success, the overall success in credit management depends on the banks credit policy, portfolio of credit, monitoring, supervision and follow-up of the loan and advance.

4.2: Types of loans and advances offered by DBBL

The making of loan and advance is always profitable to a bank. As the bank mobilizes savings from the germ\neural people in the form of deposit, the most important task of it is to disburse the said deposit as loan or advance to the mass people for the development of commercial, industrial who are in need of fund for investment. Like other business firm, the main purpose on the efficient manner and avenues in which the resources are employed. DBBL has made so far efficient use of the deposit and has the classified rates under control. The Bank disburses loan in different from. It varies in purpose wise, mode wise and sector wide. The varieties used by DBBL are briefly described below with the briefly described below with the common terms and conditions and performances in mode.

Classification of Advance: Commercial and Industrial Credit:

- Corporate Credit Scheme
- Retail Credit Scheme
- SME Credit Scheme

4.2.1 Corporate Credit Scheme: The bank is entrusted with the responsibility of proving short, medium and long term loans and other financial assistance for promotion of industrial sectors. There are three types of corporate credit scheme:

- Cash Credit
- Over Draft

- Secured Over daft

4.2.2 Retail Credit scheme: The bank provides retail loan to individual customer. There are different types of retail loan which helps customer to fulfill their dream. Like car loan, educational loan, travel loan etc.

4.2.3 SME Credit Scheme: Bank also provides SME loan to individual and a group of customers. There is different type of loan which helps customer of get read of their problem. Like middle term loan, short term loan, festival loan, cash credit (hypo), distributor financing, women enterprise financing.

4.3: Lending Policies of Dutch Bangla Bank Ltd

- A loan policy gives loan officers. Relationship managers and the Bank's management specific guidelines in making individual loan decision and in shaping the Bank's overall loan portfolio. One of the most important ways a Banks can make sure its loans meet regulatory standard and are profitable is to establish a written loan policy.
- Dutch Bangla Bank Ltd. Also has a good loan policy and the most important elements of the policy are stated below:
 - A goal statement for the Bank's loan portfolio (in terms of types, maturities, sizes and quality of loans)
 - Specification of the lending authority given to each loan officer and loan committee can approve)
 - Lines of responsibility in making assignments and reporting information within the loan department.
 - Operating procedures for soliciting, reviewing, evaluating and making decisions on customer loan applications.
 - The required documentation that is to accompany each loan application and what must be kept in the Bank's credit files.
 - Guidelines for taking, evaluating and perfecting loan collateral.
 - A presentation of policies and procedures for setting loan interest rates and fees and term for repayment of loans.
 - A statement of quality standards applicable to all loans.
 - A statement of quality standards applicable to all loans.
 - A statement of the preferred upper limit for total loans outstanding (i.e. The maximum ratio to total loans to total assets allowed.)
 - A description of the Bank's principal trade area, from which most loans should come.
 - A discussion of the preferred procedures for detecting, analyzing and working out problem loan situations.

A written loan policy statement carries a number of advantages for the bank adopting it. It communicates to employees working in the loan department what procedures they must follow and what their responsibilities are. It helps the Bank move forward a loan portfolio that can successfully blend multiple objectives such as promoting the bank's profitability, controlling its exposure and satisfying regulatory requirements.

4.4: Lending Procedure of Dutch Bangla Bank Ltd

The lending procedure starts with building up relationship with customer through account opening. The stages of credit approval are done both at the branches and at the corporate office level. The various stages of credit approval are described sequentially:

➤ **Step-1**

A loan procedure starts with a loan application from a client who must have an account with the Bank. At first it starts from the branches level. Branch receives application from clients for the loan facility. In the application client mentions what type of credit facility he/she wants from the bank including his/her personal information and business information. Branch Manager or the Officer-in-charge of the credit department conducts the initial interview with the customer.

➤ **Step-2**

After receiving the loan application from the client, the bank sends a letter of Credit Information Bureau of Bangladesh Bank for obtaining a credit inquiry report of the customer from there. This report is called CIB (Credit Information Bureau) report. This report is usually collected the credit information of customer. The purpose of this report is to be informed that whether or not the borrower has taken loans and advances from any other add it so, what is the status of those loan and advances i.e. whether those loans are classified or not.

➤ **Step-3**

If Bangladesh Bank sends positive CIB report on that particular borrower and if the bank thinks that the prospective borrower will be a good one, then the bank will scrutinize the documents. Required documents are:

- In case of corporate client, financial documents of the company for the last three to five years. If the company is a new one, projected financial data for the same duration is required.
- Personal net worth of the borrowers

- In this stage, the banks will require whether the documents are properly filled up and duly signed. Credit in charge of the relevant branch is responsible enquire about the INS and out of the customer's business through discussing with him/them.

➤ **Step-4**

Bank officials of the credit department will inspect the project for which the loan is applied. Project existence, its distance from the bank originating the loan, monitoring cost and possibilities are examined.

➤ **Step-5**

Any loan proposal needs to be evaluated on the basis of financial information provided by the loan applicant. Financial spread sheet analysis which consists of a series of quantitative techniques is employed to analyze the risks associated with a particular loan and to judge the financial soundness and worthiness of the borrower. Besides lending risk analysis is also undertaken by the bank to measure the borrower's ability to pay considering various risks associated the loan. These quantitative techniques supported with qualitative judgment are the most important and integral part of the credit approval process used by DBBL. This is the credit analysis phase.

➤ **Step-6**

Obtain legal opinion on the collateral provided by the applicant, whether those are properly submitted- regular and up to date or else those documents will be asked to regularize by the applicant.

➤ **Step-7**

The branch starts processing the loan at this stage. Based on the analyses (credit analysis done by the branch, the branch prepares a loan proposal. The proposal contains following important and relevant information:

- ✓ Name of the borrowers
- ✓ Nature of credit
- ✓ Purpose of the credit
- ✓ Extent of the credit
- ✓ Collateral
- ✓ Margin
- ✓ Rate of interest
- ✓ Repayment schedule
- ✓ Validity

➤ **Step-8**

If the proposal meets DBBL's lending criteria and is within the manager's discretionary power, the credit line is approved. The manager and the sponsoring officer sign the credit line proposal and issue a sanction letter to the client.

If the value of the credit line is above the branch manager's limit then it is sent to head office or zonal office for final approval with detailed information regarding the client's credit analysis and security papers.

➤ **Step-9**

Head office processes the credit proposal and afterwards puts forward an office notice if the loan is within the discretionary power of the head office credit committee or board memorandum if the loan requires approval from the board of directors.

➤ **Step-10**

If the zonal office, credit committee of the head office or the board as the case may be approves the credit line, an approval letter is sent to the branch. The branch then issues a sanction letter to the borrower with a duplicate copy. The duplicate copy duly signed by the borrower is returned to the branch of the bank.

➤ **Step-11**

After issuing the sanction advice, the bank will collect necessary charge documents. Charge documents vary on the basis of types of facilities, types of collateral.

➤ **Step-12**

Finally loan is disbursed by the branch through a loan account in the name of the borrower and monitoring of the loan starts formally.

There must be a depth study on the following points:

- ✓ When the loan is to be given;
- ✓ How the loan is to be given;
- ✓ What may happen after disbursement of the loan;
- ✓ Generally what happens (from past experience) after disbursement of the loan;
- ✓ Is it hopeful that loaner will repay the loan;
- ✓ In which sector, private or public, trading or industrial, the loan will be given;
- ✓ The loan will be short term or long term

A manager will do the possible effort to minimize the risk of the bank.

4.5: General Procedure for Loan and Advanced

4.5.1: First information sheet (FIS): First information sheet (FIS) is the prescribed form provided by the respective branch that contains basic information of the borrower. It contains following particulars.

1. Name of the main sponsors with its factory location, office address and Tel no.
2. Name of the main sponsors with their educational qualification
3. Business experience of the sponsors, detail of past and present business, its achievement and failures, name of all the concerns where in the sponsors have involvement.
4. Income tax registration no. With the amount of tax paid for the last three years.
5. Details of liabilities with other banks and financial institution including securities held there against.
6. Purpose of loan sought from DBBL
7. Estimated cost of the project & means of finance.

4.5.2 Application for credit line: After receiving the first information sheet from the borrower Bank official verifies all the information carefully. He also checks the account maintained by the borrower with the Bank. If the official becomes satisfied then he gives application to the bank in the prescribed format supplied by the bank called Credit for request limit (CRFL).

4.5.3 Credit Sanction & Appraisal Process: Borrower Credit Worthiness Analysis by DBBL following 6 “C”s: The question that must be dealt with before any other whether or not the customer can service the loan that is pay out the loan when due with a comfortable margin of error. This usually involves a detailed study of six aspects of the loan application: Character, capacity, cash, collateral, conditions and control. All must be satisfied for the loan to be a good one from the lender’s (DBBL) point of view.

- **Character:** The loan officer must be convinced that the customer has a well defined purpose for requesting credit and a serious intention to pay. Responsibility, truthfulness, clean past record, true purpose and honest intention to repay the loan make up what a loan officer calls character.
- **Capacity:** The customer requesting credit must have that authority to request such and the legal standing to sign a binding loan agreement.
- **Cash:** The borrower should have the ability to generate enough cash flow to repay the loan. This cash flow can be generated from sales or income from the sales or income, from the sale of liquidation of assets or funds raised through debt or equity securities.
- **Collateral:** The borrower must possess adequate net worth or enough quality assets to provide adequate support for the loan. The value of the collateral security must cover the loan exposure.

- **Conditions:** The recent trend of borrower's line of work or industry must be taken into consideration by the lender.
- **Control:** The lender should be careful about whether changes in law and regulation could adversely affect the borrower and whether request loan meets the Bank's and regulatory authority's standards for loan quality.

4.5.4 Collecting CIB Report from Bangladesh Bank: After receiving the application for credit line, Bank sends a letter to Bangladesh Bank for obtaining a report from there. This report is called CIB (Credit Information Bureau) report. Basically branch seeks this report from the head office for all kinds of loans. The purpose of this report is to bring information that whether the borrower has taken loan from any other bank; if 'yes', then whether the party has any overdue amount or not.

4.5.5 Making Credit Proposal (CP): Branch then has to find the right borrower by considering the following 6C's. These are character, capital, capacity, cash, collateral, condition (economic). If the branch thinks that the project is feasible then he will prepare a Proposal. Bank prepares the proposal in a specific form called credit proposal. Significance the proposal branch sends it to head office for approval.

4.5.6 Credit Assessment: A thorough credit and risk assessment should be conducted prior to the granting of loans, and at least annually thereafter for all facilities. The results of this assessment should be presented in credit application that originates from the relationship Manager, and is recommended by Branch Credit Committee (BCC).

Credit Application should summarize the result of the RM risk assessment and include as minimum, following details:

- Amount and types of loan (s) proposed
- Purpose of loans
- Loan structure (Tenor, Covenants, Repayment Schedule, Interest)
- Security arrangements

In addition, the following risk areas are analyzed:

- Borrower analysis
- Industry analysis
- Supplier/ Buyer analysis
- Historical financial analysis
- Projected financial performance
- Account conduct
- Adherence to lending guidelines
- Mitigating factors

- Loan structure
- Security

4.5.7 Risk Grading: All Banks should adopt a credit risk grading system. The system should define the risk profile of borrower's to ensure that account management, structure and pricing are commensurate with the risk involved. Risk grading is a key measurement of Bank's assets quality, and as such, it is essential that grading is a robust process. All facilities should be assigned a risk grade. Where deterioration in risk is noted, the Risk Grade assigned to a borrower and its facilities should be immediately changed. Borrower Risk Grades should be clearly stated on Credit Applications.

4.5.8 Project Appraisal: It is the pre-investment analysis done by the officer before approval of the project. Project appraisal in the banking sector is needed for the following reasons:

1. To justify the soundness of an investment
2. To ensure repayment of bank finance
3. To achieve organizational goals
4. To recommend if the project is not designed properly

4.5.9 Head Office Approval: The respective officer of Head Office appraises the project by preparing a summary named "Top Sheet" or "Executive Summary". Then he sends it to the Head Office Committee (HOCC) for the approval of the loan. The Head Office Credit Committee (HOCC) considers the approval and takes decision whether to approve the loan or not. If the loan is approved by the HOCC, the HO sends the approval to the concerned branch with some conditions. These are like:

- Drawing will not exceed the amount of bill receivables.
- The term over in the account during the tenure of the limit should not be less than four times of the credit limit.
- All other terms and conditions, as per policy and practice of the bank for such advance to safeguard the banker's interest shall also be applicable for this sanction also.
- Branch shall not exceed the sanctioned limit.
- Required charge documents with duly stamped should be obtained.
- Drawing shall be allowed only after completion of mortgage formalities and other security arrangement.

4.5.10 Sanction letter: After getting the approval from the HO, the branch issues the sanction letter to the borrower. The borrower receives the letter and returns a copy of this letter to the borrower. The borrower receives the letter and returns a copy of this letter duly signed by him as a token of having understood and acceptance of the terms and conditions above.

Diagrammatically the whole loan appraisal and approval process is-

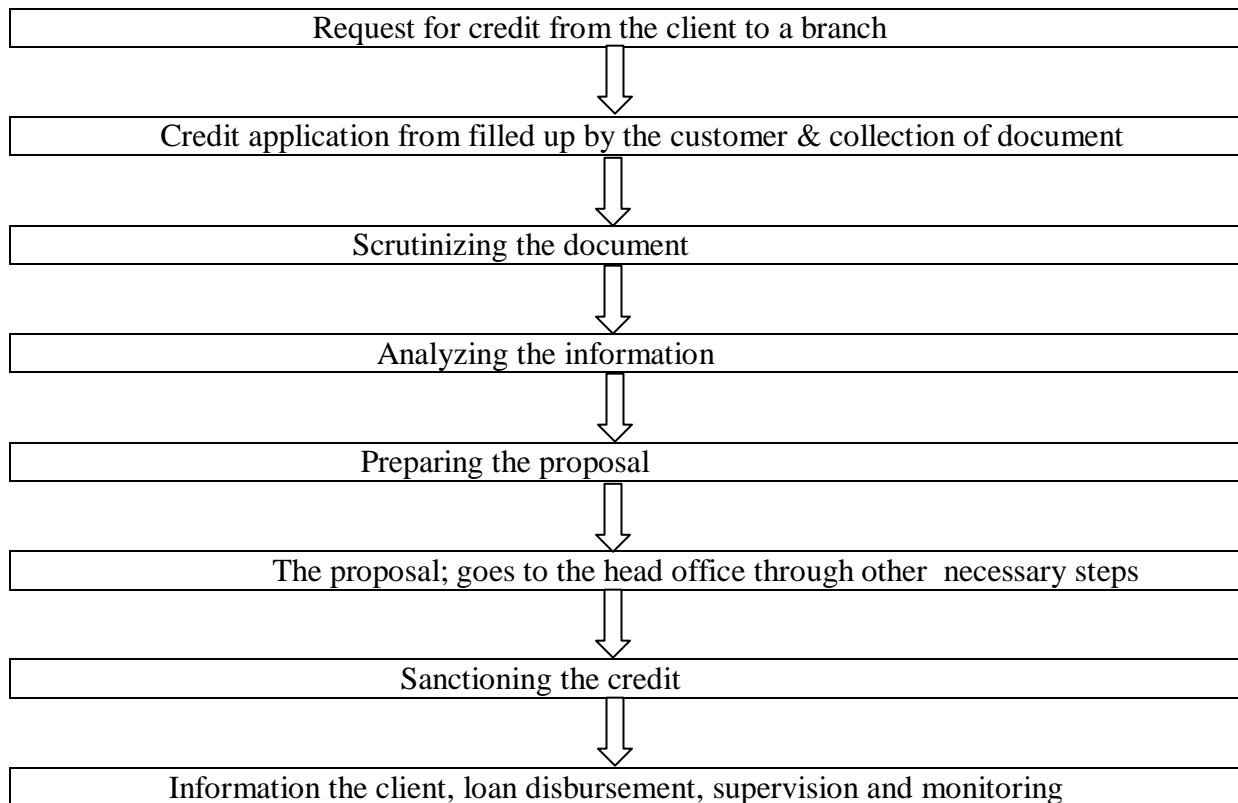


Figure: Loan appraisal and approval process

4.5.11 Documentation of loan and advances: In spite of the fact that banker lends credit to a borrower after inquiring about the character, capacity and capital of the borrower, he must obtain proper documents executed from the borrower to protect him against willful defaults. Moreover, when money is lent against some security of some assets, the document must be executed in order to give the banker a legal and binding charge against those assets. Documents contains the precise terms of granting loans and they serve as important evidence in the law courts if the circumstances so desire. That is why all approval procedure and proper documentation shall be completed before the disbursement of the facilities. The documents for loans and advances can be classified into two categories, namely Charge documents and Security documents.

4.5.12 Disbursement: After verifying all the documents the branch disburses the loan to the borrower. A loan repayment schedule is also prepared by the bank and given to the borrower.

4.5.13 Follow- up: After the disbursement of the loan bank officials time to time monitoring the loan by physical observation of the activities of the party. It is done in the following manner.

- Constant supervision
- Working capital assessment

- Stock report analysis

4.5.14 Loan classifications:

Classifications Scale

1. Unclassified: Repayment is regular
2. Substandard: Repayment is irregular or stopped but has reasonable prospect of improvement.
3. Doubtful Debt: Unlikely to be repaid
4. Bad/ Loss: very little chance of recovery.

4.5.15 Credit Monitoring: Monitoring is a process of taking care of loan case starts from the selection of the borrower and remains live throughout the life of a loan. To minimize credit losses, monitoring procedures and systems should be in place that provide an early indication of the deteriorating financial health of a borrower. At a minimum, systems should be in place to report the following exceptions to relevant executives in CRM and RM team:

- Past due principal or interest payments, past due trade bill, account excesses, and breach of loan covenants;
- Loan terms and conditions are monitored, financial statement is received on a regular basis, and any covenant breaches or exceptions are referred to CRM and the RM team for timely follow-up.
- Timely corrective action is taken to address findings of any internal, external or regulator inspection/audit.

All borrower relationship/loan facilities are reviewed and approved through the submission of a Credit Application at least annually. Two possible solutions to minimize the credit loss:

4.5.16 Early Alert Process: Despite a prudent credit approval process, loans may still become troubled. Therefore, it is essential that early identification and prompt reporting of deteriorating credit signs be done to ensure swift action to protect the Bank's interest.

4.5.17 Credit Recovery: Commercial Bank sanction loan to different categories of borrowers for various purposes. Before sanctioning of loan and advances (Short term loan, long term loan) bank appraises a loan proposal and analyze information relating to the borrower and purpose of the loan to determine viability of the loan proposal. If the proposal is found viable and safe for lending, loan is sanctioned and disbursed.

At the time of sanctioning loan, along with all other terms and conditions repayment period and installment is fixed. Recovery of loan starts just after the maturity of grace period. But more exhaustive appraisal of the loan proposal in the pre-sanction stage is not the guarantee to recover the loan money with interest unless a built in system of supervision and follow up is applied and proper treatment is given as and when problem arises.

The RU's primary functions are:

- Determine Account Action Plan/ Recovery Strategy
- Pursue all options to maximize recovery, including placing customers into receivership or liquidation as appropriate.
- Ensure adequate and timely loan loss provisions are made based on actual and expected losses.
- Regular review of grade 9 or worse accounts.

The loan classification procedure for all types of loan is governed by the guidelines contained in BRPD Circular no 16 dated 06.12.98 issued by Bangladesh Bank and subsequently revised partially through BRPD Circular no 9 and 10 dated 14.05.2000, According to this circular if any borrower fails to repay his amount or installment within the following time period then it will fall under the following classification status.

CHAPTER- 5

CREDIR ASSESSMENT AND SELECTION OF BORROWER

Credit Assessment and Selection of Borrower

5.1 Introduction

Credit assessment helps the banker to ensure selection of right type of loan proposal/project/ventures/enterprise and right type of borrower. For selecting the borrower security should not be the only thing to be relied upon. So responsibilities of the bankers to investigate the client from different view point i.e. the strength and weakness of the client so that the client will be able to repay the bank loan as repayment schedule with profit.

Credit risk assessment should be conducted prior to the granting of loans, and at least annually thereafter for all facilities. The result of this assessment should be presented in a credit application that originates from the Relationship Manager (RM) , and is approved in a Credit Risk Management (CRM)> Credit applications should summarize the results of the RM risk assessment and include, as a minimum, the following details:

- Amount and type of loans proposed
- Purpose of loans
- Loan Structure (Tenor, Covenants, Repayment Schedule, Interest)
- Security Arrangements

In addition, the following risk areas should be addressed:

5.2 Borrower Analysis

The majority shareholders, management team and group or affiliate companies should be assessed. Any issues regarding lack of management depth, complicated ownership structure or inter-group transactions should be addressed, and risk mitigated.

5.3 Industry Analysis

The key risk factors of the borrower's industry should be assessed. Any issues regarding the borrower's position in the industry, overall industry concerns or competitive forces should be addressed and the strengths and weakness of the borrower relative to its competition should be identified.

5.4 Call Report & site Visit Report

Call Report: For initiating a relationship, Credit officer/Relationship Officer will call on the client to primarily gather required information on the intending borrower especially client's desired facilities supported with exposure of other banks, business and security arrangement etc. Based on initial findings, potentiality and borrower's financial position and credit status, the RM may arrange future visit with the Manager/Head of Business unit as well as with the participation of RM (Marketing) from Head Office.

Site visit Report: According a site visit is to be conducted by RM/Branch Official/ Manager and in some cases by officials from the head office to oversee the factory/ business centers, production facility, stock machinery & fixed assets, business transactions as well as to assess possibilities of establishing a remunerative relationship. RM/Visiting officials exert due diligence to get market information on the borrower from industry sources, competitors, local area etc.

Branch Manager /Head Office Officials will be part of this process. RM will preserve findings on the visit covering the areas like client's background, business market share, integrity, credit exposure/ existing banking relationships, and indicative credit needs along with pricing, Valuation of security as observed during the visit must be checked by the visiting officials to counter check with reported value of the assets. RM will forward proposal for Prima Facie Approval and/or full dressed proposal of the client accompanying detailed Site Visit report of the client.

5.5 Supplier/ Buyer Analysis

Any customer or supplier concentration should be addressed, as these could have a significant impact on the future viability of the borrower.

5.6 Historical Financial Analysis

An analysis of a minimum of 3 years historical financial statements of the borrower should be presented. Where reliance is placed on a corporate guarantor, guarantor financial statements should also be analyzed. The analysis should address the quality and sustainability of earnings, cash flow and the strength of the borrower's balance sheet. Specifically, cash flow, leverage and profitability must be analyzed.

5.7 Projected Financial Performance

Where term facilities (tenor>1year) are being proposed, a projection of the borrower's future financial performance should be provided, indicating an analysis of the sufficiency of cash flow to service debt repayments. Loans should not be granted if projected cash flow is insufficient to repay debts.

5.8 CIB Requirement

For any new/renewal/restructure/enhancement proposal a fresh/ up-to-date CIB report (not older than 60 days) is mandatory. Before approval, 02(two) months latest CIB report is required for large loan proposals.

5.9 Account Conduct

For existing borrowers, the historic performance in meeting repayment obligations (trade payments, cheques, interest and principal payments, etc) should be assessed.

5.10 Liabilities with other Banks/FIs

Liabilities with other banks/ Financial Institution of the Client's should be considered at the time analysis of the proposal.

5.11 Environmental and Social Issues

For all term loans and working capital facilities to industries producing goods and services, an appropriate level of environmental impact analysis should be presented. The analysis should address the environmental management system that the borrower has established or intends to establish. The analysis should contain details of all treatments or system that/ would be followed for the toxic and hazardous (solid, liquid) wastes, as well as, gaseous emissions. It should also be mentioned whether all regulatory clearance/ approvals are in place and all applicable laws are complied with. The analysis should also address social issues in respect of labor conditions, wages, Medicare, service conditions, health hazards, compensation policy etc.

5.12 Loan Structure

The amount and tenor of proposed loan should be justified based on projected repayment ability and purpose of loan. Unusual loan tenor or loan amount relative to business need increase the risk of fund diversion or overtrading.

5.13 Security

A current and appropriate valuation of security/collaterals should be obtained and the quality and marketability of secure being proposed should be assessed. Loans should not be granted based solely on security. Adequacy and the extent of the insurance coverage should be assessed.

5.14 Name Lending

Credit proposal should not be unduly influenced by an over reliance on the borrowers'/owners/individuals' reputations, reported independent means or his/ their perceived willingness, to inject funds into various business enterprise in case of need. These situations should be discouraged and treated with great caution. Rather, credit proposal and the granting of loans should be based on sound fundamentals, supported by a through financial and risk analysis.

5.15 Risk and Mitigating Factors

Any internal and external risk and threat existed in the credit facilities should properly be identified and highlighted. Mitigating factors for risks identified in the credit assessment should

be reflected. Possible risks include, but are not limited to margin sustainability and/or volatility, high debt load (leverage/ gearing), overstocking or debtor issues; rapid growth, acquisition or expansion: new business line/ product expansion; management change or succession issues; customer or supplier concentrations; and lack of transparency or industry issues.

5.16 Technical Risk Analysis

The product that is manufactured must be technologically viable i.e. whether the technology applied is supported with the nature/type of product and is in order condition. The product's stage in its life cycle must be understood. Technical, aspects of the products must be addressed. The credit officer must be satisfied with the mitigating factors of technical and technological risk, associated with the products.

5.17 Adherence to Lending Guidelines

Credit applications should clearly state whether or not the proposed application is in compliance with the bank's Lending "Guidelines". The Bank's head of credit or Managing Director/CEO should approve Credit Applications that do not adhere to the Facilities Lending Guidelines.

Facilities will only be provided after analysis of the risk with the counter parties. There are numerous risks attached to every transaction/relationship but there is a need for certain fundamental risk aspects to be considered for every relationship. Certain of these risks have been identified which will be required to be commented upon on a mandatory basis.

CHAPTER-6

CREDIT RISK GRADING

CREDIT RISK GRADING

6.1 Introduction

Credit risk grading is an important tool for credit risk management as it helps the Banks & financial institutions to understand various dimensions of risk involved in different credit transactions. The aggregation of such grading across the borrowers, activities and the lines of business can provide better assessment of the quality of credit portfolio of a bank or branch. The credit risk grading system is vital to take decision both at the pre-sanction stage as well as post-sanction stage.

At the pre-sanction stage, risk grading helps the sanctioning authority to decide whether to lend or not to lend, what should be the loan price, what should be the extent of exposure, what should be the appropriate credit facility, what are the various facilities, what are the various risk mitigation tolls to put a cap on the risk level. At the post- sanction stage, the bank can decide about the depth of the review or renewal, frequency of review, periodicity of the grading and other precautions to be taken.

The risk grading system define the risk profile of borrower's to ensure that account management, structure and pricing are commensurate with the risk involved. Risk grading is a key measurement of a Bank's assets quality, and as such, it is essential that grading is a key measurement of a Bank's assets quality, and as such, it is essential that grading is a robust process. Having considered the significance of credit risk grading, it becomes imperative for the banking system to carefully develop a credit risk grading model which meets the objective outlined above.

6.2 Risk Grading Matrix

6.2.1 Definition of Credit Risk Grading (CRG)

- The Credit Risk Grading (CRG) is a collective definition based on the pre-specified scale and reflects the underlying credit-risk for a given exposure.
- A Credit Risk Grading deploys a number/alphabet/symbol as a primary summary indicator of risk associated with accredits exposure.
- Credit Risk Grading is the basic module for developing a Credit Risk Management system.

6.2.2 Functions of Credit Risk Grading

Well-managed credit risk grading systems promote bank safety soundness by facilitating informed decision- making. Grading systems measure credit risk and differentiate individual credits and group of credits by the risk they pose. This allows bank management and examiners

to monitor changes and trends in risk levels. The process also allows bank management to manage risk to optimize returns.

6.2.3 Use of Credit Risk Grading

- The Credit Risk Grading matrix allows application of uniform standards to credits to ensure a common standardized approach to assess the quality of individual obligor, credit portfolio of a unit, line of business, the branch or the Bank as a whole.
- As evident, the CRG outputs would be relevant for individual credit selection, wherein borrower or a particular exposure/ facility are rated. The other decision would be related to pricing (credit-spread) and specific features of the credit facility. These would largely constitute obligor analysis.

Number and Short Name of Grade Used In the CRG:

- The CRG scale consists of 8 categories with Short names and Numbers are provided as follows:

Grading	Short Name	Number	Score
Superior	SUP	1	Fully Secured-100
Good	GD	2	85+
Acceptable	ACCPT	3	75-84
Marginal/ Watch list	MG/WL	4	65-74
Special Mention	SM	5	55-64
Sub Standard	SS	6	45-54
Doubtful	DF	7	35-44
Band& Loss	BL	8	<35

6.3 Risk Grading Profile

A clear definition of the different categories of Credit Risk Grading is given as follows:

- **Superior-(SUP)-1**
 - ✓ Credit facilities, which are fully secured i.e. fully cash covered.
 - ✓ Credit facilities fully covered by government guarantee.
 - ✓ Credit facilities fully covered by the guarantee of a top tier international Bank.
- **Good- (GD)-2**
 - ✓ Strong repayment capacity of the borrower
 - ✓ The borrower has excellent liquidity and low leverage.
 - ✓ The company demonstrates consistently strong earnings and cash flow.
 - ✓ Borrower has well established, strong market share.
 - ✓ Very good management skill & expertise.
 - ✓ All security documentation should be in place.

- ✓ Credit facilities fully covered by the guarantee of a top tier local Bank.
- ✓ Aggregate Score of 85 or greater based on the Risk Grade Score Sheet.
- **Acceptable-(ACCPT)-3**
 - ✓ These borrowers are not as strong as GOOD Grade borrowers, but still demonstrate consistent earnings, cash flow and earnings.
 - ✓ Borrowers have adequate liquidity, cash flow and earnings.
 - ✓ Credit in this grade would normally be secured by acceptable collateral (1st charge over inventory/ receivables/ equipment/ property).
 - ✓ Acceptable management
 - ✓ Acceptable parent/sister company guarantee
 - ✓ Aggregate Score of 75-84 based on the risk Grade Score Sheet
- **Marginal/ Watch list- (MG/WL)-4**
 - ✓ This grade warrants greater attention due to conditions affecting the borrower, the industry or the economic environment.
 - ✓ These borrowers have an above average risk due to strained liquidity, higher than normal leverage, thin cash flow and/or inconsistent earnings.
 - ✓ Weaker business credit & early warning signals of emerging business credit detected.
 - ✓ The borrower incurs a loss
 - ✓ Loan repayments routinely fall past due
 - ✓ Account conduct is poor, or other untoward factors are present.
 - ✓ Credit requires attention
 - ✓ Aggregate Score of 65-75 based on the Risk Grade Score Sheet.
- **Special Mention-(SM)-5**
 - ✓ This grade has potential weaknesses that deserve management's close attention. If left uncorrected, these weaknesses may result in a deterioration of the repayment prospects of the borrower.
 - ✓ Severe management problems exist.
 - ✓ Facilities should be downgraded to this grade if sustained deterioration in financial condition is noted (consecutive losses, negative net worth, excessive leverage),
 - ✓ An Aggregate Score of 45-54 based on the Risk Grade Score Sheet.
- **Substandard-(55)-6**
 - ✓ Financial condition is weak and capacity or inclination to repay is in doubt.
 - ✓ However, due to specifically identifiable pending factors, such as litigation, liquidation procedures or capital injection, the asset is not yet classified as Bad & Loss.
 - ✓ Bangladesh Bank criteria for doubtful credit shall apply.
 - ✓ An Aggregate Score of 35-44 based on the Risk Grade Score Sheet.

- **Bad & Loss-(BL)-8**

- ✓ Credit of this grade has long outstanding with no progress in obtaining repayment or on the verge of wind up/liquidation.
- ✓ Prospect of recovery is poor and legal options have been pursued.
- ✓ Proceeds of recovery from the liquidation or realization of security may be awaited. The continuance of the loan as a bankable asset is not warranted, and the anticipated loss should have been provided for.
- ✓ This classification reflects that it is not practical or desirable to defer writing off this basically valueless asset even through partial recovery may be affected in the future. Bangladesh Bank guidelines for timely write off of bad loans must be adhered to. Legal procedure/ suit initiated.
- ✓ Bangladesh Bank criteria for bad & loss credit shall apply.
- ✓ An Aggregate Score of less than 35 based on the Risk Grade Score Sheet.

6.4 How to Compute Credit Risk Grading

The following step-wise activities outline the detail process for arriving at credit risk grading.

Step-1 Identify all the Principal Risk Components
--

Credit risk counterparty arises from an aggregation of the following:

- Financial Risk
- Business/ Industry Risk
- Management Risk
- Security Risk
- Relationship Risk

Each of the above mentioned key risk areas require be evaluating and aggregating to arrive at an overall risk grading measure.

Step-2 Allocate weight ages to Principal Risk Components

According to the importance of risk profile, the following weighting is proposed for corresponding principal risks.

Principal Risk Components:**Weight**

- Financial Risk 50%
- Business /Industry Risk 18%
- Management Risk 12%
- Security Risk 10%
- Relationship Risk 10%

Step-3: Establish the Key Parameters**Principal Risk Components****Key Parameters**

- Financial Risk Leverage, Liquidity, Profitability & Coverage ratio.
- Business/Industry Risk Size of Business Age of Business, Business Outlook
- Management Risk Business Industry Growth, Competition & Barriers to Experience, Succession & Team Work.
- Security Risk Security Coverage, Collateral Coverage and Support.
- Relationship Risk Account Conduct, Utilization of Limit, Compliance of covenants/conditions& personal Deposit.

Step-4 Assign weight ages to each of the key parameters.

Principal Risk	Components	Key Parameters	Weight:
Financial Risk		Leverage	50%
		Liquidity	15%
		Profitability	15%
		Coverage	15%
			5%
Business/Industry Risk		Size of Business	18%
		Age of Business	5%
		Business Outlook	3%
		Industry growth	3%
		Market Competition	3%
		Entry/Exit Barriers	2%
Management Risk		Experience	12%
		Succession	5%
		Team Work	4%

Security Risk	Security coverage	10%
	Collateral coverage	4%
	Support	4%
Relationship Risk	Account conduct	2%
	Utilization of limit	5%
	Compliance of covenants/condition	2%
	Personal deposit	1%
		10%

Step 5: Input data to arrive at the score on the key parameters.

After the risk identification & weight age assignment process, the next steps will be to input actual parameter in the score sheet to arrive at the scores corresponding to the actual parameters.

This manual also provides a well programmed MS Excel based credit risk scoring sheet accurately in particular cells for borrower. The excel program requires inputting data accurately in particular cells for input and will automatically calculate the risk grade for a particular borrower based on the total score obtained.

Step: Arrive at the Credit Risk Grading based on total score obtained

The following is the proposed Credit Risk Grade matrix based on the total score obtained by an obligor.

Number	Grading	Short Name	Score
1	Superior	SUP	Fully Secured-100
2	Good	GD	85+
3	Acceptable	ACCPT	75-84
4	Marginal/watch list	MG/WL	65-74
5	Special Mention	SM	55-64
6	Sub Standard	SS	45-54
7	Doubtful	DF	35-44
8	Bad & Loss	BL	<35

6.5 Exceptions of Credit Risk Grading

- Head of Credit Risk Management may also downgrade/classify an account in the normal course of inspection of a Branch or during the periodic portfolio review. In such event, the Credit Risk Grading form will then be filled up by Credit Risk Management Department and will be referred to Corporate Banking/Line of Business/Credit Administration Department/Recovery Unit for updating their MIS/records.

- Recommendation for upgrading of an account has to be well justified by the recommending officers. Essentially complete removal of the reasons for downgrade should be the basis of any upgrading.
- In case an account is rated marginal, special mention or unacceptable credit risk as per the risk grading score sheet, this may be substantiated and credit risk may be accepted if the exposure is additionally collateralized through cash collateral. Good tangible collaterals and strong guarantees. These are exceptions and should be exceptionally approved by the appropriate approving authority.
- Whenever required an independent assessment of the credit risk grading of an individual account may be conducted by the Head of Credit Risk Management or by the Internal Auditor documenting as to why the credit deteriorated and also pointing out the lapses.
- If a Bank has its own well established risk grading system equivalent to the proposed credit risk grading or stricter, then they will have the option to continue with their own risk grading system.

CHAPTER-7

ANALYSIS AND INTERPRETATION OF THE DATA

7. ANALYSIS AND INTERPRETATION OF THE DATA

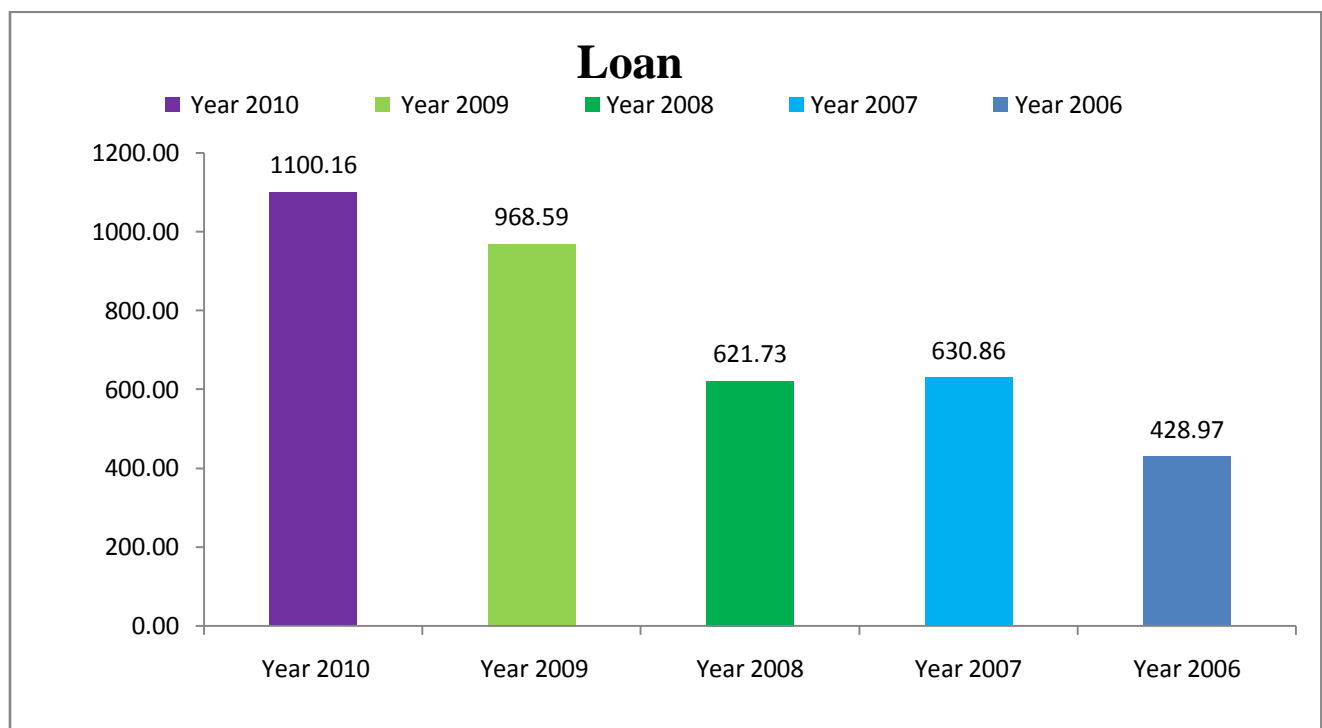
Interpretation of Credit Risk Management and Credit Risk Grading of Dutch-Bangla Bank Limited

(BASED ON THE LAST FIVE YEARS DATA)

This table is showing the last five years few particulars such as the total loan amount, the income from the investment of the Dutch Bangla Bank Limited.

Prticulars	2010	2009	2008	2007	2006
The Loans	67258.88	48410.99	41698.32	29403.12	30456.32
Income From Investment	1100.16	968.59	621.73	630.86	428.97

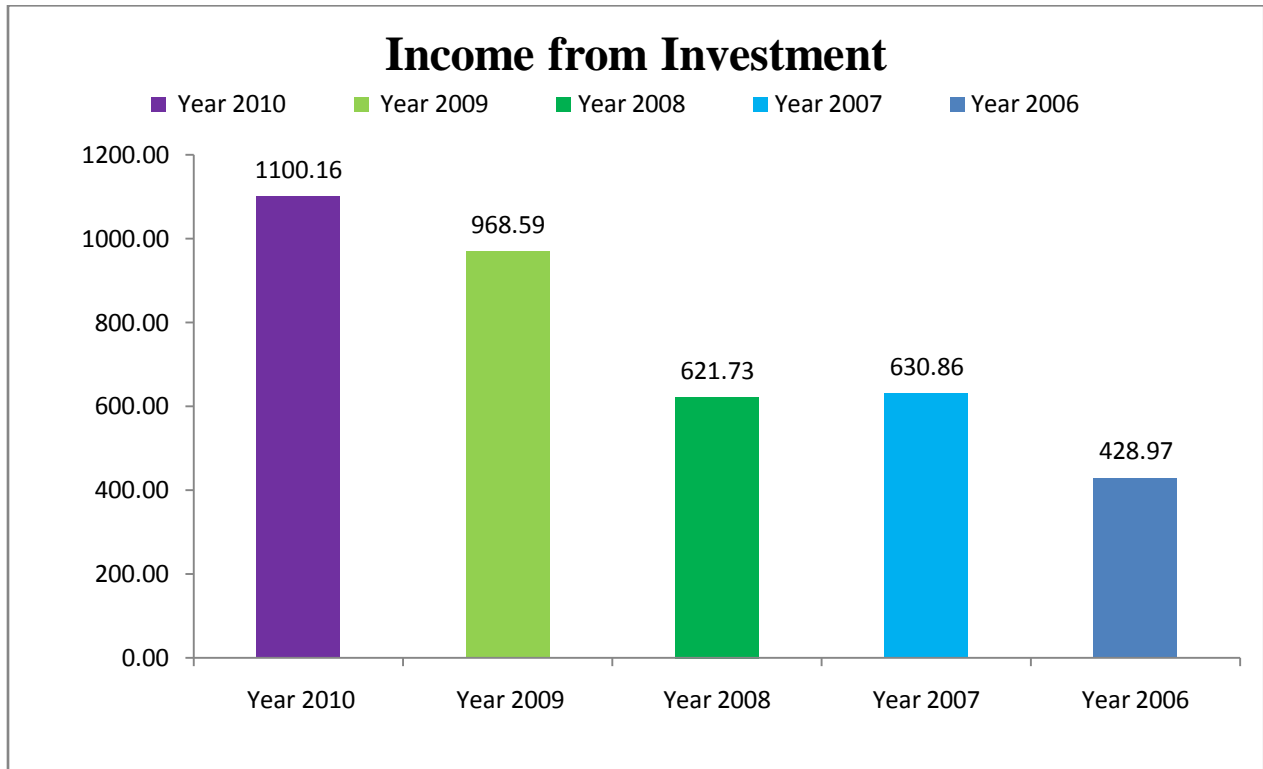
7.1Loans of DBBL from the 2006 to 2010



Interpretation

In the year 2006 the loan amount was 30456.32 million and then at the year 2007 it decreased to 29403.12 million then in the year 2008 the loan amount has reached to the 41698.32 and in the year 2009 the loan amount is 48410.99 million per year. In 2011 the loan amount has reached the almost highest level 67258.88. In 2010 to comparison of loan in 2009 DBBL had issued 38.93% more loan. It's a big positive side for DBBL.

7.2 Income from Investment of DBBL of the Year 2006 to 2010



Interpretation

At the year 2006 the income from revenue was 428.97 million per year and to the next year 2007 the income was increased to 630.86. After that in the next year 2008 the income sloped down a little bit to 621.73 million and in the year 2009 the income is 1334.17 million taka per year. And in the year 2010 income in the highest number that means at 1100.16 million taka. In 2010 to comparison of income from investment in 2009 DBBL had earned 13.58% more income. It's big positive side for DBBL.

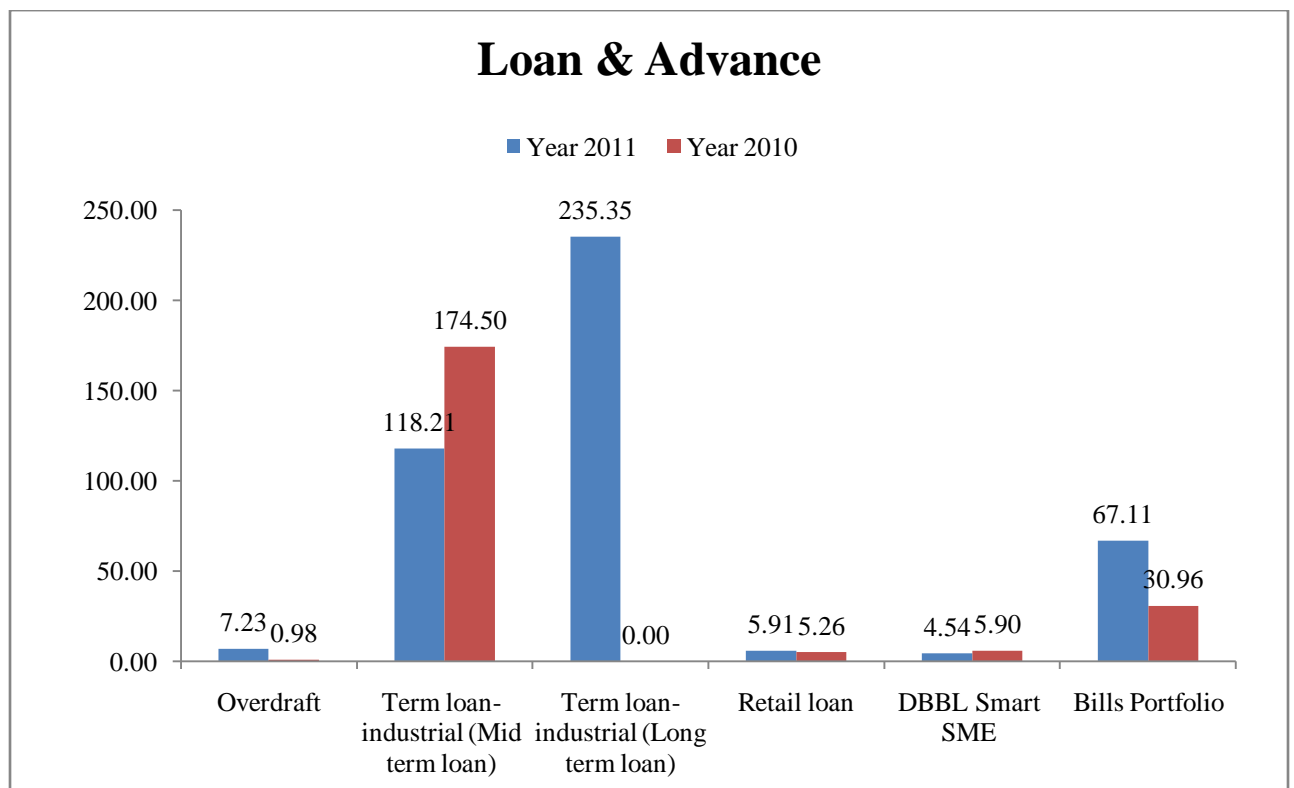
Interpretation of Loans and advances of the year 2010 to 2011 of DBBL (Rampura Branch)

Loan, Advance & lease including the bills purchased and discounted

(In million Tk.)

Loan & Advance Items	2011	2010
Overdraft	7.23	0.98
Term loan- industrial (Mid term loan)	118.21	174.50
Term loan-industrial (Long term loan)	235.35	Nil
Retail loan	5.91	5.26
DBBL Smart SME	4.54	5.90
Bills Portfolio	67.11	30.96

(**31st October 2011 data)



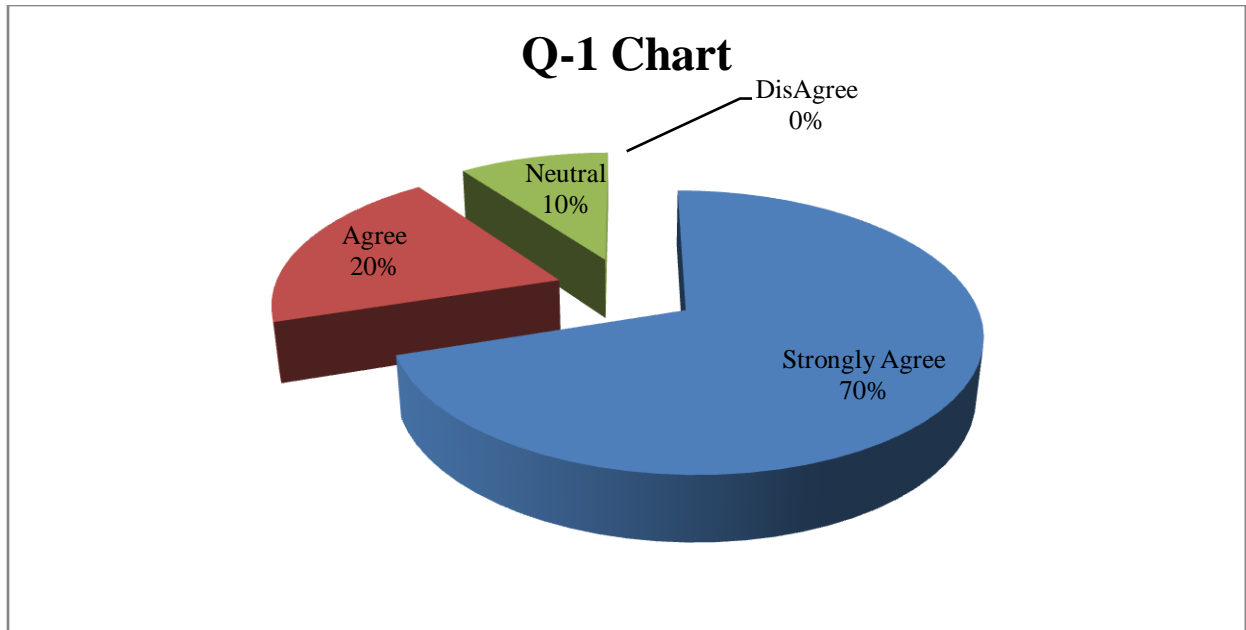
Interpretation

At the year 2010 DBBL Ranpura Branch issued overdraft loan 098 million taka and in the year 2011 issued overdraft at 7023 million taka. In 2011 bank issued 637.76% more overdraft than 2010. At the year 2010 issued mid-term industrial loan at 174.5 million taka and 2011 issued in this category 118.28 million taka. In 2011 bank issued 32.26% less amount of mid term loan than 2010. After that in the year 2011 issued long term industrial loan is 235.35 million taka but 2010 there was no long term loan. In the year 2010 bank issued retail loan in 5.26 million taka and 2011 issued 5.91 million taka. In 2011 bank issued 12.36% more amount of retail loan than 2010. In this year 2010 bank issued SME loan in 5.9 million taka and 2011 issued 4.54 million taka. In 2011 bank issued 23.05% less amount of SME loan than 2010. In the year 2010 bank issued bills portfolio in 30.96 million taka and 2011 issued 67.11 million taka. In 2011 bank issued 116.76% more amount of bills portfolio than 2010.

7.4 Analysis the Feedback of Customer: In this analysis I was selected 20 customers to these ten questions. In that feedback answer some analysis report are given below:

Q:1DBBL offers a good number of retail products (loan)

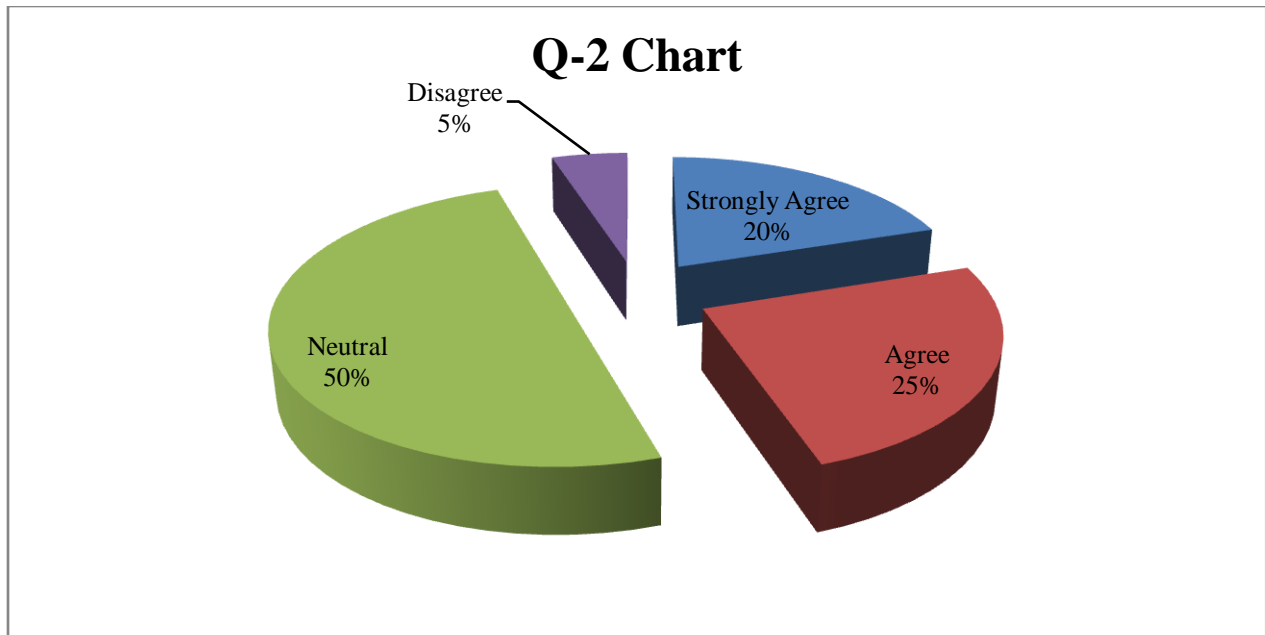
	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	14	70.0	70.0	70.0
Agree	4	20.0	20.0	90.0
Neutral	2	10.0	10.0	100.0
Total	20	100.0	100.0	



In this chart we see that most of the customer is strongly agreed (70%) that DBBL offers a good number of retail products to their customers.

Q-2: You are satisfied with the feature of retail product (loan)

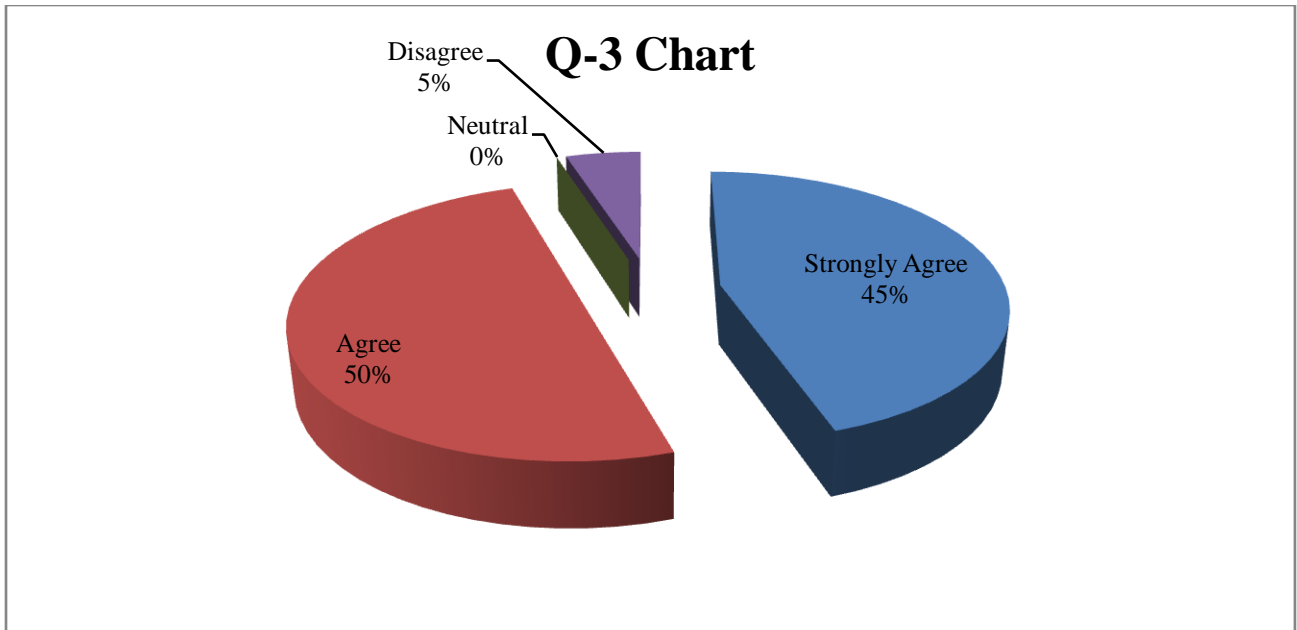
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	4	20.0	20.0	20.0
Agree	5	25.0	25.0	45.0
Neutral	10	50.0	50.0	95.0
Disagree	1	5.0	5.0	100.0
Total	20	100.0	100.0	



From the graph we see that 20% strongly agree and 25% agree that the features provided for retail loan are satisfactory. However in the negative side 5% are also disagree and 50% are neutral with this statement. This shows that DBBL has not been able to completely satisfy its customers with its loan features.

Q-3 Target customers of DBBL smart cash credit are only small & medium entrepreneur.

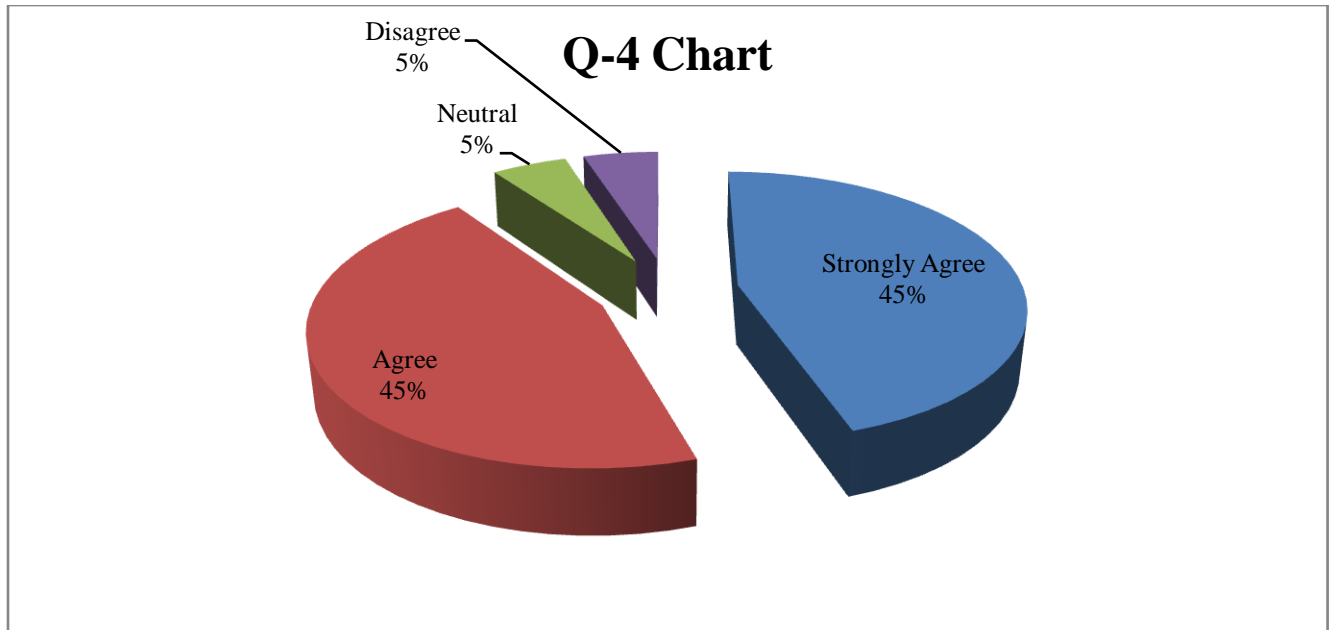
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	9	45.0	45.0	45.0
Agree	10	50.0	50.0	95.0
Disagree	1	5.0	5.0	100.0
Total	20	100.0	100.0	



Here people are 45% strongly agree about this statement and 50% are agree about this which means DBBL smart cash credit are basically for small and medium entrepreneur, that's a big opportunity for small and new customers.

Q-4: Processing fees of .75% for DBBL smart loan customers is affordable.

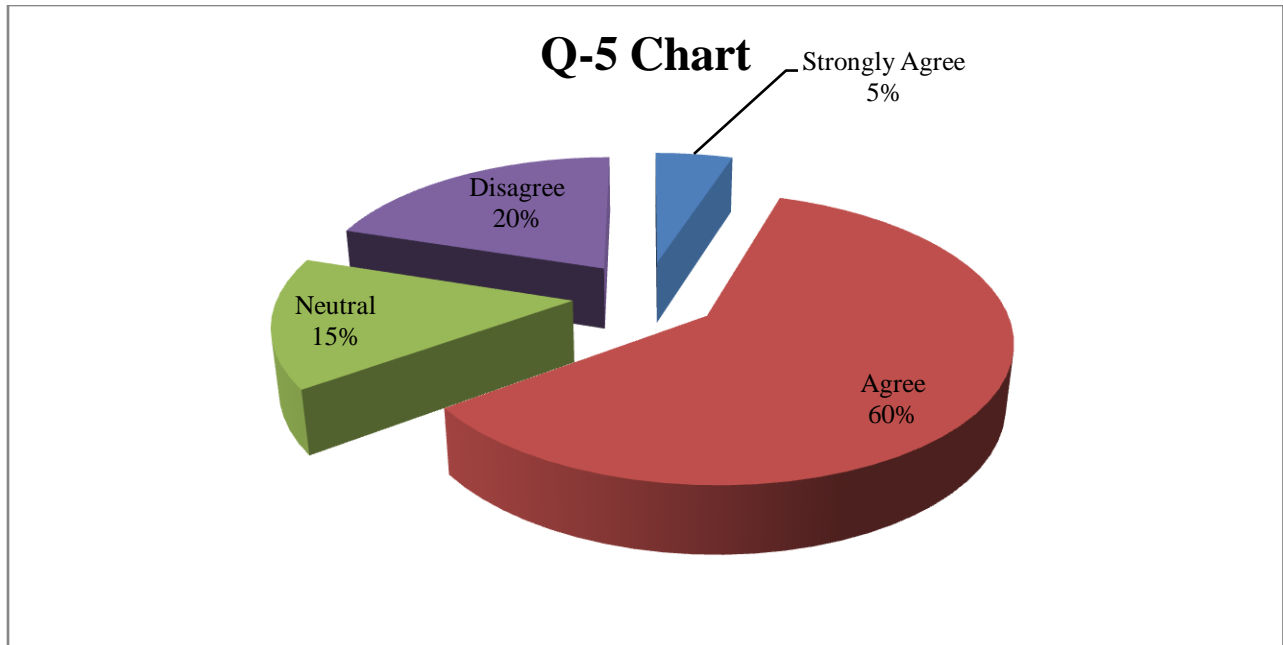
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	9	45.0	45.0	45.0
Agree	9	45.0	45.0	90.0
Neutral	1	5.0	5.0	95.0
Disagree	1	5.0	5.0	100.0
Total	20	100.0	100.0	



Although 45% people are strongly agreed and 45% are agree. Also 5% people are neutral and 5% are disagreeing of this statement. Here we see that .75% is affordable. When asked they replied that a .50% would have been a better rate.

Q-5: Customers are satisfied with DBBL smart SME.

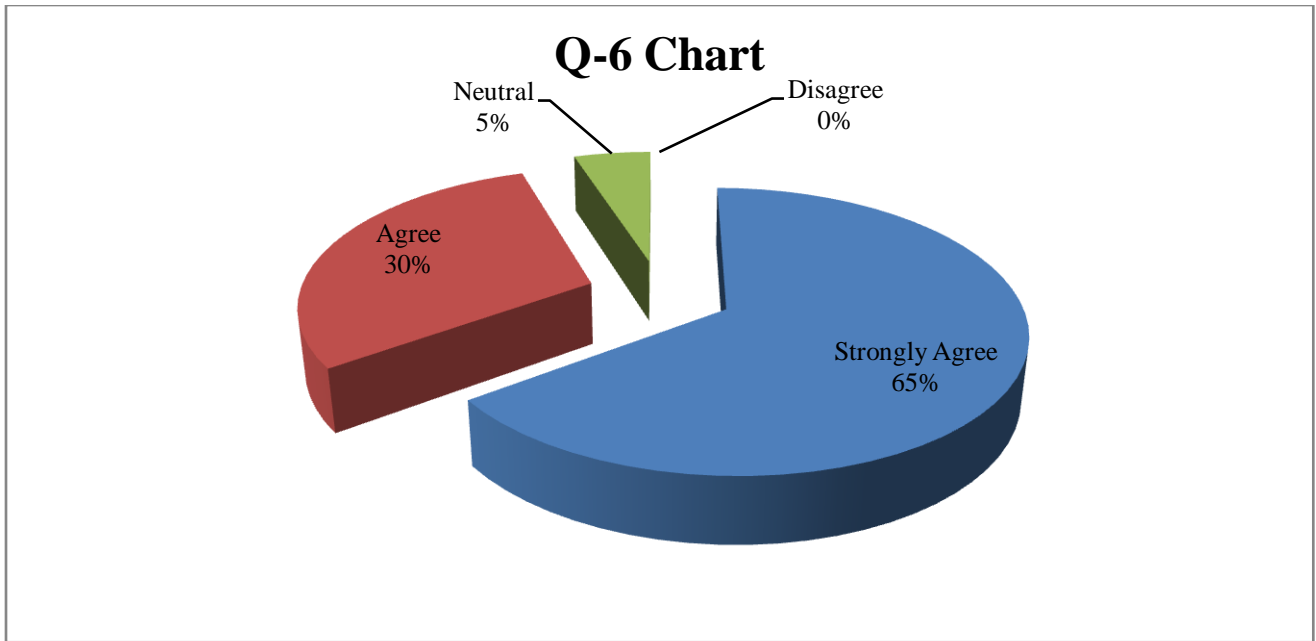
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	5.0	5.0	5.0
Agree	12	60.0	60.0	65.0
Neutral	3	15.0	15.0	80.0
Disagree	4	20.0	20.0	100.0
Total	20	100.0	100.0	



DBBL smart SME is new product for smart and medium loan customers. People are strongly like 5% and agree 60% of this statement. However in the neutral or disagree 20% of this statement. This shows that DBBL has been able to satisfied the customers with its smart SME but not completely.

Q-6: 13% interest rate on term loan is affordable rate for customers

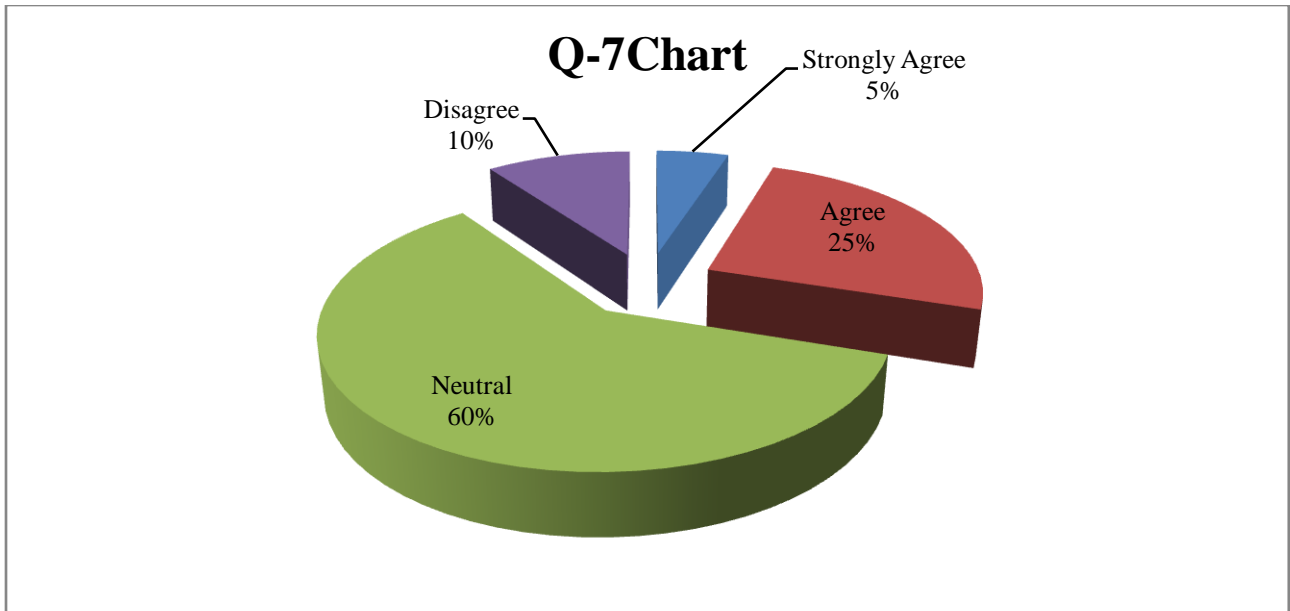
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	13	65.0	65.0	65.0
Agree	6	30.0	30.0	95.0
Neutral	1	5.0	5.0	100.0
Total	20	100.0	100.0	



DBBL offer 13% interest on term loan. Although 65% strongly agree with this statement there are many customers who neutral 5% and 0% of these customers disagree with the statement. Those who are neutral they think an interest rate of 11-12% would be more affordable.

Q-7: DBBL gives customers affordable offer for term loan to purchasing motor vehicle interest rate of 16% which is satisfactory for customers.

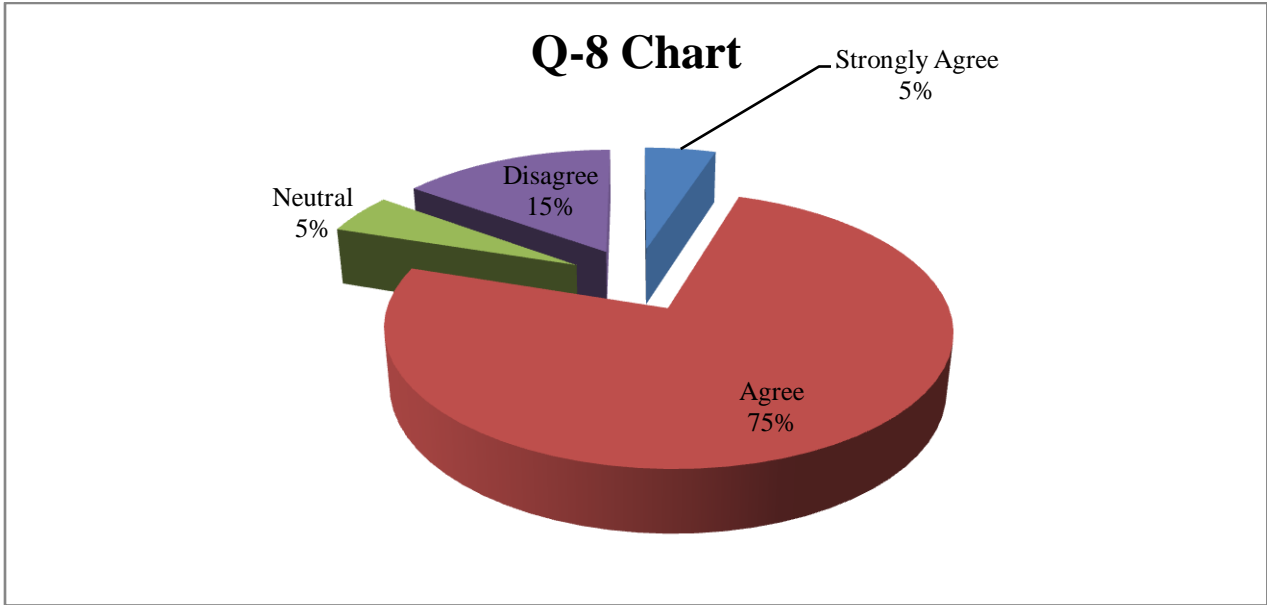
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	5.0	5.0	5.0
Agree	5	25.0	25.0	30.0
Neutral	12	60.0	60.0	90.0
Disagree	2	10.0	10.0	100.0
Total	20	100.0	100.0	



DBBL offer 16% interest on term loan to purchasing motor vehicles. Although 5% strongly Agree and agree 25% with this statement there are many customers who neutral 60% and disagree 10% of customers of this statement. Those who are neutral or do not agree they think an interest rate of 60% would be more affordable.

Q-8: Customers are satisfied with DBBL auto line repayment tenor (12 to 60 months).

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	1	5.0	5.0	5.0
Agree	15	75.0	75.0	80.0
Neutral	1	5.0	5.0	85.0
Disagree	3	15.0	15.0	100.0
Total	20	100.0	100.0	

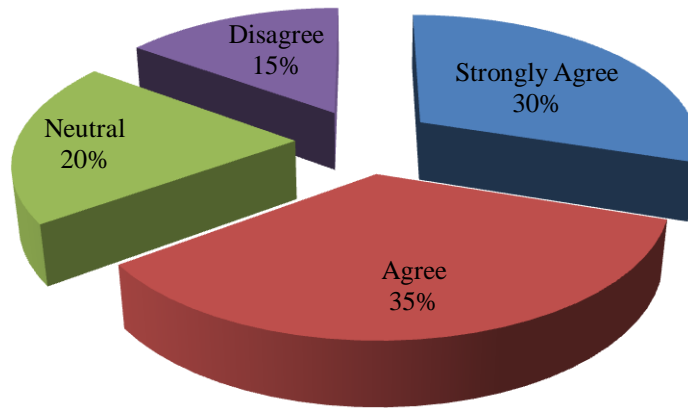


DBBL auto line repayment tenor time 12 to 60 months. Customers are strongly agreed 5% and agreed 75% about this statement. It shows that DBBL creates enough satisfaction to auto line repayment tenor.

Q-9: You are satisfied to give 40% down payment for term loan.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	6	30.0	30.0	30.0
Agree	7	35.0	35.0	65.0
Neutral	4	20.0	20.0	85.0
Disagree	3	15.0	15.0	100.0
Total	20	100.0	100.0	

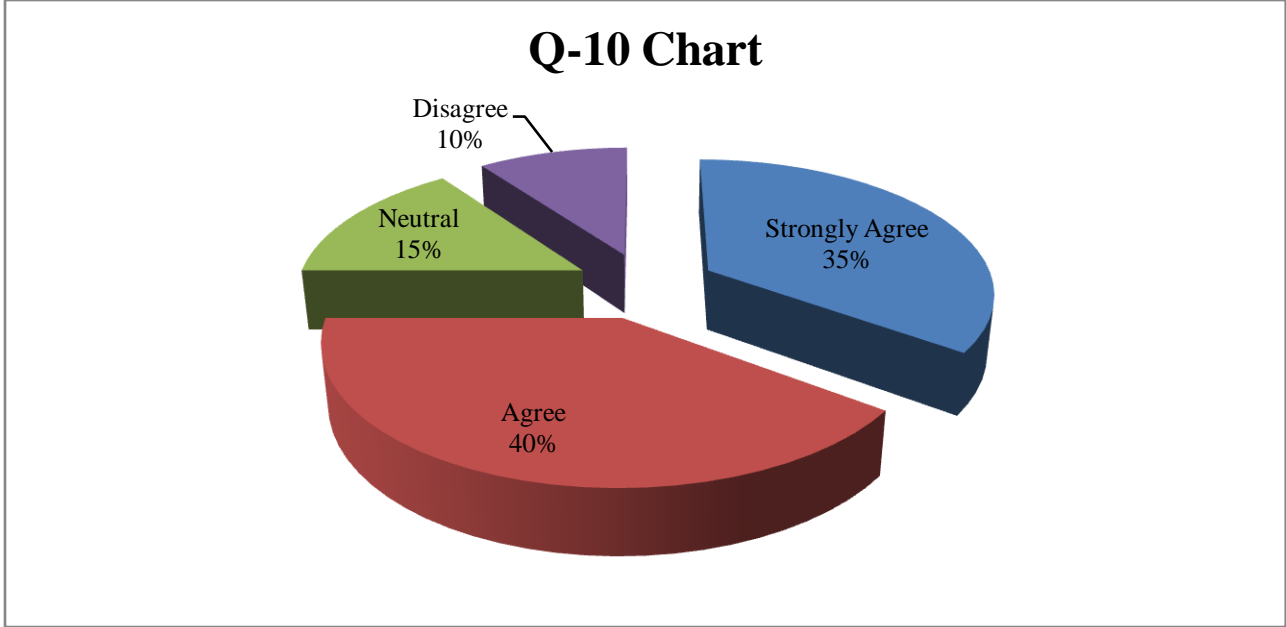
Q-9 Chart



For loan payment system DBBL follows 60:40 equity payment systems. That’s means customers give 40% down payment to the DBBL term loan. In this statement 35% agreed and 15% disagreed. Those who are neutral 15% or do not agree they think down payment should be 20-30% more affordable.

Q-10: DBBL clean credit line interest is 17.5% for no cash security customer. Interest rates are higher than other bank.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	7	35.0	35.0	35.0
Agree	8	40.0	40.0	75.0
Neutral	3	15.0	15.0	90.0
Disagree	2	10.0	10.0	100.0
Total	20	100.0	100.0	



DBBL clean credit line interest rate 17.50% for no cash security customer. Maximum customers agreed 35% and some are neutral 15% with this statement. Rest of customer thinks that this rate is affordable.

CHAPTER-9
RECOMMENDATION

Recommendation

Now some recommendation d\based on findings of the study are given below:

- In Cash department to ensure more prompt service and reduce risk an electronic scanning machine should be installed to verify signature of the cheques.
- The officer of the front desk should be well mannered and of pleasing personality. They should be more professional of their work.
- The officer of the different department should be well trained. The organization should provide training program for them.
- Transfer of internal instrument should turn quickly on same day.
- Clearing cheques should be presented and collected on the following day receipt of such cheques.
- Outstation cheques and other instrument should be sent for collection on the same day by registered post.
- In case of instruction received for collection from outstation branches, payment should be affected by the following working day. Intermission/ therefore should be communicated promptly.
- Bank personnel should come to office at 15 minute before commencement of business hour. this will enable them to plan their work and to attend the client at sharp 10 A.M
- Counter should be neat and clean and counter personal should and smart tidy and well groomed.
- When customer approaches bank personal with a problem which is not actually related to him, the customer should not be avoided. Rather he should be guided to the related person.
- Special emphasize should be given for collecting credit period and status report of the borrower when loan exceed more than fifty thousand.
- As an officer deals a good number of clients in a day. Therefore most efficient employees in this bank should send this branch for greater workforce productivity.
- To print the important and confidential office document there should be at least one laser printer.

CONCLUSION

From the close practical preparation of customer dealing procedure during the whole period of my practical preparation of DBBL, Rampura branch I have reached in firm and concrete conclusion in a very confidential way. I believe that my realization will be harmony with most of the bank thinkers. It is a quite evident that to build up an efficient and effective to the highest desire level computerized transaction is a must and DBBL used computer for daily transaction but the speed of computer is not so high.

Beside every bank has to survive amidst a large number of banks including local and foreign banks. That's why to keep peace with expected profit margin of the time being and for the future every bank should try heart and soul to please customers in a smart and trustily way and during my preparation time I talk with some client and they said they are happy with the service but to provide better and faster service more people needed. Because I saw a huge number of transactions occur daily in Rampura branch. But quite regretful to mention that most of our bank face decreasing profit trend due to switch over of their present customers to those foreign with higher customer service facilities. So, timely decision for introducing sophisticated banking instruments should be taken as early as possible.

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APPENDIX

Dear Respondent, Please take a few moments of answer these ten questions. The information you provide will only be used for academic choice

Question1: DBBL offers a good number of retail products (loans)

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 2: You are satisfied with the features of retail products (Loan)

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 3: Target customers of DBBL smart cash credit are only small and medium entrepreneur.

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 4: Processing fees of 075% for DBBL smart loan customers is affordable.

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 5: Customers are satisfied with DBBL smart SME.

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 6: 13% interest rate on term loan is an affordable rate for customers.

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 7: DBBL gives customers affordable offer for term loan to purchasing motor vehicle interest rate only 15% is satisfactory for customers.

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 8: Customers are satisfied with DBBL auto line repayment tenor (12 to 60) months.

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 9: you are satisfied to give 40% down payment for term loan

- Strongly Agree
- Agree
- Neutral
- Disagree

Question 10: DBBL clean credit line interest rate is 17.50% for no cash security customer. Interest rates are higher than other bank

- Strongly Agree
- Agree
- Neutral
- Disagree

Any Suggestions.....