



Internship Report

On

Credit Management of United Commercial Bank Limited

Submitted To:

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Letter of Transmittal

26 April, 2015

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Subject: Submission of Internship Report.

Dear Madam,

With great pleasure, here I submit my internship report on “Credit (loan) Management of United Commercial Bank Limited” that you have approved & assigned as a compulsory of BUS-400 course.

This report is based on the knowledge and experiences I have gained my internship period at The United Commercial Bank Limited. Hence, I would be extremely delighted and honored if you accept my Internship Report and recognize my hard work and determination I have put together in the preparation and completion of this report. I have tried my best to bring out the original scenario of the Credit Management with full of effectiveness & efficiency.

I would like to thank you for your support, guidelines & observation of my works which made it easy for me as well as provided knowledge of learning in practical.

Yours Faithfully,

Mehnaz Arni

ID: 10204055

Letter of Acceptance

This internship report is entitled “Credit Management of United Commercial Bank Limited” is prepared with thoughtful and relevant document under my direct supervision. This report is submitted by Mehnaz Arni a student of Bachelor of business Administration (BBA), BRAC University, ID No: 10204055 has been accepted.

Ms. Syeda Shaherbanu Shahbazi Ahmed

Senior Lecturer

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Acknowledgement

First of all, I would like to express my gratefulness to Almighty for giving us strength to survive. A warm felicitation goes for me to acknowledge the people, who hold the desirability for encouraging, praising, assisting as well as believing me in preparing this report on Credit Management of United Commercial Bank Limited on what I have worked through my internship period. I would like to take the opportunity to thank Ms. Syeda Shaherbanu Shahbazi Ahmed, Senior Lecturer, BRAC Business School, BRAC University, who provided me guidelines, helped in preparing my report. She has supported me with his inspiring personality.

The report titled as “Credit Management of United Commercial Bank Limited” has been prepared to fulfill the requirements of BUS-400 course at end of BBA program. I am very much fortunate that I have received sincere guidance, supervision and co-operative from various respected people while preparing this report.

I would like to take the opportunity to thank Mr. Amalendu Roy (Senior Vice President & Head of Branch) for giving me a chance to do internship in his branch and also want to thank Mr. Abdur Rahim (Vice President & Operation Manager) for giving me opportunity to do work in every desk.

I would like to take the opportunity to thank Mr. Borhan Uddin (Assistant Vice president) , United Commercial Bank Limited (Mirpur Road Branch) for being my on-site supervisor and providing me time to time information, suggestion as well as procedures to work with my topic.

I also want to thank Ms. Shahnaj Akhter (Officer), General Banking Division of United Commercial Bank Limited (Mirpur Road Branch) for being so cooperative in my work while I worked with her. I also thank to Md.Mamunur Rashid (Senior Executive Officer), Ms. Farzina Sulvia (Senior Executive Officer), Md. Mahbubur Rahman (Senior Officer), Ms.Nazmin Akter (Junior Cash Officer) for creating a friendly corporate environment and making me feel that corporate working is enjoyable.

Executive summary

This report is based on “Credit Management of United Commercial Bank Limited” which is prepared from my experience of working in Credit Department at United Commercial Bank Limited. Bank’s most important works are collecting deposit from clients and giving loan to clients. Through this process banks are making revenue. The employees of United Commercial Bank Limited are very serious about their work. They maintain a protocol to establish a good relationship with existing clients and new clients. For their good services every month UCBL collected big amount deposit from clients. Managing those deposit money is very important work for any bank. UCBL believe that about 80% to 90% of deposit money must be invested in loan section. This report focuses on different credit facilities provided by United Commercial Bank Limited and its overall procedure of lending.

With the clear mission provide effective banking services and to contribute socio-economic development of the country, United Commercial Bank Limited emerged as commercial bank and launched its operation on mid 1983. The bank has 148 branches all over the country up to 2015. Those branches are always ready to provide good services for their clients. I did my internship in UCBL Mirpur Road Branch, address: House# 12, Road# 5, ward No# 49 Mirpur Road, Dhanmondi R/A, Dhaka.

First 2 month I worked in General Banking Division. Here I learned how to open an account, how to provide quick services because customer wants quick and good quality service. I also learned how to Open an account, write pay order, taking deposit from customer and register inward & outward. Last 1 month I worked in Credit and LC department. I also learned to fill up LC register and loan form. And gain clear idea about loan process and LC.

The major task for a bank is to survive in the competitive environment of credit service by managing its assets and liabilities in an effective way. United Commercial Bank Limited manages the assets and liabilities in effective way and earns success and prosperity constantly. Is operates in a disciplined and prudent manner with a focus on driving productivity with delivering sustainable improvements in business performance.

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United Commercial Bank Limited



Chapter 1 :The Organization

A) Introduction:

United Commercial Bank Limited (UCBL) is a Bangladesh based private commercial bank that provides banking services. The services include corporate and retail banking, loans, and credit cards, online Banking and money transfer services. The bank operates in Bangladesh, having it's headquarter in Gulshan, Dhaka.

UCBL is a first generation bank and they put their customer first. They are using flex cube software to provide customer a better service efficiently. UCBL bank tries their best to provide their customer a better service.

As a fully licensed commercial bank, UCBL is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and it repositions itself in the changed market condition.

UCBL offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, General Banking Retail Banking and Consumer Banking right from industry to agriculture, and real state to software.

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B) History:

United Commercial Bank (UCB) started its journey in mid 1983 under the company Act 1994, with a firm commitment of the economic and social development of Bangladesh, and has since been able to establish itself as one of the largest first generation banks in the country. UCBL listed in the Dhaka Stock Exchange Limited on 30th November 1986 and Chittagong Stock Exchange limited on 15th November 1995. With a vast network of 148 branches the Bank has already made a distinct mark in the realm of Private Sector Banking through personalized service, innovative practices, dynamic approach and efficient Management industry to agriculture, and real state to software.

Today, UCBL is one of the country's leading banks in the private sector and contributing significantly to the national economy. The authorized capital of the bank today is Tk.15, 000 million, paid up capital tk.8, 366 million. The chairman of the bank is Mr. M. A. Hashem and managing director is Mr. Muhammed Ali.

The Bank has expanded its arena in different and diverse segments of banking like Retail Banking, SME Banking, Corporate Banking, Off-shore Banking, and Remittance etc. Besides various deposit and loan products of Retail Banking, the Bank caters export and import loan to deserving candidates which in turn helps the overall economy of the country through increased earning of foreign exchange. Other consumer products like UCB Cards have been showing tremendous success and growth since its inception in 2006 and soon became the leader in local market with around 40000 card holders.

No. of branches	148
No. of ATM booth	101
No. of SME centers	2
Off-shore Banking Unit	1
No. of Employees	3,374 (31.12.2012)

C) Product / Service Of UCBL:

1) Deposit Products:

UCBL has launched a number of financial products and services since its inception. These products and services are given below:

- ❖ UCB Money Maximizer
- ❖ Current Deposit
- ❖ UCB DPS Plus
- ❖ UCB Women DPS
- ❖ Short Notice Deposit
- ❖ Fixed Deposit Receipt
- ❖ UCB Staff Savings
- ❖ UCB Non Interest Savings
- ❖ UCB women savings
- ❖ UCB Youngster Savings

UCB Money Maximizer:

An individual can open this account and he needs to keep money in this account for at least 7.5 years and he will get interest rate 9.69%. To open this account he needs at least 50,000 taka. If he take money from this account before 1 year he will get no interest and after 1 year if he take money from this account then he will get Interest 4.5%.

Current Deposit:

It is popularly known as Current Account. Any individual (Businessman) , companies, firm, are eligible to open this type of account in its own name or company's name. This is non-interest bearing account. The account holder can deposit or withdraw money from his or her account any time if he or she wants. The code for CD account is 101. To open current account a customer needs:

- 3 copy picture of account holder
- 1 copy picture of nominee
- Account holders voter ID card photocopy, trade license photocopy, company's seal
- Nominees voter ID card photocopy

UCB DPS plus:

UCB DPS Plus is one of the popular deposit schemes of UCBL. UCB DPS Plus is a monthly saving scheme and an individual can give monthly installment 100 to 25000. If an individual give 100 taka and he needs to give same amount in every month.

The prime objective of this scheme is to encourage the people to develop their habit of saving. Under this scheme, monthly installments are in various sizes, such as 2 years, 3 years, 5 years, 7 years and 10 years.

UCB Women DPS :

UCB Women DPS is a monthly saving scheme for encouraging women for savings. Women DPS interest rate is higher than UCB DPS Plus. . Under this scheme, monthly installments are in various sizes and one can adopt the schemes for a period of 2 years, 3 years, 5 years, 7 years and 10 years.

Special Notice Deposit:

Normally people who need to do lot of transaction in a month, they open this account. This type of account opened by businessman or company and interest is given on daily basis. Interest is given on depending on the amount of taka.

Fixed Deposit Receipt:

Individuals, Firms, Companies, Associations can open this account. The deposit is taken for a specific fixed period of time, such as 3 months, 6months, 1 year etc. FDR rate of UCB is 8.75%.

UCB Staff Savings:

UCB staff saving is for UCB bank employees. No service charge is cut down for this account. Only excess duty is cut down once in a year.

UCB NON Interest savings:

Some people don't need any interest from bank, they only want to save money and so they open this type of account. Bank doesn't have to give interest in this account and this type of account is profitable for bank.

UCB Women's Savings:

To encourage women's for savings UCB offer this type of savings. Women's saving account interest is higher than normal savings account. Women savings account interest rate is 6% and Debit Card charge is free. There is no service charge in women's savings account.

UCB Youngster Savings:

Below 18 year old children can open this type of account. Interest rate is 6% in this account. There is no service charge in account and Debit Card is free. Cheque book will not provide for this account.

2) Loan Products:

Funded:

❖ **Secured overdraft (SOD):** When overdraft is allowed against lien of FDR or other financial instruments, it is termed as Secured Overdraft (SOD). Secured Overdraft (SOD) facility to the borrower may be allowed generally in the following ways:

- i. Overdraft against guarantee
- ii. Overdraft against FDR in the name of borrower
- iii. Overdraft against savings certificate
- iv. Overdraft against DPS

❖ **Cash Credit (CC):**

Cash credit account is like a current account with a limit up to which one can withdraw from the bank. Cash credit is normally sanctioned for a period of one year where a regular limit is sanctioned against goods to meet day to day expenses of business.

❖ **Loan against trust receipt (LTR):** Loan against Trust Receipt (LTR) is a funded facility provided to importer to retire L/C related shipping documents. Advance against a LTR obtained from the customer is allowed when the documents covering an import shipment are given without payment. The customer holds the goods or their sale proceeds in trust for the bank until the LTR is fully paid off. Letter of Trust Receipt is kept as primary security, which creates the banker's lien on the goods. LTR facility is adjusted from sale proceeds of Imported goods or cash from own sources of the customer within the validity. Validity of the LTR A/C vary from 30 to 180 days

depends on the nature and amount of items imported or as per Bangladesh Bank guidelines.

- ❖ TERM LOAN: This facility is used to meet the expenditure of civil construction and other infrastructure development. Term Loan facility is repayable by depositing equal monthly installments.
- ❖ LEASE FINANCE: UCB also provide loan under lease agreement to finance capital machinery, equipment and vehicle to the manufacturing and other business units. In this case the leaseholder is given the exclusive right to use the leasehold asset for an agreed period of time against payment of rent.

LOAN GENERAL:

- ❖ Payment against Documents (PAD): Arrangement under which a buyer can get the delivery (shipping) documents only upon full payment of the invoice or bill of exchange.
- ❖ Export Cash Credit (ECC): ECC is essentially a short term credit and allowed to supplement requirement of finance of an exporter to meet genuine costs and expenses related to the exportable commodity. It is allowed to execute a specific export order or to execute multiple exports against ECC limit. Maximum ECC limit would be 90% of FOB value of export L/C. For allowing ECC limit, exporters past 3 years export performance to be considered. For the purpose of extending ECC, L/C of those importers will not be accepted, whose record of past payments is not satisfactory i. e. has record of late payment, nonpayment, payment at discount.
- ❖ Local Documentary Bills Purchased (LDBP): LDBP facility is allowed to negotiate/purchase Inland/local Documentary bills duly accepted for payment by scheduled Banks in Bangladesh.
- ❖ FBPD (Foreign Documentary Bills Purchased): FDBP facility is allowed to the customer to negotiate/purchase foreign documentary export bills drawn under valid Export L/C.
- ❖ RETAIL LOAN: Retail loans are like car loan, doctor's loan, home loan etc.

NON FUNDED:

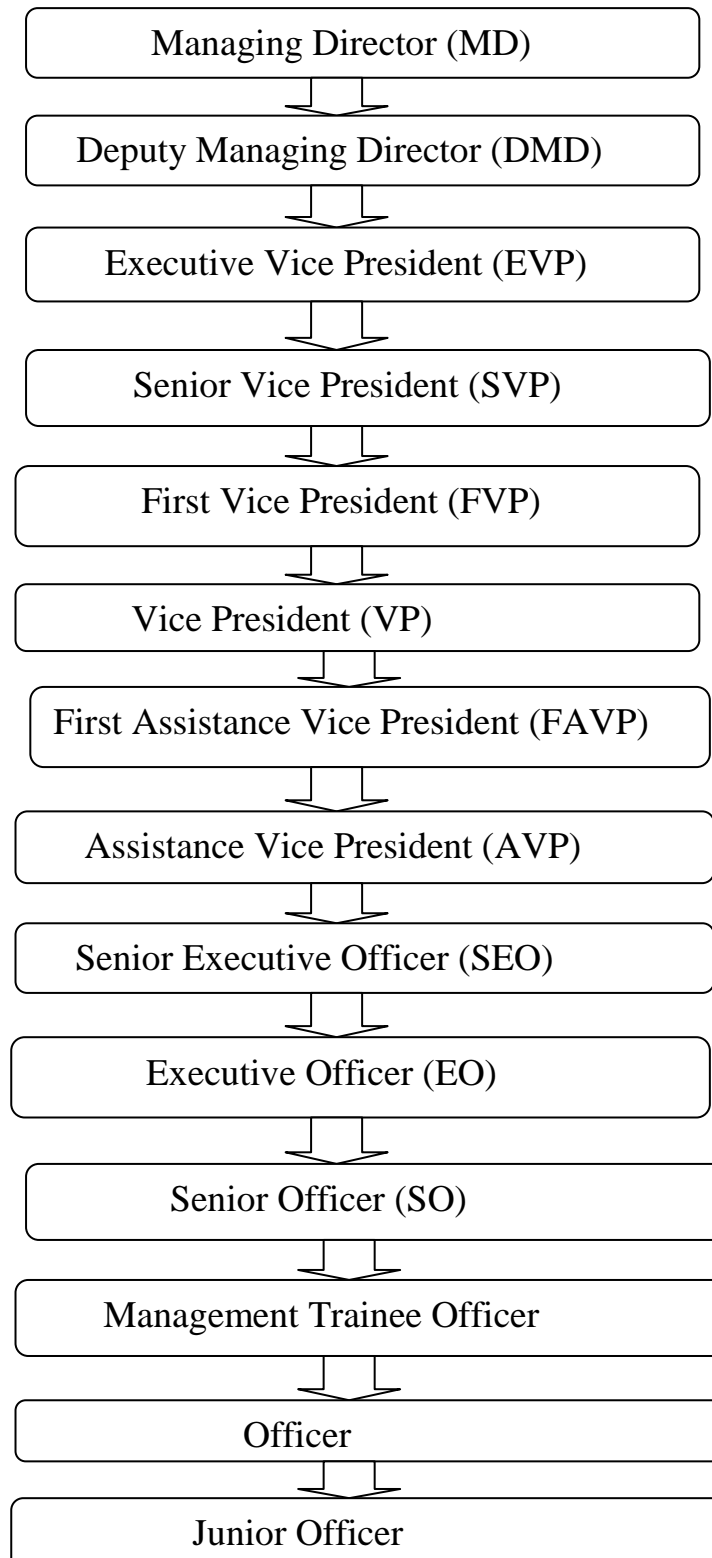
- ❖ SLC (LOCAL/FOREIGN): SLC means sight LC. Here after getting shipping documents bank payment within 5 working days.
- ❖ ULC (BACK TO BACK): The export letter of credit backs a second letter of credit which is used to pay a supplier. When the exporter received an export letter of credit from the overseas buyer for export of goods, but the concerned exporter are not the actual manufacturer/ producer of the exportable goods. He is required to collect the goods/ raw materials from the actual producer/ manufacturer. In such a situation the exporter request his bank to open a letter of credit in favor of the actual producer against the export letter of credit he has obtained. In this situation bank open a letter of credit in favor of the actual producer of the goods keeping the export letter of credit as security. Since the letter of credit on the strength of and backed by the export letter of, the second letter of credit called back to back letter of credit. Bank may provide pre-shipment credit facilities up to 90% of export order including BTB LC. However banks are generally not in favor of back-to-back letters of credit as a means of financing export transactions due to risk they are exposed to.

3) Other Products:

- ❖ LOCKER SERVICE: UCBL Mirpur Road Branch provides 3 type of locker service like small, medium and large. Small locker yearly charge fee is Tk.3440, medium locker yearly charge fee is Tk.4730, and large locker fee is 6500.
- ❖ CARD FACILITY: UCBL Provides debit card and credit card facility to its customers. Debit card holder is 1,50,000 and among them 70,000 to 80,000 card holders is actively use it. UCBL provides 3 types of credit cards such as platinum, gold and classic. Platinum card is for high value customer and card limit is Tk.1,50,000 to Tk.5,00,000, yearly charge fee Tk.5,000, and platinum client is 2,000 approximately. Gold card limit is Tk.50, 000 to Tk.1, 45,000, yearly charge fee Tk.3, 000, and gold client is 25,000 approximately. Classic card limit is Tk. 20,000 to Tk.45, 000, yearly charge fee 1,500, and classic client is 20,000 approximately.

D) Operational Network Organogram:

In UCBL bank head of the branch is Mr, Amalendu Roy, Vice president Md. Abdur Rahim and assistant vice president Borhan uddin. UCBL bank have 2 senior executive officer, one executive officer, 3 senior officer, two probationer officer, 3 officer, 4 junior officer, one senior cash officer, one junior cash officer, two assistant cash officer.



E) Visions for the future:

To be the bank of first choice through maximizing value for our clients, shareholders, employees and contributing to the national economy with social commitment. Beside these UCBL is planning to take some initiatives very soon. They are-

- ❖ UCBL is planning to increase their Deposit near 370 million, they want give loan to customer near 200 million, UCBL Mirpur Road Branch target to give customer loan 10 million in this year 2015.
- ❖ UCBL recognizes the need for contribution in the society. Therefore, they are planning to contribute more in the CSR activities in the upcoming year.
- ❖ They are going to increase the amount of SME loan for the entrepreneurs. So that they could help the socio economy infrastructure to develop faster.
- ❖ UCBL emphasizes on having efficient workforce to serve their customers in the best way possible. In order to do that, UCBL is focusing on giving their employees more training.

F) Mission:

To offer financial solutions that create, manage and increase our clients' wealth while improving the quality of life in communities we serve.

Chapter 2 : JOB

A) Prologue:

After completion of academic study, all of us will have to enter into professional world. Before facing with real world, to work as an intern in an organization is best opportunity to practice corporate culture and utilize academic learning. I got the privilege to work at United Commercial Bank Limited for a period of 12 consecutive weeks.

I experienced that every desk is assigned with specific jobs and particular persons take responsibility as well as to carry out the jobs. In cooperating with all the persons I worked with, I came to learn a lot of things which will help me not only in professional life but also in my personal life.

I worked at Mirpur Road Branch from January 5, 2015 to April 6, 2015 and these three month journey of my internship with United Commercial Bank Limited was delightful. As I worked as an intern there, I was assigned at different desks of all the divisions of bank.

1) General Banking Division:

At the beginning of internship period, I worked in General banking division for about 2 months. UCBL officers are helped me to learn general banking division work. Every banker must need to keep knowledge about General banking division. It is the introduction of banking service. Now I will explain my experiences in below-

1. a) Account Opening:

When a customer want to open a savings account, I told him/her to bring his/her 3 copies of passport size photograph, nominee's 1 copy of passport size photograph, their voter ID card's photocopy, if they have not voter ID card then we need their birth certificate's photocopy. Then I fill up the account opening form and take signature from the customer. I do the transaction profile of the customer. After that I do the KYC (Know Your Customer), doing KYC is very important for a bank because from that a bank know how much the customer is risky for bank. In the KYC we put what type of service the customer do ,we put how often a customer will transaction in a bank, the total amount will deposit by customer or will take from bank in a month. After doing KYC , I need to check again that the customer give all the documents correctly or not and need to put mark on form. Then I fill up FATCA to know the customer has any account in the USA or not. Then I put seal on the form like

photograph verified, signature admitted, photocopy verified. Then account opening office put all the information on our new software flex cube and give account number and customer ID on the form. Then the account opening officer check the form and our Vice President and Branch manager put their sign on form after checking it.

1.b) Bills and Remittance:

In the bank bills means pay order or payment order. Payment order is a negotiable instrument (such as Draft) which instructs payer bank to pay a certain sum to a third party. Also called pay to order. In the United Commercial Bank Limited, I learned how to write a pay order. To issue a pay order the client first need to deposit money in the cash counter then we write the pay order in the Bills and Remittance department. In the pay order I need to put the name, amount and date accurately. Then officer put the customer data on the computer to keep it as a document. Then the authorized officer and vice president put their signature on pay order and they also authorized the pay order in the computer for safety. After that the client comes and in the opposite side of the pay order client put his signature and take the pay order.

The Branch who issue pay order on favor of client that branch have to pay the amount to the client whose name the pay order is issued.

A remittance is a transfer of money by a foreign worker to an individual in his or her home country. In UCBL I see that client come and give us western union or money graph digit and we put the digit as input on computer and see the amount and give cash to the client who give us the secure digit number.

Transaction Mode:

In the bank transaction happens in 3 ways like Cash, clearing and transfer.

2) Cash Department:

In the Cash department customer's can come and deposit their money or withdraw their money. In there I had learned cheque has 3 parts, like drawer, drawee and payee. Drawer is account holder. Drawee is a bank and payee is the person whom bank will pay the money.

When a customer gives cheque in cash counter, officer check that he writes the date, name correctly and the signature match with the data of the computer or not. This checking process name is apparent tenor. When I was cash counter I got chance to take deposit money from customer and in the computer I put the account number and write the deposit money amount, then save it in computer. I also got opportunity to help customer withdraw the money, here I check the cheque is genuine or not with the help of ultra violet machine, then I put account number of the customer in computer, check he has how much money in the account, match the signature with computer. If the signature is matched and he has money in his account then I write the withdraw money amount and save it in computer and give customer money.

2. a) Transfer Department:

Transfer is done from one account to another account. For transfer from one account to another money both account holder need account in same bank.

In the transfer department I received the check from customer and maintain the cheque register.

3) Clearing Department:

The main job of clearing department is collecting money from another bank. Here Bangladesh bank is the middle man. There are 2 types of cheque came in clearing department, like Inward and outward.

Outward:

Suppose, a customer has account in UCBL. This customer got a Dhaka Bank cheque from his customer (Dhaka bank account holder). Now UCBL customer gives this cheque in clearing department. At this time clearing officer send this cheque to the Bangladesh Bank clearing department BACH (Bangladesh Automated Clearing

House). Then Bangladesh Bank will send this cheque to the Dhaka Bank. Then Dhaka bank will Debit his customer account and send this money to Bangladesh Bank and then Bangladesh Bank send this money to UCBL. Then UCBL will Credit his customer account and give this money to his customers.

Inward:

Suppose, UCBL customer **A** gives his cheque to his customer **B**. **B** has an account in Dutch Bangla bank. **B** gives this cheque in Dutch bangle bank clearing department. Dutch bangle bank clearing officer will send this cheque to Bangladesh Bank clearing house BACH and then will send this cheque in UCBL. UCBL will debit **A**'s account and send this money to Bangladesh Bank and Bangladesh Bank will return money to Dutch bangle bank. Then Dutch bangle bank will credit **B**'s account and give money to **B**.

In the clearing department I received the cheque from customer, and then check it it's forward or not with UV machine, then put received and authorized seal on it.

4) Credit Department:

I worked 3 weeks in this department. My job was to prepare file for applicants with the corresponding papers (applicant's information, company invoices, TIN, VAT certificate, credit report etc.) and help them to fill up it. I attached stamp in some of the papers like as Demand Promissory Note and then gave some seals like as Signature Verifying seal. I fill up some SME (Small Midterm Enterprise) forms. This form is different from savings account form. I also fill up some personal loan and CD accounts forms. I also help them to calculate some debit and credit numbers so they can easily put the calculate number in the computer.

5) Foreign exchange Department:

I worked 2 weeks Foreign exchange department. Here I learned LC means letter of credit and LC is one kind of bank grantee that if in case importer can't able to give money to the exporter then bank itself give money to the exporter.

Mirpur Road branch is not AD (Authorized Dealer) so after completing LC proposal they send it to Elephant Road Branch and this branch is Authorized Dealer branch. AD means authorized Dealer. Banks need permission from Bangladesh Bank to do foreign exchange trade (open LC, Import, Export). Those bank have this permission, they are authorized dealer of Bangladesh Bank.

In UCBL Mirpur Road Branch my job was maintain LC (Letter of Credit) register. In this register I need to write date, name of the LC opener with address, foreign currency amount, and rate of conversion, license no, items of import, country of origin, percentage of margin, amount of margin, commission of bank, vat amount.

When I worked there I came to know there is three type of LC-

a) Sight LC:

It is one type of cash LC. When bank will receive shipping documents within 5 working days bank will give money to the exporter from taking money from the importer.

b) Deferred LC:

When Bank receive shipping documents after specific time period bank will give money to the exporter from taking money from importer.

c) Usance LC:

Here after receiving shipping documents from exporter bank will pay money to the exporter on behalf of Importer. Then after specific time period Importer will give the money with interest in bank.

Inco terms means International commercial terms accepted worldwide in assignment of costs and responsibilities between the buyer and the seller. In Bangladeshi bank two type of Inco terms is follow, they are CFR (Cost and Freight) and CPT (Carriage Paid To). When import items come by bus, train or plane bank do CPT. When goods come by sea then bank do CFR.

6) Rational for Internship:

In today's world only academic education does not make a student perfect to become competitive with the outside world. Internship is a great opportunity to gain ideas, knowledge and experience with applying academic knowledge. Through the internship program, a student gets the opportunity to face with the real business world. It helps to build self-confidence, & interpersonal skills which is important for entrance as a fresher in job market. It is also beneficial for both a student & organization to upsurge relationship among them for further opportunities. The program covers a period of 12 weeks of organizational experience.

7) Challenges:

The first thing I learned in Bank is, Bank is a busy place if you don't take initiative to learn, no one will have time to teach you.

When I was in account opening section, the officers didn't give me the account opening form to fill up. Then from watching I learned and then they gave me to do that work because I could do it without any error.

In clearing section, I need to wait when the officers became free so that I could learn from them. In clearing section from seeing the officer, I learned how to receive a cheque and how to verify it and which seal put on it and then after learning it I started to do it.

In bills and remittance section, the officer was occupied with her work and didn't get time to teach me about it. After seeing that, whenever she is free I asked her questions to get clear idea about it. I wrote pay order and do pay order related work there.

In Letter of credit section all paper work and computer type of work has done by the officers and they don't let an intern to do this. They thought why an intern need to learn so many things if she does job in a bank eventually she will learn. But, I convinced them that I need to know about it, and then they taught me how to fill up LC register by seeing LC documents.

In loan section, my period of working is near 1 month .It is the busiest section in the bank. Here officers didn't enough free time to teach me. They were too busy with their work and they become free after 6pm and an intern work in bank from 10pm to 6pm. In this condition, I learned about how many type of loan they have, loan giving procedure and I also learned which are corporate loan, which loan is called retail loan and SME. I got some times opportunity to fill up forms and when they ask me I did some calculations for them and checked the CIB forms.

8) Recommendation:

- ❖ UCBL need to give enough training to their officers so they can efficiently use the new flex cube software.
- ❖ Need to give more emphasize to make customer happy and do not behave rough with customer.
- ❖ UCBL have many attractive product/ services but they do not promote their products. They can do advertise of their product/ services so that more people get attracted to it.
- ❖ UCBL new software has a problem is that, it logout the officers after sometime of doing work. So, they need to fix this problem.

Chapter 3: Project part

A) Background of topic:

Credit management in a bank is a dynamic sector where a certain standard of long-range planning is needed to allocate the fund in diverse field and to minimize the risk and maximizing the return on the invested fund. The objective of the credit management is to maximize the performing asset and the minimization of the non-performing asset as well as ensuring the optimal point of loan and advance and their efficient management. The credit policy of United Commercial Bank Limited is a combination of certain accepted, time tested standards and other dynamic factors dictated by the realities of changing situations in different market places. UCBL aims to become one of the leading banks in Bangladesh by prudence, flair and providing quality of credit operations in the banking sectors. UCBL intends to meet the needs of their clients and enhance their profitability by providing best credit facilities. I tried to make an overall analysis of credit activities of United Commercial Bank Limited.

B) Objective of the report:

Objective of the report is divided into two categories. They are- general and specific objectives.

B.1) General Objective:

The general objective of the study is to know about the credit management system at United Commercial Bank Limited as well as to view the current status of overall loan condition of UCBL.

B.2) Specific Objective:

The specific focuses of the study are:

- To find out the overall activities of credit management system.
- To represent the procedures that bank follows for lending to the customers.
- To describe the operational procedure of the different credit facilities.

C) Scope:

In this report I shared my real life experience. Credit department are most important part for any bank. My report is based on credit management of UCBL, so I will cover the background and functions mostly on credit management system of the United Commercial Bank Limited.

D) Methodology:

The study requires a systematic procedure from selection of the topic to final preparation. To perform the study, the data sources are identified and collected, these are classified, analyzed, interpreted and presented in a systematic manner and key points have been found out. The overall processes of methodology are given below-

I used both primary and secondary data to complete my report.

D.1) Primary data:

- Direct observation
- Discussion with officers of UCBL
- Discussion with customer
- Direct involvement in the credit management activities in UCBL.

D.2) Secondary data:

- Website of United Commercial Bank Limited
- Annual report of United Commercial Bank Limited
- Office circular and other published papers and documents

E) Limitations:

There were certain limitation had to face in order to prepare this report. Some limitations are following:

- ❖ There was a little scope to work at credit division in the bank for an intern student.
- ❖ Limitation of time was one of the important factors that shortened the study.
- ❖ UCBL does not have rich and wealthy collection of various types of books or journals related to banking activities.
- ❖ Confidentiality of data was another important barrier that was faced during the conduct of this study. Credit policy is an internal & confidential matter at a bank. Alike all other banking institutions, UCBL is also very conservative and strict in providing financial information.

F) Loans & Advances:

United Commercial Bank Limited is a new generation Bank. It is committed to provide high quality financial services/products to contribute to the growth of GDP of the country through stimulating trade & commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, poverty alleviation, raising standard of living of limited income group and over all sustainable socio-economic development of the country.

In achieving the aforesaid objectives of a Bank, Credit Management has paramount importance as the greatest share of total revenue a Bank generates from it. Existence of the bank depends on prudent management of its credit operation where maximum risk is centered in it. In most of cases, the failure of a commercial bank is usually associated with the problem in credit management as well as the result of reduction in the value of assets. Therefore, credit management has not only featured domination in the assets structure of the bank but also critically important to the success of the bank.

The standards of credit relate to safety, liquidity and profitability whereas these dynamic factors are also related to different aspects such as interest or margin, credit spread nature and extent of risk and credit dispersal. In the UCBL Mirpur Road Branch's Credit Department, there are 2 (Two) Senior executive officers are working continuously with great effort and teamwork and they have quite efficient skills and talent to perform the jobs in this department. The Bangladesh Bank, Credit Division at Head Office of UCBL and the respective officers of branch in the section control this credit department. The officers believe in teamwork and extreme hard working. In all business dealings, credit officers are guided by the principles of honesty, integrity and safe-guard the interest of the depositors and credit customers of the bank. Credit officers principally perform credit management task by providing loan (credit) to customers and receiving loan back by charging interest along with installments with obeying rules and regulations of the Bangladesh Bank and Head Office as well as maintaining the best business practices in the Bank.

F.1) Corporate Loan:

Corporate Loan is loans that are taken by business people for doing business. Corporate lending is essentially the same thing as a personal loan, except instead of being made from a bank to an individual, it is made from a bank to a company. As a result, the amounts of

money being dealt with tend to be substantially larger, and some of the protections are a bit different.

F.2) Short term finance: Short-term loans are used to finance inventory, account receivables or other current assets to finance the working capital requirement. The time period of short term loan is 1 month to 1 year. Forms of short-term loan are given below:

- **Cash Credit (CC):** Cash credit account is like a current account with a limit up to which one can withdraw from the bank. Cash credit is normally sanctioned for a period of one year where a regular limit is sanctioned against goods to meet day to day expenses of business. Cash credit is also known as a continuous loan and it can also renew of demand of customer.
- **Secured overdraft (SOD):** When overdraft is allowed against lien of FDR or other financial instruments, it is termed as Secured Overdraft (SOD). Secured Overdraft (SOD) facility to the borrower may be allowed generally in the following ways:
 - Overdraft against guarantee
 - Overdraft against FDR in the name of borrower
 - Overdraft against savings certificate
 - Overdraft against DPS
- **Bill discounted and purchased:** United Commercial bank Limited gives advances to customers by discounting or purchasing their bills of exchange. Such bills of exchange arise out of commercial transactions both in inland trade and foreign trade.

F.3) Long term finance: Long-term loans are used to finance equipment, real estate and other fixed assets. The forms of long-term loan are given below:

- **Lease financing:** Under lease financing we cover equipment/vehicle financing. It is a term financing repayable through lease rental in the form of equal monthly installments. Ownership of the leased out vehicle under the lease agreement covering comprehensive risks belongs to the Bank.
- **Hire purchase:** This is also given to procure equipment/vehicle. Ownership of the equipment/vehicle to be purchased under the hire purchased agreement covering comprehensive risks belongs to both the banker and customers. Hire purchase facility is repayable by depositing equal monthly installments (including principal and interest amount).

- Term loan: This facility is used to meet the expenditure of civil construction and other infrastructure development. Term Loan facility is repayable by depositing equal monthly installments.

F.4) Real Estate finance: This form of credit facilities is allowed to individual's /groups/ Developers for construction of building and completion of finishing works to be used for commercial purposes.

F.5) Import Finance: Importers are given this sort of facility to import different commodity items, capital machinery and any other permissible items. L/C related shipping document is kept as primary security. Cash margin and counter guarantee are obtained from the customer to secure its position. Two types of L/C facility are provided:

- Sight L/C- payment should be made just after receiving the documents
- Deferred L/C-the beneficiary allows the importer time to pay the documents

F.6) Loan against trust receipt: Loan against Trust Receipt (LTR) is a funded facility provided to importer to retire L/C related shipping documents. Advance against a LTR obtained from the customer is allowed when the documents covering an import shipment are given without payment. The customer holds the goods or their sale proceeds in trust for the bank until the LTR is fully paid off. Letter of Trust Receipt is kept as primary security, which creates the banker's lien on the goods. LTR facility is adjusted from sale proceeds of Imported goods or cash from own sources of the customer within the validity. Validity of the LTR A/C vary from 30 to 180 days depends on the nature and amount of items imported or as per Bangladesh Bank guidelines.

G) SME Financing:

SME stands for Small and Medium Enterprises, companies whose number of employees or income falls below certain limits. United Commercial Bank Limited SME and Corporate products are same. To be SME, a service, trade or manufacturing company need to follow some criteria:

	Small Enterprise		Medium Enterprise	
	Fixed Asset excluding land and building	No. of manpower	Fixed Asset excluding land and building	No. of manpower
Service	Tk. 5 Lac to Tk. 1 Crore	10-25	Tk. 1 Crore to Tk. 15 Crore	50-100
Trade	Tk. 5 Lac to Tk. 1 Crore	10-25	Tk. 1 Crore to Tk. 15 Crore	50-100
Manufacturing	Tk. 50 Lac to Tk. 10 Crore	25-99	Tk. 10 Crore to Tk. 30 Crore	100-250

H) Retail Loan:

Retail banking is the direct execution of transactions between a bank and its consumers, rather than with corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards.

Retail loan is mean direct sale loan product to consumers. Bank hires some non permanent people who will directly contact with customers to sell the retail loan products. Some retail products are:

1. **House hold - Durable loan:** Consumer's credit scheme is one of the popular areas of collateral free finance of the bank. People with limited income (minimum salary 10000 to 12000) can avail the credit facility to buy household goods including computer and other durables. Here rate of interest 18.5% and period of loan 4 years. Maximum loan limit is 5 lac.

2. **Auto loan:** Auto loan is a vehicles buying loan. UCBL allows under auto loan scheme for purchasing car, jeep, station wagon, pick up van, covered van capacity up to 3000kg. People who want to take this type of loan their monthly minimum salary need to be Tk. 20000 and business people income Tk. 40000. Loan limit us 20 lac and period of loan 5 years.
3. **Home loan:** To meet the growing need of housing for people, UCBL has introduced home loan scheme. Such loan will be available for flat purchase or purchase of new apartments under construction for self residing purpose. Bank will take mortgage against home loan. Period of loan is within 10 to 20 years and rate of interestm16.5%.
4. **Doctor's loan :** Doctors loan scheme is designed to facilitate financing to general practitioner and established specialist physicians to acquire medical equipments and set up clinics and hospitals. Loan limit of general practitioner is 5 lac and loan limit of specialist physicians 10 lac. Period of loan will be 5 years and rate of interest 18%.
5. **Any purpose loan (personal loan scheme):** Personal loan scheme has been introduced to extend credit facilities to fulfill the needs of low and middle income group for any purpose. Maximum loan limit is 10 lac. Bank will not take any mortgage against this loan. Period of loan is 4 years and rate of interest is 18.5%.
6. **Education loan:** For educational purpose students can take loan maximum 15 lac. Here rate of interest is 18.5% and period is 4 years.

I) General System & procedure related to credit:

To grant loan is one of the most important functions of a bank. The strength of bank depends considerably on the quality of its loan and proportion of bearing to the total deposits. Traditionally bank has been following three basic principle of lending in different credit schemes, these are: safety, liquidity and profitability. Another determination but not principle, the bank also consider humanity where bank always looks for true entrepreneur who can really support society by establishing own-self. Confidence in the borrower is the basis of secured loan. The confidence is judged by five (5 C's) considerations-

- i. **Character:** It denotes borrower's reliability. This indicates borrower's honesty and willingness to repay the borrowed money as per repayment schedule.
- ii. **Capacity:** Borrower's ability of doing business and generating sufficient funds there from, that is, credit worthiness.
- iii. **Capital:** Borrower's contribution in the business. Financial strength to cover business risk.
- iv. **Condition:** General business conditions.
- v. **Collateral:** Borrower's ability to produce additional security to cover borrowed money.

Lending process of UCBL goes through different steps with complying terms and conditions of Bangladesh Bank. The Credit department of UCBL follows the following steps in lending-

1) Application for loan proposal:

Firstly, the borrower who willing to make a commitment with bank by taking loan, he must write an application through the 'Head of Branch' of bank and submit it to the officer at credit department.

On proper study of the application, branch will inform the initial decision (acceptable for processing/decline) to the applicant within 3(three) working days from the date of receiving application. Applicant must present the following additional papers along with application-

For Corporate loan & SME checklist:

1. Approach for required credit limit in detail.
2. CIB undertaking from dully filled up.
3. Board resolution (Mentioning credit facilities, operation & loan documentation).

4. Project profile/ company profile/ Company backgrounds.
5. Group profile.
6. Photocopy of up to date Trade License.
7. Photocopy of certificate of Incorporation.
8. Photocopy of Tax identification Number (TIN) of Proprietor/ Partners/ Directors.
9. Photograph of Proprietor/ Partners/ Directors.
10. Personal Net - Worth of proprietor/ Partners /Directors. (Format enclosed)
11. Latest list of directors duly certified by RJSC (The Register of Joint Stock Companies and Firms).
12. Approval letter from all concern authorities.
13. Financial statement (incorporating cash flow statement. profit & loss account, balance sheet etc) for last three years (audited plus management copy)
14. List of machinery / equipments.
15. List of buyers and sellers.

Retail loan Check list:

1. National ID photocopy.
2. Photograph 3 copies.
3. Visiting card.
4. Up to date bank statement for last one year (personal & company).
5. Trade License old & new (establishment minimum 2 years).
6. TIN certificate (personal & company).
7. Nominee photograph 1 copy (For account opening).
8. Salary Certificate.
9. Office ID photocopy.
10. Utility bills photocopy.
11. Self Declaration.
12. Evidence of other income document.
13. Guarantor 2 persons: National ID, visiting card, Utility bills copy, photograph 1 copy.
14. IF the applicant has any other loan then he needs to submit the sanction letter and loan repayment statement.

2) Selection of borrower:

The selection processes include identifying source of repayment and assessing customer's ability to repay, expected future cash flows, his / her past dealings with the bank, the net worth and information from CIB (Credit Information Bureau). The Bank must identify the key drivers of the borrower's business as well as the key risks to their businesses. There is an age limit for borrower, age of the proprietor/partners/directors must be range between 25 years to 60 years.

3) Preliminary screening of credit proposal:

The management committee of credit department of bank gathers different documents and then evaluates all of the papers, documents. The credit management committee obtains these mandatory following documents-

1. Formal application for financing
2. Business plan
3. Personal guarantee
4. Appraisal of asset to be financed
5. Personal financial statement
6. Business financial statement
7. Purchase agreement
8. Cash flow projection
9. TIN certificate
10. Bank solvency certificate
11. Vat certificate
12. Export license (applicable for export oriented business)
13. Market reputation

4) CIB (Credit Information Bureau) Inquiry:

A bank does not know full information about a customer. But knowing the customer's whole information is very important before giving loan. A customer all information is store in Bangladesh bank. For example - a customer take loan from AB Bank. This customer came to UCBL and applying for loan. When UCBL filled up CIB form and send to the Bangladesh bank, then Bangladesh bank will send all information about this customer and UCBL will know that this customer has loan in AB Bank. A customers CIB report need to update after 2

month basis. When customers want to loan above 5 lac, those customers need CIB report. Below 5 lac customers do not need CIB report.

In every month UCBL ready all customers loan information, customer's new loan and old loan documents also if UCBL has any defaulter or not, all these information send to Bangladesh bank.

5) Security analysis:

To make the loan secured, charging security on the credit facilities is very important because it represents commitment of the borrower; it protects the interest and ensures the recovery of the loan. The important modes of charging a security are the following:

- Lien: Here, bank will give loan against customers' assets or properties.
- Pledge: A bank will give loan against customers' products. Bank is Bailee and customer is Bailor.
- Mortgage: A bank will provide loan against customer's land, building, properties etc. it is famous in UCBL. To make the loan secured, UCBL charging mortgage.

6) Site visit:

The bank management visits at borrower's land, property which is placed as security against credit. Here, Head Office Credit Team assists (on need basis) in site visitation. After site visit, Bank at first analyses the business condition, the products, products market price and inventory. Then analysis the mortgage land and tried to calculate land's market value.

Then, Branch credit team forwards a detailed site visit report regarding the project to the Head Office of UCBL duly signed by the officer and Head of Branch / Operation Manager.

7) Documentation:

Documentation can be described as a process or technique of obtaining the relevant documents. When bank is going to lend to a borrower after inquiring the character, capacity, collateral and capital of the borrower, the bank must obtain proper documents which are executed from the borrower to protect against willful defaults. Moreover, when money is lend against some security of assets, the document must be executed in order to give the bank a legal and binding charge against those assets. Documents contain the precise terms of granting loans and these serve as important evidences in the law courts if the circumstances

so desire. That's why proper documentation must be completed prior to the disbursement of the facilities. Charged documents as required for documentation are mentioned below:

1. Demand promissory note signed on revenue stamp
2. Letter of arrangement
3. Letter of undertaking
4. Letter of installment
5. Letter of authority
6. Letter of disbursement
7. Balance confirmation slip
8. Letter of revival (renewal)
9. Letter of hypothecation
10. Letter of continuity (stability)
11. Letter of guarantee
12. Legal documents for mortgage of property
13. Valuation certificate of the collateral security in Bank's form with photograph
14. Site visit report

8) Sanction of loans or advances:

When head office satisfied with all the loan documents then they approve the loan. Then a branch manager writes letter to the customer accepting all terms and conditions of loan, it is called loan sanction. The most important conditions which are taken in loan sanction are given below:

- Limit of the loan amount
- Primary securities of the loan
- Rate of interest of the loan
- Expire date
- Repayment
- Documentation

Time requirement for approval of credit proposal:

- Branch authority as per their business delegation must take decision within maximum of 3-7 days.
- The head office credit committee, executive committee of the board of director, board of directors take decision within maximum of 5-7 days for simple types of finance facility, 15-30 days for project loan, 30-60days for loans under syndication
- Sanction letter to be issued within 1-2 days time from the date approval.

9) Disbursement of loans:

Loan disbursement has to be made after completion documentation. Disbursements of loan facilities are made when all documentation is in place. The steps of the disbursement-

- Finally Credit division at Head Office has completed documentation of the loan that sanctioned by them.
- After completion of the documentation and sanction, Credit Division sends a copy of “Disbursement Order” along with “Approval letter” to Head of Credit Administration Division (CAD) & the respective branch for disbursement of the loan.
- Security Documents of the loans sanctioned from Head Office are signed by customer(s) in branch of disbursement and retained original. A set of photocopy of originals is required to be sent to Head Office.
- A set of photocopy of loan documents is retained by Credit team at Head Office, the disbursement branch retains the originals.

At the time of disbursement, the officer prepares the vouchers and writes the pay order slip that is signed and approved by the Second Officer and the Manager. The accounting treatment of disbursing the loan is given below:

Loan Account.....Dr.

Or

Pay order.....Cr.

Loan Account.....Dr.

Saving Account.....Cr.

Apart from sanctioned the loan amount, the client is to incur some incidental charges for the loan, like stamp fee and service charge and risk fund charge. Accounting treatment of these charges are given below:

Savings Account or Current Account.....Dr.

Risk fund.....Cr.

Service charge.....Cr

J) Credit Risk Analysis: The objective of credit risk analysis is to look at both the borrower and the lending facility being proposed and to assign a risk rating. The risk rating is derived by estimating the probability of default by the borrower at a given confidence level over the life of the facility, and by estimating the amount of loss that the lender (bank) would suffer in the event of default. In Bank there are five type of risk analysis is done. They are-

1. **Financial Risk:** To calculate the financial risk, bank checks the customer's stock market condition, the customer's suppliers and buyers, Importers, yearly business turnover.
2. **Business Risk:** Bank want to know clients current business condition, business will running well or not, clients business is how much risky for bank to invest it in.
3. **Security Risk:** Bank always tries to be in safe guard when they give loan. So, they verify the collateral which against client takes loan. They also verify that, if the client is default to pay back bank can easily sell the collateral and get the money back.
4. **Management Risk:** Here Bank see client's social value, how well he related with this business and do his reputation analysis. Bank want to know actually how well the client can handle the business.
5. **Relationship Risk:** Here bank investigate that the clients relation with their exporter and importer. The clients better relation with their exporter and importers, it make client less risky for bank.

After all this credit risk analysis bank give three risk rating, they are high risk, medium risk and low risk.

K) Credit risk management:

There are many reasons to default a loan. Uncertainty, political bad condition, natural disaster can create huge losses for any business. Sometime loan holder willingly breaks the installment rules. When a loan holder failed to pay monthly installment, in this time bank take some steps:

- ❖ Such as the installment date is 30th January. But loan holder did not pay the installment. After 3 days of the installment date (2nd February) bank officer will call the loan holder and ask him to pay the installment immediately.
- ❖ If the loan holder did not pay after telephone him. Then UCBL send (10-15 days later) an official letter and call him again.
- ❖ After all those process, if the loan holder did not take seriously, then UCBL will go to the loan holder organization (1-2 month later) and give him 2 days extra time for installment payment.
- ❖ If the loan holder failed to installment payment or do not want to pay the installment then UCBL will take a lawyer and go to the organization and take the mortgaged property. Then UCBL can sell this property to generate cash.

But if the loan holder is good person and he personally come to bank and discussed his business problem with credit officers. At this time, credit officer will send a letter in Head Office for requesting extend some time for installment payment. Head Office will discuss this issue in board meeting. In this condition, bank will give opportunity of 3 month to the loan holder. In this 3 month, loan holder will focus in his business and try to earn profit. After 3 month the regular installment payment will continue. If the loan holder did not make any success in 3 month then bank will take his mortgaged property and can sell any time for cash.

L) Recommendation:

While working at UCBL, there were certain things that came in front of my eyes which I have mentioned in findings, I think UCBL should consider those criteria for the development of credit management. Perhaps UCBL has its own options and strategy to follow in these issues, however I am not fully acknowledged about those. Here are some recommendations as per my findings-

- 1) **The bank must analyze all evidences of mortgaged property:** As title of mortgaged properties may have complexity, so a comprehensive and accurate appraisal of the property in every credit proposal of the bank is important and mandatory. No proposal can be put on place unless there has been found a complete, accurate evaluation of property. In order to safeguard the mortgage over the entire period of the advance, a comprehensive view of the capital of borrower, adequacy, and nature of security should be compliance with all regulatory/legal formalities and condition of all documentation. It is absolute responsibility of the Credit Officer to ensure that all the necessary documents are analyzed properly before the loan is placed for approval. On the other-hand, where Loans/Advances/Credit facilities are granted against the guarantee of the third party, that guarantor must be subject to the same credit assessment as made for the principal borrower.
- 2) **Valuation task should be assigned to confident party:** Sometimes the bank becomes swindled by valuation party. So the bank must assign property valuation task to that kind of confident party who strictly follows the terms and condition in evaluating proper value of the property, assets as well as maintaining confidentiality. Enlisted Surveyor Company approved by the bank should make valuation of property and properly assess the quality and priority of the proposed security. The bank should keep a pleasant relationship with valuation party in order to acquire proper valuation.
- 3) **Bank need to hire best lawyer to justify the mortgage land**
- 4) **The bank should being independent from pressures:** Credit proposals should not be influenced by any political person whether it is the matter between bank and client.
- 5) **The bank must keep close follow up after the disbursement:** The loan should be utilized for the specified purpose for which it has been sanctioned. Furthermore, the bank must be vigilant so that the disbursed funds for a particular purpose are not diverted elsewhere without their knowledge.

Therefore, the bank must accept any difficulties and think of them as objective to pursue future goals by solving the problems instead of blaming other factors and UCBL must be able to keep on playing its important roles in our economy.

4) Conclusion:

United Commercial Bank has established credit relationship with many reputed multinational companies, semi-government organization as its customer group ranges from individuals, organizations and small businesses covering all sectors of Corporate and Retail businesses. UCBL has aim to contribute in potential sectors like as agriculture, electronics, SME, healthcare etc. by providing not only credit services but also taking essential steps to expand these sectors through participating actively in economic development of the country.

UCBL will make a positive attempt to be more outward looking in their goals and emphasize on the domestic scenario more closely and analyze any certain trends and strategies of their competitors.

5) References:

- www.ucbl.com
- Annual report of UCBL
- UCBL official documents
- Some previous Internship report.

Appendix

1) United Commercial Bank Limited at a glance:

Name of the Company	United Commercial Bank Ltd.
Legal Form	A public limited company incorporated in Bangladesh on 26th June 1983 under the companies Act 1994 and listed in Dhaka Stock Exchange Limited on 30th November 1986 and Chittagong Stock Exchange Limited on 15th November 1995.
Commencement of Business	27 June 1983
Head Office	Bulus Center Plot - CWS- (A)-1 Road No - 34 Gulshan avenue, Dhaka-1212
Telephone No.	+88-02-55668070 +88-09611999999
Fax No.	+88-02-55668070-6000, +88-09611999911-5200
Website	www.ucb.com.bd, www.ucbl.com
SWIFT	UCBL BDDH
E-mail	info@ucbl.com
Chairman	Mr. M. A. Hashem
Managing Director	Mr. Muhammed Ali
Auditors	Hoda Vasi Chowdhury & Co. Chartered Accountants
Tax Consultants	Mr. Md. Mosharrof Hossain, Advocate
Legal Consultant	T.I.M Nurun Nabi Chowdhury
No. of Branches	148
No. of ATM Booth	101
No. of SME Centers	2
Off-Shore Banking Unit	1
No. of Employees	3,374 (31.12.2012)
Stock Summary	
Authorized Capital	Tk. 15,000 million
Paid up Capital	Tk. 8,366 million
Face Value per Share	Tk. 10

2) SWOT Analysis of UCBL:

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> ▪ Experienced management team ▪ Internal communication is good ▪ Diversified product line ▪ Low human resource turnover ▪ Interactive corporate culture ▪ Employee salary is attractive 	<ul style="list-style-type: none"> ▪ Low promotional activities ▪ Service quality of this bank is good but not high as the customers; expectation ▪ Online network is not so good
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ▪ Investment in the secondary market ▪ Opportunity in retail banking ▪ Introduction of special corporate scheme for the corporate customers ▪ Diversify into leasing and insurance sector 	<ul style="list-style-type: none"> ▪ Increase market competition ▪ Less number of ATM booth ▪ Increase cost of fund

3) **CSR activity of UCBL:** Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. CSR activities of UCBL given below:

A) Sports:



Bangladesh is a sports loving country. Over the last couple of decades our sports sector specially cricket has improved a lot. UCB has always been a great patron of development of sports. For a past couple of years, UCB has been tremendously supporting the growth of "Football" and "golf" sector. Our main activities include:

- Patronization on sports and youth development especially at rural and sub-urban level.
- Financial support for development of major sports like football, cricket and golf.

B) Disaster Management: Whenever the country is struck by any disaster, UCB always takes quick steps to help the affected people by assisting government and non-government bodies who work on disaster management. Our initiatives include:

- Financial support to government and non-government relief & welfare funds for victims of natural disasters like storm, flood, earthquake, severe winter etc.

Creating awareness for effective intervention and mitigation of disasters in Bangladesh.

C) Health Sector: Over the years UCB contributed to different projects for improvement of health sector in Bangladesh. Some of these are improvement in medical education, survival and healthy development of children, health and well being of women, disability reduction and the adoption and maintenance of healthy lifestyles etc. Our activities in Health Sector include:

- Financial Assistance to poor and destitute for their health issues.
- Donation to Non-Profit organizations for working on child health, disability, underprivileged children etc.
- Donation to Non-Profit organizations who give free treatment to the destitute.
- Social awareness during outbreak of Epidemic, plague or other severe contagious diseases.
- Awareness on survival and healthy development of children.
- Initiatives to create awareness about health and well being of women.
- Public awareness on maintenance of healthy lifestyles etc.
- Donating to different health-care institutions.