

A study
On
the project of lone defaulter's
details verification of Brac
Bank Limited (BBL)



**A STUDY ON THE PROJECT OF LONE DEFAULTER'S
DETAILS VERIFICATION OF BRAC BANK LIMITED (BBL)**



Submitted To:

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Date of Submission

13th September, 2015.

BRAC UNIVERSITY

Declaration

This Internship report is submitted as a partial fulfillment of the requirement of Masters of Business Administration (MBA). I am Tanzir Islam hereby declare that the work presented in this report titled “*A study on the project of lone defaulter’s details verification of Brac Bank Limited (BBL)*” has been carried out by me and has not been previously submitted to any other University, College or Institution for any academic qualification certificate, diploma or degree.

.....

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Letter of Transmittal

13th September, 2015

Mr. Showvonick Datta

Lecturer, Brac Business School (BBS),

Brac University.

Subject: Submission of Internship Report.

Dear Sir,

I am highly delighted to submit the internship report on “*A study on the project of lone defaulter’s details verification of Brac Bank Limited (BBL)*” to you. I have gotten the opportunity to work in the BBL for three months as an intern. This report is prepared for the mandatory requirement of MBA program at Brac University. The whole report is prepared based on my academic and practical life experience acquired during the internship period. I have tried my level best to represent the actual knowledge that learnt during the internship in Brac Bank Ltd.

I would like to thank for your guidance and care to prepare this report. Enthusiastically hope that you would be kind enough to approve the report.

Yours sincerely

Tanzir Islam

Id: 13164087

MBA,

Major in Finance

Acknowledgement

This internship report is prepared by necessary practical knowledge from BBL, different bank documents, assistance of many books, websites and primary data. It enhanced my knowledge on management information system as well as on banking business. Thanks to all those persons, who have assisted me, by providing guidance and co-operation.

I would like to express my special gratitude to Mr. Showvonick Datta, Lecturer of Brac Business School for his care, guidance and valuable suggestions in preparing this report.

My endless thanks go to Ismet AliMoeen, Senior Manager, MIS and Monitoring of Special Assets Management Department, for his co-operation and support during my internship program. I am grateful to Md. Shamsul Arefin Maruf (senior officer of SAM) for their cooperation and necessary support.

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Elaborations of Abbreviated Form

Terms	Elaborations
BBL	Brac Bank Limited
MIS	Management Information System
FAD	Financial Administration Division
SWIFT	Society for Worldwide Inter-bank Financial Telecommunication
GAAP	Generally Accepted Accounting Principal
L/C	Letter of Credit
PO	Payment Order
DD	Demand Draft
ITD	Information Technology Department
CAMELS	Capital, Asset, Management, Earning, Liquidity and Sensitivity
GDP	Gross Domestic Product
EC	Executive Committee
PLS	Profit & loss Sharing
BOD	Board of Director
TVA	Temporary Verification Assistant
DBA	Data Base Administrator

Executive Summary

The internship is the linkage between the theoretical knowledge and real life experience. It is designed to have a practical experience while passing through the theoretical understanding. This aims in providing with an overview on the MIS practiced in Brac Bank Ltd. The report is the result of three months of internship in Brac Bank Ltd. The objective of the report is to know about lone defaulter's details verified by Brac Bank Ltd. That's why this report is prepared by segmenting different part. First part shows the scope, significance, methodology and objective of study. The overall profile and capital structure have described in the company overview part. The third part or main body of the report deals with the condition of MIS in BBL. I tried to describe all the activities that are related with this project. Here I also discussed the lone defaulter's present statues and permanent address. Here I try to show grantor present and permanent statues. In the report body I divide my questionnaire in to 10 parts. In the findings portion, the major findings and the recommendations part given's most valuable information and suggestions to improve the performance of lone defaulter's details verification project in BBL. At the end included all the sources of data and the list of book, prospectus and website by which this report completed successfully that titled appendix.

Part -01

Overview of Brac Bank Ltd.

BRAC Bank Limited is a full service scheduled commercial bank. It has both local and International Institutional shareholder. The bank is primarily driven with a view of creating opportunities and pursuing market niches not traditionally meet by conventional banks. BRAC Bank has been motivated to provide "best-in-the-class" services to its diverse assortment of customers spread across the country under an on-line banking dais. Today, BRAC Bank is one of the fastest growing banks in the country. In order to support the planned growth of its distribution, network and its various business segments, BRAC Bank is currently looking for impressive goal oriented, enthusiastic, individuals for various business operations.

The bank wants to build a profitable and socially responsible financial institution. It carefully listen to the market and business potentials, It is also assisting BRAC and stakeholders to build a progressive, healthy, democratic and poverty free Bangladesh. It helps to make communities and economy of the country stronger and to help people achieve their financial goals. The bank maintains a high level of standards in everything for customers, shareholders, acquaintances and communities upon, which the future affluence of company rests.

1.1.History of BRAC Bank Ltd.

BRAC Bank is a scheduled commercial bank established under the Banking Companies Act, 1991 and incorporated as a public company limited by shares on 20 May, 1999 under the Companies Act, 1994 in Bangladesh. The primary objective of the Bank is to carryon all kinds of banking business. The Bank could not start its operation till 03 June, 2001 since the activity of the Bank was suspended by the High Court of Bangladesh. Subsequently, the judgment of the High Court was set aside and dismissed by the Appellate Division of Supreme Court on 04 June, 2001 and accordingly, the Bank has started operations from 04 July, 2001.

BRAC Bank (BRAC) is a fully operational commercial bank that was founded in July 2001 by BRAC NGO, one of the largest development finance institutions in the world. The bank's objectives include providing comprehensive commercial banking services, building a profitable and modem, full-service financial institution, and pursuing profitable market niches in the Small and Medium Enterprise (SME) business sector not traditionally met by conventional banks. The bank's main portfolio products include loans for small and medium sized entrepreneurs; personal loans, credit cards and multiple deposit accounts for retail customers; and specialized retail products tailored to religious restrictions. The bank also provides corporate deposit and loan products as well as nonresident Bangladeshi remittance

services. BRAC's distribution network of 79 branches, 68 SME service center, 421 small and medium enterprise unit offices, and 230 ATMs across Bangladesh and now reach more than 10, 00,000 retail customers. The Bank is constantly coming up with new products. Recently BRAC has introduced Visa Silver and Visa Gold both Local and International credit cards; and further more the Bank is in the process of introducing VISA Debit card. In the years ahead BRAC Bank expects to introduce many more services and products as well as add a wider network of SME unit offices, Retail Branches and ATMs across the country. The Banks operate under a "Double Bottom Line" agenda where profit and social responsibility to hand in hand as it strives towards a poverty free, enlightened Bangladesh.

1.2. Corporate Vision of BRAC Bank Ltd.

Building profitable and socially responsible financial institution focused on Market and Business with Growth potential, thereby assisting BRAC and stakeholders to build a "just, enlightened, healthy democratic and poverty free Bangladesh".

1.3. Corporate Mission of BRAC Bank Ltd.

Mission statement reflects what organization is doing currently to achieve its vision. BRAC Bank has number of missions, which are very specific in their way of achieving the vision.

- Sustained growth in Small & Medium Enterprise sector.
- Continuous low-cost deposit Growth with controlled growth in retail assets.
- Corporate Assets to be funded through self-liability mobilization. Growth in Assets through syndications and investment in faster growing sectors.
- Continuous endeavor to increase non-funded income.
- Keep our debt charges at 2% to maintain a steady profitable growth.
- Achieve efficient synergies between the bank's branches, SME unit offices and BRAC field offices for delivery of remittance and Bank's other products and services.
- Manage various lines of business in a full controlled environment with no compromise on service quality.
- Keep a diverse, far flung team fully controlled environment with no compromise on service quality.
- Keep a diverse, far flung team fully motivated and driven towards materializing the bank's vision into reality.

1.4. Core Values of BRAC Bank Ltd.

BRAC Bank's Strength emanates from their owner - BRAC. BRAC Bank is determined to work by holding the following values and with the guidance of BRAC.

- Value the fact that one is a member of the BRAC family.

- 📌 Creating an honest, open and enabling environment.
- 📌 Have a strong customer focus and build relationships based on integrity, superior service and mutual benefit.
- 📌 Strive for profit & sound growth.
- 📌 Work as team to serve the best interest of our owners.
- 📌 Relentless in pursuit of business innovation and improvement.
- 📌 Value and respect people and make decisions based on merit.
- 📌 Base recognition and reward on performance.
- 📌 Responsible, trustworthy and law-abiding in all that we do.

1.5.Goal of BRAC Bank Ltd.

BRAC Bank will be the absolute market leader in the number of loans given to small and medium sized enterprises throughout Bangladesh. It will be a world - class organization in terms of service quality and establishing relationships that help its customers to develop and grow successfully. It will be the Bank of choice both for its employees and its customers, the model bank in this part of the world.

1.6.Culture of BRAC Bank Ltd.

Bank has adopted trust as a corporate value which is acronym for team work, respect for all people, unquestionable integrity, excellence in everything BRAC Bank of SME do, Sense of urgency in getting things done and total commitment. All employees are expected to conduct themselves in accordance with the rules and regulations of the bank.

1.7.Logo of BRAC Bank Ltd.

The logo of BRAC Bank has been made keeping in mind the goal of the organization. The square structure of the logo means solid and strong. The golden color means the "sonar bangle", rising line means the rising BRAC Bank, and blue is the beautiful sky where sun is shining brightly.



1.8.Slogan of BRAC Bank Ltd.

The slogan of BRAC Bank is "Astha Obichol". These two words are Bengali words that denote enormous trust on the organization.

Brand Promise: **আস্থা অবিচল**

1.9.Values of BRAC Bank Ltd.



Understanding the Value of CRYSTAL

“C” stands for being **Creative**, Be a person of innovative ideas in solving issues, thinking different ideas to reach one destination; do new associations between existing ideas or concepts for the organization’s overall growth.

“R” stands for being **Reliable**, Be worthy of reliance or trust at work so everyone could depend on them.

“Y” stands for remaining **Youthful**, Be a person of freshness and vibrant characteristic at work. Feel young at HEART and project enthusiasm during performing duties.

“S” stands for being **Strong**, Be a person of willing to move forward and apply conscious choice, willpower, discipline and passion at work.

“T” stands for being **Transparent**, Be transparent at work at all level both internally and externally. Show openness and honesty through communication to bring transparency.

“A” stands for being **Accountable**, Be accountable for own actions and take responsibilities for the outcome of the actions; be responsible and answerable towards customers, organization, regulatory bodies as well as the society.

“L” stands for being **Loyal**, Be loyal to the organization by being compliant at work, taking ownership and create belongingness which will carry your brand as your pride.

1.10. Target Customers of BRAC Bank Ltd.

As the main product of BRAC Bank Ltd is SME, BRAC Bank has a strong SME focus and has developed a wide range of SME business products, these are customized for specific localized small and medium business across the country. The SME loan products cover a range of rural, semi-urban and urban financial needs in the market. Besides them, industries, transport business, education institutions, medical centers, marine business, any other high

worth companies, individuals, etc are also the main customers of the bank. The bank has the ATM card and Credit card facility, so the users of the same are also in target.

1.11. Capital Structure of BRAC Bank Ltd.

Banks generally do their business with other's fund, so BRAC Bank Ltd is not in exception. In 2010 BRAC Bank Ltd uses 8% equity and 92% debt source of capital. The capital structure is following Percentage

Particulars	Percentage
Total Shareholders' Equity	8%
Long term Debt	92%
Total Capital	100%

Table-01: Capital Structure of BRAC Bank Ltd.

1.12. Organizational Structure of BRAC Bank Ltd.



Figure-01: Organizational Structure of BRAC Bank Ltd.

1.13. Organization's Hierarchy of BRAC Bank Ltd.

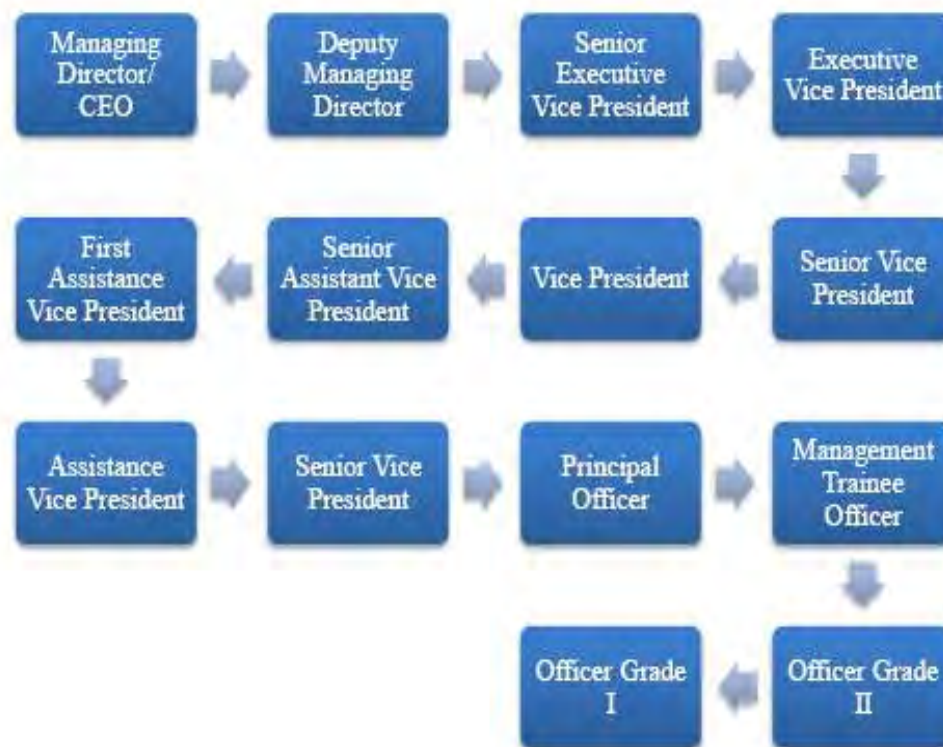


Figure-02: Organization's Hierarchy of BRAC Bank Ltd.

1.14. Meetings of BRAC Bank Ltd.

MANCOM meeting

MANCOM meeting is a formal meeting of the Management Committee members as well as the MD and COO. The members give an overview of the performance of their Departments, their growth, their issues and their future plans.

Board meeting

The board meeting takes place on every month.

Town Hall meeting

The Town Hall meeting takes place twice in every year. The MD gives a presentation regarding the bank's progress in that quarter, in the presence of all the members of the BRAC Bank family.

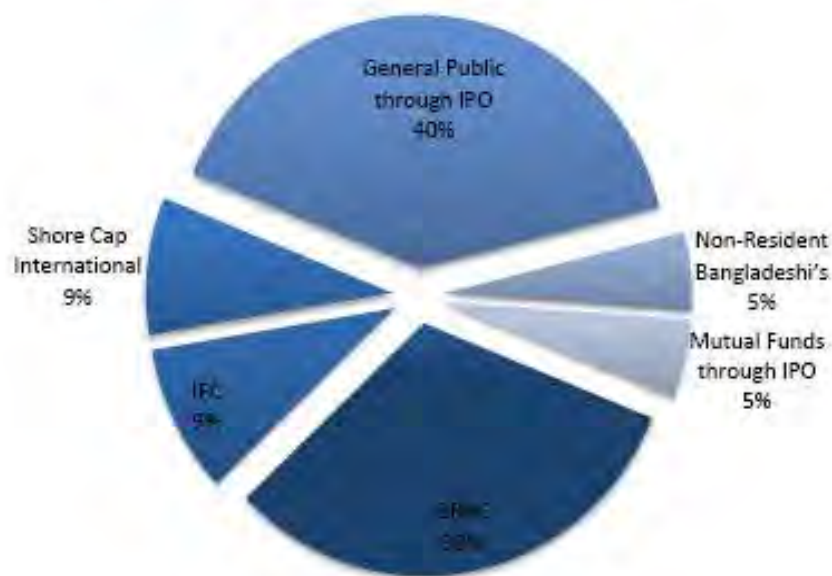
Other important meetings in the bank-

- ✓ Steering Committee Meeting
- ✓ ALCO Meeting
- ✓ ERMC Meeting

1.15. Shareholding Structure of BRAC Bank Ltd.

BRAC bank Limited, with institutional shareholding by BRAC, International Finance Corporation (IFC) and Shore cap International, has been the fastest growing bank for last several years. 50 % of the shares are holding by general shareholders, 43.77% share is holding by the BRAC, 5.36% share is holding by International Finance Corporation, 0.86% share is holding by Shore Cap International Limited and only 0.01 % share is holding by Board of Directors.

Shareholding Structure



Shareholders	Percent
BRAC	31.74%
IFC	9.50%
Shore Cap International	8.76%
General Public through IPO	40%
Non-Resident Bangladeshi's	5%
Mutual Funds through IPO	5%
Total	100%

Table-02: Shareholding Structure of BRAC Bank Ltd.

1.16. BRAC Bank's Subsidiary:

BRAC Bank has different subsidiaries to support its banking system. All those subsidiaries are related with financial activities and serving to reach a broad number of customers. The Subsidiaries are as follows-

- ❑ BRAC EPL Stock Brokerage Limited is one of the leading stock brokers in the country. BRACEPL Stock Brokerage Limited has membership at both of the country's stock exchanges; the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).
- ❑ BRAC EPL Investment Limited delivers a whole range of Investment Banking services including traditional merchant banking activities such as Issue Management, Corporate Advisory, Corporate Finance, Underwriting and Portfolio Management.
- ❑ BRAC Saajan Exchange Limited mainly provides remittance services to the large Bangladeshi Communities living in UK. Apart from its remittance services the Company also caters to the investment needs of the NRBs through its parent organization BRAC Bank.
- ❑ bKash Limited (a subsidiary of BRAC Bank) operates with an objective to ensure access to a broader range of financial services (mobile fund transfer facility) for the people of Bangladesh. It has a special focus to serve the low income masses of the country to achieve broader financial inclusion by providing services that are convenient, affordable and reliable.

BRAC Bank Subsidiaries	Logo
BRAC EPL Investment Limited	
BRAC EPL Stock Brokerage Limited	
BRAC Saajan Exchange Limited	
bkash (a subsidiary of BRAC Bank)	
BRAC IT services Ltd (bits)	

Table-03: Subsidiaries of BRAC Bank

1.17. Board of Directors of BRAC Bank Ltd.

The list of Board of Directors of BRAC Bank Ltd. is following-

Sir Fazle Hasan Abed	Chairman
Mr.Muhammad A.(Rumeel) Ali	Executive Director
Ms. Zahida Ispahani	Independent Director
Ms. Nihad Kabir	Independent Director
Dr.Hafiz G.A,Siddiqi	Director
Mr. Syed Mahbubur Rahman	Managing Director & CEO






Table-04: Board of Directors of BRAC Bank Ltd.

1.18. Management Aspect:

Like any other business organization, the Top management makes all the major decisions at BRAC Bank Limited. The Board of directors being at the highest level of organizational structure plays an important role on the policy formulation. The Board of directors is not directly concerned with the day-to-day operation of bank. They have delegated their authority to its management committee, which is called MANCOM. Now there are 5 directors in the Top management of the bank. All the directors have good academic background and have huge experience in business. Mr. Fazle Hasan Abed is the chairman of the bank. The board of directors holds meetings on a regular basis.

1.19. Business Areas of BRAC Bank Ltd.

BRAC Bank has a centralized banking structure through online banking system those are mainly five major business areas where the BRAC Bank Ltd. is performing with high reputation. These areas are:

-  Retail Banking.
-  Small and Medium Enterprise Division.
-  Corporate Banking.
-  Treasury Division.
-  Cash Management Department.

1.20.

Management Committee of BRAC Bank Ltd.

The list of Members of Management Committee of BRAC Bank Ltd. is following-

Mr. Syed Mahbubur Rahman	Managing Director & CEO
Mr. Mohammad Mamdudur Rahman	Deputy Managing Director
Mr. Ishtiaq Mohiuddin	Deputy Managing Director
Mr. Rais Uddin Ahmed	Company secretary
Mr. Nabil Mustafizur Rahman	Chief Credit Officer
Syed Faridul Islam	Head of Risk Management
Mr. Firoz Ahmed Khan	Head of Retail Banking
Mr. Mahmoodun Nabi Chowdhury	Head of Corporate Banking
Mr. Shah Alam Bhuiyan	Head of Operation
Ms. Fatema Rizwana	Head of Human Resources
Mr. Syed Abdul Momen	Head of Small Business
Mr. Md. Mahbul Alam	Head of Learning & Development
Mr. Zeeshan Kingshuk Huq	Head of Company & service Quality
Mr. Md. Shaheen Iqbal	Acting Head of Treasury & Finance Institution

Table-05: Management Committee of BRAC Bank Ltd.

1.21. Number of Employee

BRAC Bank Ltd creates new employment every year by opening new branches and expanding their existing departments. BRAC Bank Ltd has a very good Growth rate of Employees the growth rate is increasing dramatically. The growth rate was 29%, 17.39%, 4.74%, 6.16% & 5.41% for the year 2009,2010,2011,2012, and 2013 respectively.

Year	No of Employee	Growth Rate of Employee
2009	5907	29%
2010	7151	17.39%
2011	7507	4.74%
2012	8000	6.16%
2013	8457	5.41%

Table-06: Number Of employees of BRAC Bank Ltd.

1.22. Achievements of BRAC Bank Ltd.

- ▣ Recently BRAC Bank has achieved the *International award for “Excellence in Retail Financial Services”*.
- ▣ BRAC Bank has also been recognized as *“The Best Managed Bank”* in Bangladesh by The Asian Banker.
- ▣ MD & CEO of BRAC Bank Limited, Mr. Syed Mahbubur Rahman became the winner of *The Asian Banker CEO Leadership Achievement* Award for Bangladesh for achievement in the period 2011-2013.
- ▣ In the year: 2010, BRAC Bank has been recognized as Asia’s most Sustainable Bank in Emerging Markets by the Financial Times and IFC.
- ▣ BRAC Bank received the prestigious Business Award styled DHL-Daily Star Bangladesh Business Awards 2008 as *„Best Financial Institution of the Year“* for its innovation in products, services, financial performance/ productivity, company management and contribution to Bangladesh’s development.
- ▣ BRAC Bank Limited has been awarded *ICAB National Award* from Institute of Chartered Accountants of Bangladesh (ICAB) for one of the Best Published Accounts & Reports 2007.

Part -02

Job Description

Absconding project is a part of Special Asset Management (SAM) division. This project is formed for finding out more than 26 thousand loan defaulter. The customer of Brac Bank from 2006 to 2014 respectively failed to pay their dues on time and also failed to pay the installment on time. It helps the bank to find out those customers who was in their permanent address or not. If they are in their permanent address then a legal notice will send to them. On the other hand if they are absconded or traceless or deceased then the legal notice will send to their family grantor and third party grantor. I worked under the MIS division. Here I worked as DBA (Data Base Administrator). In below I provide all my job description.

1.1. Project Timeline:

- a) The project will start from August 15, 2014 for Data Management and
- b) August 02, 2015 with 12 months deadline for Address Verification.

1.2. Absconding Portfolio Management (DBA-20):

Create Master Data base:

1. Data collection through original loan files calling from archive (Village, Post Office, Union, Thana, District) etc.
2. Photocopy of borrower & guarantor page/Trade License/Any Certificates and relevant Documents
3. Collect employee data from HR and cross match with customer data to take assistance, if needed.
4. Data modification after getting address verification sheet from field

1.3. Absconding Portfolio Management (Field)--Address Verification (a):

1. Verify and find out borrowers and guarantors permanent address.
2. Respective project staff from Head Office will supervise CLEANCO staffs to get successful result of address verification.
3. After successful filling up of address form, it will be handed over to nearby SAM AM, if there is no SAM officials form should be handed over to respective business Unit In Charge officials.
4. Bill/commission claim should be execute fortnightly after confirming of address form handover by respective field (SAM AM/ Unit in Charge) officials.
5. After address verification, the updated borrower file will transfer to nearby SAM unit office to pursue recovery & filing case.

1.4.Absconding Portfolio Management (Field)--Address Verification (b):

All the project jobs will run simultaneously:

1. 100 Project Staffs will primarily start with 46 concentrated units with more than 100 Units.
2. Internal RE/HR/ Project staffs/ Office Assistant will use for address verification during the weekend or Govt. Holidays in addition to their current job role based on below criteria:

a) Where number of file it is not sufficient to deploy project staffs.

b) There are few files where the permanent addresses of borrower are nearby to our internal resources like (RE/HR/Project staffs/ Office Assistant).

3. If any unsuccessful account found in the project, we will forward it to initiator CRO for final verification, and also initiate for paper advertisement. If again found unsuccessful, will escalate to management for next course of action for non case and for case accounts will initiate to withdraw case, which will help us to determine actual SAM portfolio in future.

1.5.Process Flow of Addresses Verification (c) --For Case Accounts:

Step-1 : Completion of successful address verification.

Step-2 : Try to execute warrant of arrest at permanent address (from urban to rural) after obtaining court order.

Step-3 : If not being able to execute through step 2 then we have no other alternative but to go for paper publication, case filed at original court for trial.

1.6.Process Flow of Addresses Verification (c) --For Non-Case Accounts:

Step-1 : Completion of successful address verification.

Step-2 : File transfer to nearby office at permanent address

Step-3 : Case file under Negotiable Instrument Act at nearby court of disbursement area

Step-4 : Initiate to execute warrant of arrest

Step-5 : If not possible to execute summon or warrant of arrest, then go to local news paper publication to transfer the case for trial

Step-6 : If guarantor strong, Artha Rin case will be launched at nearby court of disbursement area.

1.7. Monitoring Action Plan to find out an Absconded Borrower:

Step-1 : Complete ABIR

Step-2 : Phone Call

Step-3 : Visit All Addresses of Borrower, Guarantor and References

Step-4 : Visit Present, Resident, Company Addresses

Step-5 : Contact SAM representative to visit permanent addresses

Step-6 : Visit nearby Offices and Business Outlets

Step-7 : Visit nearby Bazaar and Glossary Shops

Step-8 : Visit PDB, DESA, GP, BTTB offices

Step-9 : Visit Relatives Residence

Step-10 : Visit Business Community/Association/Banks/City Corp

Step-11 : Visit FaceBook, LinkedIn, other group

Step-12 : Contact Respective MPSO/AM & Source/AM, etc.

1.8. Commission:

As a part of my duty I have to prepare the commission file for my TPA. They get 250 taka for general file and 350 for case file survey. And they also get 5000taka as their salary in each month.

Part -03

Project Analysis

3.1. Background of the study:

The internship program is an essential part of Masters of Business Administration (MBA). After completion taught courses of MBA, a certain time is kept for internship. As a student of MBA, internship is an academic requirement. For internship every student is required to work in a selected institution to enhance ones practical knowledge and experiences. After completing the internship prepared a report on the knowledge of internship. As a student of MBA, internship is an academic requirement. For internship every student is required to work in a selected institution to enhance ones practical knowledge and experiences. For the requirement of my course I was assigned to Brac Bank Ltd, head office for my internship. In this situation I was assigned to prepare report on “*A study on the project of lone defaulter’s details verification of Brac Bank Limited (BBL)*”

3.2. Significance of the study:

For any Masters of Business Administration (MBA) student only curriculum activities is not enough for handling the real life business situation. It is a great opportunity for the student to know about the real business operations through the internship program. Internship program is the perfect blend of the theoretical and the practical life experience. It is mandatory for any MBA student of BRAC University. From that perspective I completed my internship from Brac Bank Ltd at head office. Whole the report has described the different terms that is related to outcome and the detail scenario of the absconding project performances.

3.3. Scope of the study:

The study is related to outcome and the detail scenario of the absconding project performances. Opinion or recommendation about the project has been given in the end of the project paper.

3.4. Objectives of the study:

General objective:

- The prime objective of this report is to analyze the “*A study on the project of lone defaulter’s details verification of Brac Bank Limited (BBL)*”

Specific objectives:

1. To know the project statues
2. To verified the permanent address of borrower.
3. To know about the family statues of the borrower.
4. To verified the permanent address of borrower’s guarantor.
5. To verified the permanent address of borrower’s third party guarantor.
6. To know about the availability statues of the borrower.
7. To know about the present statues of the borrower’s guarantors.

8. To know about the present statuses of the borrower's third party guarantor.
9. To know about the validity of Address (as per loan file)
10. To know about the Availability of Borrower and Guarantor (as per address)

3.5. Methodology of the study:

Methods followed to perform a job or conducting activities to complete a task is called methodology. In conducting this study the following methodology was adopted in collecting data & information, preparation of reports etc. The methodology of report is given below:

3.5.1. Research Type:

This is a descriptive research; which briefly explains the present statuses of the lone defaulter of BBL.

3.5.2. Sources of Data:

To prepare this report all the necessary information collected from both primary and secondary sources of data.

i. Primary sources of data:

For preparing this report, data was collected from different primary sources. Different questions asked to senior officer and SAM officers of BBL to collect the required data. Those data are collected through face to conversation and observation.

ii. Secondary sources of data:

Secondary sources of data are of two kinds:

- **Internal:** Annual Reports of Brac Bank, Other published documents of the bank, and also Website's of the brac bank.
- **External:** Books, Articles and Websites.

3.5.3. Data Collection Procedure:

Data collection procedures are conducted into two categories. Here in below we described all of those procedures of data collection.

i. Primary Data Collection Procedure:

Primary Data are collected from the archive of SAM department and consumer of lone. I collect those data through an formal questionnaire. I use different method for gathering primary data like observation method, face to face discussion method and questionnaire survey.

ii. Secondary Data Collection Procedure:

Secondary Data can be found inside the company, on the internet, any published book for external user. For this report I collect secondary data from internet, book and Journals.

3.5.4. Sampling Plan:

- i. Target Population:* For the questionnaire target population was the external defaulters in different territory.
- ii. Sample Size:* 2116.

3.6. Data Analysis & Reporting:

This report has been prepared after completing three months internship in Brac Bank at Head Office. All the secondary data are attached in appendix part. Different types of computer software's are used to analyze collected data such as- Microsoft Word2007, Microsoft Excel2007.

3.7. Limitation of the study:

Though I have given utmost effort to prepare this paper but there are some limitations of the study. Such are as follows-

- The website of BBL is not that much rich with data.
- The main constrain of the study was insufficiency of information, which was required for the study. There are various information the bank employee can't provide due to security and other corporate obligations.
- Due to time limitation many of the aspects could not be discussed in the present report. Learning all about within just 3 months is really tough.
- Some information that are skipped by the respondent.
- We have some error while analyzing the data and preparing the report.

Despite of these limitations, I have tried my best to prepare the report.

3.8. File status of the project:

In this project I have been given 2616 files for verification the permanent address of the client and present status of the grantor. Those files are categorized in three different product categories. In those files most of them are SME. Brac bank is popular for SME loan. They provide non mortgage loan through SME. The maximum range of this categorize are 10-20lac. Another segment of loan is retail. I got 300 retail files for verification. Credit card loan is a new product for Brac bank. They allow maximum 60 to 5lac credit for each card holder. Its mainly depends o the criteria of the card holders. In below I provided the data and amount of lone that bank fail to collect.

Types of A/c	SME	Retail	Credit Card	Total
No of A/c	2200	300	116	2616
Loan amount(Tk.)	97,68,44,520	58,32,97,820	46,50,500	156,47,92,840

Table-07: File and Amount status of the project

Graphical Presentation:

No of A/c

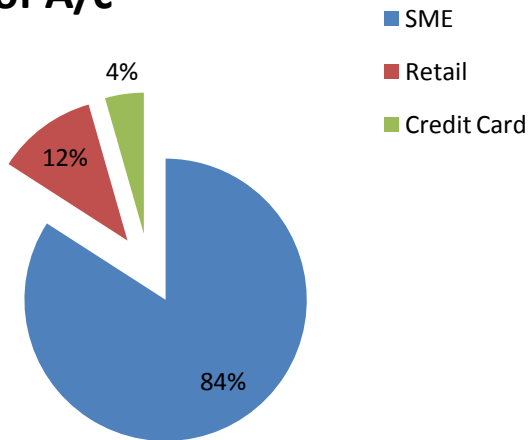


Figure-03: File status of the project

Loan amount(%)

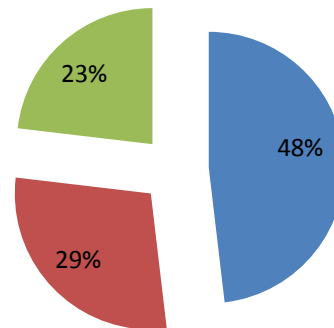


Figure-04: Amount status of the project

Findings:

In my survey I found that, 84% files are SME which is the major portion of total file. Credit Card has the lowest portion near about 4% of total files. Though SME has the major portion of file but it has only 48% amount that are defaulted by the borrower. On the other hand having only 12% of total file Retail gain the 29% of amount of total borrowed. Credit Card has only 23% of amount status among them.

3.9. Worked file status of the project:

Within the time period it becomes so difficult to verify the entire file. On the other hand some file has error or documents had been mismatch with the archive data's. It's a survey, that's why it took minimum 8 to 10 working days to verify the entire information of borrower. In my survey, 2116 files were successfully verified by me and TVA.

Types	Verified	Not verified	Error	Total
SME	1761	422	17	2200
Retail	255	36	9	300
Credit Card	100	16	0	116
Total	2116	474	26	2616

Table-08: Worked file status of the project

Graphical Presentation:



Figure-05: Worked file status of the project

Findings:

In this project I am able to verify 2116 files among 2616 files. Among the verified file 1761 files are SME, 255 files are Retail and 100 files are Credit Card. I was failed to verify 474 files because of time lacking and communication problem. There are 26 files that consist of errors. Over all the ratio of verification is higher than the all not verified files and error files.

3.10. Verified file status:

2116 files are verified among 2616 files. Some files are sent to the TVA (temporary verification assistant) but I cannot collect that information because the projected time period has been finished. In the sort time period it is very difficult to find all the information door to door. In our work we did it by providing reinforcement form our superiors. We also try to provide best and immediate support to our subordinate with well remuneration.

Types of A/c	SME	Retail	Credit Card	Total
No of A/c	1761	255	100	2116
Loan amount(Tk.)	67,88,54,320	48,27,63,280	38,60,300	116,54,77,900

Table-09: Verified file status

Graphical Presentation:

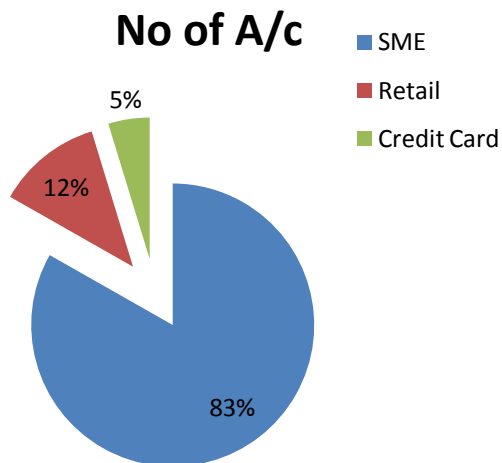


Figure-06: Verified File status of the project

Loan amount(%)

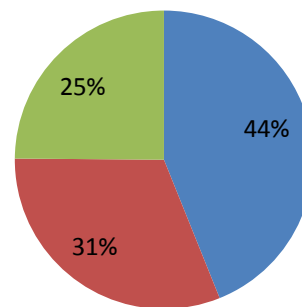


Figure-07: Verified Amount status of the project

Findings:

In my survey I found that, 83% files are SME which is the major portion of total file. Credit Card has the lowest portion near about 5% of total files. Though SME has the major portion of file but it has only 44% amount that are defaulted by the borrower. On the other hand having only 12% of total file Retail gain the 31% of amount of total borrowed. Credit Card has only 25% of amount status among them. It was surprising that SME is the major section of criteria.

3.11. Borrower's business status:

Here I categorized business status in many different categories. From the survey it can also assume that some business are still running but among some of them were sold by the borrower to the other party. That's will also impact on our work when we file a case for them. In my survey we found that some borrower shifted their business to another business and some of them fail to refund the loan because their business is weak.

Details	Closed	Running	Shifted business	Destroyed by fire	Natural disaster	Business weak	Total
SME	1520	162	-	-	14	65	1761
Retail	86	113	52	2	-	2	255
Credit Card	32	22	35	-	-	11	100
Total	1638	297	87	2	14	78	2116

Table-10: Borrower's business status

Graphical Presentation:

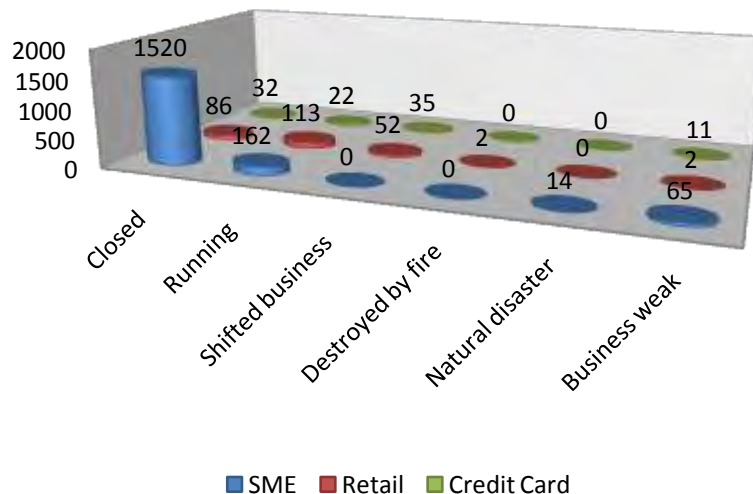


Figure-08: Borrower's business status

Findings:

Among the 2116 verified files all most SME borrower's business status is closed. They mainly took loan for business purpose. In my study I found 1520 SME files that are showing closed business status and 162 files that are still running. 113 Retail business is running where as 86 are closed. After all 22 businesses are running but 32 businesses are closed who are holding credit card.

3.12. Borrower's reasons for Delinquency:

In my survey I try to find the actual reasons of delinquency with the loan amount. In my survey I found that the actual reason behind the crime is “*crisis of working capital*” for their business and second highest reason is “*fixed assets are purchase-Land/Building*” by the borrower. Except those reasons some other cause also involved for their delinquency.

Reasons for Delinquency	No of A/c
Financial recession, political turmoil	2
Re-pricing/Top up without borrower consent	-
Insufficient property information	9
Crisis of working capital	1792
Fixed assets purchase-Land/Building	217
Invested to other business	45
Loan paid to lenders (NGO, NFI/Banks)	16
Origination of new competitor	22
Inflated cash flow shows when disbursed	13
Total	2116

Table-11: Borrower's reasons for Delinquency

Graphical Presentation:

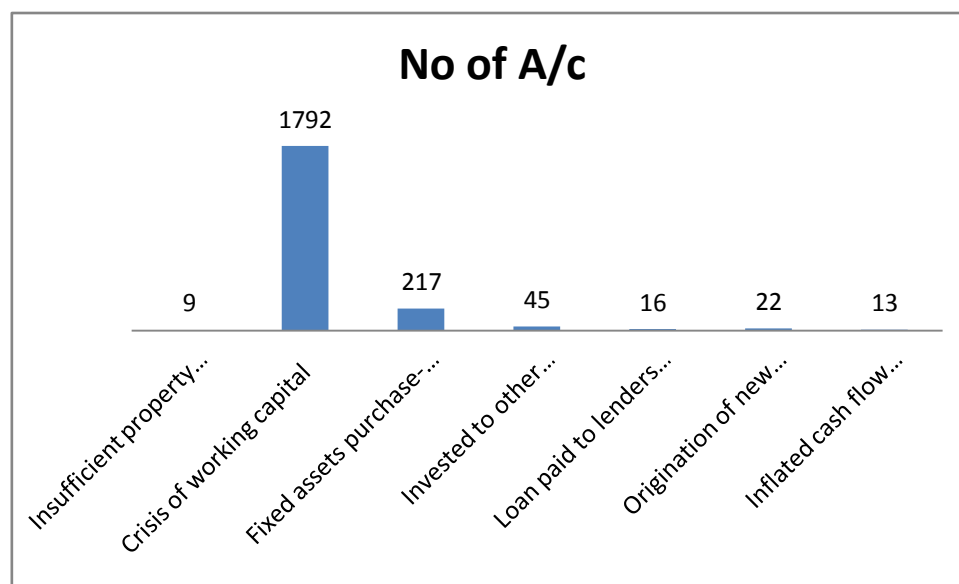


Figure-09: Borrower's reasons for Delinquency

Findings:

In my survey I found that the actual reason behind the crime is “*crisis of working capital*” for their business and second highest reason is “*fixed assets are purchase-Land/Building*” by the borrower and the figure is 1792 and 217 respectively. Investment to other business and origin of new competitor is also reason behind that delinquency.

3.13. Borrower's Availability Status:

Before I show my result of my survey I want define the Definition of Absconded & Traceless Borrower, what is the focused of the project.

Absconding Borrower: Principal Borrower is absent and Guarantor and Immediate family members any one present or Address (present, business, permanent) any address is authentic or Payments (any payment made within last 3 months).

Traceless Borrower: Principal Borrower is absent and Guarantor and Immediate family members all are absent or Address (present, business, and permanent) all addresses are fake or No Payments (no payments made within last 3 months).

Details	No of Borrower's
Traceless	249
Absconded	847
Fake	3
Deceased	18
Available	963
Abroad	36
Total	2116

Table-12: Borrower's Availability Status

Graphical Presentation:

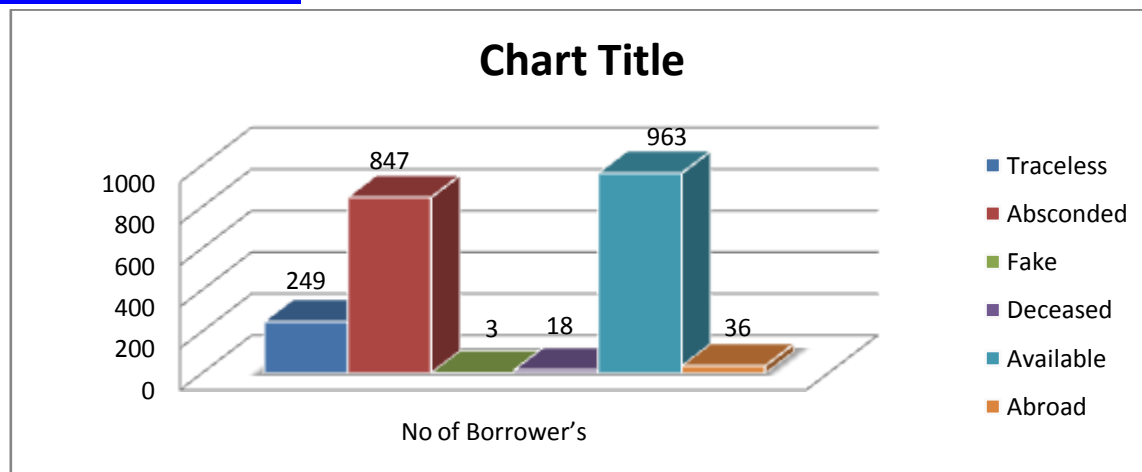


Figure-10: Borrower's Availability Status

Findings:

I my survey I found 963 of the borrowers was available on their permanent address. Second highest are gained by the 847 absconded borrowers and 249 borrowers are totally traceless. And some addresses are Fake or false document are given.

3.14. Family Guarantor's Availability:

In my survey I try to find the borrower family guarantor's availability on their permanent address. It is for sending the legal notice on their permanent address for recovering the rest of the amount that are not paid by the borrower. The family guarantors are bound to pay the rest amount to the BBL.

Details	No of Guarantor
Traceless	249
Absconded	317
Fake	3
Deceased	6
Available	1532
Abroad	9
Total	2116

Table-13: Family Guarantor's Availability

Graphical Presentation:

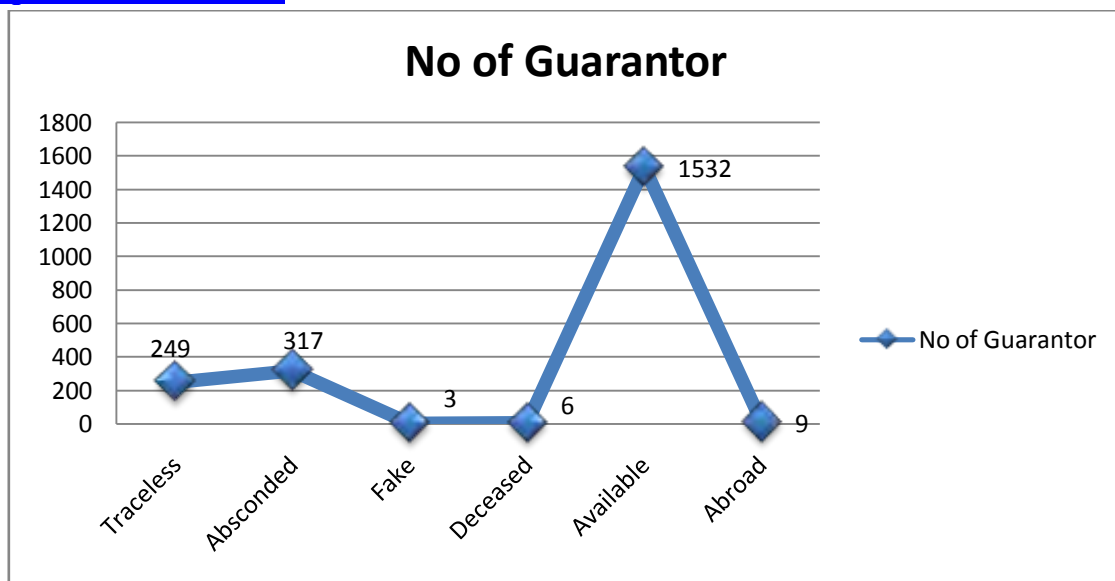


Figure-11: Family Guarantor's Availability

Findings:

I found in my survey that the majority of the borrower's family guarantor was available on their permanent address with a figure of 1532. Second highest are gained by the absconded family guarantor that is 317 and 9 family guarantor are living in abroad and 6 family guarantor were died.

3.15. Third Party Guarantor's Availability:

Through my survey I want to find the borrower's 3rd Party Guarantors were available on their permanent address. It is for sending the legal notice on their permanent address for recovering the rest of the amount that are not paid by the borrower. The family guarantors are bound to pay the rest amount to the BBL.

Details	No of Guarantor
Traceless	249
Absconded	57
Fake	3
Deceased	6
Available	1793
Abroad	8
Total	2116

Table-14: Third Party Guarantor's Availability

Graphical Presentation:

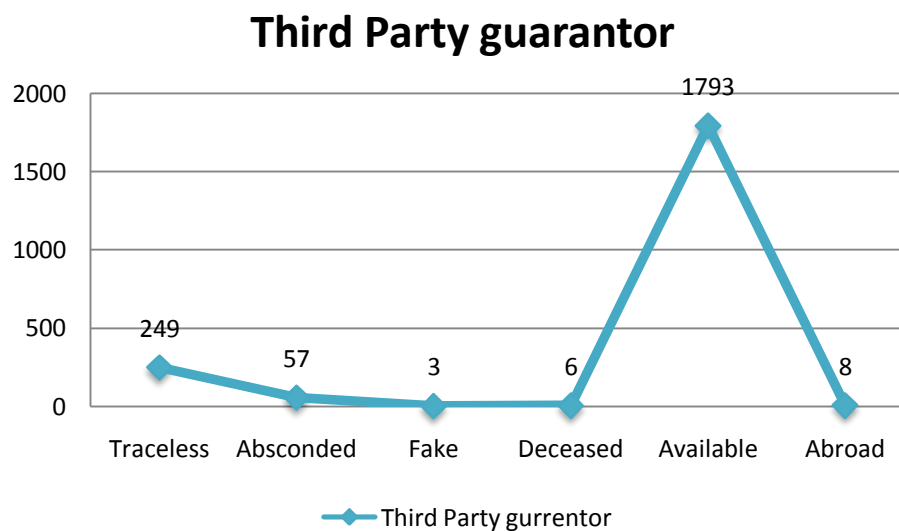


Figure-12: Third Party Guarantor's Availability

Findings:

Through my survey I found that 1793 borrower's 3rd Party Guarantor is available on their permanent address. 57 are absconded, 8 are living in abroad and 6 were died. 249 third Party guarantors are traceless in their permanent address.

3.16. Validity of Address (as per loan file):

The main purpose of the project is really come forward in this section. The permanent address is needed to file a case upon the Borrower. Before that we need to send the legal notice in an address, that's the reason we make sure the borrower permanent address for sending a legal notice to borrower and family guarantor.

Particulars	Valid address	Percentage
Business Address	422	19.94%
Present Address	762	36.01%
Permanent Address	1959	92.58%

Table-15: Validity of Address (as per loan file)

Graphical Presentation:

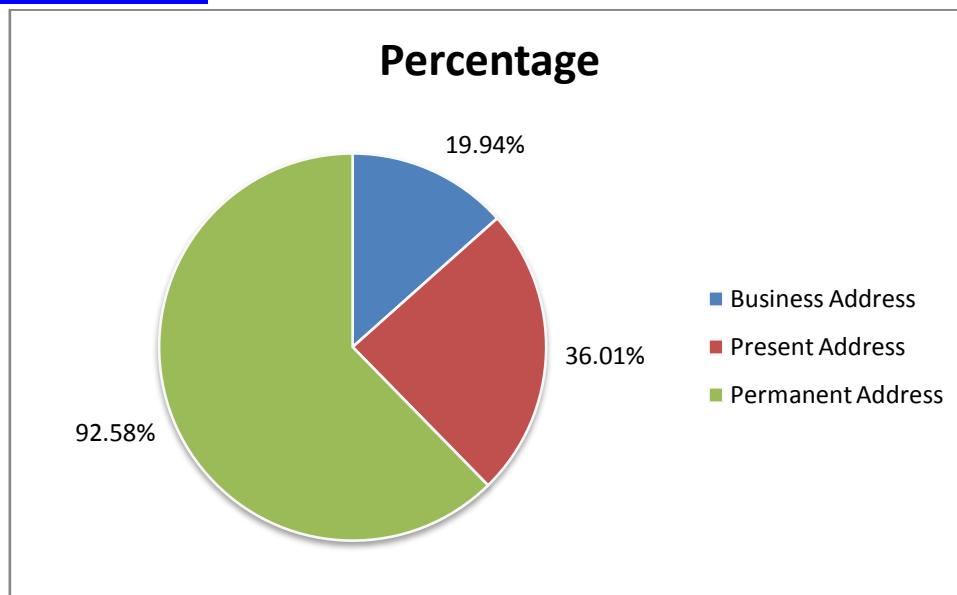


Figure-13: Validity of Address (as per loan file)

Findings:

After verification I have found that majority of the borrower's permanent address are valid. There are 1959 files that show the permanent address where borrower and family guarantor are available. 726 files present address are still accurate. Along with that there are 422 files have the accurate business address. After all main purpose is found out the permanent addresses. It is fruitful that I found 92.58% accurate permanent address in my survey.

3.17. Availability of Borrower and Guarantor (as per address):

In this heading I will be able to show that where the borrowers are available in present situation. Status of family guarantor is also important for sending legal notice to them. So that these segments are really needed to focus by the authority for taking further notice and steps.

Particulars	Borrower	Guarantor (family)
Business Address	342	218
Present Address	146	768
Permanent Address	634	1466

Table-16: Availability of Borrower and Guarantor (as per address)

Graphical Presentation:

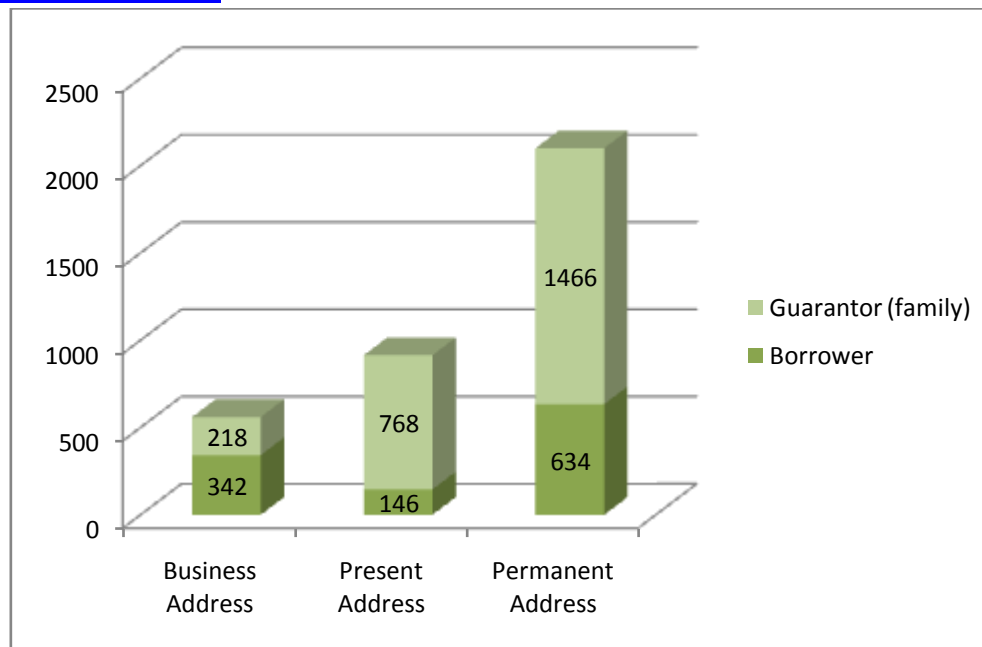


Figure-14: Availability of Borrower and Guarantor (as per address)

Findings:

In my study I found 1466 family guarantor and 634 borrowers are available in their permanent address. Only 146 borrowers and 768 family guarantors are available in their present address among 2116 files. On the other hand the availability on business address is very few. Only 218 family guarantor and 342 borrowers are visible in their business address. In the project it is important to find out the permanent address and I am satisfied to find out the most valid address.

Part -04

*Findings, Recommendations &
Conclusion*

4.1. Major Findings:

This study has focused on the computerized accounting information system of SJIBL. The main findings about SJIBL of the study are given in below.

1. 84% files are SME which is the major portion of total file. Credit Card has the lowest portion near about 4% of total files.
2. 2116 files were verified among 2616 files. Among the verified file 1761 files are SME, 255 files are Retail and 100 files are Credit Card.
3. In the study, 83% files were SME which is the major portion of total file but it has only 44% amount that are defaulted by the borrower. Credit Card has the lowest portion near about 5% of total files.
4. In my study I found 1520 SME files that are showing closed business statuses and 162 files that are still running. 113 Retail business is running whereas 86 are closed. After all 22 businesses are running but 32 businesses are closed who are holding credit card.
5. Actual reason behind the crime is “crisis of working capital” for their business and second highest reason is “fixed assets are purchase-Land/Building” by the borrower and the figure is 1792 and 217 respectively.
6. In my survey I found 963 of the borrowers were available on their permanent address. Second highest are gained by the 847 absconded borrowers and 249 borrowers are totally traceless. And some addresses are Fake or false documents are given.
7. The study shows that the majority of the borrower’s family guarantor was available on their permanent address with a figure of 1532.
8. In my study 1793 borrower’s 3rd Party Guarantor is available on their permanent address.
9. There are 1959 files that show the permanent address where borrower and family guarantor are available. It is fruitful that I found 92.58% accurate permanent address in my survey.
10. The survey shows 1466 family guarantor and 634 borrowers are available in their permanent address. Only 146 borrowers and 768 family guarantors are available in their present address among 2116 files. On the other hand the availability on business address is very few.

4.2. Recommendation:

The following points are recommended after the study.

1. The BBL maintains a fixed questionnaire for finding the different kinds of defaulters; they should develop various questionnaires to collect the data.
2. They are using centralized data collection system in head office which become so risky for monitoring, so that they should use decentralized the data collection procedures.
3. They use decentralized data storing system, which create problem for DBA for collecting data, so they should use centralized system for increasing the effectiveness of MIS.
4. They are using Microsoft office as main software which is not effective enough for generating report or information, so they should develop new software for batter performance.
5. They should give more emphasize on their manual (mail & fax) data transferring system.
6. They should increase more safety for protecting data hacking, error and misuse of data.
7. They should appoint more employees for running the project simultaneously.

After solving all the problem of above it could be said that BBL maintain a proper structural banking system with the help of MIS and Monitoring the project.

4.3. Conclusion

The management information system of Brac Bank Limited (BBL) is in the primitive stage. They have separate MIS and monitoring department under Special Assets Management division. From the above analysis and discussions, it may conclude that the BBL made their banking operation through combination of both manual and computerized system. They use computerized system generally for operating, data transferring and storing purposes. But the impact of computerized MIS is not significant. Though they maintain a huge SME branch, but all the transactions are not guided centrally. They regularly dispatch many loans by their SME unit office and Retail and Credit Card using branch office, approving those files centrally become so much complicated for Brac bank. This project could bring more profit if it has more time to finish. It can provide detail information of every defaulter. But their MIS was not so effective to generate report or cumulative data structure.

They should give more emphasis on internal and external monitoring system, safeguarding assets and information generation or reporting system. In case of external reporting and internal reporting their activities have lots of gaps. In comparing with the developed banking sector BBL should put more emphasis on web for collecting and updating the client information.

Part -05

References and Attachments

5.1. References

❖ Books:

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2. Paul Bocij, Andrew Greasley, Simon Hickie, “Business information system: tehcnology, development and management” (3st Edition),(2013), Pearson Education, Ltd.
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❖ Annual Reports:

1. BBL Annual Report 2010
2. BBL Annual Report 2013
3. BBL Annual Report 2014

❖ Websites:

1. www.bracbank.com.bd/
2. www.wikipedia.com
3. www.free-ebook.net/business
4. www.it4business.org

5.2. Sample of Questionnaire:
