



Inspiring Excellence

Internship report on
Consumer Division of IDLC Finance Limited

SUBMITTED TO

Rahma Akhter

Lecturer

BRAC Business School

BRAC University

SUBMITTED BY

Md. Rakibul hasan

11104044

BRAC Business School

BRAC University

Submission Date: 20 December, 2015



**CONSUMER DIVISION OF IDLC FINANCE
LIMITED**

November 23th, 2015

RahmaAkhter

Lecturer

BRAC BUSINESS SCHOOL

BRAC University

Mohakhali, Dhaka-1212

Subject: Submission of a report on Consumer Division of IDLC Finance Ltd.

Dear Madam,

I am very delighted to submit the final term paper, due in November 23th, 2015 as you requested. I have done this paper on “Consumer Division, Department of IDLC Finance Limited. My main incentive was to prepare this term paper according to your guidelines in accordance with your directions. I have tried my best to make my work as per your structures. I hope that I personally have done a satisfactory job considering my level of experience and capability and have been able to relate the fundamental things with realistic applications.

Moreover, I am extremely thankful for the opportunities that you gave me to express my innovative ability and I intently hope that you will like the work that I have done.

Sincerely yours,

Md. RakibulHasan

ID: 11104044

Acknowledgement

I feel the extraordinary privilege for giving me the chance to work in this term paper on "Customer division of IDLC Finance ltd ". I am exceptionally appreciative of each one of those individuals who have attempted their level best to give me all the information about Consumer Division which will help me to prepare this research project.

I am very grateful to RahmaAkhter, my course instructor for her continuous support, advice and proper guidance, without which my paper work would not be possible. I cannot stay without giving thanks to Md. Mahabubul Islam (Branch manager), Md. easin Arafat Tipu (Sales team manager) Md. Aminulhuq (senior officer of car loan) they help me by providing valuable information.

Executive summary

IDLC Finance limited one of renowned non-banking financial institution in Bangladesh. It started its operation in 1985 and it is the pioneer financial institution in Bangladesh. I have done my temporary position in IDLC Finance Limited Consumer division Department in Mirpur branch.

Being an intern in the Consumer division, I got the chance to perceive how the Consumer Division functions with Corporate Division to accomplish targets. Later, I will talk about the different products and services of IDLC finance limited also talk about different department and their basic works. I will also talk about the consumer's behavior process, I will compare the disbursement rate between 2013 and 2014 whether it expand or diminish. Not only that I will discuss about the number of consumers which is very important because it will show you whether the consumer rate is growing or not. Later I will show most recent couple of year's portfolios of IDLC Finance limited. In my report, I could also provide the latest interest rate and the overall information about this Company. IDLC provides best services with very short period of time. That makes them top position from any other NBFIs and banks. They maintain their position by giving very fast and smooth service. In future they come up with new technology, strategy, and more skill man power so that they can hold the number one position in the market.

I believe that my report would give an exhaustive understanding about the IDLC finance limited and also about the consumer division. With constrained access to information because of classification, I have attempted to give as much data as being conceivable about the works including Consumer Division in IDLC Finance Limited.

Table of content

Capture 01: Introduction	01
❖ Origin of the report	01
❖ Methodology	02
❖ Limitations of the study	02
Capture 02: About the Organization	03
❖ Company Overview	03
❖ History of IDLC Finance Limited ❖ From stepping stones to milestones	04-06
❖ Products and Services	07
❖ Organizational Structure	13
❖ Mission and Vision of IDLC Finance ltd	13
Capture 03: My Internship	15
❖ Job Description	15
❖ My Specific job responsibility	16
Capture 04: Analysis	18
❖ Consumer buying process	18
❖ SWOT Analysis	21
❖ Division wise disbursement	24
Capture 05: Result and Discussions	24
Capture 06: Findings and Recommendation	29
Capture 07: Conclusion and Reference	30-31

Introduction

In the course of the past 30 years the IDLC group has become the biggest multi-product multi segment Non-banking financial institution in Bangladesh and one of the blue chip companies on local stock markets. The single product leasing which started in 1986 with five staff members has today evolved into a multi-product \$750 million business which has diversified into the corporate, SME, Retail and capital market segments. IDLC is today represented out of 31 branches and booths in 15 cities with over 1,200 staff.

The Company is committed to sustainable practices and strong financial performance. IDLC has been consistently recognized by independent bodies for the values underpinning its business and is proud to be a standard bearer for the Bangladesh financial sector. The IDLC committed to upholding the highest standards of ethics and compliance by its employees. Each employee follows the Company's code of conduct. IDLC is involved with lots of CSR activities.

Since 2011, the IDLC group has embarked on a journey to grow its capabilities and become larger and better than ever. They launch new technology, new products, new branch, new sales, Channels etc. In 2014 the Company began leveraging these investments and seriously stepped up business.

Origin of the report

I have been indulged to work on this project which has been designated by my course mentor Rahma Akhter (Bus 400). My report is based on the Consumer Division of IDLC finance limited. I have basically included the overview of the company, the marketing scenario analysis, which are Consumer buying process, SWOT, Competitive analysis, market completion analysis, consumer behavior analysis, another important area includes segmentation, targeting, positioning, product strategy, and channel strategy. My attempt was to understand the marketing environment of the company and the challenges it is facing.

Methodology

I have followed two kinds of methodology for the arrangement of the report. The two ways in which I have collected information:

- **Primary Data:**

I have collected this data with the help of a company supervisor, talk directly with the consumers also discuss with national sales team and consumer division, technical team and SME.

- **Secondary Data:**

My secondary method of data collected from different sources. Those are:

1. Go through the websites.
2. Annual reports of IDLC finance limited.
3. Different books, journals and newspapers.

Limitations of the study

To make a report different viewpoints and encounters are required. In any case, I have confronted a few obstructions for making a complete and immaculate report. These boundaries or restrictions, which postpone my work, are as per the following:

- Struggle in getting to information on its inward operations.
- Non-availability of some former and most recent information.
- Some data were withheld to hold the classification of the association.

Company Overview

IDLC (Industrial development Leasing Company) Finance Limited was established in 1985 as a joint venture public limited company with the multinational collaboration of International Development Finance Institution, Commercial Banks, Insurance Company and Foreign Leasing Corporation. Technical assistance was provided by Korea Development Leasing Corporation (KDLC), the largest leasing company of the Republic of South Korea. In 1995, IDLC was licensed as a Financial Institution by the country's central bank, Bangladesh Bank, following the enactment of the Financial Institution Act 1993. During the last two and a half decades, IDLC has grown in tandem with the country's transition into a developing country and has emerged as Bangladesh's leading multi-product financial institution. To encapsulate the evolving nature of the company, IDLC has changed its name to IDLC Finance Limited from earlier Industrial Development Leasing Company of Bangladesh Limited in August 2007. During the past twenty six years of its operation, IDLC has played a catalytic role in providing alternative source of term and capital asset financing to the private sector. IDLC's primary focus has been in the area of 3-5 year term financial leasing with particular emphasis on balancing, modernization, replacement and expansion of existing units.

With its pioneering vision IDLC has not only established lease financing as an efficient and quality financial service but also laid the foundation for the creation of other leasing companies. Today lease financing has grown to be a promising industry. IDLC and its institutional shareholders have upheld their commitment towards the development of the financial service sector by offering high quality service to local entrepreneurs. To ensure steady and long term growth as well as to sharpen its competitive edge in a changing and challenging business environment. Since 1985, when IDLC was formed as the pioneering leasing company in Bangladesh, the company has continued to evolve as an innovative financial solutions provider. IDLC is now able to offer its customers, integrated and customized financial solutions – all under one roof. The Company's wide array of products and services range of retail products, such as home and car loans, corporate and SME products including lease and term loans, structured finance services ranging from syndications to capital restructuring and a complete suite of investment banking and capital market services.

History of IDLC Finance Limited

23rd May 1985, the IDLC of Bangladesh Limited was consolidated as a joint venture public organization with the multinational cooperation of five foreign and three local money related establishments. Presently, IDLC is one of the main twenty organizations in the nation with various product offerings. The organization has approved capital of BDT 1,000,000,000/ - (10,000,000 shares of Taka. 100 each) and paid up capital of BDT 200,000,000/ - (2,000,000 conventional shares of BDT 100 each).

The organization plotted its vital center for administration expansion in 1994 by launching its deposit schemes. In 1997, IDLC presented Real Estate Financing and Short term Financing. Amid the time of 1998 and 2006, the organization widened its exercises into the ranges of corporate financing, underwriting, issue management, syndication and other speculation managing an account related administrations and advanced as a genuinely multi item money related establishment.

From stepping stones to milestones:

23 May 1985	Incorporation of the company
23 Feb 1986	Commencement of the leasing business
1 Oct 1990	Establishment of a Branch in Chittagong
20 Mar 1993	Listed on the Dhaka Stock Exchange Limited
7 Feb 1995	Licensed as a Non-banking intuition under the Financial institutions Act, 1993
25 Nov 1996	Listed on the Chittagong stock exchange limited
27 May 1997	Commencement of home finance short term finance operation
22 Jan 1998	Licensed as merchant banker by the Bangladesh securities and exchange commission
15 Jan 1999	Commencement of corporate finance and merchant banking operation
29 Jan 2004	Opening of the first retail focused branch at Dhanmondi
29 Jun 2004	Opening of the Gulshan branch
22 Nov 2004	Launched investment management services, 'Cap invest'
2 Jan 5006	Opening of the first SME-focused branch at Bogra
6 Apr 2006	Opening of the Uttara branch
1 Jul 2006	Relocation of the company's Registered and Corporate head Office at own premises at 57, Gulshan Avenue.

18 Sep 2006	Commencement of the operations of IDLC securities Limited, a wholly-owned subsidiary of IDLC.
14 Mar 2007	Launching of discretionary portfolio management services under Managed Cap Invest.
5 Aug 2007	Company name changed to IDLC Finance Limited from Industrial development Leasing Company of Bangladesh limited.
6 Jan 2009	Opening of the Sylhet branch
26 Aug 2009	Opening of the Gazipur SME booth
3 Feb 2010	Commencement of operations at nandankanon
24 Feb 2010	Inauguration of the Savar branch
8 Aug 2010	Inauguration of a second branch in Chittagong at nandankanon
27 Oct 2010	IDLC entered Comilla
23 Dec 2010	IDLC inaugurated its Narsingdi branch
27 Dec 2010	Opening of the Keraniganj branch
15 Jun 2011	IDLC started operations at Mirpur
9 Aug 2011	Opening of the tongi branch
16 Aug 2011	Commencement of operations of IDLC incements limited, a wholly-owned subsidiary of IDLC
18 Jan 2012	Opening of the jessore branch
11 Mar 2012	Rebranding initiative undertaken for IDLC
8 Jun 2014	Opening of the Khulna branch
28 Oct 2014	Opening of the Bhulta branch
10 Nov 2014	Opening of the Natore branch

Products and Services

IDLC have extensive knowledge, expertise and experience to offer a range of financial solutions in response to the needs of a broad spectrum of clientele, comprising of local and multinational corporate houses in Bangladesh.

Corporate Finance

Lease Financing: Asset backed financing against industrial machinery, commercial equipment's, office equipment's, generators, vehicles, vessels, engines, etc.

Working Capital Financing: IDLC offering capital financing to assist companies in carrying out day-to-day business operations.

Specialized Products: For matching the repayments with cash flows, allowing some more time for repayment, releasing working capital limits.

Term Loan Financing: for meeting various regular capitals/fixed expenditure's like balancing of production line, modernization of the manufacturing process, expansion of capacity and space etc.

Project Financing: For setting up of a new unit as an addition to the existing product line and capacity, a new concern of an existing group, a new Joint Venture project of an existing company, etc.

Consumer division

Deposit Schemes: Consumers can now earn more with IDLC's various attractive Deposit Schemes. Deposit interest rate Matrix is given below:

IDLC Regular term Deposits		
Term	Individual (any amount)	Institutional (any amount)
3-15 months	8.25%	8.00%
2 years	8.50%	8.25%
3,4 & 5 years	8.75%	8.50%

IDLC 500 Days Term Deposit		
Term	Individual (Any amount)	Institutional (Any amount)
500 Days	8.25%	8.00%

This deposit interest rate matrix represents mainly large industry such as Transcom and others.

IDLC Monthly earner Deposit (Individual)	
Term	Int. Amnt. Per month/ lac (Any amount)
1 years	BDT 730 (8.76%)
2 years	BDT 750 (9.00%)
3-5 years	BDT 800 (9.60%)

IDLC Quarterly Deposit (individual)	
Term	Int. A mnt. Per quarter/lac (any amount)
1 year	BDT 2,250 (9.00%)
2 years	BDT 2,350 (9.40%)
3-5 years	BDT 2,450 (9.80%)

IDLC Double money Deposit	IDLC triple Money Deposit
Term	Term
7 years 6 months (9.6825%)	11 years (10.5032%)

For individual accounts, woman clients will avail .10% higher interest rate on regular term deposits and regular earner products. If the client have e-tin certificate, then 10% tax will be deducted from the interest rate otherwise if the client did not have e-tin certificate in that case 15% tax will be deducted from inters rate. If the consumers want to withdraw the money at that point he/she need a permission paper from Bangladesh bank.However, interest rates are subject to change at any time without notice. Excise duty and advance income tax are applicable as per government laws.

Car Loan: In today’s age, owing car is no longer considered a luxury; rather it has become a vital part of our everyday life. A car is now a useful investment that improves the quality of life. IDLC separate their consumers in different segments. Segment A, B, C & D.

Segment A& B consumers are:

Salaried executives of large local/international/ multinational organization, foreign NGOs agencies, UN organizations, embassies, high commission, banks and financial institution.Multilateral bodies having 3 years of operation, local corporate, prominent NGOs. Official is serving in government and semi government organization.Independent/salaried professionals comprising accounting professional, physicians, dentist, marine engineer, faculty members of renowned universities/School, teacher Professional/executive NRB, businessmen.

Segment C & D consumers are:

Salaried executives (other than mentioned in segment A& B) of NGOs having 10 years of operation in the country.Local corporate (small segment) non-executives, the landlord having rental income, NRB businessmen, businessmen (mid and small segment).

Consumer's interest rate varied based on their segment.

Segments	Interest rate
Segment A	13%
Segment B	13.25%
Segment C	13.75%
Segment D	14%

IDLC provides loan on new cars, recondition cars and also register cars. They mainly give those car loans which model is above 2010 model, before 2009 car model IDLC did not contribute any kind of loans. For brand new car loan term will be highest 6 years, and for recondition cars loan term will be 5 years. IDLC can give 70% of the total car price other money consumers have to contribute. Consumers also have to pay 1.5% processing fee.

Home Loan: As one of the leading Home Loan providers in the country, IDLC offers the most convenient Home Loan facility to suit Consumer's needs. With so many attractive benefits, Consumers dream can come true now. Home loan interest rate matrix is given below:

Amount	Segment A			Segment B		
	Upto 10 years	10-15 years	Above 15 years	Upto 10 years	10-15 years	Above 15 years
Upto 10 M	11.79%	11.89%	12.25%	11.99%	12.49%	12.79%
10-20 M	11.99%	12.49%	12.79%	12.49%	12.99%	13.25%
20-30 M	12.25%	12.79%	12.99%	12.79%	13.25%	13.49%
Above 30 M	12.79%	13.25%	13.49%	13.25%	13.79%	13.99%

M=BDT Million

Amount	Segment C			Segment D		
	Upto 10 years	10-15 years	Above 15 years	Upto 10 years	10-15 years	Above 15 years
Upto 10 M	12.49%	12.99%	13.25%	12.79%	13.25%	13.49%
10-20 M	12.99%	13.49%	13.79%	13.25%	13.79%	13.99%
20-30 M	13.25%	13.79%	13.99%	13.49%	13.99%	14.25%
Above 30 M	13.79%	14.25%	14.49%	13.99%	14.49%	14.79%

This is an indicative rate for apartment purchase. However, interest rate will be 0.25% lower than the above rate for availing life insurance coverage with home loans in respective segments, although this is not applicable if the customer avails any preferential rate. The Maximum term for variable rate is 20 years. Processing fee, documentation fee and other relevant fees will be applicable as per schedule of charges.

Personal Loan: IDLC understand consumers all out efforts to improve the quality of life, but necessities no longer wait for your savings to accumulate.

RegistraLoan: "RegistraLoan", the first loan of its kind in Bangladesh, is a secured loan facility for property buyers and possession-holders for securing ownership of apartment, commercial space and land.

SME

Small Enterprise Finance: IDLC offers financing facilities to small-scale enterprises for carrying out their trading, manufacturing or service business. Moreover, financing facilities for developing commercial real estate can also be availed by such enterprises.

Medium Enterprise finance: SME, mid segment offers mid and long term financial solutions to a wide range clientele who are in their journey to emerge as promising corporate houses in near future.

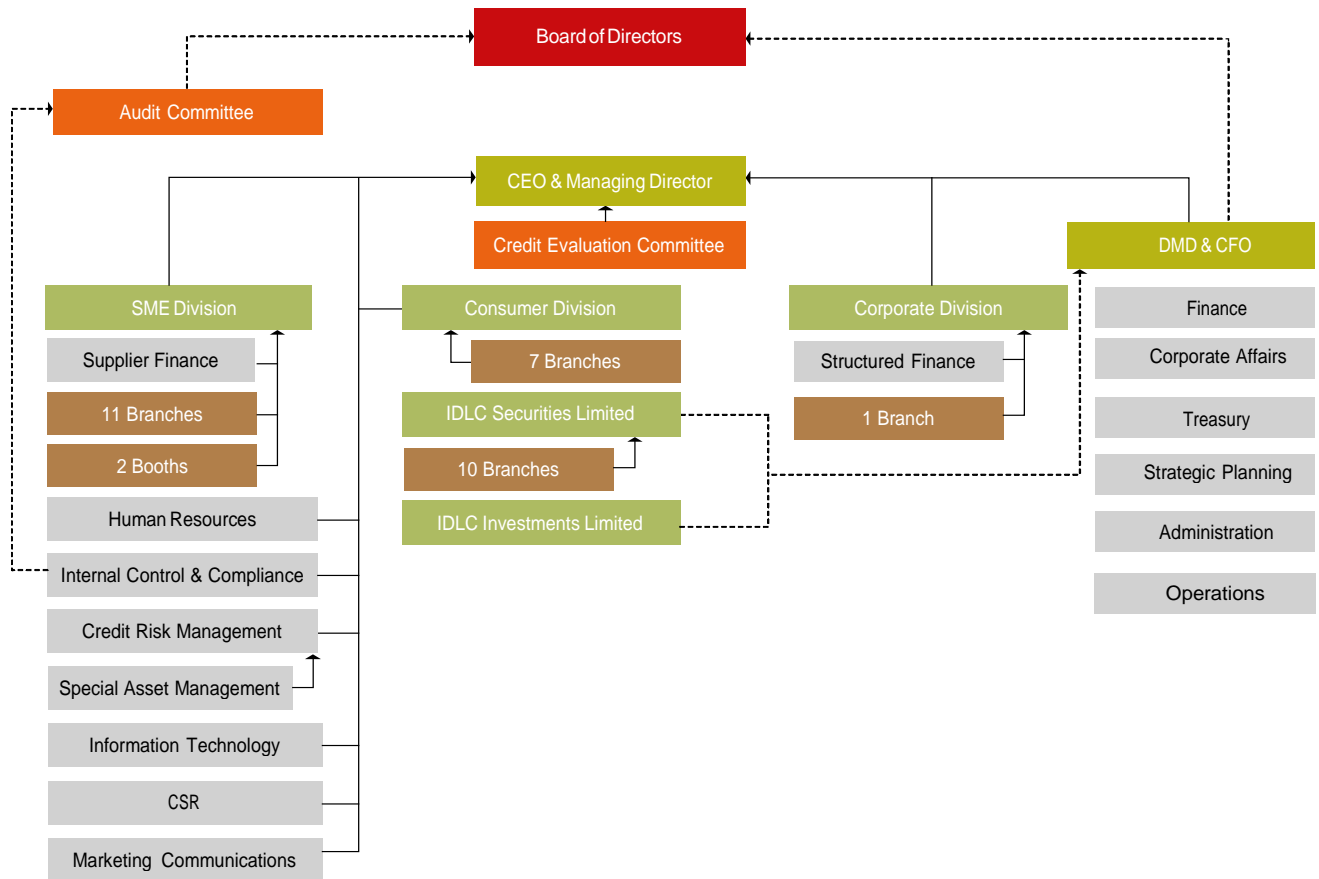
Supplier Finance: Supplier Finance is a revolving financing offered against receivables created due to supply of goods or delivery of services on credit.

Commercial Vehicle Loan: Commercial Vehicle Loan is a lease facility for the purpose of vehicle purchase for commercial use.

Women Entrepreneur Loan: Women entrepreneur Loan facility offered to small and medium business enterprises by women entrepreneurs.

JICA-SME Loan: SME Loan by JICA is a loan facility under the two-step fund, provided by japan international cooperation Agency (JICA) offered to small and medium business enterprises of Bangladesh.

Organizational Structure:



Vision

We will be the best financial brand in the country.

Mission

We will focus on quality growth, superior customer experience and sustainable business practices.

Strategic Objectives:

- ✓ Grow and develop talent pool
- ✓ Fully leverage the new core banking platform
- ✓ Optimize distribution points
- ✓ Grow and diversify funding sources
- ✓ Grow sales and service capabilities in the consumer division
- ✓ Aggressively grow SME portfolio
- ✓ Focus on top-tier clients in the corporate segment
- ✓ Consolidate capital market operations and enhance capabilities
- ✓ Embrace internationally-accepted corporate governance and sustainable business practices.

Core values:

- ✓ Integrity
- ✓ Customer focus
- ✓ Trust and respect
- ✓ Equal opportunity
- ✓ Eco-friendly
- ✓ Passion
- ✓ Simplicity

Job Description

I am grateful to work for IDLC financelimited. IDLC finance is a leading non-banking financial institution in our country. Their reputation is getting higher day by day. Basically, they assign me to consumers division in Mirpur Branch. The consumer Division is one of the key business drivers, playing a vital role in upholding IDLC's brand image among consumers and contributing to increase growth in company's asset and profitability.

- **Consumer Division:** Nowadays the consumer division has emerged as a leading player in the home loan and car loan sector and has successfully captured a growing share of the market. Among other lending products, it also offers personal loans to exiting as well as selected customer segment
- **Consumer Division's Contribution to the IDLC Finance Limited:** As on 31th December 2014, the consumer division contributed 80% of the funding basket and held 76.96% of the entire deposit bucket of IDLC. In addition, it contributed 37.22% of the asset portfolio of the company with the highest ever net asset growth at the close of 2014.
- **Consumer Division targets and achievement:**Every year Managing director set at Target. According to this target the whole consumer division tries to achieve this target within a year. In 2015 their target is to deliver 2000 crore taka loan. They accomplished their goal with in six month in June. It is their great achievement. Not only that each branch have their own individual goal. Consumer division has to work very hard to achieve this goal. The best performer is highly appreciated by the branch manager,the manager also rewards them based on their performance. These targets will be facilitated by embracing continuous improvement in their process and service and implementing.

Mr. Irteza A. Khan Head of Consumer Division said that "We will build on our staff orientation that they are not just in the business of selling home and car loans or term deposit products, but are present to serve the large interests of our customers, helping them realize their dreams by providing affordable and effective financial solutions".

My Specific job responsibilities

During my Internship they assign me a multiple of works which is really helpful for me so that I can learn different types of work. My job responsibilities are given below:

- Technical Valuation Request for Apartment/Construction/Land/Commercial Space/Shop
- Developer Approval Request.
- Requesting for Self-declaration.
- Single project approval request.
- Collect all the CIB form and Requesting for CIB to CRM
- Collect all the CIF form and Requesting for CIF
- Give mail to the respective personnel for a specific query.
- Scan the important documents and mail it to the particular personnel.
- Put the CIF numbers in the files.
- Consulting with consumers
- Visiting the consumers in the field.
- Prepare the budget in upcoming years of 2016.
- Operating in the fund projection of the Mirpur Branch on the Microsoft excels.
- Give entry of the RM and consumers names in an office notebook.
- Fill up the Consumers Application Form.
- Create e-tin account for consumers.

Different Aspect of job performance:

Basically there are four departments in Mirpur branch, for example Consumer Division, National sales team, Technical and SME. Separate department has their own responsibilities. I am assigning with consumer division. Firstly, I like to talk about different department and their responsibilities as well.

National sales team: mostly they directly involve with consumers. They talk with the consumer provide the information, terms and condition regarding the loans, such as the interest rate of

the loan. If the customers settled with the terms and condition. Then the sales team started their process. According to this, they collect all the documents directly from the consumers, fill up the form and prepared the files. Essentially, their only job is to provide the loans which are similar to consumer division. Finally, those files are sent to CRM (credit risk management) they are justifying all the documents. If everything goes well then they approved the files.

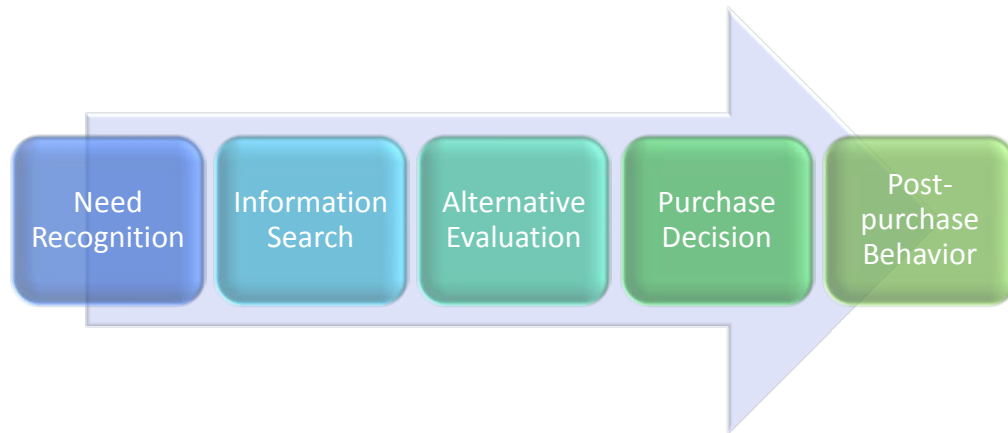
Consumer division: They have to do multiple tasks besides giving the loans. They collect CIB (credit Information Burro) which is very important, in this CIB we can easily identify all the necessary information about the consumers. Such as whether the consumers take loan before, if he or she took a loan if they pay the EMI (equal monthly installment) regularly basis not only that we can easily identify whether consumers hide any information or not. So consumer division sent this CIB to CRM (credit Risk management). Bangladesh Bank collects the CIB and then provides all the information about the customers. Consumer division also requests for CIF to CRM. CIF is a number which has represented the specific consumers. They have to give a technical request to technical teams. Based on their request technical teams visit the place and report them. National sales team and consumer division their work is very similar.

Technical: After getting the request from consumer division. They mainly visit the sites and evaluate whether the consumers follow all the rules and regulation. If anything goes wrong such as high deviation they will eventually reject the files.

SME: This department plays a vital role in the organization. Towards serving customers better and bring forward their vis-à-vis competition, IDLC introduced several innovative and customized products based on demand assessment, economic indicators and in compliance with prevalent rules and regulations.

Analysis

Consumer Buying Process Model



- 1. Need recognition:** The need recognition is the first and most important step in the buying process. This recognition occurs when there is a gap between the consumer's actual situation and the ideal and desired one. However, not all the needs end up as a buying behavior. It requires that the gap between the two situations is quite important. Such as When Consumers need to purchase a car or apartment, it's not always possible for consumer's to give the full amount money. Consumers need some money in that case they take loans from Banks and NBFI. IDLC help those people make their dream come true. IDLC provides all kinds of loans. Car loan, home loan, personal loan, SME. Suppose one consumer needs money to expand his or her business. According to these needs IDLC have SME department. This department is mainly deals with all kinds of business loans or entrepreneur loans. In another example, if the consumer wants to buy a car because of transportation, but he's not able to purchase the car since he did not have the money. In that case IDLC provides car loans with very fast services. He can get the loan within 3 or 4 days. There are other types of consumers in IDLC Finance Limited. Those consumers deposit their money in here. The reason behind this is IDLC delivers competitive interest rate rather than other banks and NBFI. Consumers also trust this Organization. IDLC products and service design according to their consumers. Agreeing

with this IDLC offers personal loans. There are different types of consumers in personal loans such as there are some consumers who need money for education or marriage or medical treatment or foreign travel. Keeping all these needs in minds IDLC delivers personal loans for this kind of consumers.

2. Information search: Once the need is identified, it's time for the consumer to seek information about possible solutions to the problem. He will search more or less information depending on the complexity of the choice to be made but also his level of involvement. When consumers need any kind of loans he/she is looking for options. Now a days there are lots of option for consumers because of many Banks and BNFI. Then consumer collect the information from all those banks and NBFI. There are two kind of information.

- **Internal information:** This information is already present in the consumer's mind. It comes from previous experience, for example, consumers have already taken the loans from IDLC finance ltd. As a result he knows about the products and services about the IDLC. There's one consumer who takes home loans from IDLC finance in 2005 for 10 years. He successfully gives the loan money without any problems. Now he came to IDLC once again. Wants home renovation loans for interior design for his homes. So this came in his mind because of his previous experience. This is one way consumer can find information. There some other example too such as one consumer who takes loan for his business purpose from IDLC Finance ltd. is now interested to take car loan from here.
- **External information:** This is information on a product or brand received from and gained by friends and family. There are other sources too such as advertising or sellers speech. Suppose one consumer take loans from IDLC. He can easily suggest others to take the loan from IDLC. This thing happens many times in IDLC exiting client from IDLC advice other to take the loan from them. Employee of IDLC Finance limited also suggested their friends and family to take loans from here. During my internship time I have seen so many cases just like that.

- 3. Alternative evaluation:** once the information collected, the consumer will be able to evaluate the different alternatives that offer to him, evaluate the most suitable to his needs and choose the one he thinks best for him. In this case IDLC offers different packages to their products. This helps consumers to select the right choice. Such as IDLC offers both variable and fixed interest rate which is good for consumers. Variable interest rate means suppose consumers take home loans from 11.80% interest rate. This rate can be changed by the government. Maybe it will increase or decrease it all depends on Bangladesh Bank. But a fixed interest rate is a type of loan or mortgage for which the rate of interest does not fluctuate over the life of the loan. These are the packages or alternatives consumers can evaluate in here.
- 4. Purchase decision:** Now the consumer has evaluated the different solutions and products available to respond to his need, he will be able to choose the product or brand that seems appropriate to his needs, proceed to the actual purchase itself. After collecting all the information then consumers come to a decision. Before purchase a product consumers have lots of opportunity, finally he/she chooses the best one that suits him/her the best. For example one consumer wants to buy a car therefore he needs a car loan. He is a segment A consumer. He is a general manager of a multinational company. He has lots of other options too. IDLC offers loans to segment A consumers at a rate of 13% interest rate. Other financial companies also offer the same interest rate. This becomes a dilemma for this consumer. But when the consumer started to evaluate the offer he sees that IDLC takes 1.5% processing fees which is clearly mentioned in the form on the other hand other financial institutions take much more higher processing fees as well as other hidden costs. So at the end of the day he took a loan from IDLC Finance Limited.
- 5. Post-purchase behavior:** Once the product is purchased and used, the consumer will evaluate the adequacy with original needs. And whether he has made the right choice in buying this product or not. In this case IDLC provides better service because in many circumstances we can see that existing clients require more loans therefore without a good service consumers will not be interested to take a loan from

SWOT Analysis



Strengths:

1. Brand Image: IDLC is well-reputed company and create a positive impression among the consumers. IDLC has established the strength resilience of its business model and delivered a strong performance in the year 2014 in the current market condition. They are growing their business in every year which place them very robust position.

2. Board of director: The board of director of IDLC is very influential. All of them have a resilient image plus also have strong background around this country. They are very dedicated in this organization. The member of the board mainly setting out its objectives, responsibilities, structure and operation.

3. Strengthen prudence in decision and efficiency in their operation: They retain strong funding, capital and liquidity positions at all times and committed to continue their loan portfolio quality.

4. Keep track on consumers: IDLC keep track on their consumers in that way in the future if they want any kind of loan, they can have the loan very fast. They basically create a bond between consumers and with the organization.

5. Effective manpower: This is one of the major strengths in IDLC. Most of the employees are very efficient in their work. The Employee can create his or her creativity in accommodating a customer. Another important fact is that if employee leaves the organization that creates a gap in that particular position but in case IDLC can handle the situation on very effectively, if anybody leave the organization one another can easily replace the position.

6. Training: IDLC provides effective training to their employee. In a year they arrange five or six training season. So that it will help them to improve their performance.

7. Service: IDLC increasing their performance each year because of their fast service. IDLC provides hassle free service. There is no hidden cost. All the cost is visible. So that customers can have the idea about their cost. On the other hand other bank and NBF (non-banking finance institution) skin some of the hidden costs.

Weakness:

1. Communication gaps: this occurs between consumer division and CRM (Credit risk management). The connection between two divisions sometimes is not that good. As a result it creates a gap between two divisions. Therefore this is one of the softest that IDLC have right now. Eventually recently management takes any necessary decision which will ultimately help them to associate each other and work as a same force.

2. Change in management: In recent times there is a huge change in management. As a result there will be some change in the organization. Consequently employee takes some time to adopt the change.

3. Diversification: Sometimes diversification of product and services can damage the focus on the core services in the organization.

4. High Cost: The strongest part of this organization is manpower. Occasionally it can be weakness of this organization the reason behind this is, to maintain this large amount of employee they have to spend large amount of money. So this can be another weakness in this organization.

Opportunity:

1. Capturing new geographic areas: there is a huge prospect for this organization. Day by day consumers are increasing as well as their demands too. Subsequently, expanding the business which will create an enormous opportunity for this organization. IDLC already started their process and started planning how to expand the business.

2. Local Bank Inefficiency: local banks are unable to give the consumer what they need. Which is good for NBFI because it's create an opportunity.

3. Growing Consumers demands: now-a-days people are more interested to take loan such as apartment loan, car loan etc. As a result the demands are increasing rapidly. Which create a big opportunity for IDLC.

4. Foreign investment: In recent days foreign investment in the numerous prospective sectors has enlarged remarkably. So this creates a great opportunity for finance instruction in recent years.

Threat:

1. Banks and other NBFI: Right now there are plenty of banks and NBFI. New banks and NBFI company emerge which is a great deal. The competition is getting higher than before.

2. Payment overdue: This can be a huge threat for the company if the consumer did not pay their EMI (equal monthly Installment) regularly. There are many cases like that where some consumers unable to pay their EMI. Therefore this can impact the company very badly. As a result this can be threat to the IDLC Finance Limited.

3. Customer switch: If the consumer gets a better offer than IDLC finance ltd. In that case they can easily switch. Now-a-days there are many Banks and NBFI enter into the market so they come up with a lower interest rate as a result consumer change their mind and easily switch from IDLC to others. This can be another threat to this company.

4. Fake documents: There are many cases that consumers provide fake documents. Not only that they sometimes hide their information. This is very risky for the company.

5. Money laundering: This is one of the major threats for any Banks and Financial institution. There are lots of corrupted people in our country. They try to make their money white by

using this Banks and Financial institution. If the government caught one consumer from IDLC who is highly corrupted and try to make his money white in that case that specific consumer get huge fine as well as he can easily send to prison on the other hand IDLC Finance Limited can lose their license for a year and get huge amount of fines.

Division Wise Disbursement

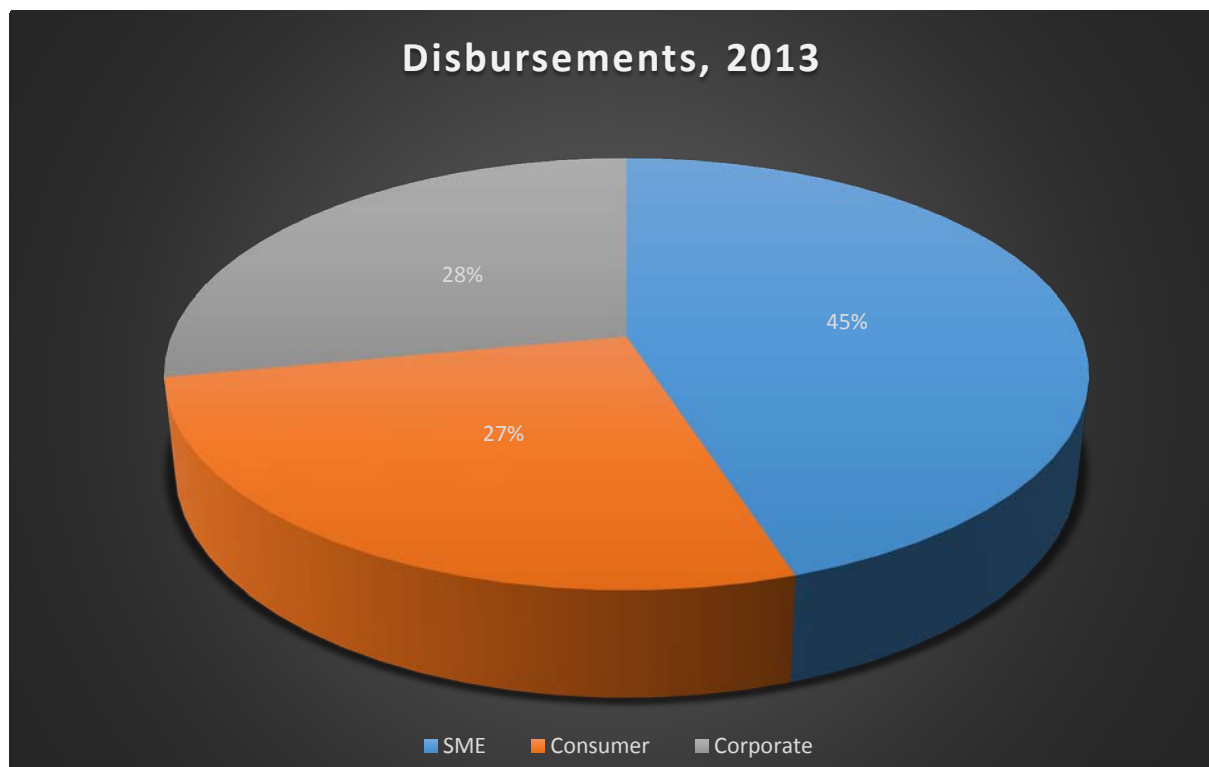


Figure 01: Disbursement rate in 2013

Interpretation: After checking all the files and maintain the whole process if the consumers have no problems then CRM (Credit Risk Management) department finally disbursement the files. It means consumers can finally get the loans from IDLC finance limited. So if the disbursement rate is higher that means the company achieve their goals. In here we can see that

in 2013, SME disbursements 45% holding the dominating position. Corporate 28% and Consumer Division Disbursements was 27%. However it changes in 2014 in a big way.

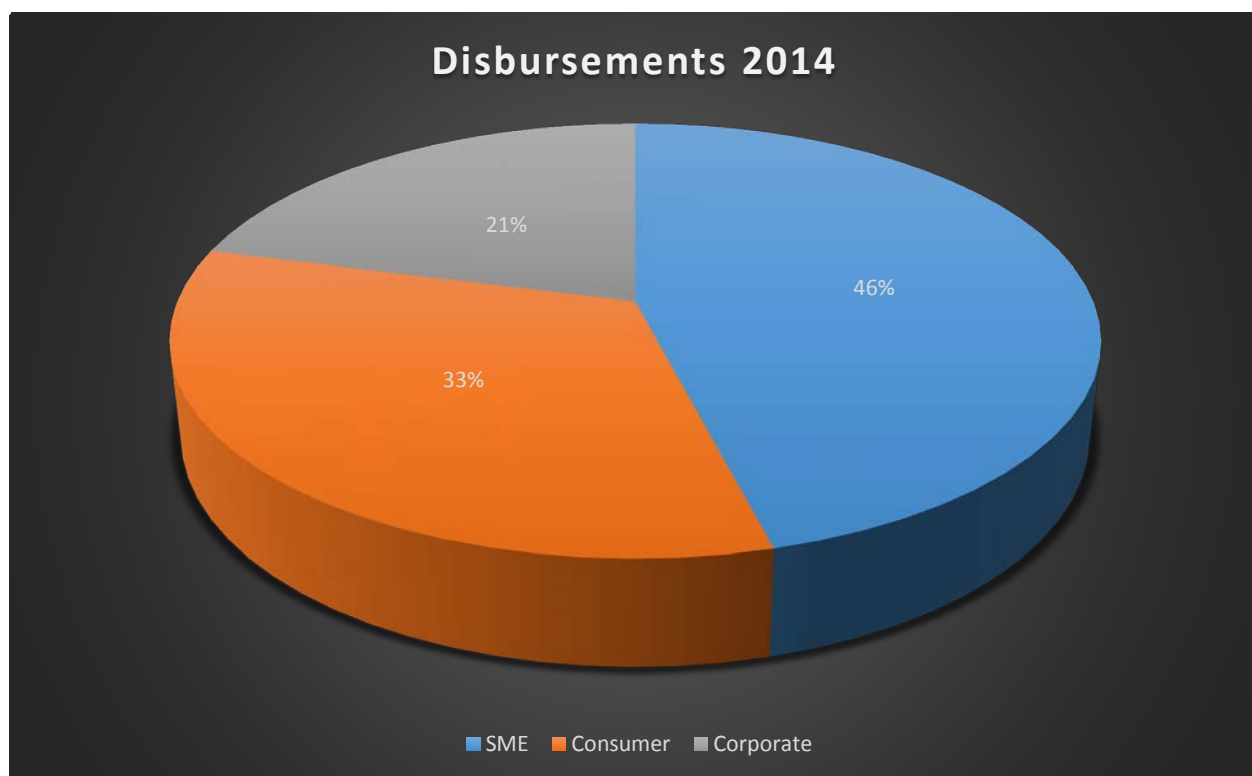


Figure 02: Disbursement rate in 2014

Interpretation: Here we can see the big changes. Consumer Division started to control their performance. They increase their disbursement rate 27% to 33%. Which ultimately puts them in a strong position. In 2015 they have already achieved their yearly goals which are 2000 crore taka.

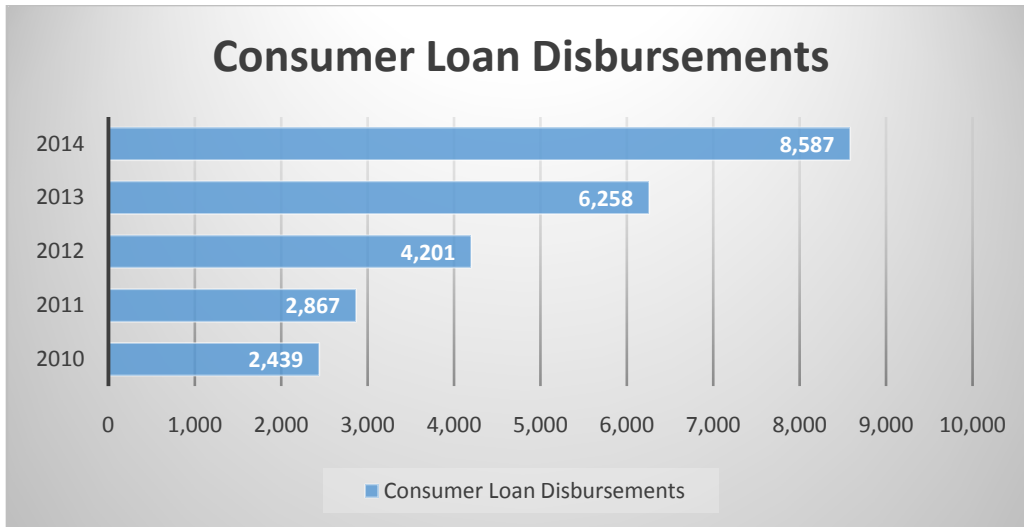


Figure 03: Consumer loan disbursement between 2010 to 2014

Interpretation: here we can see that, Consumer loan disbursement has rapidly increased in 2013, 2014. In 2014 IDLC loan disbursements were 8,587 million, which is higher than ever. (Including Home loan disbursements of take 5,896 million and car loan disbursements of taka 1,364 million) And it keeps getting higher and higher.

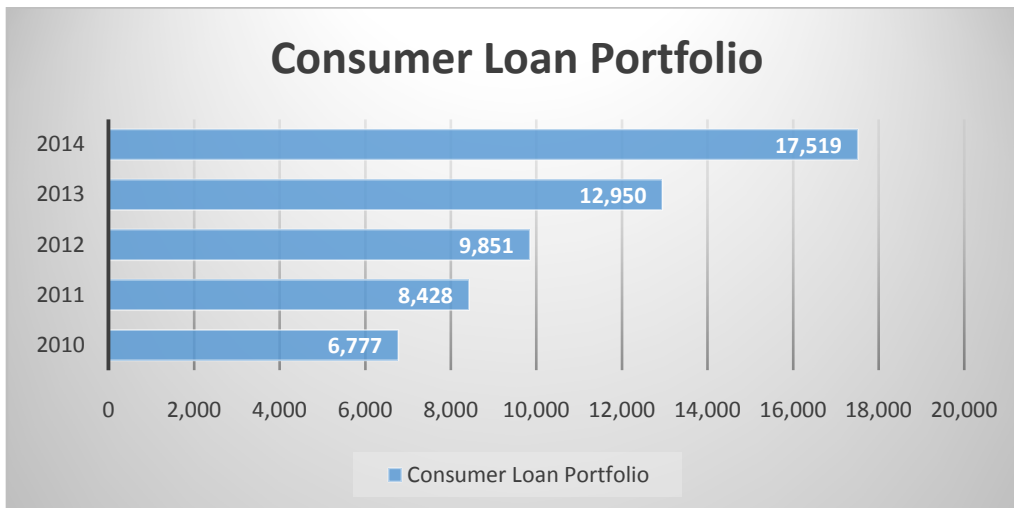


Figure 04: Consumer loan Portfolio between 2010 to 2014

Interpretation: In 2010 to 2014 Consumer loan portfolio, increase was exactly 10,742 million. This is a very good sign for IDLC. This means their portfolio is rapidly growing each year. They are now dominating the market because of their continuous portfolio

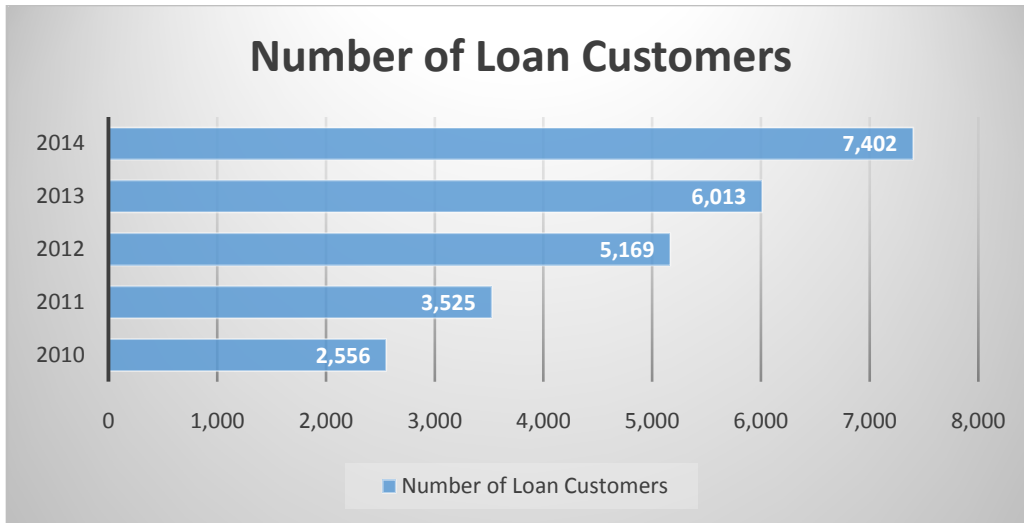


Figure 05: Consumer loan customers between 2010 to 2014

Interpretation: Here we can see that the number of loan customers is also increasing. Rising loan consumer's means IDLC deliver their service very effective. And it's kept increasing in 2015.

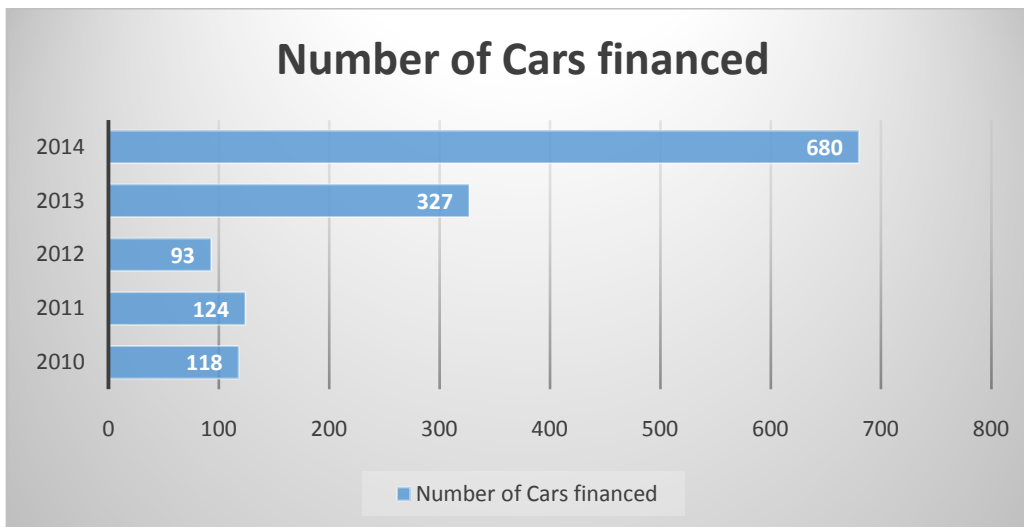


Figure 04: Number of cars financed between 2010 to 2014

Interpretation: in 2010 to 2012 cars financed was not that good at all. The rise of car loan finance start in 2013. In 2014 it's getting almost double. This means IDLC not only focused on home loan, they are also concentrating every sector. As a result, they captured a huge market in 2014.

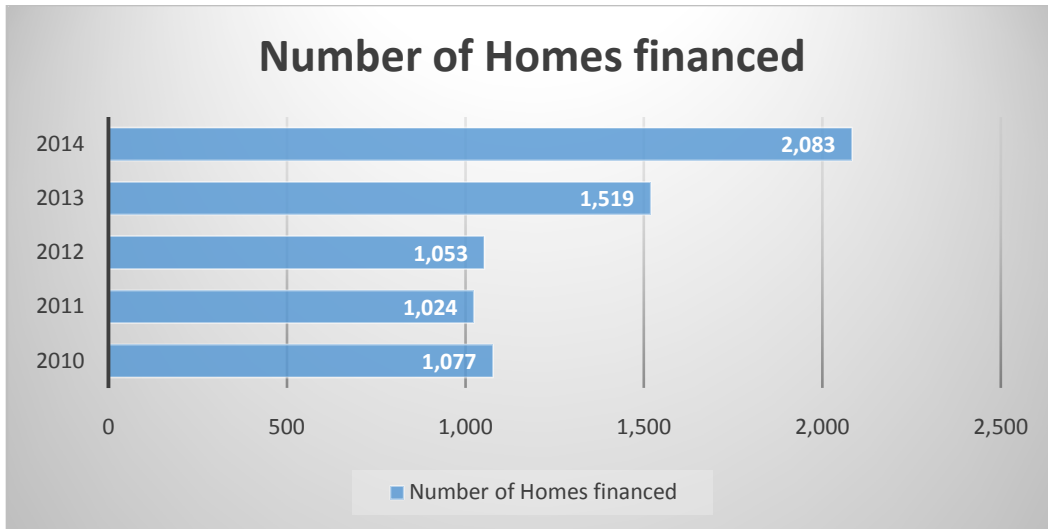


Figure 04: Number of Homes financed between 2010 to 2014

Interpretation: In this diagram, we can see that number of homes financed is increasing in 2013 and 2014 rapidly. During that time IDLC come up with new strategy such as increase man power, no hidden cost and quick service.

Findings and Recommendation

The Working condition of IDLC finance is very pleasant. They welcome me very kindly. The Manager is being very helpful and guides me throughout the whole process. They treat me as if I am one their employee not as an intern. This makes me very comfortable. IDLC is a well-recognized company being a part of it, I feel very fortunate. I had my own desk. They are very flexible and give me all kind of freedom. Most of them very friendly therefore I found the workplace very enjoyable. IDLC finance uses their own server, very few companies can able to do this. However they need to improve or replace some of the PC. Some of the PC is very slow which takes too much time to operate. The Scanner machine is also very old as a result it takes lots of time to scan. If they change all those old model pc replace with high performance Pc. This will help the Mirpur branch to operate faster.

Conclusion

Today, the Consumer Division has emerged as a leading player in the home and car loan sector and successfully captured a growing share of the market. Very recently, banks and NBFI started to take notice of the potential of this sector, in terms of huge business opportunity, high margin and encouraging recovery rate. The current report aimed at critically examining the Performance of a private financial institution. The main objective of this report was to evaluate the financial analysis of IDLC finance ltd. along with how efficiently are providing services to its customer. From Financial Analysis it has been seen that the performance of IDLC finance ltd is really satisfactory. Working with this company help me to grow my potential skill and knowledge about the financial institution.

Reference

- Idlc.com.,(2015). *IDLC Finance Limited » Investor Relations*. Retrieved 19 December 2015, from http://www.idlc.com/producta_services.php
- Idlc.com.,(2015). *IDLC Finance Limited » Products & Services » Personal Finance » Personal Loan*. Retrieved 19 December 2015, from <http://www.idlc.com/personal-loan.php>
- Assignment Point., (2013). *Internship Report on Non-Banking financial activities and performance of IDLC finance Limited - Assignment Point*. Retrieved 19 December 2015, from <http://www.assignmentpoint.com/business/internship-report-on-non-banking-financial-activities-and-performance-of-idlc-finance-limited.html>
- Perreau, F. (2013). *The 5 stages of Consumer Buying Decision Process*. *Theconsumerfactor.com*. Retrieved 19 December 2015, from <http://theconsumerfactor.com/en/5-stages-consumer-buying-decision-process/>
- (2015). Retrieved 19 December 2015, from <http://Annual Report 2014, IDLC Finance Limited>