



**Internship Report On
Analysis of customer's perception on SME
credit**

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Letter of Transmittal

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Subject: Submission of Internship Report

Dear Sir,

Here is my report name is “Internship Report On Analysis of customer’s perception on SME credit” study on Jamuna Bank Limited; this report is being done a clear concept of SME credit banking activities and how to improve the services.

In making this report a commendable one, I have attempted my best to assemble all applicable data by which I could get entrance. I trust that it will meet my normal standard. Subsequent to breaking down the point I am presenting this report for any sort thought and expressing gratitude toward you for any steady help and direction. I will be accessible for any grouping of this report, at whatever point essential.

Yours Sincerely,

Shuvra Karmakar
12304069
BRAC Business School, BRAC University

Acknowledgement

A great deal of exertion and study has been included in setting this up report into reality. It gives me enormous delight to thank countless for their welcoming participation and support who have contributed specifically or in a roundabout way in setting this up report.

Firstly, I might want to express my thankfulness to Almighty GOD who has empowered me to complete this report. I pass on my appreciation to my respectable faculty, Md. Tamzidul Islam, Assistant Professor, BRAC Business School, BRAC University for his direction and co-operation, which helped me monstrously to set this up report.

I might want to likewise express my appreciation to Shakil Badruddoza Shams, Vice President and Supervisor (Operation), JAMUNA Bank Ltd, Dhanmondi Branch for giving me the open door also, arrangement. Extraordinary because of Mr. Siddiqur Rahman (Senior Vice President), Nazmun Nahar (Senior Executive Officer), Mr. Sumon Ghosh (Executive Officer). It is them who made it simple for me to comprehend and empowered me a great deal amid my temporary position program.

Lastly, I might want to thank all other superb staff working in JAMUNA Bank Ltd.

Executive Summary

A temporary position project is critical and fundamental for obtaining background through learning and spreading the extent of Knowledge. Fundamental center of this report is gone for giving an exhaustive picture to the zones of SME credit operations of JBL. Inside three month exhibitions of its branches are too great that is past desire. In the Introduction part are secured to normal of the study, target of the report, foundation of the association, mission, vision, and goal of JBL. In the exercises attempted segments are incorporates SME credit . Obliges/Challenges like customer perception association requirements, challenges as assistant, scholastic planning, missing information and expertise that should be scholarly. In the outline part proposals for development or strategy, suggestions for bank (JBL), and in the last part incorporates of reference and addendums.

TABLE OF CONTENT

CHAPTER ONE	1
THE ORGANIZATION	1
INTRODUCTION.....	1
GOAL OF THE BANK:	2
VISION:.....	3
MISSION OF THE BANK:	3
CORPORATE SLOGAN:	3
OPERATIONS OF JAMUNA BANK LIMITED.....	5
PRODUCT AND SERVICES OF JAMUNA BANK LTD	6
CHAPTER TWO	8
MY JOB IN JAMUNA BANK	8
BUSINESS RELATED	8
HELP OFFICERS TO DOCUMENTATION MANAGEMENT (CREDIT SECTION)	8
GENERAL BANKING DEPARTMENT	8
ACCOUNT OPENING.....	9
ORCHESTRATING THE ACCOUNT FORM.....	10
OLD AND NEW ACCOUNT FORM TOPPING OFF.....	10
CHECK REQUISITION	10
SEAL ON THE NEW AND OLD ACCOUNT FORM	11
PRESSING THE STRUCTURE	11
CURRENT BILL SLIP CHECKING.....	11
CLIENT SERVICE OVER TELEPHONE.....	11
CHAPTER THREE	12
PROJECT	12
OBJECTIVES OF THE PROJECT.....	12
METHODOLOGY OF THE REPORT	12

DATA REQUIREMENTS & ANALYSIS METHOD	13
LIMITATION OF THE REPORT:	14
PURPOSE OF SME LOAN.....	14
LOAN PRICING.....	15
STRUCTURE OF SME DIVISION.....	20
SORTS OF SME LOAN IN JAMUNA BANK) LTD.....	20
MARKETING PROCESS RELATED TO SME LOAN	25
MARKET POSITIONING	27
MARKETING MIX.....	28
CUSTOMER SURVEY ANALISIS	29
DETERMINATION OF PROBLEMS FACED BY BANK	33
SWOT ANALYSIS OF SME DIVISION OF JAMUNA BANK LTD	34
CHAPTER FOUR	36
RECOMMENDATION	37
CHAPTER FIVE	39
CONCLUSION.....	39

Chapter One

The Organization

Introduction

Jamuna Bank Limited (JBL) is a Banking Company enlisted under the Companies Act, 1994 with its Head Office at Chini Shilpa Bhaban, 3, Dilkusha C/A, Dhaka-1000. The Bank began its operation from third June 2001.

The Bank embraces a wide range of managing an account exchanges to bolster the improvement of exchange and business of the nation. JBL's administrations are likewise accessible for the business visionaries to set up new pursuits of modern units. Jamuna Bank Ltd., the main Bengali named new era private business bank was set up by a gathering of winning neighborhood business visionaries considering a thought of making a model saving money organization with various standpoint to offer the esteemed clients, a far reaching scope of budgetary administrations and creative items for supportable shared development and success. The supporters are rumored identities in the documented of exchange, business and commercial ventures.

The Bank is being overseen and worked by a gathering of exceptionally instructed and expert group with enhanced involvement in account and keeping money. The Management of the bank always concentrates on comprehension and foreseeing client's needs. The situation of managing an account business is changing step by step, so the bank's obligation is to gadget procedure and new items to adapt to the evolving environment. Jamuna Bank Ltd. has as of now accomplished gigantic advancement inside just eight years. The bank has effectively positioned as one of top quality administration suppliers and is known for its notoriety.

At present the Bank has ongoing incorporated Online saving money branches (Urban and Rural) all through the Country having savvy IT-Backbone. Other than these customary conveyance focuses, the

bank has ATM of its own, imparting to other accomplice banks and Consortium all through the Country.

The operation hour of the Bank is 10:00 A.M. To 6:00 P.M. from Sunday to Thursday with exchange hour from 10:00 A.M. to 4:00 P.M. The Bank stays shut on Friday including government occasions.

Goal of the Bank:

- To win and keep up CAMEL Rating "Solid"
- To build up relationship managing an account and enhance administration quality through improvement of Strategic Marketing Plans.
- To stay one of the best banks in Bangladesh regarding benefit and resources quality.
- To present completely mechanized frameworks through combination of data innovation.
- To guarantee a sufficient rate of rate of profitability.
- To keep hazard position at a worthy reach (counting any reeling sheet hazard).
- To keep up sufficient liquidity to meet developing commitments and responsibilities.
- To keep up a solid development of business with coveted picture.
- To keep up satisfactory control frameworks and straightforwardness in methods.
- To create and hold a quality work-power through a successful Human Resources Management System.

- To guarantee ideal usage of every single accessible asset.
- To seek after a compelling arrangement of administration by guaranteeing consistence to moral standards, straightforwardness and responsibility at all levels

Vision:

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

Mission of the Bank:

The Bank is committed to satisfying diverse needs of its customers through an array of products at a competitive price by using appropriate technology and providing timely service so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional work-force.

Corporate Slogan:

“Your Partner For Growth”

Strategies

- To oversee and work the Bank in the most productive way to upgrade money related execution and to control expense of asset
 - To take a stab at consumer loyalty through quality control and conveyance of opportune administrations
- To distinguish clients' credit and other saving money needs and screen their discernment towards our execution in meeting those necessities.
- To survey and upgrade strategies, systems and practices to improve the capacity to stretch out better administration to clients.
- To prepare and build up all workers and give them satisfactory assets with the goal that clients' need can be sensibly tended to.
- To advance authoritative adequacy by transparently imparting organization arranges, strategies, practices and systems to representatives in an opportune manner
- To develop a workplace that cultivates positive inspiration for enhanced execution
- To expand portfolio both in the retail and wholesale market
- To increment direct contact with clients keeping in mind the end goal to develop a nearer relationship between the bank and its clients.

Operations of Jamuna Bank Limited

The excursion of Jamuna Bank Limited is portrayed by expanding number of inventive items, extending multi conveyance channels, developing base of trusted clients, committed pool of workers or more each of the a visionary Board of Directors, bolstered by a propelled IT base. The Bank has constantly attempted additional endeavors towards fulfilling its client base depending on its appropriately customized creative items and administrations for substantial corporate houses, little and medium undertakings, and private people.

Shopper Credit

Jamuna Bank Limited had a pioneer part in giving important money to the altered pay bunch for purchasing things that are vital for raising the nature of living. Over a period the model of Jamuna Bank had been replicated by different banks and other monetary establishments. The Bank had proceeded with its attention on that market section and future changed its approach for giving PCs to home level utilizations, specifically for understudies.

Advances and Advances

With a perspective to enhancing the quality and soundness of advance portfolio, credit hazard administration strategies were overhauled in 2005. The bank is currently applying another arrangement of credit danger administration and loaning systems by sticker partition of obligations between danger evaluations and loaning choices and screens its introduction to specific divisions of economy on a continuous premise.

Exchange Finance

Jamuna Bank Limited had from the beginning put solid accentuation in exchange administrations related zones and extended its ability working to handle developing business volume. It has additionally fortified bolster works so that the bank can be generally an essential player among the private part bank here. Thus it has delivered constant flow of incomes regardless of downturn in worldwide exchange.

Foreign Exchange:

Foreign Exchange Department is the global bureau of the bank. It bargains all inclusive. It encourages global exchange through its different methods of administrations. It spans amongst shipper and exporters. The branch, qualified to partake in outside trade managing, is called approved merchant. It can transmit outside trade from neighborhood nation to remote nation. This division basically bargains in outside money. This is the reason this division is called remote trade office.

- Imports Section
- Export Section
- Foreign Remittance Section

Product and services of Jamuna Bank Ltd

- Monthly Savngs Scheme
- Monthly Benefit Scheme
- Double & Triple Benefit Scheme

- Marriage Savings Scheme
- Education Savings Scheme
- Lakhpoti, Kotipoti and Millionaire Scheme
- Consumer Credit Scheme
- Lease Finance
- Personal Loan for women
- Shop Finance
- SME Finance
- Q-cash ATM Cards
- Direct Debit Cards
- Credit Cards
- Visa Cards

Chapter Two

My Job in Jamuna Bank

Business related

I am working under general keeping money and credit area, where every one of the representatives of the bank is liberal and supportive in giving data. Generally speaking, I got a well disposed and supporting environment at Jamuna Bank Limited, which gave me joy and fulfillment to be a piece of them for some time. I am likewise urging to gain from the bank workers. They are examining in insights about their individual assignment. It additionally helps me to see how they manage the client.

Help Officers to Documentation Management (Credit Section)

I resources senior officer to do their work with the same time set up the documentation for various types of credit documents.

General Banking Department

At the point when customers come to think about any sort of record opening like SB, CD, FDR and plans then I gave them a structure and help them to fill the structure with legitimate data. At that point I checked the aggregate structure. On the off chance that there is any clear I topped it off. I check the vital archives and mark, introducer and candidate data. On the off chance that everything is correct I arrange the paper in a legitimate framework. At first I put the record opening structure, inside it I keep CIF (Customer data Form), CIF for the chosen one, TP (Transaction Profile) structure, SBS-2 structure and finally the fundamental reports like national ID card photocopy, driving permit photocopy and so on. Client name, guardians' data, conjugal statuses, ID, and A/C number everything is remained. At that point I stamp the mark utilizing red shading and send it to the officers and they put their mark in proper spots.

Account Opening

For opening a record at first the planned record holder will apply for opening a record (SB, CD, FDR and so on) documenting account opening structure. Account opening structure comprises of the name of the branch, sorts of record, name of candidate, present and perpetual location, national ID, travel permit number, introductory store, introducer's data and , most vital record holder 2 duplicates and chosen one duplicate international ID size photograph and mark.

Orchestrating the Account Form

I need to orchestrate the record structure (SB, CD, FDR) to that serial number documenting and arrangement distinctive structure in better place. For present and sparing record I have looked after 211, 212, 213 arrangement documents.

Old and New Account Form topping off

I need to top off sparing record structure as per my director heading. Check the structures legitimately, if any data missing I am doing a rundown and provide for my manager. Redress of uncompleted structures.

Check Requisition

Each check book has an order slip. I keep all order slip from the client. As a matter of first importance I checked the order slip, what sorts of record of this slip. In the event that it is close to home record than I will take two mark from record holder with date and portable number. At that point I have recorded record number of this order slips with date and versatile number in register book. Furthermore, in the event that it is organization or any association name's record than will bring again two mark with to put seal on upon the demand slip furthermore date, versatile number of record holder. I additionally educated the client, when will come to keep their order slip, following one week they will be given the check book.

Seal on the New and Old Account Form

I need to put a seal upon the new and old record structure like branch head trough seal, second officer seal, account opening officer's seal, bank logo seal, photograph bore witness to seal, photocopy seal, signature verified seal.

Pressing the structure

I am pressing the finished structures as indicated by their serial number on record opening parcel.

Current Bill Slip Checking

I am checking the present bill slip and join with exceed expectations sheet. On the off chance that I discover any oversight, I call the particular officer and let him know.

Client Service over Telephone

I need to call to client for accepting their check and plastic.

Chapter Three

Project

Objectives of the project

The objectives of the project are divided in two parts. One is general objectives and another one is specific objectives.

General Objective

The general objective of this report is-“To explore SME banking of Jamuna Bank Ltd”.

Specific Objectives

Specific objectives of this report are -

- To examine customer perception about SME loan
- Find out the marketing policy of SME loan in JBL

Methodology of the Report

Methodology is the most important component in any study proposal since it explains the procedures and methods through which a particular study will be carried out. This includes discussion on data requirements, sample selection, data analysis, limitations etc.

DATA REQUIREMENTS & ANALYSIS METHOD

Data are the raw materials for any study. Relevant data for the proposed research study were collected from both secondary and primary sources. Secondary data were collected from the annual reports of the selected Government & Non Government banks, Bangladesh Bank reports on SME, Bangladesh banks website and from websites of the selected banks, SME Organizations of Bangladesh.

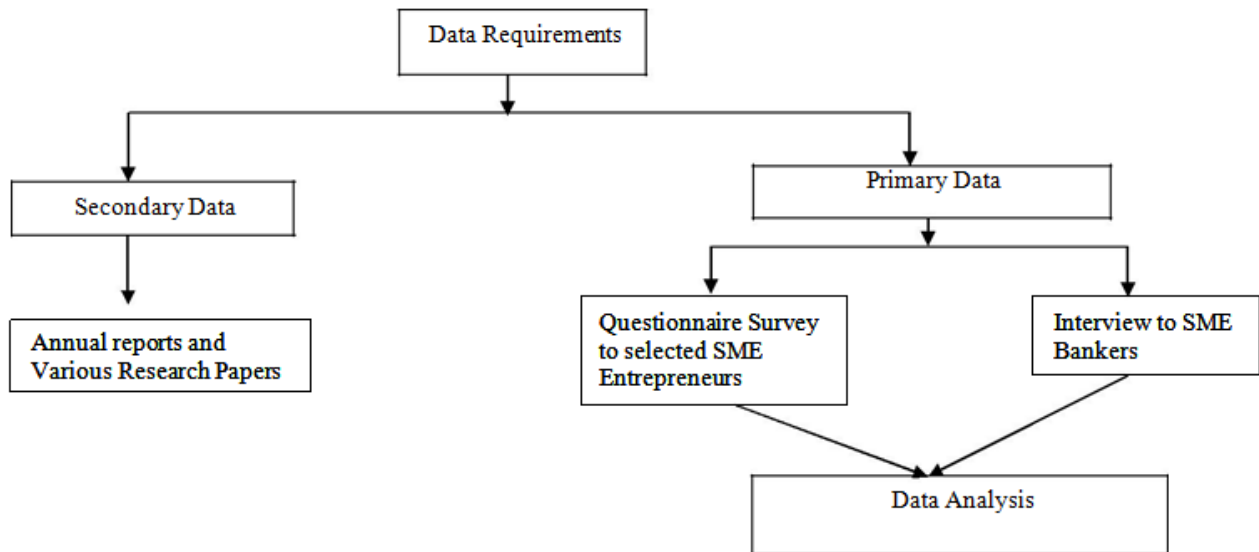
DATA SOURCES

Primary Source

- Practical work exposure in Jamuna Bank Ltd
- Face to Face conversation on the SME Proprietors

Secondary Source

- Annual Report of Jamuna Bank Ltd.
- SME Manual of Jamuna Bank Ltd.
- Bank records
- Official website of the Bank



Limitation of the Report:

Credit administration in SME is a limitless zone of examining. To recognize the SME hazard administration strategy, any longer time and inconceivable exposure is required. It is impractical to gather entire information inside a brief timeframe for review. In this report, the work is done on an example of little respondents. Time confinement is additionally one of the fundamental reasons so for that more nitty gritty study was impractical.

Purpose of SME Loan

- i) Working capital
- ii) Purchasing of capital hardware
- iii) Delivery Van/Transport for business reason

iv)Renewing office/Business premises

v)Purchase of business area, ownership for new pursuit

vi)Other qualified arrangement of the bank

Loan Pricing

For little ventures:

For unsecured advance: 9.00%

For mostly or completely secured credit: 15.00 % to 16.50%

For medium ventures:

Loan cost fluctuates from 15.00 to 16.00% (Interest rate might be changed from time to time as per Bangladesh Bank Guideline)

1) Loan handling expense:

For unsecured advance: (0.5 to1.50%) + VAT

For mostly or completely secured credit: (0.5% to 1.50%) + VAT

2) For past due: Penal interest might be charged @ 3% on the late sum

3)Other expenses and charges:

Documentation Charge - BDT-2,000.00 Check Dishonoring Charge-BDT-500.00

Security Replacement Fee - BDT-2,000.00 Reminder Fee-BDT-200.00 CIB Collection

Charge - BDT-50.00 Reschedule Fee-BDT-2,000.00

Lawful and Asset Valuation Fee - BDT-At genuine

Early Settlement Fee - first quarter of advance tenor: 5%, second quarter of credit tenor: 4%, third quarter of advance tenor: 3% however for rehash financing it might come up to 1%

Security for the credit offices

1.Registered home credit of property/errand of proprietorship right

2.Hypothecation of stock and inventories

3.Ownership of the vehicle/equipment procured for the Bank

4.Ownership of the space/possession right procured in Bank's name

5.FDR suitably liened and discharged

6.Personal protection of life accomplice

7.Personal certification from the person(s) agreeable to the Bank

8. Post dated check

9. Any other security as regarded fit on a case to case premise.

Reports Required for the Loan Facility

- Loan Application Form appropriately filled in and marked by the client.
- Borrower's Basic Fact Sheet under the seal and mark of the borrower.
- A composed presentation acquired from the borrower uncovering points of interest of different offices as of now got from different foundations.
- Acceptance of the terms and states of Sanction Advice
- Copy of up and coming Trade License
- Photographs of the client(s)/proprietor/accomplices/chiefs properly bore witness to.
- Personal total assets articulation of the proprietor/accomplices/chiefs.
- Copy of a la mode TIN Certificate.
- Short portrayal of the results of the endeavor.
- Project Profile (if new venture).

- Quotation/Indent/Pro-forma Invoice and so on (as appropriate)
- Marketing conveyance arrangement of the organization.
- Brief depiction of the administration of the organization specifying their instructive expert encounters.
- A most recent obligation explanation of all the business worries of the Group with different Banks/Financial Institutions (Mentioning - name of business concern, name of bank and branch, nature of office, point of confinement sum, remarkable, past due, if any and so forth.)
- Latest Credit data Bureau (CIB) report from Bangladesh Bank.
- Copy of money related explanations for most recent 03 years appropriately scorched by the borrower
- Copy of Registered Partnership Deed appropriately affirmed as genuine duplicate or an organization Deed on non-legal stamp of Tk.150 category properly authorized (as material).
- Copy of Memorandum and articles of Association of the organization including Certificate of Incorporation appropriately ensured by Registrar Joint Stock Companies (RJSC) and bore witness to by the Managing Director joined by a forward rundown of Directors (as pertinent).
- Copy of Board Resolution of the organization for profiting credit offices and approving Managing Director/Chairman/Director for execution of records and operation of the accounts (as material).
- An Undertaking not to change the administration of the organization and the reminder and articles of the organization without earlier authorization of the bank (as pertinent).

Dedicated SME Branches in JBL

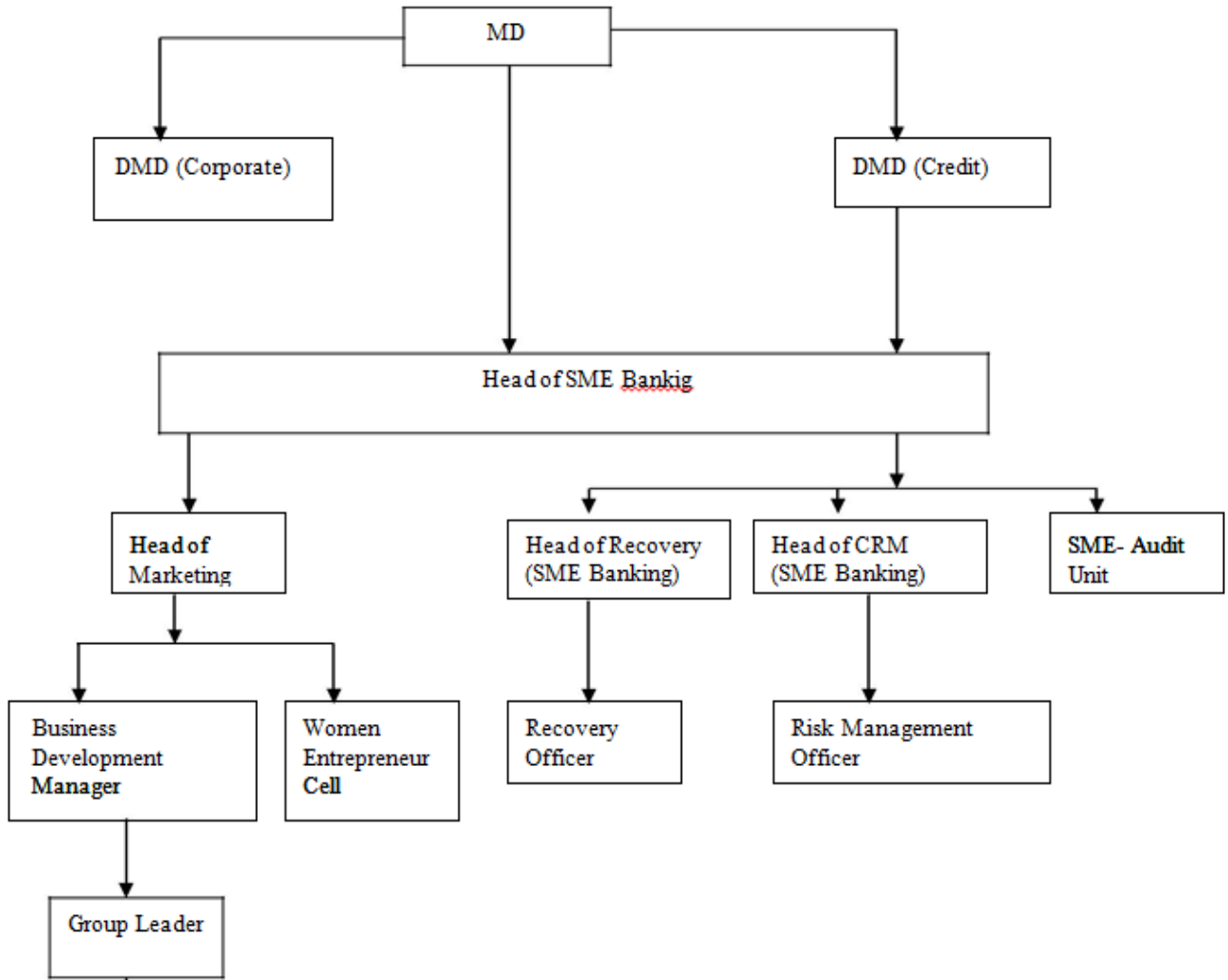
Although all the branches of Jamuna Bank Ltd (JBL) have got SME marketing officers, there are 8

dedicated SME banking branches for special attention to SME financing. The special attribute that SME branches have is that these 8 branches must invest minimum 50% of their deposit amount to SME financing. This makes a clear idea of the special care these branches give to

SME financing. These 8 branches are:

- Jurain SME Service Centre
- Madaripur SME/ Krishi Branch
- Munshigonj SME/ Krishi Branch
- Tongibari SME/ Krishi Branch
- Chapainawabgonj SME/ Krishi Branch
- Kazipur SME / Krishi Branch
- Sherpur SME / Krishi Branch
- Moulvi Bazar SME / Krishi Branch

Structure of SME Division



SORTS OF SME LOAN IN JAMUNA BANK) LTD

Name	Purpose	Eligibility of the Borrower	Key Features	Required Documents
Jamuna Samridhdhi (Deposit Top Up Loan)	Any business	* Minimum 2 yrs experience *Age: 20-60 yrs	*Loan Amount : Maximum 50 lacs * Loan validity : 48 months * Installment basis loan * Attractive interest rate	* Valid trade license * Latest TIN certificate * Sales statement of 1 year * Bank Statement * Daily statement of debit credit * Other documents
Jamuna Banik (Import Finance)	Any business	* Minimum 2 yrs experience *Age: 20-60 yrs	* Loan Amount :Min. 5 lac Maximum 50 lacs * Loan tenure depends on the import of goods * Installment basis loan * Attractive interest rate	* Valid trade license * Latest TIN certificate * Import Registration Certificate *Sales statement of 1 year *Daily statement of debit-credit *Others documents * Bank Statement of 1 year * Daily statement of debit-credit " Other Documents
Jamuna Jantrik (Machinery Loan)	To procure machinery or vehicle for SME business purpose	*Having business for at least 2 years in the same line *Age limit: 20 years to 60 years	*Loan amount: BDT 5.00 lac to BDT 50.00 lac *Tenure: Max. 60 months *Interest rate: competitive *Fast and quality service *No hidden Charge	* Last 12 months sales statement * Last 12 months bank statement * Valid Trade License of last 2 years * National ID/ Passport of the borrower * Photographs of the borrower and the guarantors * Utility bills of the Concerned

Jamuna Nari Uddogh (Women Entrepreneur Loan)	*Any justifiable business purpose	*Having business at least 2 years in the same line of business * Age limit: 25 years to 60 years	*Loan amount: BDT 3.00 lac to BDT 50.00 lac * Tenure: For trading & Service Industry 36 months •For manufacturing industry 42 months Interest rate: 10% - the lowest interest rate *Fast and quality service •No hidden charge •Up to BDT 25.00 lac is collateral free	<ul style="list-style-type: none"> • Last 12 months sales statement • Last 12 months bank statement * Valid Trade license of last 2 years • National ID/ Passport of the borrower • Photographs of the borrower and the guarantors •Utility bills of the concerned business
Jamuna Chalantika (Working Capital Loan)	To meet up working capital requirement of the business	*Having business at least 2 years in the same line * Age limit: 20 yrs 60 yrs	*Loan amount: BDT 5.00 lac to BDT 50.00 lac * Tenure: For revolving loanMaximum 01 year For Term loanMaximum 36 months *Interest Ratecompetitive rate • No hidden charge *Registered Mortgage of Property is required	<ul style="list-style-type: none"> • Last 12 months sales statement • Last 12 months bank statement * Valid Trade License of last 2 years • National ID/ Passport of the borrower • Photographs of the borrower and the guarantors • Utility bills of the concerned business
Jamuna Green	To facilitate establishment of eco friendly projects	*Having business at least 2 years in the same line * Age limit : 20 yrs - 60 yrs	• Loan amount: Max. 300 lac * Tenure: Max. 60 months *Interest Rate: Competitive interest rate * Fast and quality service • No hidden charge	<ul style="list-style-type: none"> • Last 12 months sales statement • Last 12 months bank statement * Valid Trade License of last 2 years * National ID/ Passport of the borrower • Photographs of the borrower and the guarantors • Utility bills of the concerned business

<p>Jamuna NGO Shohojogi</p>	<p>To provide loan facility to the small enterprise through wholesale lending to the NGOs</p>	<p>*Any type of NGO having certificate from Micro Credit Regulatory Authority to operate business in Bangladesh</p> <ul style="list-style-type: none"> • Having business at least for 5 years in the same line *Age limit: 20 yrs to 60 yrs 	<ul style="list-style-type: none"> • Loan amount: Max. BDT 500 lac * Tenure: Max. 48 months "Interest Rate: Competitive interest rate • Fast and quality service • No hidden charge • Monthly installment basis 	<ul style="list-style-type: none"> • Last 12 months sales statement • Last 12 months bank statement * Valid Trade License of last 2 years Personal guarantee of all the directors
<p>Jamuna Shachchondo</p>	<p>To meet up working capital requirement of the business.</p>	<ul style="list-style-type: none"> •Having business at least for 5 years in the same line *Age limit: 30 yrs to 55 yrs 	<ul style="list-style-type: none"> •Loan Amount: BDT 15.00 lac to BDT 50.00 lac. * Tenure: For 1st time loan- 12 months to 30 months. For Repeat Loan- 36 moths to 48 months. • Competitive interest rate. • Fast and quality service. • No hidden charge. * A FDR shall be taken covering minimum 25% of the total ticket size. The SOD facility shall be allowed upto 90% of the FDR amount. ^ Guarantor must be renowned business person and have permanent residence in the commanding area/ possession of the shop. * Business premise must be owned/possession held by the borrower. 	<ul style="list-style-type: none"> *Last twelve months' sales statement. *Last twelve months' bank statement. *Valid Trade License of last two years. *National Voter ID/ Passport of the borrower. *Photographs of the borrower and the guarantors. *Utility bills of the concerned business.

<p>Jamuna Swabolombi</p>	<p>Any justifiable business purpose.</p>	<p>Having business for at least 2 years in the same line. *Age Limit: 20 years to 60 years.</p>	<p>*Loan Amount: BDT 5.00 lac to BDT 25.00 lac. *Tenure: For Trading & Service Industry 30 months. For Manufacturing industry 36 months. *Interest Rate: Competitive interest rate. *Fast and quality service. * No hidden charge. *Up to BDT 25.00 lac is collateral Free.</p>	<p>*Last twelve months' sales statement. *Last twelve months' bank statement. *Valid Trade License of last two years. *National Voter ID/ Passport of the borrower. *Photographs of the borrower and the guarantors. *Utility bills of the concerned business.</p>
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MARKETING PROCESS RELATED TO SME LOAN

Advertising PROCESS

As far as promoting the SME credits the budgetary organizations begin with broad business and showcasing arrangements to draw in potential clients. A decent advertising arrangement begins with dividing the potential business sector and afterward begin to give administration. The advertising structure of Jamuna Bank Ltd is as per the following:

- **Geographic Segmentation:** regarding SME Loan, it focuses on each district around the nation as far as little business. The committed SME showcasing officer is joined with all the branches to chase the SME customers and sustain the current ones which implies every single branch of Jamuna Bank Ltd. acts like a devoted SME office.

- **Demographic Segmentation:** The demographic division is of extremely significance in sme credit payment in JBL. For instance, the age of the SME customers must range between 20 to 60 years.

- **Psychographic Segmentation:** as far as SME Loan, customers are diverse in states of mind, premium and movement like some are time compelled and some are cash obliged.

- So bank dependably tries to center these things and afterward painstakingly give the credits to the customers.

- **Behavioral Segmentation:** regarding SME advance, couple of customers would be discovered who are particularly profoundly instructed like graduate or post graduate. In the

present situation of Bangladesh, the exceedingly instructed individuals don't get pulled in to SME credits. That is the reason the behavioral division assumes a noteworthy part in figuring out which fragment of planned clients to go for while selecting the customer.

TARGET MARKETING

There are excessively numerous various sorts of clients with an excessive number of various types of necessities. As far as SME credits, JBL's objective business sector is little and medium undertaking. There are three areas of target showcasing which SME takes after: Trading, Manufacturing and Service.

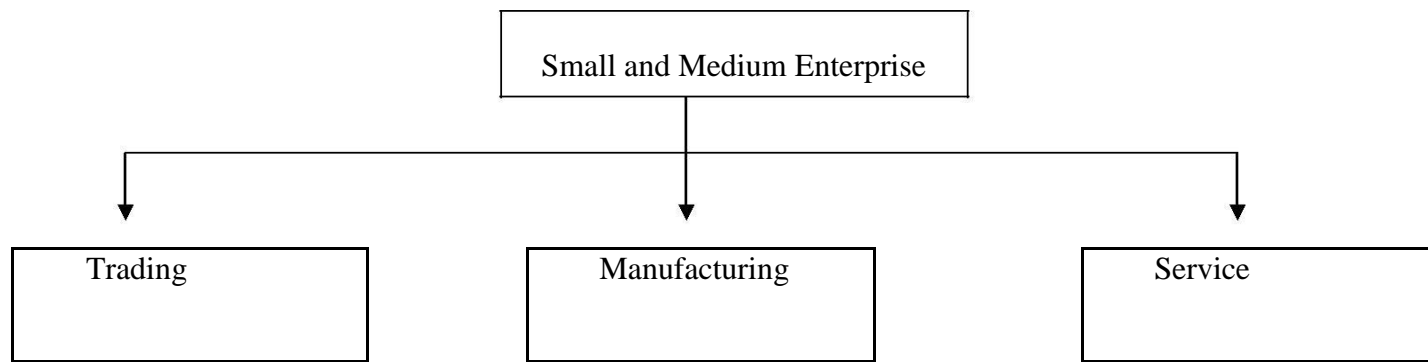


Figure : Target market of JBL SME

As the segments of credit dispensing are distinctive, there are diverse procedures previously, then after the fact advance payment. The advertising officers are picked in a

manner that they can deal with various sorts of clients.

MARKET POSITIONING

In Bangladesh, there are different banks and Non Banking Financial Organizations which are perseveringly attempting to showcase their advance items to client. That is the reason Jamuna Bank Ltd has taken some creative procedures to make a solid position in the business sector. The advertising officers are extremely client well disposed and the advance handling framework is made as simple as could reasonably be expected. For

illustration, the SME financing costs are nearly higher than the other advance items. Be that as it may, the client administration and alternate offices like quick administration and client well disposed environment reciprocals the various hindrances. For business sector situating JBL SME division gives the administrations like:

- Rescheduling System-If in the wake of taking SME credits any client gets any issue in reimbursing the advance then the rescheduling procedure is made for the simplicity of the client.
- Quick Service-The primary office of SME is to give fast support of the clients. It takes just 15-20 days time to dispense the advance to the client's record.
- Direct Service-To get the advance the showcasing officers do all the diligent work. They even give the administration in the occasions for the customers' backing.

MARKETING MIX

JBL SME division arrangements to blend its items in the accompanying way:

Product: In perspective of the SME credit, JBL has 2 sorts of advance: Short term advance and mid term advance. Transient credit item implies 13/15 months tenor and mid-term implies tenor upto 37 months.

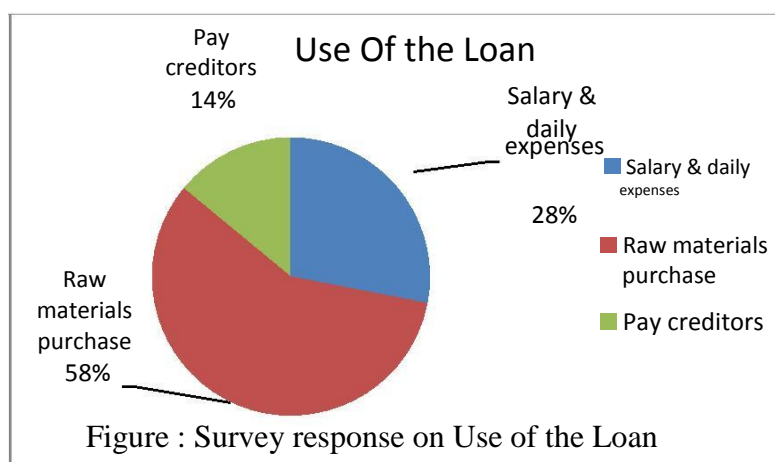
.Price: as far as SME Loan, JBL gets a specific measure of preparing expenses and stamp charge for offering credit to client.

Place: JBL SME division is constantly dynamic in achieving the clients purpose of contact as much as they can. Committed SME officers are sent in every last corner of the nation.

Customer survey analysis

MAJOR EXPENDITURE OF THE SME LOAN

From the reactions acquired it is viable that the credit is for the most part utilized for purchasing crude materials. 58% respondents affirmed that the most utilization of this advance is for buy of crude materials. Installment and day by day cost (28%) is second most utilized motivation behind the advance. Dispensing the banks is another utilization of the advance. 14% respondents consented to the reality.



MOST COMMON BUSINESS OBSTACLES

The proprietors were given 5 options to choose between. The options were decided from the literature review. These 5 were: a. Cost of inputs b. Fluctuations in sales c. Increasing competition d. Political unrest and e. Any other. These options were predetermined and the proprietors were asked to choose one of these options. From the responses obtained, most number of respondents marked increasing competition as the most common problem. 40%

responses were obtained in favor of that cause. The second most important reason was found fluctuation in sales (28%). The other two were Political unrest (18%) and Cost of inputs (14%). In this survey, only 4 choices were given. That is why they were forced to answer only one of them. Later on, the respondents were given other choices and questionnaire survey was conducted on the other problems.

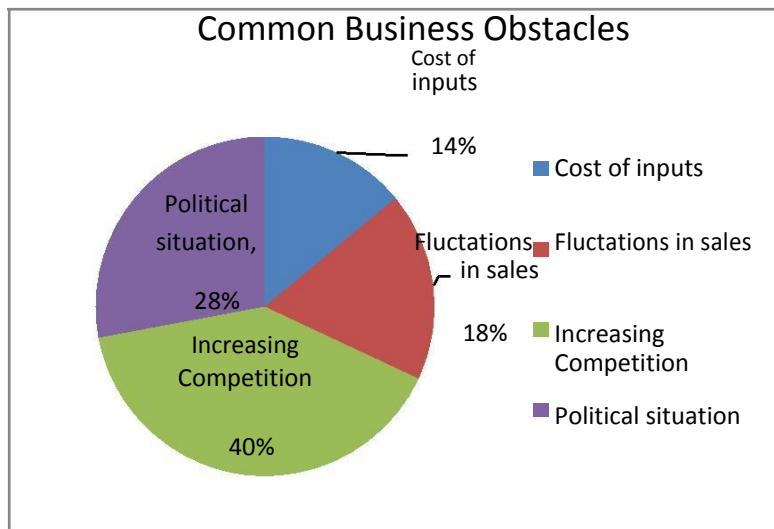


Figure : Survey response on most common business obstacles

MAIN REASONS BEHIND HIGH EMPLOYEE TURNOVER

Representative turnover is a typical issue for the business substances in Bangladesh. In writing audit, it has been found that SME concerns are set apart with high worker turnover due to their little development. The proprietors were asked the primary purpose for the incessant occupation changing of the workers and they addressed the accompanying 4 reasons: a. For better pay b. Absence of dedication c. Issues with colleagues d. change in workplace. 48% of the respondents said that better compensation is the fundamental motivational component of the representatives' employment evolving. 24% specified that absence of dependability to the association is the principle reason. 10% answered that the representatives change the occupation for change in the workplace and 18% answered that issues with associates are the principle purpose behind changing the employment.

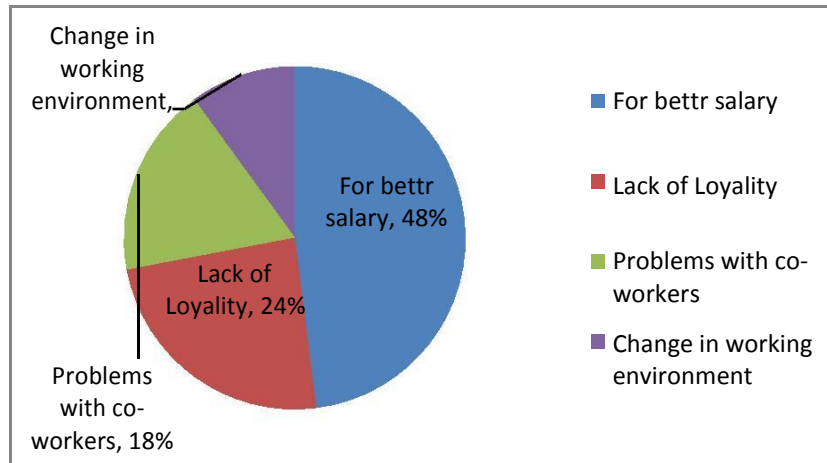


Figure : Survey response on reasons behind high employee turnover

WAITING PERIOD BETWEEN LOAN APPLICATION AND SANCTION

Clients were asked the amount of time they needed to sit tight for the advance to dispense in JBL. The vast majority of the respondents (48%) said that it took under 1 (one) month between advance application and approval. 24% respondents said that it took around 1 month to get the advance. 18% respondents said that it took between 1 to 2 months and 10% answered that it took over 2 months to get the advance.

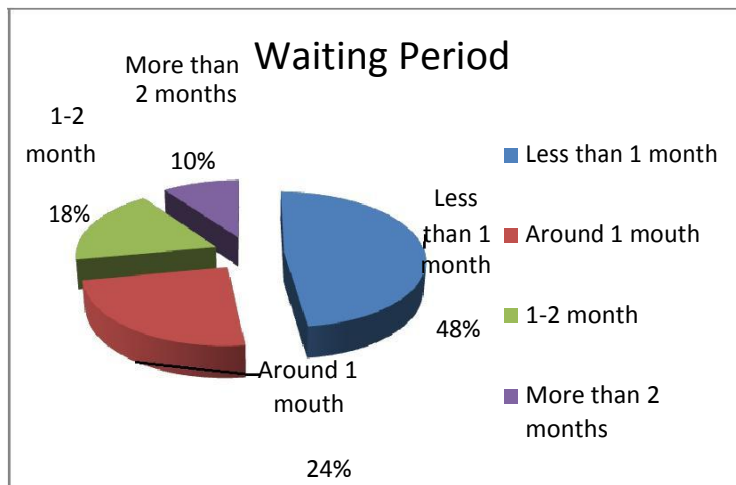


Figure : Survey response on waiting period for loan

SME PROPRIETORS PERCEPTION ON THE DRAWBACKS OF JBL SME

Respondents were asked which issues they believe is most successive for JBL SME administration. 40% of respondents pointed out that extensive methodology is an issue for Jamuna Bank SME division. 30% of respondents pointed out that unpracticed advertising power is an issue. Other two issues of Jamuna Bank Ltd SME are High Interest Rate (14%) and Client administration (16%).

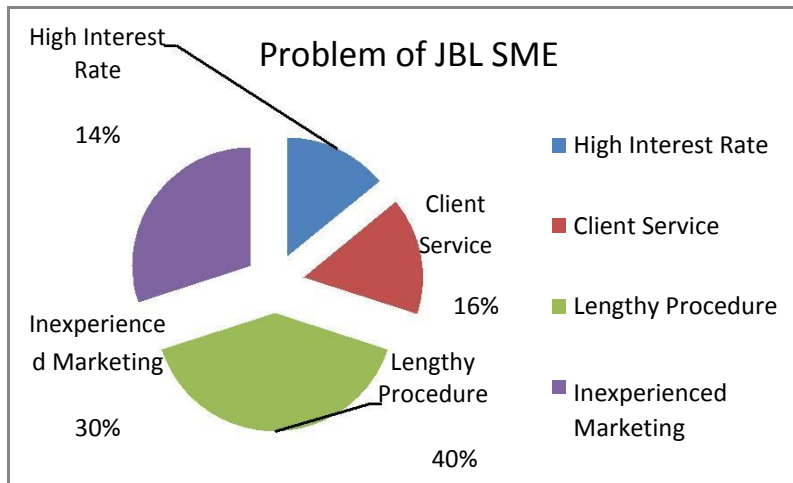


Figure : Survey response on Drawbacks of JBL SME

DETERMINATION OF PROBLEMS FACED BY BANK

Interviews with the SME intermediaries revealed a couple issues or risks that bank faces in SME organization. Issues or risks associated with SME propels for bank are according to the accompanying:

1. Obligated opportunity to offer versatile repayment decisions for private credit borrowers prior to default: Currently, JBL has this sort of issues for the term SME credit workplaces. The borrowers get the opportunity to be defaulter if they disregard to pay 3 parcels sequentially and in case they stand up to a couple issues JBL powers feel that its hard to give the versatile repayment other options to them.

2. Chaos with getting terms and conditions: According to the bank powers, another issue with the client is the perplexity with the acquiring terms and conditions. Most of the SME proprietors are not experienced in executing with banks and for this reasons they are hard to handle. Directing them is to some degree dubious for the specialists due to this reason.

3. Mixed up information concerning the borrower: The CIB (Credit Information Bureau) is the base for the information of the fast approaching clients of the bank. Starting now the representatives are defying predictable test as a result of blunder in the CIB report of the borrowers. Issues are made when requested advances are not said in the CIB report and the assembled borrowers get the credits.

4. Collateral Risk: Risks with security suggests that whether the protection is under responsibility for proprietor, whether the certification is the right property showed up by the borrower et cetera. This sort of issue is particularly typical case in Bangladesh and most prominent credits get the chance to be sporadic or default as a result of this issue.

5. Risks with Documentation: Applying SME progresses from the keeps cash with fake or broken reports is a commonplace thing for the borrowers. With a particular final objective

to ensure prosperity crediting, banks must ensure the development of the records related to the sold properties.

6. Moral Hazard: Even when advances are made to the SMEs, it may so happen that the proprietors of these SMEs put it all on the line than they for the most part would without crediting support from the banks.

7. Unsecured Lending: Unsecured advances contain most great part of the total SME portfolio. In this kind of crediting, individual confirmation of the proprietor and his/her relative or some diverse persons is considered as the guideline security. Regardless, when the borrower fails to repay the credit, the bank goes up against inconvenience in recovering that since individual accreditation is not sufficient for case and other real walks.

8. Watching Activity: In by far most of the cases, nonattendance of true blue checking of the SME credits causes default progresses. Most SME credits are term progresses and that is the reason the officers need to screen eagerly the month to month repayments.

SWOT ANALYSIS OF SME DIVISION OF JAMUNA BANK LTD

The SWOT Analysis on JBL's SME division is presented underneath:

Strength

- Dynamic Human Resource
- Countrywide flow framework and extension
- Continuous change in making innovative things

- Fast Loan underwriting prepare and watching
- Skilled peril organization system

Weakness

- JBL is yet to set up itself as a brand
- SME Loan portfolio needs sectoral expanding
- Customer acumen about the Bank or it's organization is not tasteful

Opportunities

- New geographic areas for SME operation
- Workshops and trainings for the SME Officers
- Management of the Bank is putting forth needs to build up the SME Loan presentation for less provisioning than the standard CC Loans
- Offering lower financing cost than various banks can give and edge to JBL SME
- Raising the customer organization can help JBL attract more SME customers

Threats

- Current business segment of SME is unreasonably engaged and JBL may lose a noteworthy piece of its up and coming clients to various banks and NBFIs.

- Current political situation is too much exposed and the proprietors are at this moment reluctant in benefitting SME credits.
- Lack of honest to goodness watching for SME credits may transform into a danger for Bank's general execution as time goes on
- Global Market retreat

Chapter Four

Recommendation

Most of the talked with proprietors utilize this SME advance for obtaining crude materials. The other significant utilization of the SME advance is for meeting pay and every day costs.

Most of the proprietors (48%) said that it took under 1(one) month between advance application and assent. 24% proprietors said that it took around 1 month to get the credit. That implies JBL SME is serving the customers great as far as conceding SME advances.

According to the proprietors the individuals who apply for the credit, JBL SME administration ought to be more alluring in time length between advance applications and advance installment. Unpracticed showcasing power is additionally the negative thing to debilitate the proprietors to the credits. This implies the JBL Management ought to make some appropriate strides to sort out the entire SME promoting and payment process for better results.

.After taking the advances from JBL, a few proprietors said that they are either very fulfilled or simply fulfilled by the SME credit of Jamuna Bank Ltd. It implies that more than 60% of the proprietors surmise that the administration level of Jamuna Bank Ltd is very great and it's likewise entirely acceptable to the customers.

The issues or dangers in regards to SME advances for the investors resemble adaptable reimbursement alternatives for borrowers, disarray with getting terms and conditions, wrong data, dangers with assurance, documentation hazard, moral peril issues with

unsecured advances, observing movement and so on.

SME business sector is exceptionally focused and JBL may lose a major part of its future customer bit to alternate banks, yet JBL has a solid human asset and experienced SME group which can help the bank accomplish the future targets effectively.

For finishing the best spotlights on, the bank should make tailing some steps. These can be-

- Regular checking of the SME portfolio should be made more compelling
- Interest rate of SME should be made more engaged with a particular final objective to develop the SME portfolio
- Loan documentation plan ought to be all the more convincing to diminish guarantee peril and propel default
- JBL power should give tasteful get ready to their SME officers so for that they can get new SME clients moreover credit specialists should be chosen to diminish weight on existing laborers
- The dealing with a record industry is to an awesome degree forceful and determinedly developing. Contender banks are displaying new things and organizations and taking new exercises to administer SME danger. Along these lines, JBL should put extra time and trade out becoming new SME things
- All possible information should be shielded at head office about the borrowers

Chapter Five

Conclusion

As a third era private business bank, Jamuna Bank Ltd. has a decent plausibility to be a main bank in the economy of Bangladesh. To accomplish that, they have to discover the ranges where they can extend. Lately, their execution in SME part contrasted with different banks is not so much agreeable, but rather they demonstrated a normal development. This implies they have the likelihood to be one of the best banks in SME part. SME is an effective part in Bangladesh which can be critical for all the banks sooner rather than later. All the banks are continually attempting to expand their SME accumulation. That is the reason, to stay aware of different banks in Bangladesh, Jamuna Bank Ltd. (JBL) need to know the issues without bounds SME customers and attempt to locate the most ideal way which will make great association with their new customers.

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