



**Internship Report on
Credit Department of Jamuna
Bank Limited**

CREDIT DEPARTMENT OF JAMUNA BANK LIMITED

PREPARED FOR,

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LETTER OF TRANSMITTAL

June 2nd , 2014

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Subject: Request for approval of Internship Report

Dear ma'am,

With the passage of time, I am student of BRAC Business School standing on the other entity of my course completion, hence are finalized with my internship report naming as “Credit Department of JBL”. Vividly enough, my research comprises adequate endeavors. But no doubt, my contribution will be best evaluated on your sharp scale of acceptance & analytical remarks.

Consequently, I am submitting my report on your very concern. Hopefully, you will discover my well-researched, informative approach as a hallmark of hard work. Rather, in case of any further clarification or elaboration as to my report, I would welcome the opportunity to consult with you to explore how my findings could best meet your needs.

Thanking You.

With best regards,

Md. Ahamudul hasan Rubel

Student ID: 09204068

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DECLARATION OF STUDENT

This is to notify that this report “**Credit Department of JBL.**” has been prepared as a part of my internship formalities. It is an obligatory part of our BBA program to submit an internship report. Moreover, I was inspired and instructed by my supervisor Sayla Sowat Siddiqui, Senior Lecturer, BRAC Business School, and BRAC University.

.....

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I am Md. Ahamudul Hasan Rubel and would like to express my heartiest gratitude to those who helped me all the way through to complete my internship report on “Jamuna Bank Limited”.

At the very beginning, I want to thank my academic supervisor Sayla Sowat Siddiqui, Lecturer of BRAC Business School, BRAC University, for providing me all the necessary helps for the completion of this report. Thank you Ma’am for guiding me to start and complete successfully of this report. Secondly, I would like to thank, Yousuf Ifthakhr, my supervisor for helping me to prepare this report with adequate and correct information. I am very much grateful to Arif Hasan who helps me a lot.

I would convey our special thanks to our parents whose inspirations have enabled me to complete this report of this particular course.

I also apologize heartily for any omitted name whose contribution was also complementary for any possible aspect. Lastly, I solemnly thank the Almighty

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LIST OF ABBREVIATION

A/C	Account
B/L	Bill of Leading
JBL	Jamuna Bank Limited
CCH	Cash Credit Hypo
CCP	Cash Credit Pledge
SWIFT	Society for Worldwide Interbank Financial Telecommunication
SOD	Secured Over Draft
DD	Demand Draft
ERC	Export Registration Certificate
GB	General Banking
L/C	Letter of Credit
LDBC	Local Documentary Bill Collection
LDBP	Local Documentary Bill Purchase
PO	Pay Order
PAD	Payment Against Document
L I M	Loan against Imported Merchandize
LTR	Loan against Trust Receipt
IBP	Income-Based Plan
ECC	Export Cash Credit
SME	Small & Medium Enterprises
HO	Head Office
BOD	Board of Directors
CIB	Credit Information Bureau
PC	Packing Credit

EXECUTIVE SUMMARY

In order to provide a student with job exposure and an opportunity of the transition of theoretical knowledge into real life experience, an internship is a must. A better balance between theory & practice can be gained through this program. The report is a combination of three months internship program with Jamuna Bank Limited. I acknowledged different banking functions and day-to-day banking operations on my way to complete internship.

The objective of this study is to acquire the knowledge about the credit department of Jamuna Bank Ltd. To prepare this report both primary and secondary sources of data have been used. Apart from this a questionnaire has been made and did a survey on 30 regular clients.

The first section of this report consists of an introductory part which has been developed for the proper execution of the entire report. Part one narrates the company profile including Jamuna Bank's history, their vision, mission and strategy, products and services, and operational network organogram. Second part has explained the working experience of my internship period at different division of JBL. Part three focus on the credit department of JBL. This is the main part of the project. It includes credit policy, credit principles and credit rating of JBL. It also includes lending criteria and lending principles of JBL. It also describes in details about the procedure of sanctioning credit, loan recover policy, and execution, stamping witness and other legal formalities. It also describes the credit risk grading system. Findings and analysis of the information are in Part four of the report. It includes SWOT analysis of JBL. By using 5 years data here we evaluate the financial performance of JBL credit department. And we also did the questionnaire and survey analyses to measure customer satisfaction over the JBL credit department. The remaining part consisted of recommendations and conclusion. Finally I observed that Jamuna Bank Limited will ensure the better services to the people of Bangladesh and they will be more contribution on development of economy of Bangladesh.

CHAPTER- 01: THE ORGANIZATION

1.1 Introduction

Jamuna Bank Ltd. is a third generation bank in Bangladesh. It provides commercial banking services in the Bangladesh. It is playing an important role to develop the business sector. The growth of this bank is very good. Its motto is to provide a prompt and quick service to the clients. Jamuna Bank Ltd. has implemented well structured online banking systems that make it easier to provide prompt services to the customer. The bank primarily engages in corporate banking, trade finance, project finance, retail banking, small enterprise finance, consumer finance, and syndication. Its range of service offerings include cash management services, payments and clearings, safe deposit locker services, employee benefits, collection services, treasury services, asset management, services and SWIFT for foreign trade.

1.2 History

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

Jamuna Bank Limited is a highly capitalized new generation Bank with an Authorized Capital and Paid-up Capital of Tk.10000 million and Tk.4488 million respectively. The Paid-up capital has been raised to 840 million and the total equity of the bank stands at 8325 million as on December 31, 2012.

JBL undertakes all types of banking transactions to support the development of trade and commerce of the country. JBL's services are also available for the entrepreneurs to set up new ventures and BMRE of industrial units. Jamuna Bank Ltd. the only Bengali named new generation private commercial bank was established by a group of winning local entrepreneurs conceiving an idea of creating a model banking institution with different outlook to offer the valued customers, a comprehensive range of financial services and innovative products for sustainable mutual growth and prosperity. The sponsors are reputed personalities in the filed of trade, commerce and industries. The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customers needs. The scenario of banking business is changing day by day, so the bank's responsibility is to device strategy and new products to cope with the changing environment. Jamuna Bank Ltd. has already achieved tremendous

progress within only twelve years. The bank has already ranked at top of the quality service providers & is known for its reputation.

Jamuna Bank Ltd. offers different types of Corporate and Personal Banking Services involving all segments of the society within the purview of rules and regulations laid down by the Central Bank and other regulatory authorities. As per the provisions of Bangladesh Bank license, the Bank has offered initially its shares to public by Pre – IPO and subsequently sold shares to the public through IPO in the year 2004. The shares of the Bank are listed with both Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.

1.3 Mission and Vision

Mission

The bank is committed to satisfy diverse need 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 ensure with a motivated and professional workforce.

Vision

To become a leading banking institution by playing a significant role in the development of the country

1.4 Objectives of JBL

- To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- To ensure an adequate rate of return on investment.
- To keep risk position at an acceptable range (including any off balance sheet risk).
- To maintain adequate liquidity to meet maturing obligations and commitments.
- To pursue an effective system of management by ensuring compliance to ethical norms, transparency and accountability at all levels.

1.5 Core Values

- Place customer interest and satisfaction as first priority and provide customized banking products and services.
- Value addition to the stakeholders through attaining excellence in banking operation.
- Contribute significantly for the betterment of society.
- Ensure higher degree of motivation and dignified working environment for our human capital and respect optimal work-life balance.
- Committed to protect the environment and go green.
- Employees of JBL share certain common values, which helps to create a JBL culture
- The client comes first.
- Search for professional excellence.
- Quick decision-making.
- Flexibility and prompt response.

1.6 Management

JBL is managed by highly professional people. The present Managing Director of the Bank is a forward looking senior banker having decades of experience and multi discipline of knowledge to his credit both at home and abroad. He is supported by an educated and skilled professional team with diversified experience in finance and banking. The management of the bank constantly focuses on the understanding and anticipating customers' needs and offer solution thereof. Jamuna Bank Limited has already achieved tremendous progress within a short period of its operation. The Bank is already ranked as one of the quality service providers and known for its reputation.

1.7 Ownership structure

Leading industrialists of the country having vast experience in the field of trade and commerce own 52.48% of the share capital and the rest n held by the general public. JBL's board currently consists of 19 directors. Authorized capital is tk.4000 million and paid up capital is tk.2230 million on 2010.

1.8 Product/Service Offerings

The Bank has a collection of mode that prepared financial products and services. Such products are based on Monthly Savings Schemes, Consumer Credit Schemes, Lease Finance and Personal Loan for Women and Shop Finance Scheme etc. Jamuna Bank Ltd, also familiar with Q-cash ATM cards for its valued customers providing 24 hours banking services through Debit Cards. JBL offers the following services to valued customer. The Bank is providing different types of services. Some of them are mentioned in below:

- ✓ Deposit Schemes
- ✓ Remittance and Collection
- ✓ Import and Export handling and Finance
- ✓ Loan Syndication
- ✓ Project Finance
- ✓ Investment Banking
- ✓ Lease Finance
- ✓ Hire purchase
- ✓ Personal Loan for Woman
- ✓ 24-hours Banking: Q-Cash ATM facility
- ✓ Islamic Banking
- ✓ Corporate Banking
- ✓ Consumer Credit Scheme
- ✓ International Banking

1.8.1 Islami Banking Branch

In the year 2004, Jamuna Bank Limited opened another Islamic banking branch at Jubilee Road, Chittagong on November 27, 2004. The already existing Nayabazar Islamic Banking Branch started its operations from October 25, 2003, the total Islamic banking branches stands at 02 (Two). The operational performance of the branches as on 31-12-2008 is shown through the Balance Sheet, Profit & Loss Account of the Islam! Banking Branches below :JBL's Shariah Council consists of 06 (Six) members, among them 02 (two) are Khatib, 01 (one) is Ex-Economic Advisor, 01 (One) is Vice chancellor, Islami University, 01 (One) is

Principal and other one is Banker. During the year 2009, the Shariah council of JBL conducted 03 meetings to discuss all aspects of Islamic Branches operation.

1.8.2 Portfolio Management Service

Since inception, we have achieved an unparalleled reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationships. Keeping customer preferences as an investor in mind, Jamuna Bank Ltd. has designed Investors' Discretionary Account (IDA) and Bank's Discretionary Account (BDA). In these accounts the customers may enjoy loan facilities at a ratio 1:1 for investments in private placement, IPO, and secondary market operations.

1.8.3 JBL Special Banking Services:

Special Banking services of Jamuna Bank are considering the Personal services. The bank is offering wide-ranging products and services. These services and products are matching with the customer's requirements. Transactions of accounts, savings schemes or loan facilities from Jamuna Bank Ltd make available for every customer in a unique and uniform mixture of easy and expert service superiority.

JBL offers the Special Banking Services like Current Deposit Account, Savings Deposit Account, Short Term Deposit Account, and Fixed Deposit Accounts. It also offers attractive rates on various deposit schemes.

1.8.4 JBL Corporate Banking Services

Jamuna Bank Ltd. offers a complete range of advisory, financing and operational services to its corporate client groups combining trade, treasury, investment and transactional banking activities in one package. The corporate Banking specialists will render high class service for speedy approvals and efficient processing to satisfy customer needs.

Corporate Banking business envelops a broad range of businesses and industries. You can leverage on the know-how in the following sectors mainly:

- Agro processing industry

- Industry (Import Substitute / Export oriented)
- Textile, Spinning, Dyeing/Printing
- Export Oriented Garments, Sweater.
- Engineering, Steel Mills
- Chemical and chemical products etc.
- Telecommunications.
- Wholesale trade
- Transport · Hotels, Restaurants
- Non Bank Financial Institutions
- Loan Syndication
- Export Finance
- Import Finance

1.8.5 Online Banking

Jamuna Bank Limited has introduced real-time any branch banking on December 31, 2010. Now, customers can withdraw and deposit money from any of its 65 branches located at Dhaka, Chittagong, Sylhet, Gazipur, Bogra, Naogaon, Narayanganj, Dinajpur, Kushtia, Rajshahi, Bashurhat, Sirajganj and Munshigonj. The valued customers can also enjoy 24 hours banking service through ATM card from any of Q-cash ATMs located at Dhaka, Chittagong, Khulna, Sylhet and Bogra.

1.8.6 Types of Deposit account

There are several types of deposit accounts. Each account has different characteristics and every account has some specific purpose to serve. JBL offers the following key Personal Banking Services. According to their uniqueness they are described as follows:

i. Savings Account:

It is the general account of the JBL (Mirpur Branch) individual or more than two persons can open a savings account on JBL. The officers and authorize persons are issuing cheque book, deposit slips and statement of account to the holder of savings. The officer justifies the information that is submitted by the account holder for opening of the account. The officers of the bank process account-opening formalities.

ii. Current Deposit Account:

JBL is one of the newly established well-reputed third generation private commercial bank in Bangladesh. It operates very diverse current account operation. They serve various types of customers, like current account for private limited company, current account for public limited company, current account for partnership business, etc.

iii. Foreign Currency Account:

The JBL also operate Foreign Currency Account for Bangladeshi Wage Earners or for Foreign Nationals/Company/Firms etc. to send their valued earned foreign currency into the country.

iv. Short Term Deposit Account (STD):

JBL also offers Short Term Deposit to its valued customers. Short Term Deposit is a deposit account where the payment of interest is paid on month basis. These items include the deposits for a period ranging from 7 (seven) days to 89 (eighty-nine) days. These types of liabilities are payable on special notice or after a specified period other than the fixed deposits. Some of these types of deposits are of the nature of time deposits. The rate of interest on STD account is 4.5% per annum. There are some rules and regulations that must be maintained by the STD account holder. If the STD account holder wants to withdraw the money from the account they have to inform the bank before, otherwise the account holder may not get the interest in full amount

Schemes:

Schemes are the most important sources of enhancing banks deposit. Mainly bank is the lender of money, which is deposited by various types of depositor. These schemes are different in nature and types and also in interest rates. These deposits give the customers to deposit the idle money in profit earning schemes and also provide the security. Jamuna Bank limited as third profit earning to the depositors and generation modern and technology based modern commercial bank offers various types of customer's friendly deposit schemes to its valued customers. These schemes are highly also unique in security.

Marriage Deposit Scheme

Marriage of children, especially daughter is a matter of great concern to the parents. Marriage of children involves expense of considerable amount. Prudent parents make effort for gradual building of fund as per their capacity to meet the matrimonial expense of their children specially daughters. Parents get relief and can have peace of mind if they can arrange the necessary fund for marriage of their children.

1.8.7 Types of loan of what are offered by Jamuna Bank Limited

- Loan (General)
- House Building Loan (General)
- House Building Loan (Staff)
- Other Loans to Staff
- Cash Credit (Hypo.)
- Cash Credit (Pledge)
- Corporate Social Responsibilities of the Jamuna Bank Limited
- Hire Purchase
- Lease Financing
- Time Loan
- Cons SOD (General)
- SOD (Others)
- SOD (Export)
- PAD
- LIM
- LTR
- IBP
- Export Cash Credit (ECC)
- Packing Credit (PC)
- F D B P
- IDBP
- F B P

1.9 Operational Network Organogram

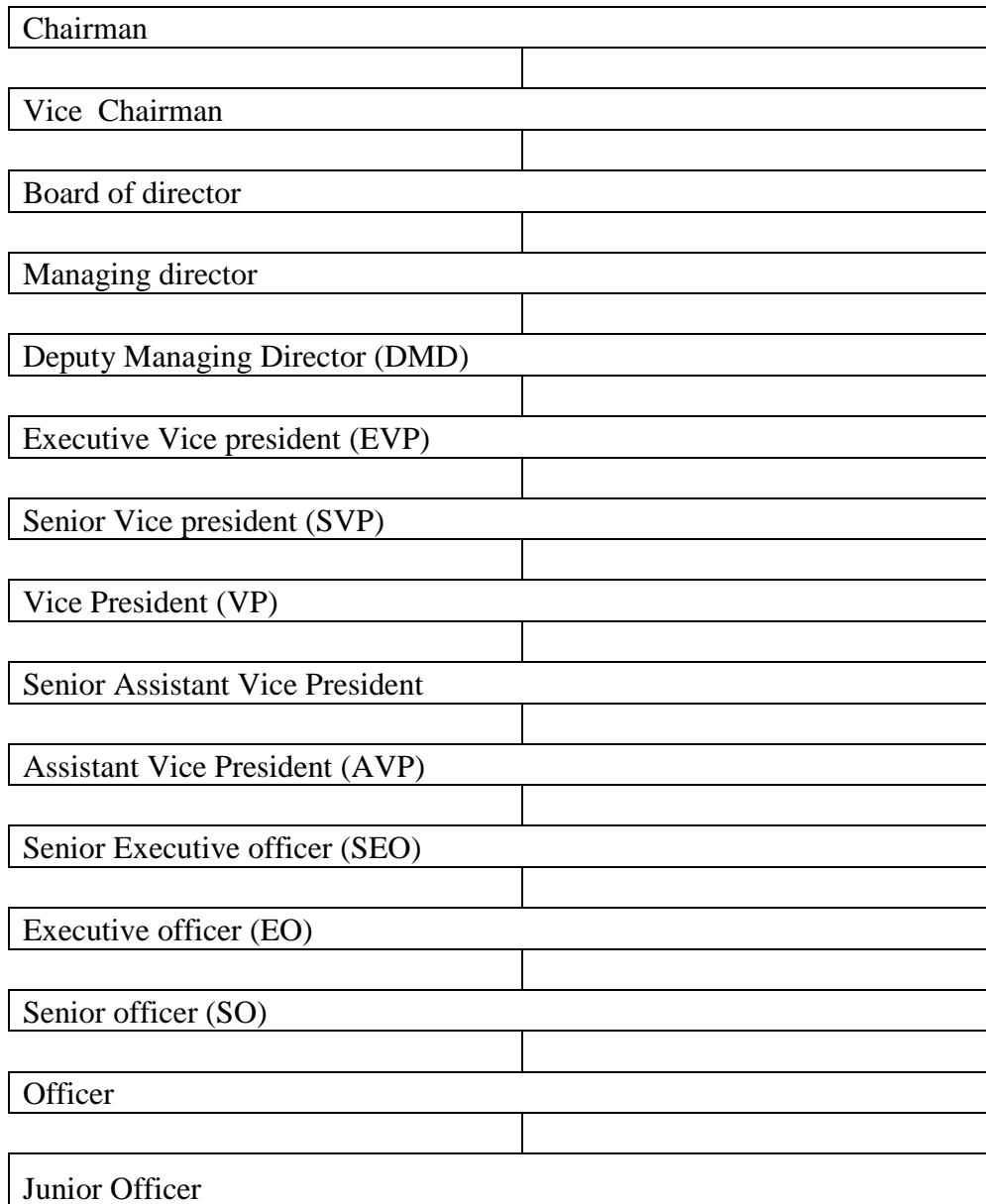


Chart-01: Organizational Hierarchy

CHAPTER- 02: JOB RESPONSIBILITIES AND OBSERVATION

I was assigned at the Chistia Market Branch of Jamuna Bank Limited to complete my internship program. During my three (3) months internship program I enjoyed the work at the bank but most importantly I learned how to work under pressure with great responsibilities. Through out this time I have got the opportunity to work with different department of Jamun Bank Limited. There are 3 different departments in Chistia Market Branch and they are:

- General Banking (GB)
- Credit Department (CD)
- Foreign Exchange Department (FED)

I was rotated across all 3 different departments in the past 3 months. However, my main Concentration was Credit department and thereby, I allocated maximum time to work at credit department section.

2.1 The Nature of the jobs and my Specific Responsibilities

The first week I was in the Cash Department. Banks don't usually put interns in this department but I was lucky to see firsthand what happens behind the counter. I did not have much responsibility in that department as I was not to mess with their hectic and hasty transactions, but they eventually did give me some work. My responsibilities in this department were just to assist them in any small way possible. I learned the following from this department:

- Counting money in various ways
- Use the counting machine
- Use the photocopy machine
- Counting the vouchers
- Checking the individual EOD (End of day Journal report) of each cashier

Although these activities were small, they helped me understand the nature of the work.

At General Banking Division, I was assigned to GB (General Banking). I spent the next two (2) weeks here. It was very arduous, but very fruitful. I was under Ilas uddin Ahmed (AVP), who was very intellectually intriguing. I had a wide variety of responsibilities at GB:

- Bringing out the cheque books for the customers and verifying them,
- Counting the voucher of GB
- Finding the FD, DPS and old account opening forms
- Opening account for new customers and aiding them in the process
- Opening FD and DPS for new customers
- Putting 5 different types of seals for clearing
- Numbering shares and putting seals on them during IPOs
- Preparing the bill for the branch's expenditure for that day
- Making solvency certificates
- Keeping things in order and at arm's length

The work was really hard at GB. I also had to hear a lot of complaints from the customers. At first I was demoralized. But later on I learned how to deal with it.

At Credit Division, Most of the time (6 weeks) in my intern period I have spent in credit department and that's why I prefer 'Credit Management of JBL' as my internship report topic. Firstly I was assigned in credit dept. more than 1 month under direct supervision of Yousuf Ifthakhar Officer and at that time I have to perform below activities-

- Printing, typing and photocopying different documents related credit.
- I had to organize all the customer files (e.g. car loan, home loan) & keep them at a specific place separately.
- Checking and filling up different loan's forms
- Data entries in the computer.
- Helping clients that where to signature on the form.
- Sometimes helping supervisor balancing credit & debit.

At **Foreign Exchange division**, the last 3 weeks I was posted in the foreign trade department. I did not have to deal with the customers that much but there were a lot of responsibilities that I had. Such as:

- Processing a new LC (Letter of Credit)
- Doing the similar things for BTB (Back-to-Back) LCs and Local LCs
- Filling up the IMP forms
- Putting the LC and IMP into their following registers
- Picking up the phone, calling up customers for missing information
- • Taking necessary papers from customers such as taking photocopy of National ID card, Passport, Trade License etc
- Learned how to receive mail and send out mail via courier

2.2 Observation

Working at JBL, Chistia Market Branch was a great experience for me. I have learnt many things from them. From my little knowledge what I have observed and some recommendations are as follows:

It was very interesting working at Jamuna Bank. The people there are really nice and talented. The things that I have noticed and observed are:

- Work environment is very friendly and employees are co-operative
- Employees are active and sincere to their assigned job responsibilities
- Work is never left pending for the next day unless it is absolutely necessary
- The work process could be made faster with better computers and operating systems.
- There is always a rush of customers so there is no standard on what the employees do throughout the day. The work activities of an employee is set, but what to do when varies along the day
- The work activities are always set and divided for each of the employees. This is the way it should be, but when I saw it first hand it was remarkable. Each and every employee has a certain set of responsibilities. He/she carries out those responsibilities throughout the day. It is also easy to assign duties that way. Even though this is the case, I often saw other staff members helping each other out.

CHAPTER 03: THE PROJECT CREDIT MANAGEMENT OF JAMUNA BANK LIMITED

3.1 Description of the Project

3.1.1 Origin of the Report

Internship program is the most important period for a BBA student. The duration of internship program is 3 months, which carries a best learning process to know about the organization and cope up the environment in such a way like professional employees. The experience that got by an intern during the internship period will make them more smart and professional in their future job sector. I was started my internship at Jamuna Bank Limited, Corporate Office, Chistia Market Branch from 2nd February, 2014 and ended in 30th April, 2014.

3.1.2 Background of the Report

I have worked in various Department of Jamuna Bank Ltd, Chistia Market Branch. In this report, I will try to make an overall analysis on all activities of Jamuna Bank Ltd specially focuses on credit department.

3.1.3 Objectives of the Project

The first objective of writing this report is to fulfill the partial requirement of the BBA degree.

3.1.3.1 General Objective

The general objective of this report is to fulfill the requirement of internship report.

3.1.3.2 Specific objectives

- To acquire practical experience in different banking services of Jamuna Bank Limited.
- To gather knowledge about the transactions of different departments of the bank.
- To know about the Credit products and the way of disbursement.
- To inform the banking credit facilities to the mass people.
- To give some recommendations regarding the credit division.

3.1.4 Methodology

The report is descriptive in nature. To prepare a report gathering data is very important. The information was collected from both primary and secondary sources of data. Regarding the information required was collected within the organization from the Corporate Division of Jamuna Bank Limited

3.1.4.1 Primary data

- Practical desk work.
- Face to face conversation with the respective officers and clients.
- Questionnaire survey of Bank clients and employees.

3.1.4.2 Secondary data

- Study on Annual Reports of Jamuna Bank Limited.
- Online data from JBL website.
- Published unpublished or personally collected data from bank officers.

3.1.4.3 Questionnaire Design

Questionnaire was prepared with both open and close ended questions. The target population was business persons or clients who are enjoying credit facilities of Jamuna Bank. Total sample size was 30. The total sample was clients of Jamuna Bank Limited, Chistia Market Branch.

3.1.4.4 Data Analysis and Reporting

Both the qualitative analysis (SWOT analysis, Questionnaire analysis) and quantitative analysis (Financial data analysis, Ratio analysis) have been used to collect and analyze the gathered data.

Besides this different types of software are used for reporting the gathered information from the analysis, such as- Microsoft Word and Microsoft Excel.

3.1.5 Scope of the Report

Banks have been playing an important role in economic development and contributing immensely to build the country. Banking sector is fast expanding in our country because of globalization and reform of private sector. To survive as a key player in this highly competitive and complex business environment a bank should develop its business focusing the customer's satisfaction.

3.1.6 Benefit of the report

As a student, I have learned about a bank; I also have learned the report writing, as a great deal of theory is included in this report. It will be also benefited for the people who are interested to know about JBL.

3.1.7 Limitations of the study

Due to some legal obligation and business secrecy the bank was reluctant to provide some sensitive data. Thus, this study limits only on the available published data and certain degree of formal and informal interview and limited survey. Although the particular study is extensive in nature, hard effort was given to make the study worthwhile and meaningful even then there exists some limitation. Altogether the internship period in the bank was not free from limitations. I faced some problems during the study, which I am mentioning below:

3.1.7.1 Lack of time

I was in the bank for three months so within this short span of time it is very difficult to be familiar with all the activities of the bank.

3.1.7.2 Lack of Supervision by the bank officers

As the officers were busy with their daily working activities, they were not able to give me much time apart from their daily working activities.

3.1.7.3 Restricted Information

There were various types of information's that the bank officers cannot disclose due to the security and other corporate obligations.

3.1.7.4 Other limitation:

As I was a newcomer and had no previous experiences in the banking sector and many practical matters in the bank were in written form so my own observations may vary from person to person.

3.2 Credit Department of JBL

Bank's basic work is to create a channel through depositing money from the surplus unit and provide funding to borrowers. Thus the necessity of credit department in bank occurs. The credit department is a very important department of a bank. The money mobilized from ultimate surplus units are allocated through this department to the ultimate deficit unit (borrower). The success of this department keeps a great influence over the profit of a bank. Failure of this department may lead the bank to huge losses or even to bankruptcy. Jamuna bank's credit department also tries to do their job perfectly.

3.2.1 Credit Policy of JBL

Lending is one of the most important function of commercial bank, every bank should have own credit policy. The credit policy of JBL has been formulated on the basis of the following objectives:

- Outlines the steps to take to collect from past-due or late-paying customers and how to eliminate bad debt.
- Provides guidelines to legally collect money that is due to your company from slow or nonpaying customers and from bad checks
- To ensure that all customers are treated fairly when making credit decisions

In JBL most of the credit officers are familiar with their written credit policy or lending guidelines but few of them not know about credit policy. So they have got only some oral instruction from the senior management or in charge of credit. If all the Credit officers of JBL thoroughly know and understand their credit policy it will be very helpful for them to do their job more efficiently.

3.2.2 Credit Principles

In the feature, credit principles include the general guidelines of providing credit by branch manager or credit officer. In Jamuna Bank Limited they follow the following guideline while giving loan and advance to the client.

- Credit advancement shall focus on the development and enhancement of customer relationship.
- All credit extension must comply with the requirements of Bank's Memorandum and Article of Association, Banking Company's Act, Bangladesh Bank's instructions, other rules and regulation as amended from time to time.
- Loans and advances shall normally be financed from customer's deposit and not out of temporary funds or borrowing from other banks.
- The bank shall provide suitable credit services for the markets in which it operates. It should be provided to those customers who can make best use of them.
- The conduct and administration of the loan portfolio should contribute with in defined risk limitation for achievement of profitable growth and superior return on bank capital.
- Interest rate of various lending categories will depend on the level of risk and types of security offered

3.2.3 Credit Ratings

As per Bangladesh Banks mandatory requirement vide BRPD circular No. 06 dated July 05 2006 Credit Rating of Jamuna Bank Limited was done by the Credit Rating Agency of Bangladesh Limited (CRAB) on the audited Balance Sheet as on 31.12.2012 CRAB has submitted their report as under:

Credit Rating Report (Entity Rating)

	Long Term	Short Term
Current Rating 2012 AA3 ST-2	AA3	ST2
Previous Rating 2011 A-1 ST-2	A-1	ST2
Outlook Stable	Stable	
Date of Rating 3May, 2012	3may,2012	

Credit rating agency of Bangladesh Limited (CRAB) Upgrades the rating of Jamuna Bank Limited to AA3 from A-1 and reaffirms short term rating to ST-2. The above rating has been done in consideration of Banks visible improvement in fundamentals such as capital adequacy, liquidity position, profitability, introduction of real time online banking etc. However, the above rating is moderated, to some extent, by limited market share, increase in NPL, high cost of fund, moderate corporate governance, dependency on term deposit etc.

Financial institutions rated in this category are adjudged to offer adequate safety to timely repayment of financial obligation. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in period of economic stress than those rated in the higher categories. The short term rating indicates well certain of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

3.2.4 Credit Facilities of Jamuna Bank Limited

The main focus of Jamuna Bank Limited is financing business, trade and industrial activities through an effective delivery system.

- Jamuna Bank Ltd. offers credit to almost all sectors of commercial activities having productive purpose.
- The loan portfolio of the Bank encompasses a wide range of credit programs.
- Credit facilities are offered to individuals including housewives, businessmen, small and big business houses, traders, manufactures, corporate bodies, etc.
- Loan is provided to the rural people for agricultural production and other off-farm activities.
- Loan pricing system is customer friendly.
- Prime customers enjoy prime rate in lending and other services.
- Quick appreciation, appraisal, decision and disbursement are ensured.
- Credit facilities are extended as per guidelines of Bangladesh (Central Bank of Bangladesh) and operational procedures of the Bank.

3.2.5 Lending Criteria of JBL

Entrepreneur has to be creditworthy and competent enough to run the proposed industry. The project should be viable from organizational technical, commercial, financial and economic points of view.

3.2.5.1 Technical Viability

- The project should be technically sound and environment-friendly.
- Technology transfer in case of borrowed know-how ought to be ensured.
- Building should be well planned and well constructed.

3.2.5.2 Commercial viability

- Market prospect and potential for the product has to be fully assured at competitive prices.
- Marketing channel for the product should be accessible to the entrepreneur.

3.2.5.3 Financial Viability

- There should be reasonable debt equity ratio as determined by the Bank on individual case basis.
- Debt service coverage ratio should be at least 2.5 times at the optimum level of production.
- IRR should preferably be not less than 20%

3.2.5.4 Economic Viability

- The project should ensure benefit to the national economy and create sufficient employment opportunity and be environment friendly.

3.2.6 Credit Evaluation Principles

Some principles or standards of lending are maintained in approving loans in order to keep credit risk to a minimum level as well as for successful banking business. The main principles of lending are given below:

3.2.6.1 Liquidity:

Liquidity means the availability of bank funds on short notice. The liquidity of an advance means its repayment on demand on due date or after a short notice. Therefore, the banks must have to maintain sufficient liquidity to repay its depositors and trade off between the liquidity and profitability is must.

3.2.6.2 Safety:

Safety means the assurance of repayment of distributed loans. Bank is in business to make money but safety should never be sacrificed for profitability, To ensure the safety of loan. The borrower should be chosen carefully. He should be a person of good character & capacity as well as bank must have to maintain eligible number of security from borrower.

3.2.6.3 Profitability:

Banking is a business aiming at earning a good profit. The difference between the interest received on advances and the interest paid on deposit constitutes a major portion of the bank income, besides, foreign exchange business is also highly remunerative. The bank will not enter into a transaction unless a fair return from it is assured.

3.2.6.4 Intent:

Banks sanction loans for productive purpose. No advances will be made by bank for unproductive purposes though the borrower may be free from all risks.

3.2.6.5 Security:

The security offered for an advance is an insurance to fall bank upon in cases of need. Security serves as a safety value for an unexpected emergency. Since risk factors are involved, security coverage has to be taken before a lending.

3.2.6.6 National interest:

Banking industry has significant role to play in the economic development of a country. The bank would lend if the purpose of the advances can contribute more to the overall economic development of the country

3.2.7 Different Types of Credit Facilities

Credit The word "Credit" is derived from the Latin word Credo or Krado meaning I believe. It is usually defined as one's ability to buy to a promise to pay. From the Banker's point of view Credit is the confidence of the lender on the ability and willingness of the borrower to repay the debt as per schedule of repayment. A bank provides loan to a company, with a fixed maturity and often featuring amortization of principal. If this loan is in the form of a line of credit, the funds are drawn down shortly after the agreement is signed. Otherwise, the borrower usually uses the funds from the loan soon after they become available.

Types of loan of Jamuna Bank Limited:

Depending on the various nature of financing, all the lending activities have been brought under the following major heads:

3.2.7.1 Loan (General)

Short term, Medium term & Long term loans allowed to individual/firm/industries for a specific purpose but for a definite period and generally repayable by installments fall under this head. This type of lending is mainly allowed to accommodate financing under the categories

- (i) Large & Medium Scale Industry and
- (ii) Small & Cottage Industry.
- (iii) Very often term financing for (i) Agriculture & (ii) Others are also included here.

3.2.7.2 House Building Loan (General)

Loans allowed to individual/enterprises for construction of house (residential or commercial) fall under this type of advance. The amount is repayable by monthly installment within a specified period. Such advances are known as Loan (HBLGEN).

3.2.7.3 House Building Loan (Staff)

Loans allowed to our Bank employees for purchase/construction of house shall be known as Staff Loan (HBL-STAFF).

3.2.7.4 Other Loans to Staff

Loans allowed to employees other than for House Building shall be grouped under head - Staff Loan (Gen).

3.2.7.5 Cash Credit (Hypo.)

Advances allowed to individual/firm for trading as well as wholesale purpose or to industries to meet up the working capital requirements against hypothecation of goods as primary security fall under this type of lending. It is a continuous credit. It is allowed under the categories

- (i) "Commercial Lending" when the customer is other than a industry and
- (ii) "Working Capital" when the customer is an industry.

3.2.7.6 Cash Credit (Pledge)

Financial accommodations to individual/firms for trading as well as for whole-sale or to industries as working capital against pledge of goods as primary security fall under this head of advance. It is also a continuous credit and like the above allowed under the categories

- (i) "Commercial Lending" and
- (ii) Working Capital".

3.2.7.7 Hire Purchase

Hire-Purchase is a type of installment credit under which the Hire-Purchaser agrees to take the goods on hire at a stated rental, which is inclusive of the repayment of Principal as well as interest for adjustment of the loan within a specified period.

3.2.7.8 Lease Financing

Lease Financing is one of the most convenient sources of acquiring capital machinery and equipment whereby a client is given the opportunity to have an exclusive right to use an asset usually for an agreed period of time against payment of rent. It is a term financing repayable by installment.

3.2.7.9 Time Loan

This is one time financial accommodation for short period maximum 12 months to meet some specific purpose. The loan is adjustable within the validity and not renewable and no transaction is allowed.**3.2.7.10**

3.2.7.10 Consumers Credit Scheme

It is a special credit scheme of the Bank to finance purchase of consumers' durable to the fixed income group to raise their standard of living. The loans are allowed on soft terms against personal guarantee and deposit of specified percentage of equity by the customers. The loan is repayable by monthly installment within a fixed period.

3.2.7.11 SOD (General)

Advances allowed to individual/firms against financial obligation (i.e. lien on FDR/PSP/ BSP/Insurance Policy/Share etc). This may or may not be a continuous Credit.

3.2.7.12 SOD (Others)

Advances allowed against assignment of work order for execution of contractual works falls under this head. This advance is generally allowed for a definite period and specific purpose i.e. it is not a continuous credit. It falls under the category "Others".

3.2.7.13 SOD (Export)

Advance allowed for purchasing foreign currency for payment against L/Cs (Back to Back) where the exports do not materialize before the date of import payment. This is also an advance for temporary period which is known as export finance and falls under the category "Commercial Lending".

3.2.7.14 PAD

Payment made by the Bank against lodgment of shipping documents of goods imported through L/C falls under this head. It is an interim advance connected with import and is generally liquidated against payments usually made by the party for retirement of the documents for release of imported goods from the customs authority. It falls under the category "Commercial Lending".

3.2.7.14 LIM

Advances allowed for retirement of shipping documents and release of goods imported through L/C taking effective control over the goods by pledge in godowns under Bank's lock & key fall under this type of advance. This is also a temporary advance connected with import which is known as post-import finance and falls under the category "Commercial Lending".

3.2.7.15 LTR

Advance allowed for retirement of shipping documents and release of goods imported through LC falls under this head. The goods are handed over to the importer under trust with the arrangement that sale proceeds should be deposited to liquidate the advances within a given period. This is also a temporary advance connected with import and known as postimport finance and falls under the category "Commercial Lending".

3.2.7.16 IBP

Payment made through purchase of inland bills/cheques to meet urgent requirement of the customer falls under this type of credit facility. This temporary advance is adjustable from the proceeds of bills/cheques purchased for collection. It falls under the category "Commercial Lending".

3.2.7.17 Export Cash Credit (ECC)

Financial accommodation allowed to a customer for exports of goods falls under this head and is categorized as "Export Credit". The advances must be liquidated out of export proceeds within 180 days.

3.2.7.18 Packing Credit (PC)

Advance allowed to a customer against specific L/C/firm contract for processing/packing of goods to be exported falls under this head and is categorized as "Packing Credit". The advances must be adjusted from proceeds of the relevant exports within 180 days. It falls under the category "Export Credit".

3.2.7.19 IDBP

Payment made against documents representing sell of goods to Local export oriented industries which are deemed as exports and which are denominated in Local Currency / Foreign Currency falls under this head. This temporary liability is adjustable from proceeds of the Bill.

3.2.8 Interest Rates of Loans & Advances

SL	Type of Landings	Interest Rate
1.	Agriculture Loan	10% (Mid Rate)
2.	Term Loan to Large & Medium Scale Industry	14.00% (Mid Rate)
3.	Term Loan to Small Industry	13.50% (Mid Rate)
4.	Working Capital to Industry	14.00% (Mid Rate)
5.	Export	7.00%

6.	Trade/Commercial Financing	14.00% (Mid Rate)
7.	Housing Loan	14.00% (Mid Rate)
8.	Consumer Loan	14.00% (Mid Rate)
9.	Credit to Non-Bank Financial Institution	13.00%
10.	Others	114.50% (Mid Rate)

Chart-02: Interest Rates of Loans & Advances

Credit Division, JBL, Chistia. Branch

3.2.9 Securities against Advances

Generally JBL receives different types of securities against different types of credit facilities from which some of are as follows:

Types of Credit	Securities
House building loan	Primary securities: mortgage of the land or any property
Car loan	Primary securities: joint registration and comprehensive insurance policy. Two valuable guarantors. Collateral securities: mortgage of land or any property. Any type financial obligation.
Auto loan	Primary securities: joint registration and comprehensive insurance policy. Two valuable guarantors and post dated cheques
Any purpose loan	Primary securities: two valuable guarantors and post dated cheques.
Payments against documents(PAD)	Pledge or hypothecation of stock-in trade, goods, produce and merchandise, machineries, land or building on which machineries are installed
Loan against imported merchandise	Pledge of imported merchandise

Loan against trust receipt	Trust receipt in lieu of import document
Local bills purchased	Bill itself
Foreign bill purchased	Shipping documents for exports
Overdraft	Primary securities: hypothecation of book depth Collateral securities: mortgage of landed property and IPA.
Cash credit	Primary securities: Hypothecation of stock of goods in trade duly insured produce merchandise. Collateral securities: Mortgage of land and building, any financial obligation

Chart-03: Securities against Advances

Source: Credit Division, JBL, Chistia. Branch

3.2.10 Sector Wise payment of Loans

Sl. No.	Sectoral Structure of Lending	Outstanding as on 31.12.2012	As % of Total Loans & Advances
1	Agriculture And Agro-based Industry	106.68	1.94%
2	RMG	350.77	6.39%
3	Textile	156.10	2.84%
5	Ship Breaking	41.61	0.76%
6	Other Manufacturing Industry	41.61	0.76%
7	SME Sector	987.70	18.00%

8	Construction	313.13	5.70%
9	Power, Gas	12.52	0.23%
10	Transport, Storage and Communication	166.55	3.03%
11	Trade Service	1689.62	30.78%
12	Commercial real estate financing	83.27	1.52%
13	Residential real estate financing	85.85	1.56%
14	Consumer Credit	109.58	2.00%
15	Capital Market	87.58	1.60%
16	Credit Card	12.90	0.24%
17	Non-bank financial institutions	21.49	0.39%
18	Bank Acceptance (i.e. LDBP, FDBP)	767.28	13.98%
19	Others	188.04	3.43%
Total Loans & Advances		5488.70	100.00%

Chart-04: Sector Wise payment of Loans

3.2.11 How Jamuna bank recover their Loan

When Jamuna Bank sanctions loans and advances to its customers, they clearly state the repayment pattern in the loan agreement. But some credit holders do not pay their credit in due period. The nationalized and private sector commercial banks have to face this sort of problems. This situation is also found in Jamuna Bank. To overcome the problem of overdue loan, the bank has taken particular loan recovery programs.

Recovery Programs taken by Jamuna Bank Limited:

- Establishing credit supervision and monitoring cell in the bank
- Re-structuring the loan sanctioning and distributing policy of the bank
- Sanctioning loans and advances against sufficient securities as best as possible
- Giving more powers to the branch manager in credit management decision making process
- Offering a package of incentives to the sound borrowers
- Giving more emphasis on short term loans and advances
- Imposing restrictions on loans and advances for sick industries
- Taking legal actions quickly against unsound borrowers as best as possible within the period specified by the law of limitations.

3.2.12 Problems in Loan Recovery

Though Jamuna bank is performing better in managing loan and advances, still 12.39% of total loan and advances are classified. There are a lot of reasons for which the loan recovery of the bank is still now defective. In most cases, problems may be raised from sanctioning procedures of loan, investigation of the project, and investigation of the loans etc. that is, the problem in loan recovery proves the outcomes of the default process in loan disbursement.

The main reasons of poor loan recovery are categorized in four broad types as follow:

A. Problems created by economic environment

The following problems arise from the effect of economic environment:

- i. . Changing in the management pattern: Changing of management patterns may delay the recovery of mature loan.
- ii. Changing in industrial patterns: The banks sometimes sanction loan to the losing concern for further improvement of the respective sector, but in most cases, they fail to achieve progress.
- iii. Operation of open market economy: In our country mainly industries become sick and also close their business on account of emerging of open market economy. The cost of production is high and the quality of goods is not of required of standard. As a result, they become the losing concerns and the amount of bad loan increases.
- iv. Rapid expansion of business: There are many companies which expand their business rapidly, but the expansion is for short time. In the long run, the amount of classified loan increases.

B. Problems created by government:

The following problems are arisen by the government:

- i. External pressure: Jamuna Bank has also faced many problems in the loan recovery process as a part of continuous pressure from various interested groups.
- ii. Legal problems: Existing rules and regulations are insufficient to cover the legal aspects of loan recovery. As a result, defaulters can get release easily from all charges against them.
- iii. Instability of Govt. policy: Frequent changes in government policies in regard to recovery of loan.

C. Problems created by the bank:

The following problems are created by the banks:

- i. Lack of analysis of business risk: Before lending, Sometime Jamuna Bank fails to properly analyze the business risk of the borrowers and the bank cannot forecast whether the business will succeed or fail. If it fails to run well, the loan becomes classified.
- ii. Lack of proper valuation of security or mortgage property: In some cases, bank fails to determine the value of security against the loan. As a result, if the loan becomes classified, the bank cannot recover its loan through the sale of mortgage.

3.2.13 Overall Procedure for Sanctioning Loan

The following procedure need to be followed for giving advances to the customer. These are:

- a. Party's application
- b. Filling form-A
- c. Collecting CIB report from Bangladesh Bank
- d. Processing loan proposal
- e. Project appraisal
- f. Head office approval
- g. Sanction letter
- h. Documentation
- i. Disbursement

a. Party's application

At first borrower had to submit an application to the respective branch for loan, where he has to clearly specify the reason for loan. After receiving the application form the borrower Bank officer verifies all the information carefully. He also checks the account maintains by the borrower with the Bank. If the official becomes satisfied then he gives form-X (prescribed application form of Bank) to the prospective borrower.

b. Filling Form -X

After satisfying with party's application the applicant need to fill Form-X. It is the prescribed form provides by the respective branch that contains information of the borrower. It contains- Name with its factory location, Official address and telephone number, details of past and present business, its achievement and failures, type of loan needed etc.

c. Collecting CIB Report from Bangladesh Bank

After receiving the application for advance, Jamuna Bank sends a letter to Bangladesh Bank for obtaining a report from there. This report is called CIB (Credit Information Bureau) report. Jamuna Bank generally seeks this report from the head office for all kinds of investment. The purpose of this report is to being informed that whether the borrower has taken loan from any other Bank.

d. Processing loan Proposal

After receiving CIB report from Bangladesh Bank, then respective branch prepare an Investment proposal, which contains terms and conditions of Investment for approval of Head Office. Documents those are necessary for sending Investment proposal are:

Necessary Documents

While advancing money, banks create a lot of documents, which are required to be signed by the borrowers before the disbursement of the loan. Of them some are technically called charge documents. Necessary steps and documents:

- i. Loan application form duly signed by the customer.
- ii. Acceptance of the term and conditions of sanction advice.
- iii. Trade license.
- iv. In Case Of Partnership Firm, copy of registered partnership deed duly certified as true copy or a partnership deed on non-judicial stamp of taka-150 denomination duly Notarized.
- v. Demand promissory notes.
- vi. Letter of hypothecation of stocks and goods.
- vii. Letter of hypothecation of books debts and receivable.
- viii. Letter of hypothecation of plant and machinery.
- ix. Personal letter of guarantee.

e. Project Appraisal

It is the pre-investment analysis. Project appraisal in the Banking sector is important for the following reasons:

- To achieve organizational goals
- To recommend if the project is not designed properly
- To justify the soundness of an investment
- To ensure repayment of Bank finance

Techniques of Project Appraisal

An appraisal is a systematic exercise to establish that the proposed project is a viable proposition. Appraising officer checks the various information submitted by the promoter in first information sheet, application for Investment and Investment proposal.

The Head Office (HO) mainly checks the technical, commercial and financial viability of the project. For others, HO is dependent on branch's information. But when the investment size is big, then the HO verifies the authenticity of information physically.

f. Head Office Approval

When Head office receive appraisal from the branch then, Head Office again appraises the project. If it seems to be a viable one, the HO sends it to the Board of Directors for the approval of the Investment. The Board of Directors (BOD) considers the proposal and takes decision whether to approve the Investment or not. If the BOD approves the investment, the HO sends the approval to the concerned branch.

The respective officer of Head Office appraises the project by preparing a summary named "Top Sheet" or "Executive Summary" and then he sends it to the Head Office Credit Division for the approval of the Loan. The Head Office Credit Division considers the proposal and takes decision whether to approve the Investment or not. If the committee approves the investment; the HO sends the approval to the concerned branch.

g. Sanction Letter

After getting the approval of the HO the branch issues sanction letter to the borrower. A sanction letter contains:

- Name of borrower,
- Facility allowed,
- Purpose,
- Rate of interest,
- Period of the Investment and mode of adjustment,
- Security and Other terms and condition.

h. Documentation

If the borrower accepts the sanction letter, the Documentation starts. Documentation is a written statement of fact evidencing certain transactions covering the legal aspects duly signed by the authorized persons having the legal status. The most common documents used by the Jamuna Bank for sanctioning different kinds of Investment are:

- Joint Promissory Note,
- Letter of Arrangement,
- Letter of Disbursement,
- Letter of Installment,
- Letter of Continuity,
- Trust Receipt,
- Counter Guarantee,
- Stock Report,
- Letter of Lien,
- Status Report,
- Letter of Hypothecation,
- Letter of Guarantee
- Documents Relating to Mortgage.

I. Disbursement

After sanction and completion of all formalities the respective officer disburses the loan. The officer writes cheque and provides it to the borrower. For this borrower has to open an account through which he/she can withdraw the money.

Strategies for Recovery: Recovery of loan can be made in the following three methods:

- i. **Persuasive Recovery:** The first step in recovery procedure is private communication that creates a mental pressure on borrower to repay the loan. In this situation bank can provide some advice to the borrower for repaying the loan.
- ii. **Voluntarily:** In this method, some steps are followed for recovering loan. These are:

- . Building Task Force
 - Arranging Seminar
 - Loan Rescheduling Policy
 - Waiver of Interest Rate
- iii. Legal Recovery: When all steps fail to keep an account regular and the borrower does not pay the installments and interests then the bank take necessary legal steps against the borrower for realization of its dues. In this case “Artha Rin Adalat Law 2003” plays an mportant role for collecting the loan.

3.2.14 Computation of Credit Risk Grading

To measure the actual risk associated with the loan that is going to be paid by the bank to the particular client, we have to follow some steps and get a statistical parameter of the risk. There are five steps follow the JBL to compute credit risk grading. Those are given and described below:

Step 1: Identify all the Principal Risk Components

Credit risk for counterparty arises from an aggregation of the following:

- a) Financial Risk
- b) Business/Industry Risk
- c) Management Risk
- d) Security Risk
- e) Relationship Risk

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

a) Evaluation of Financial Risk

Risk that counterparties will fail to meet obligation due to financial distress. This typically entails analysis of financials i.e. analysis of leverage, liquidity, profitability & interest coverage ratios. To conclude, this capitalizes on the risk of high leverage, poor liquidity, low profitability & insufficient cash flow.

b) Evaluation of Business/Industry Risk

Risk that adverse industry situation or unfavorable business condition will impact borrowers' capacity to meet obligation. The evaluation of this category of risk looks at parameters such as business outlook, size of business, industry growth, market competition & barriers to entry/exit. To conclude, this capitalizes on the risk of failure due to low market share & poor industry growth.

c) Evaluation of Management Risk

Risk that counterparties may default as a result of poor managerial ability including experience of the management, its succession plan and team work.

d) Evaluation of Security Risk

Risk that the bank might be exposed due to poor quality or strength of the security in case of default. This may entail strength of security & collateral, location of collateral and support.

e) Evaluation of Relationship Risk

These risk areas cover evaluation of limits utilization, account performance, conditions/covenants compliance by the borrower and deposit relationship.

Step 2: Allocate weights to Principal Risk Components

Principal Risk Components	Weight
Financial Risk	50%
Business/Industry Risk	18%
Management Risk	12%
Security Risk	10%
Relationship Risk	10%

Chart-05: Allocate weights to Principal Risk Components

According to the importance of risk profile, the following weightings are proposed for corresponding principal risks.

Step 3: Establish the Key Parameters

Principal Risk Components	Key Parameters
a) Financial Risk	Leverage, Liquidity, Profitability & Coverage ratio
b) Business / Industrial Risk	Size of Business, Age of Business, Business Outlook, Industry Growth, Competition & Barriers to Business
c) Management Risk	Experience, Succession & Team Work
d) Security Risk	Security Coverage, Collateral Coverage and Support
e) Relationship Risk	Account Conduct ,Utilization of Limit, Compliance of covenants/conditions & Personal Deposit

Chart-06: Establish the Key Parameters

Step 4: Assign weights to each of the key parameters

Principal Risk Components	Key Parameters	Weights
1. Financial Risk <ul style="list-style-type: none"> ○ Leverage..... ○ Liquidity..... ○ Profitability..... ○ Coverage..... 	50% 15% 15% 15% 5%
2. Business / Industrial risk... <ul style="list-style-type: none"> ○ Size of the business..... ○ Age of the business..... ○ Business Outlook..... ○ Industry growth..... ○ Market competition..... ○ Entry / Exit Barriers..... 	18% 5% 3% 3% 3% 2% 2%
3. Management Risk..... <input type="checkbox"/> Experience.....	12% 5%

	<input type="checkbox"/> Succession.....	4%
	<input type="checkbox"/> Team Work.....	3%
4. Security Risk.....	10%
	<input type="checkbox"/> Security coverage.....	4%
	<input type="checkbox"/> Collateral coverage.....	4%
	<input type="checkbox"/> Support.....	2%
5. Relationship Risk.....	10%
	<input type="checkbox"/> Account conduct.....	5%
	<input type="checkbox"/> Utilization of limit.....	2%
	<input type="checkbox"/> Compliance of covenants...	2%
	<input type="checkbox"/> Personal deposit.....	1%

Chapter-07: Assign weights to each of the key parameters

Step 5: Arrive at the Credit Risk Grading based on total score obtained

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

Number	Risk Grading	Short Name	Score
1	Superior	SUP	<ul style="list-style-type: none"> ○ 100% cash covered ○ Government guarantee ○ International Bank Guarantees
2	good	GD	85+
3	Acceptable	ACCPT	75-84
4	Marginal/Watch list	MG/WL	65-74
5	Special Mention	SM	55-64
6	Sub-standard	SS	45-54
7	Doubtful	DF	35-44
8	Bad & Loss	BL	<35

Chart-08: Arrive at the Credit Risk Grading based on total score obtained

CHAPTER- 04: PROJECT ANALYSIS AND FINDINGS

4.1 SWOT Analysis

SWOT analysis refers to analysis of strengths, weaknesses, opportunities and threats of an organization. This facilitates the organization to make its future performance improved in comparison to its competitors. An organization can also study its current position through SWOT analysis. For all of these, SWOT analysis is considered as an important tool for making changes in the strategic management of an organization. Through direct observation and discussion with the JBL officials I am able to point out some major strength and weaknesses as well as some threats and opportunities regarding the various issues of the Bank such as –

- Organizational identity
- Service level
- Operational efficiency
- Technology
- Employee efficiency etc. along with many other issues.

<p>Strengths</p> <ul style="list-style-type: none"> ➤ Top management ➤ Corporate culture ➤ Various Products and Services ➤ Strong employee bonding ➤ Efficient Performance ➤ Strong financial position 	<p>Weaknesses</p> <ul style="list-style-type: none"> ➤ Dependent on fixed deposits ➤ Moderate risk management system ➤ Absence of strong marketing activities ➤ Not enough innovative products ➤ Discouraging small entrepreneurs
<p>Opportunities</p> <ul style="list-style-type: none"> ➤ Country wide network ➤ Introducing more branches ➤ Introducing special corporate scheme ➤ Real time online banking ➤ Creation of brand image 	<p>Threats</p> <ul style="list-style-type: none"> ➤ Similar products are offered by others ➤ Default Loans ➤ Industrial Downturn ➤ Increased competition in the market

Chart-09: SWOT Analysis of JBLL

4.1.1 Strengths

4.1.1.1 Top Management

The Jamuna Bank Limited is operated by a very efficient management group. The top management officials have all worked in reputed banks and their years of banking experience, skill, and expertise will continue to contribute towards further expansion of the bank. So, the top management of the bank is the major strength for JBL.

4.1.1.2 Corporate Culture

JBL has an interactive corporate culture. The working environment of JBL is very friendly, interactive and informal. And, there are no hidden barriers or boundaries while communicate between the superior and the employees. This corporate culture works as a great motivation factor among the employees of the bank.

4.1.1.3 Various Products and Services

JBL offers various types of products and services to their clients. So those, Customers can choose the right products that will fulfill their needs.

4.1.1.4 .Strong employee bonding and belongings

JBL employees are one of the major assets of the company. The employees of JBL have a strong sense of commitment towards organization and also feel proud and a sense of belonging towards JBL. The strong organizational culture of JBL is the main reason behind its strength

4.1.1.5 Efficient Performance

It has been seen from customers' opinion that JBL provides hassle-free customer services to its client comparing to other financial institutions of Bangladesh. Personalized approach to the needs of customers is its motto.

4.1.1.6 Strong Financial Position

It has been seen that the net profit has been gradually rising over the years. Furthermore, JBL is not just sitting on its previous year's success, but also taking initiatives to improve. One of the employees has said,

4.1.2 Weakness

4.1.2.1 Dependent on fixed deposits

Jamuna Bank heavily depends on fixed deposit. The bank has to pay large amount of interest for the just because of highly depend on fixed deposit.

4.1.2.2 Moderate risk management system

JBL risk management system is not that much secured. They need to develop their risk grading system.

4.1.2.3 Absence of strong marketing activities

JBL currently don't have any strong marketing activities through mass media e.g. Television. TV ads play vital role in awareness building. JBL has no such TV ad campaign. Although they do a lot of CSR activities compared to other banks.

4.1.2.4 Not enough innovative products

In order to be more competitive in the market, JBL should come up with more new attractive and innovative products. This is one of the weaknesses that JBL is currently passing through but plans to get rid of by 2010.

4.1.2.5 Discouraging small entrepreneurs

JBL provides clean Import Loan to most of its solvent clients. But they usually do not want to finance small entrepreneurs whose financial standing is not clean to them.

4.1.3 Opportunities

4.1.3.1 Country wide network

The ultimate goal of JBL is to expand its operations to whole Bangladesh. Nurturing this type of vision & mission & to act as required, will not only increase JBL's profitability but also will secure its existence in the long run.

4.1.3.2 Introducing more branches

There are many important places in Bangladesh, where customers are eagerly waiting for doing banking transactions. But no existence of banks is in those places. Although JBL already has 65 branches to provide services to its customers, it must also open more branches in those places where people need banking facilities.

4.1.3.3 Introducing special corporate scheme

JBL can introduce special corporate schemes for the corporate customers or officers who have an income level higher than the service holders. At the same time, they can introduce schemes or loans for various service holders. And the schemes should be separate according to the professions, such as engineers, lawyers, doctors etc.

4.1.3.4 Real time online banking

Today online banking is the best way to earn profit for the bank. So JBL has to earn more profit by developing online banking system.

4.1.3.5 Creation of brand image

As we know that brand creates value. So JBL needs to develop their brand image by developing their products and services.

4.1.4 Threats

4.1.4.1 Similar products are offered by other banks

Now-a-days different foreign and private banks are also offering similar type of products with an almost similar profit margin. So, if all competitors fight with the same weapon, the natural result is declining profit.

4.1.4.2 Default Loans

The problem of non-performing loans or default loans is very minimum or insignificant. However, this problem may rise in the future thus; JBL has to remain vigilant about this problem so that proactive strategies are taken to minimize this problem.

4.1.4.3 Industrial Downturn

Bangladesh is economically and political unstable country. Flood, draught, cyclone, and newly added terrorism have become an identity of our country. Along with inflation, unemployment also creates industry wide recession. These caused downward pressure on the capital demand for investment.

4.1.4.4 Increased competition in the market

In banking sector day by day competition are increased and lots of new bank are coming into the competition. So it is big threat for JBL.

4.2 Financial Data Analysis

From previous 5 year annual report I have analyzed some important data which is related to credit activities of JBL. The analyzed information is shown below by creating different chart graphs etc.:

4.2.1 Year wise Deposit

(Tk. In million where applicable)

Year	Total Deposit
2008	27308
2009	42356
2010	60674
2011	70508
2012	79623

Chart-10: Year wise deposit

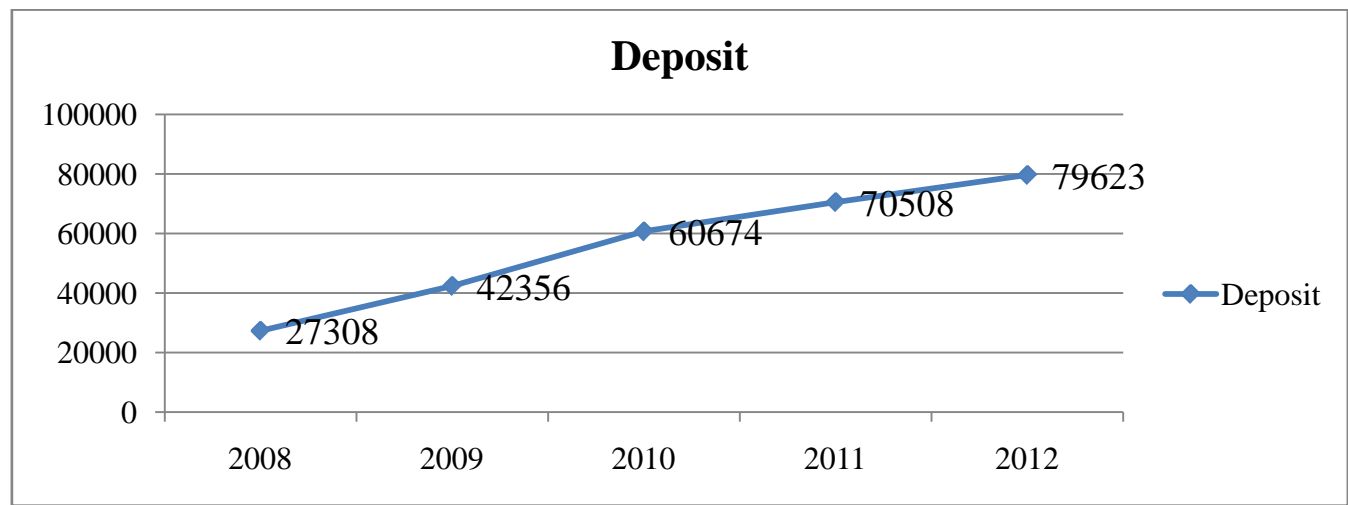


Figure-01: year wise total Deposit (in million)

Sources: Annual Report (2008 – 2012)

Year wise deposits of JBL are increasing year by year. In 2008 the total deposit was TK. 27308 million. It was increased to TK. 79623 million in 2012. From the graph it is seen that growth rate from year 2011 to 2012 is 12.93% which indicates positive perception toward JBL from clients point of view.

4.2.2 Year wise Loans & Advances

(Tk. In million where applicable)

Year	Total Loans and Advances
2008	21037
2009	32288
2010	49735
2011	56612
2012	54887

Chart-11: Year wise Loans & Advances

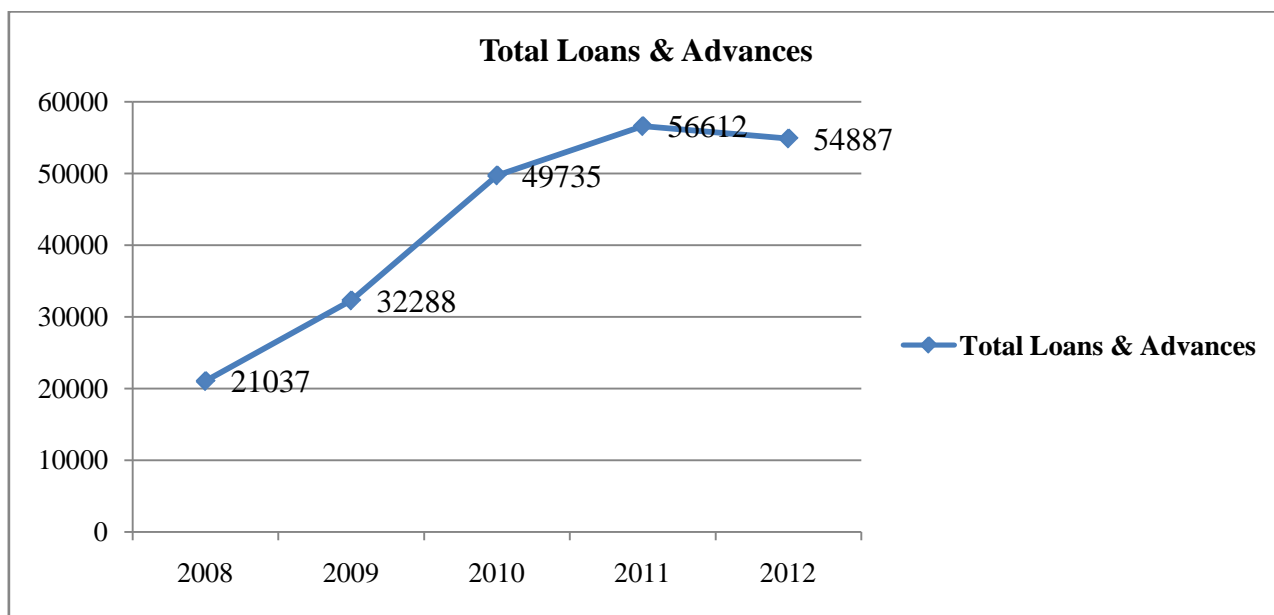


Figure-02: Year wise total loans & advances (in million)

Sources: Annual Report (2008-2012)

Here we see that total loans & advances of JBL are increasing 2008 – 2011. This is because of their attractive and flexible loan packages. But in 2012 their total loans and advances is decreased by 3.14% compare to 2011. the main reason of decreasing loans and advances, the competitive bank come up with a new loan policy which is more attractive than our loan policy.

4.2.3 Sector wise Distribution of Loan and advances

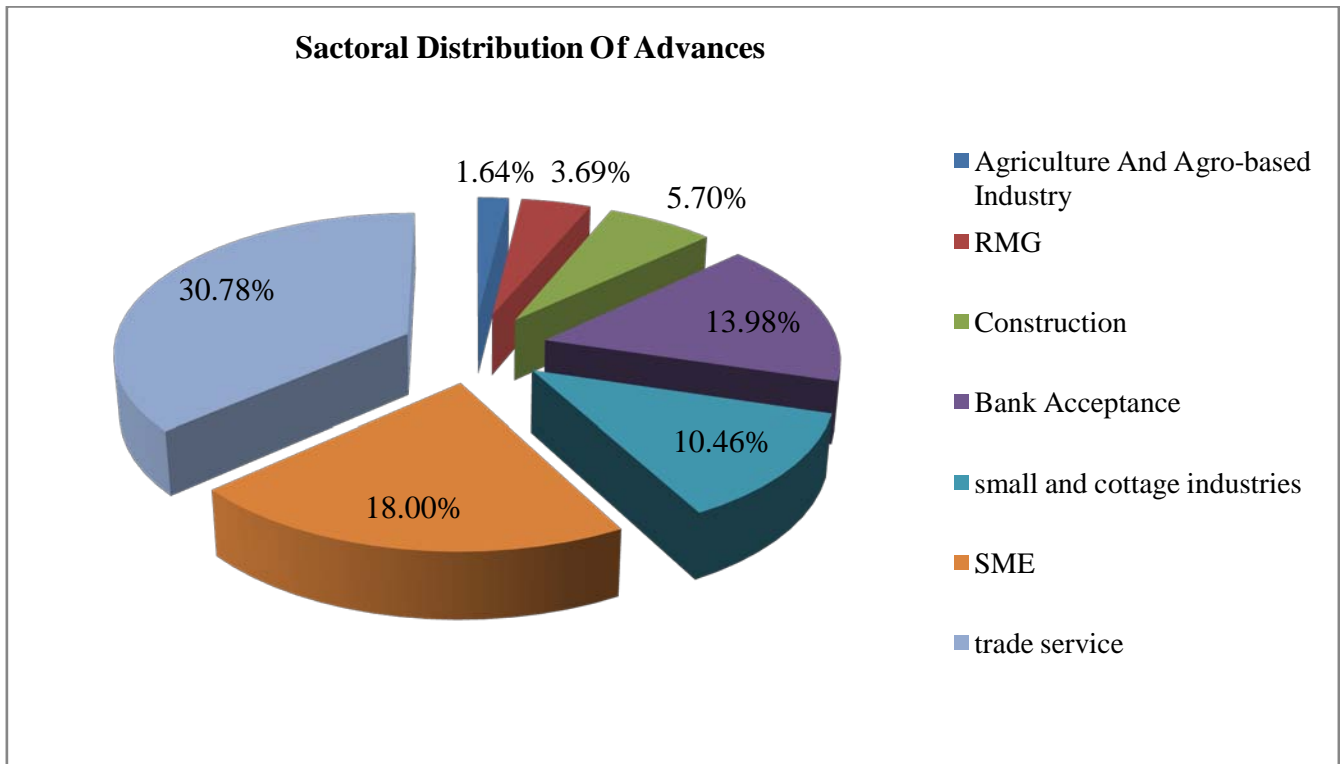


Figure-03: Sector wise advances
Sources: Annual Report 2012

From the figure it can easily be said that JBL provides more loan in Trade service sector. In 2012 it provided 30.78% of total loan and advances to Trade service sector. But in agriculture sector they discourage to sanction loan because they think this sector is risky, in 2012 JBL provide loan in agriculture sector only 1.64%. In SME sector it was 18%.

4.2.4 Geographical Location wise loans & Advances

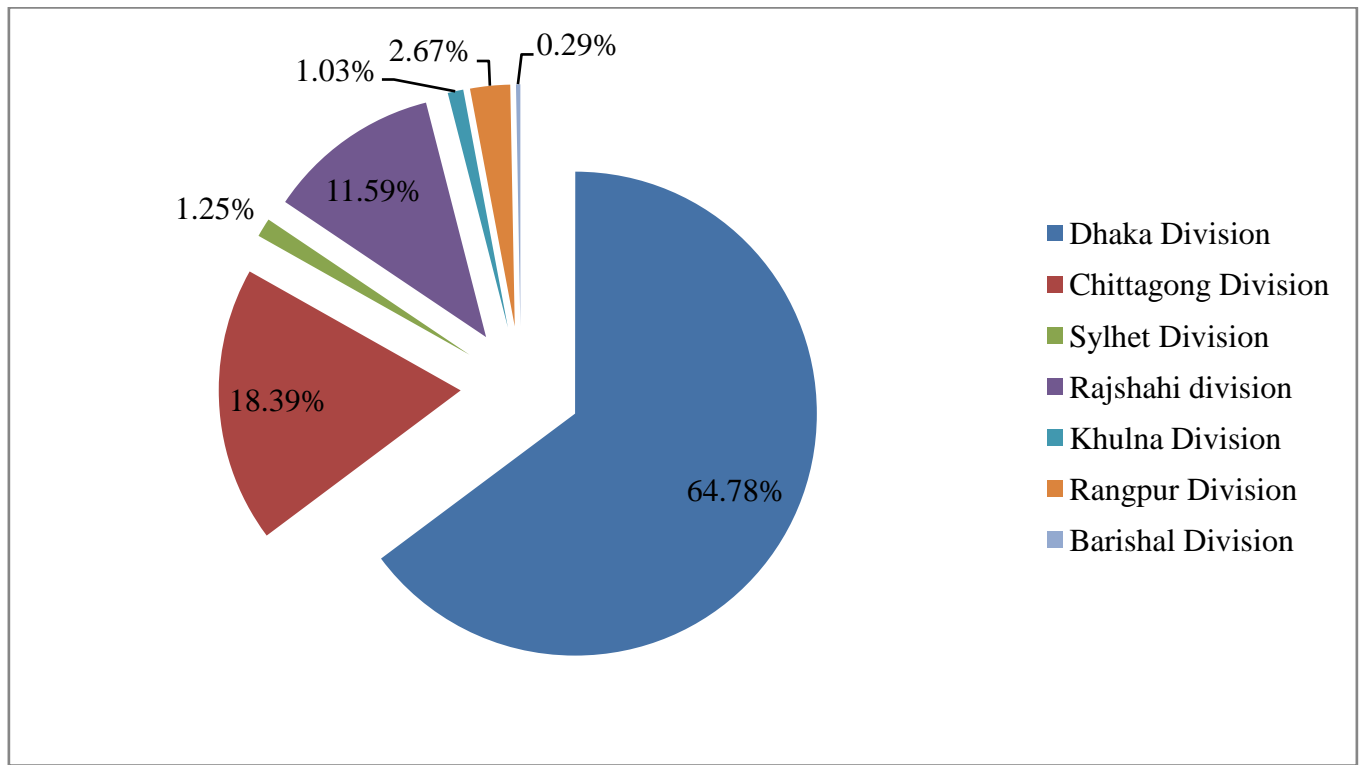


Figure-04: Location wise advances
Sources: Annual Report 2010

In above chart we see that JBL provide huge amount of loans and advances in Dhaka division. They provide 64.78% loans and advices in Dhaka division. JBL also provide their loans and advances 18.39% in Chittagong division and 11.59% in Rajshahi division. And the others division they provide fewer percentage of loans and advances.

4.2.5 Credit to deposit Ratio Analysis

Credit deposit ratio measures the portion of deposit used for credit. The more the ratio the more the bank is capable to uses its deposit as credit.

$$\text{Credit to deposit ratio} = \frac{\text{Total Credit}}{\text{Total Deposit}}$$

(Tk. In million where applicable)

year	total Credit	total deposit	Credit/deposit Ratio
2008	21036.86	27307.94	77.04%
2009	32287.66	42356.20	76.23%
2010	49734.80	60673.56	81.97%
2011	56611.79	70508.05	80.29%
2012	54887.03	79623.13	68.93%

Chart-12: Credit to deposit ratio

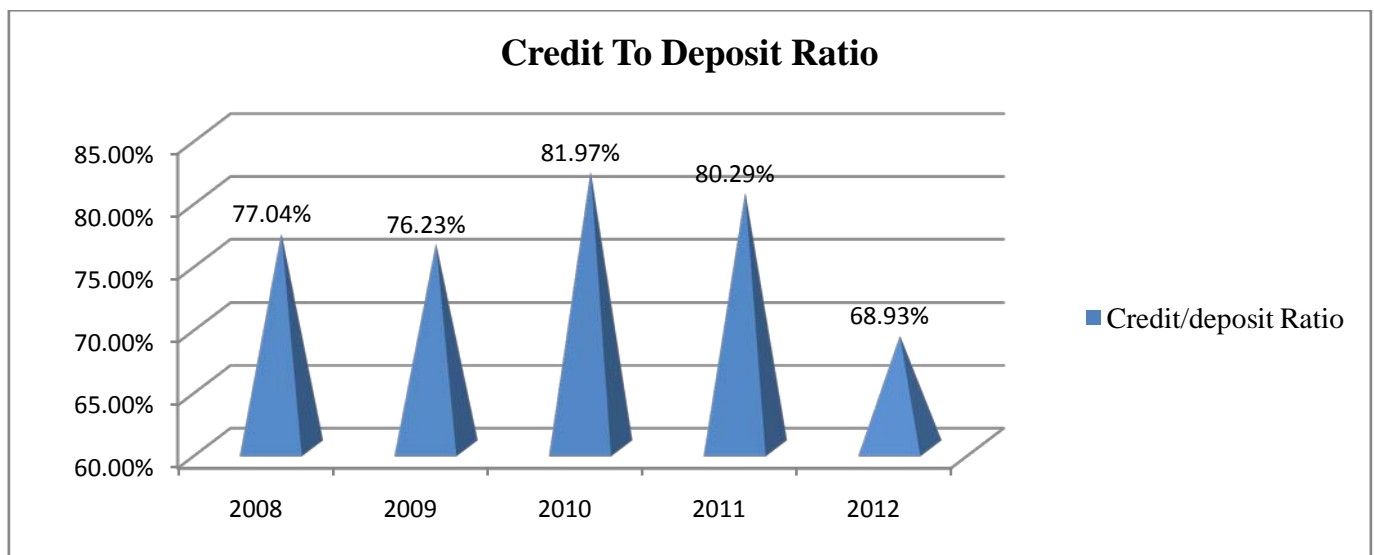


Figure-05: credit to deposit ratio

Source: Annual report (2008-2012)

From the figure it can be said that the credit to deposit ratio of JBL is fluctuating year by year. The main reason of fluctuating credit to deposit ratio was JBL unable to utilize their credit. Here we see that year by year JBL total deposit are increasing but credit are not that much increased. As a result we see that in 2012 JBL credit to deposit ratio was 68.93%. This is decreased by 14.15% compare to 2011.

4.2.6 Return on Asset (ROA)

Year	2008	2009	2010	2011	2012
Return On Asset(ROA)	1.65%	2.30%	1.78%	1.72%	1.06%

Chart-13: Return on Asset (ROA)

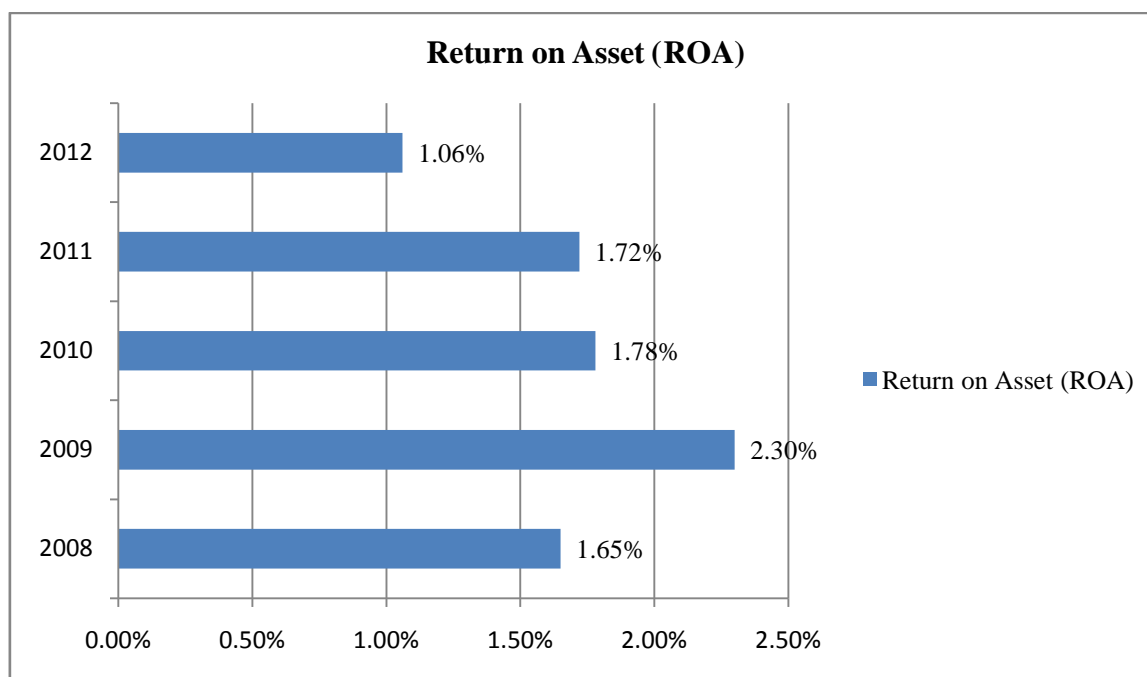


Figure-06: Return on asset
Source: Annual report (2008-2012)

Return on Asset basically measures that how much profit a bank can generate by utilize their assets. Here the more utilization of assets can create more profit which will be better for a bank. Here in this scenario we can see that Jamuna Bank is utilizing their assets proper way in 2008-2009. After that in 2010- 2012 it is decreasing. After in 2010 to till 2012 they are unable to generate higher profits because of not utilizing their assets in a proper way.

4.2.7 Net Interest Income

Year	Total Interest Income	total interest expense	Net interest Income
2008	2890.65	7787.48	-4896.83
2009	3788.9	6310.59	-2521.69
2010	5207.52	3726.52	1481
2011	8473.44	2888.74	5584.7
2012	9626.68	2321.88	7304.8

Chart-14: Net Interest Income

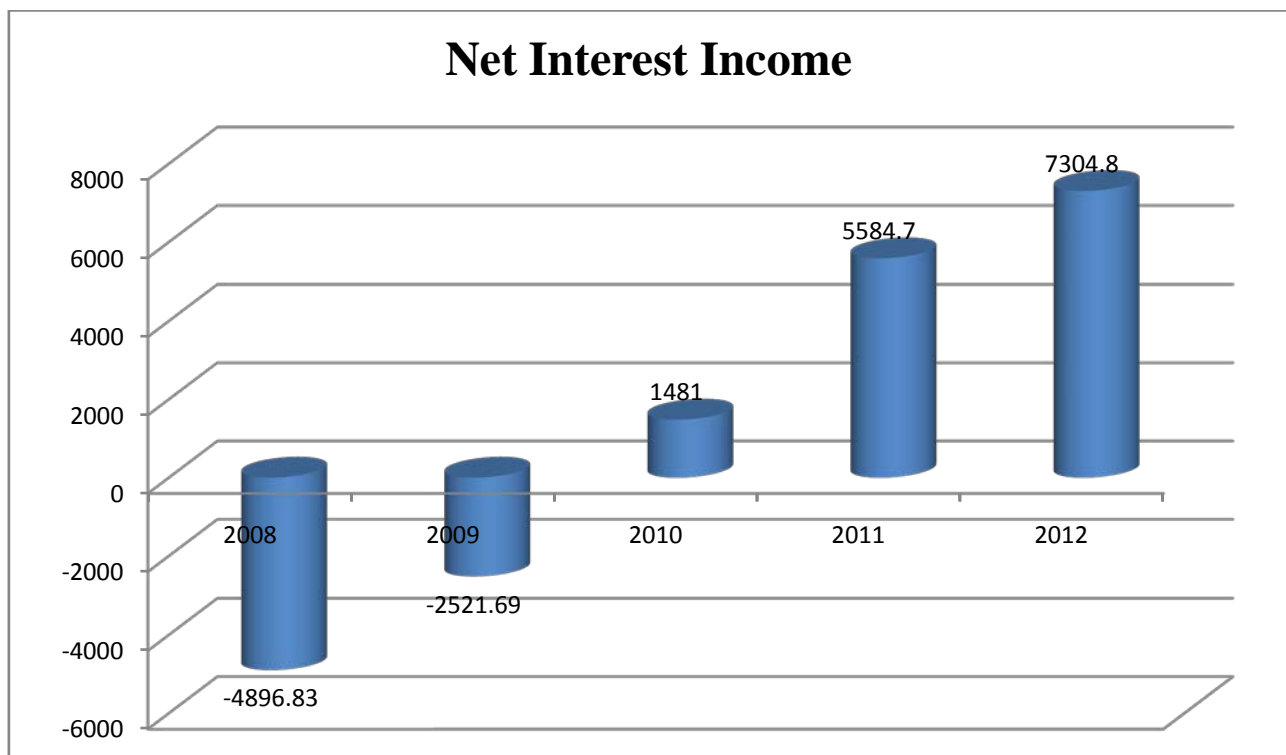


Figure-07: Net interest Income

Source: Annual report (2008-2012)

From 2008-2009 the net interest income was negative and after that in 2010-2012 it was increasing. Net interest income mainly generates by providing loan & security to the customer. The condition of net interest income of JBL is in a good position and there have positive trend up to 2012. Here we see that JBL gradually increase their Net Interest Income.

4.2.8 Cash Position Indicator

Year	cash	long term deposit	total asset	Cash Position Indicator
2008	1864.96	16360.18	31646.63	57.59%
2009	3211.25	25201.52	48730.95	58.31%
2010	4487.94	36694.55	71063.77	57.95%
2011	4874.88	42857.04	87167.73	54.76%
2012	6962.96	44680.76	109678.51	47.09%

Chart-15: Cash Position Indicator

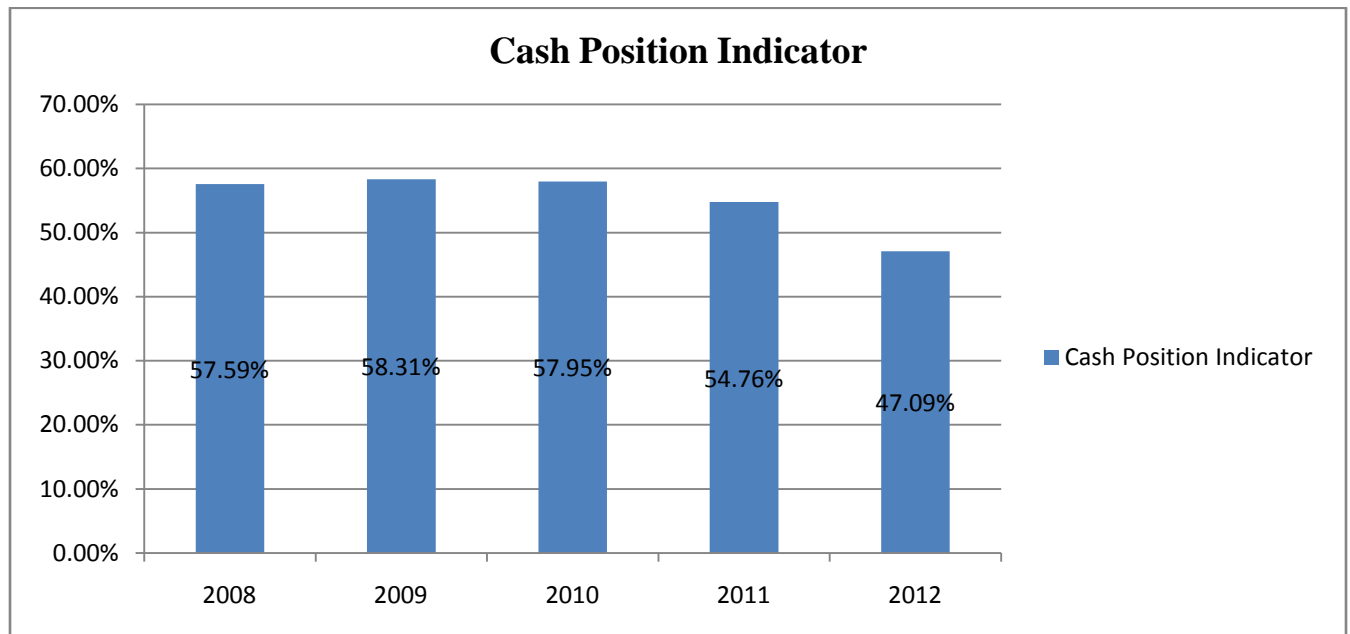


Figure-08: Cash Position Indicator

Source: Annual report (2008-2012)

From 2008-2009 the cash position is in increasing position. After that in 2010-2012 it became decreasing. In 2012 it was decreased by 14.01% compare to 2011. So the situation of cash positioning indicator is not so good. So the cash and deposit needs to increase

4.2.9 Deposit Composition Ratio

	demand deposit	time deposit	Deposit Composition Ratio
2008	1335.16	16360.18	8.16%
2009	2762.49	25201.52	10.96%
2010	4236.36	36694.55	11.54%
2011	2638.97	42857.04	6.16%
2012	3832.90	44680.76	8.58%

Chart-16: Deposit Composition Ratio

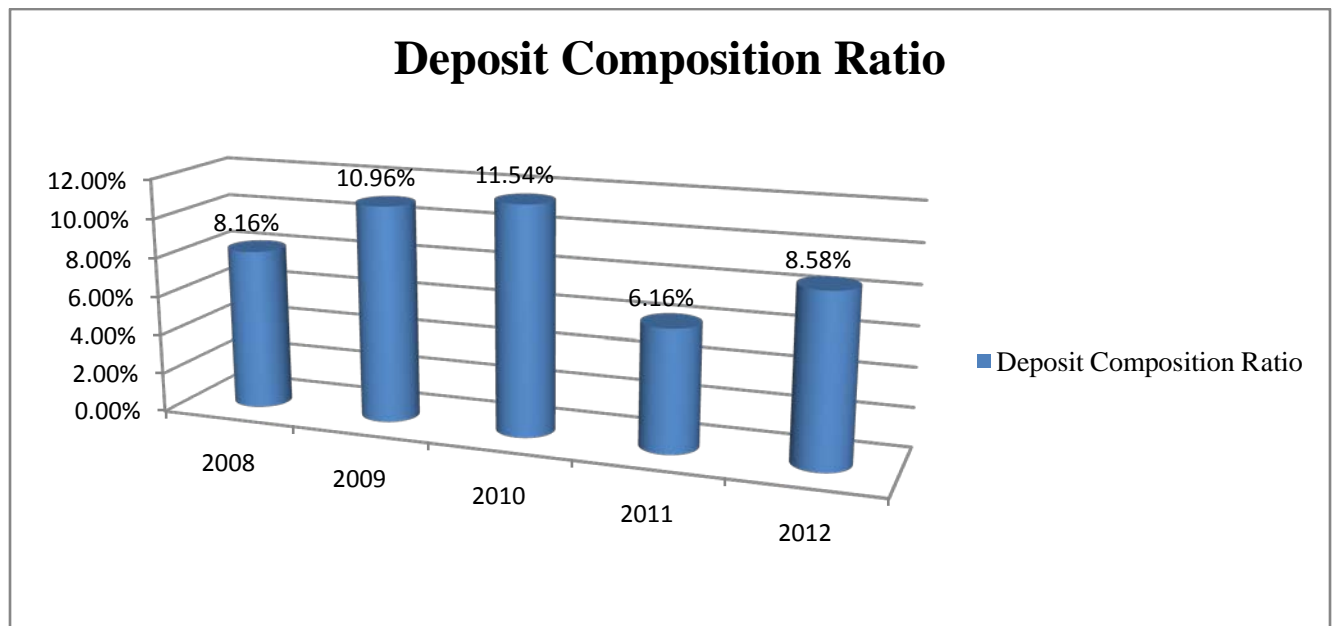


Figure-09: Deposit Composition Ratio

Source: Annual report (2008-2012)

Here we can see that current or demand deposit is always less than time or fixed deposit which is a positive image for Jamuna Bank Limited. In 2008-2010, the deposit composition ratio was increasing. But in 2011, it was decreased by 87.49% compared to 2010. So the bank should more concentrate on their liabilities.

4.2.10 Core Deposit Ratio

Year	demand deposit	total asset	Core Deposit Ratio
2008	1335.16	31646.63	4.22%
2009	2762.49	48730.95	5.67%
2010	4236.36	71063.77	5.96%
2011	2638.97	87167.73	3.03%
2012	3832.90	109678.51	3.49%

Chart-17: Core Deposit Ratio

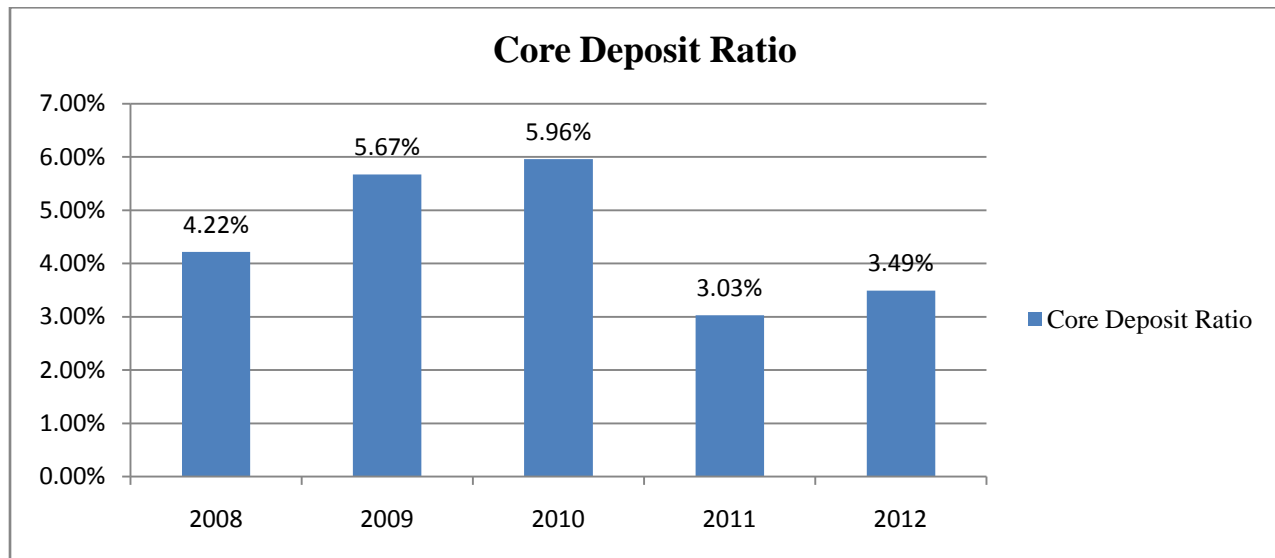


Figure-10: Core Deposit Ratio

Source: Annual report (2008-20120)

The core deposit ratio was increasing from 2008-2010 and it was decreasing in 2011. But in 2012 it is increasing which was good for Jamuna Bank Limited. It would be better for Jamuna Bank if this trend continues for next couple of years.

4.2.11 Recovery Performance of Jamuna Bank Ltd. of Several Years

(Tk in millions)

Particular	2008	2009	2010
Total disbursement	21036	32287	49734
Demand for recovery	28391	42743	54633
Recovery	24,321	34,935	51,301
Overdue	4069	7808	3332
Recovery as a percentage of DFR	85%	81%	93%

Figure 11: Recovery Performance of JBL

Source: Annual Report 2010

Here we see that in 2008 the recovery percentage of DFR was 85%. But in 2009 it was decreased 4.94% compare to 2008. The good thing is that in 2010 it was increased by 12.90%. In 2010 the Recovery as a percentage of DFR was 93%.

4.3 Customer satisfaction

Now question is, are the Customers happy with the Performance of Credit Department's practice? Do they have any particular complain? Etc. To analyze this issue Customer feedback has been taken on the following broad dimensions. I have done questionnaire method and face-to-face interview to collect the following data.

4.3.1 In terms of the service you received from the lending officer(s), how satisfied was you with the following?

In response to above questions we can see the following scenario:

Opinion	No. of Respondents	Percentage	Cumulative percentage
very satisfied	10	33.33%	33.33%
satisfied	13	43.33%	76.67%
neutral	4	13.33%	90.00%
dissatisfied	2	6.67%	96.67%
very dissatisfied	1	3.33%	100.00%

Chart-18: Service received from the lending officer(s)

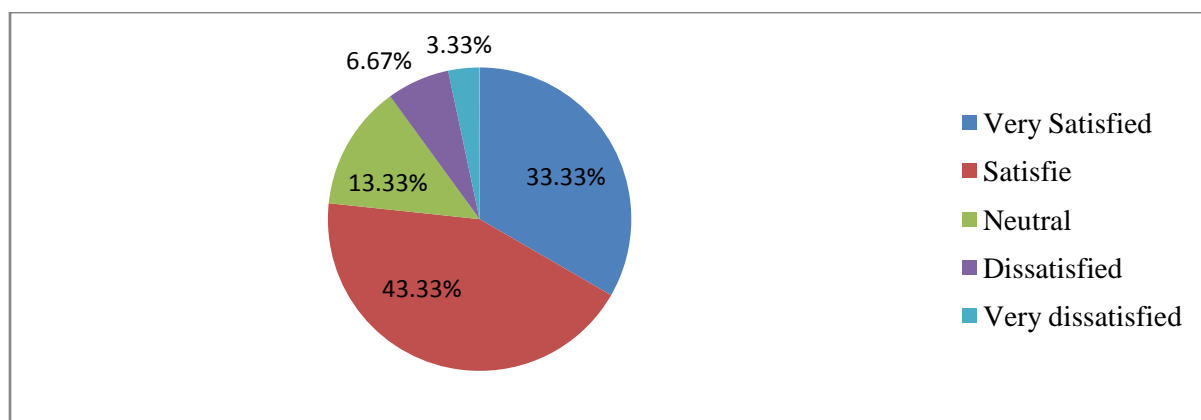


Figure-12: service received from the lending officer(s)

Here I find that among 100% clients 33.33% are very much satisfied and 43.33% are satisfied with the service received from the lending officer of Jamuna Bank Ltd where as only 6.67% are

dissatisfied and 3.33% is very dissatisfied with the service received from the lending officer. But average percent is good. Here we can see that 2 clients are dissatisfied and 1 is very dissatisfied. The reason that he was dissatisfied was because he wanted more time to pay his installments. But JBL did not allow this.

4.3.2 How would you rate the quality of The Credit Department service of Jamuna Bank Limited?

result	frequency	percent	cumulative percent
excellent	13	43.33%	43.33%
satisfactory	8	26.67%	70.00%
moderate	3	10.00%	80.00%
not dissatisfactory	4	13.33%	93.33%
dissatisfactory	2	6.67%	100.00%

Chart-19: quality of The Credit Department service of JBL

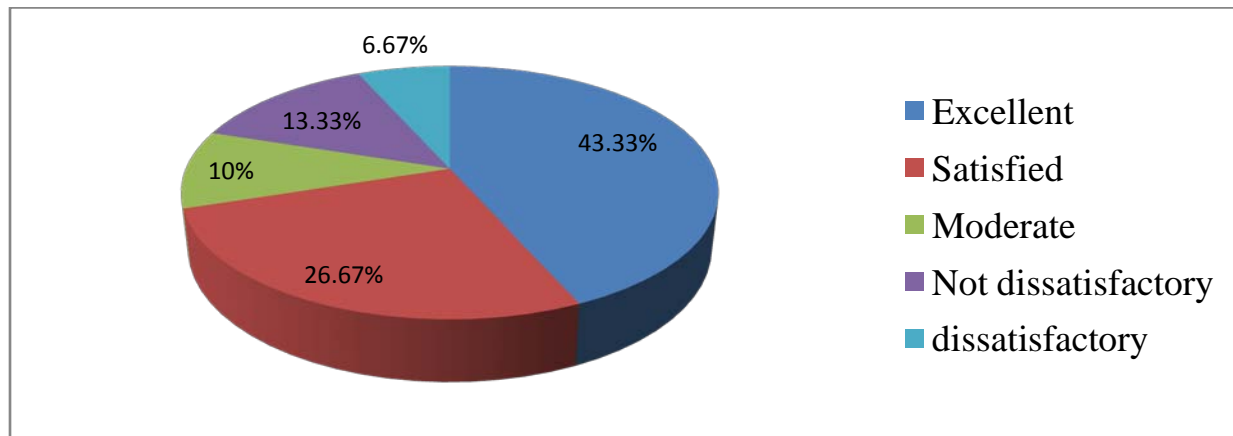


Figure-13: quality of The Credit Department service of JBL

From the survey, I found that out of 100 percent 43.33 percent of the total sample size said that the overall quality of lending service of Jamuna Bank Ltd is excellent, 26.67 percent satisfactory and 10 percent moderate and only 13.33 percent is not dissatisfactory and 6.67 percent us dissatisfactory. It means the overall opinion of clients is positive about the quality of customer care service of Jamuna Bank Ltd.

4.4 Questionnaire Survey Analysis

Surveying questionnaire is very important for any kinds of project. It helps to give clear idea regarding the status and findings of the project. Here, questions are designed and asked to respondents to extract specific information. For preparing this report I have used a structured questionnaire and it filled up by 30 client's of Jamuna Bank. From those filled up questionnaire, some of the important analysis and findings are as follows

Income level and experience of client's profession is very much important to provide loan. Here we find out the income level and experience of the client profession for the betterment on our survey.

4.4.1 Income level of clients per month

income level	No. of Respondents	percentage
30000-50000	4	13.33%
50000-70000	13	43.33%
70000-90000	7	23.33%
90000+	6	20.00%

Chart-20: Income level of clients per month

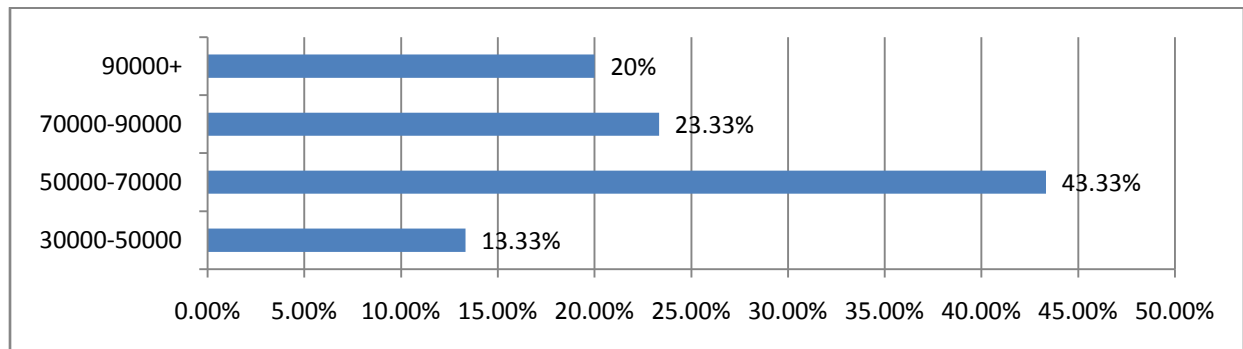


Figure-14: Income level of clients per month

From the graph it is seen that most of the clients' income level is above 50,000, which is good for providing loan. Because they are financially solvent so it will be less risky to provide them loan as they can easily pay the interest rate

4.4.2 Experience of Clients Relating Profession

experience	No. of Respondents	percentage
below 4 years	3	10.00%
4-9 years	8	26.67%
9-14 years	12	40.00%
14+ years	7	23.33%

Chart-21: Experience of Clients Relating Profession

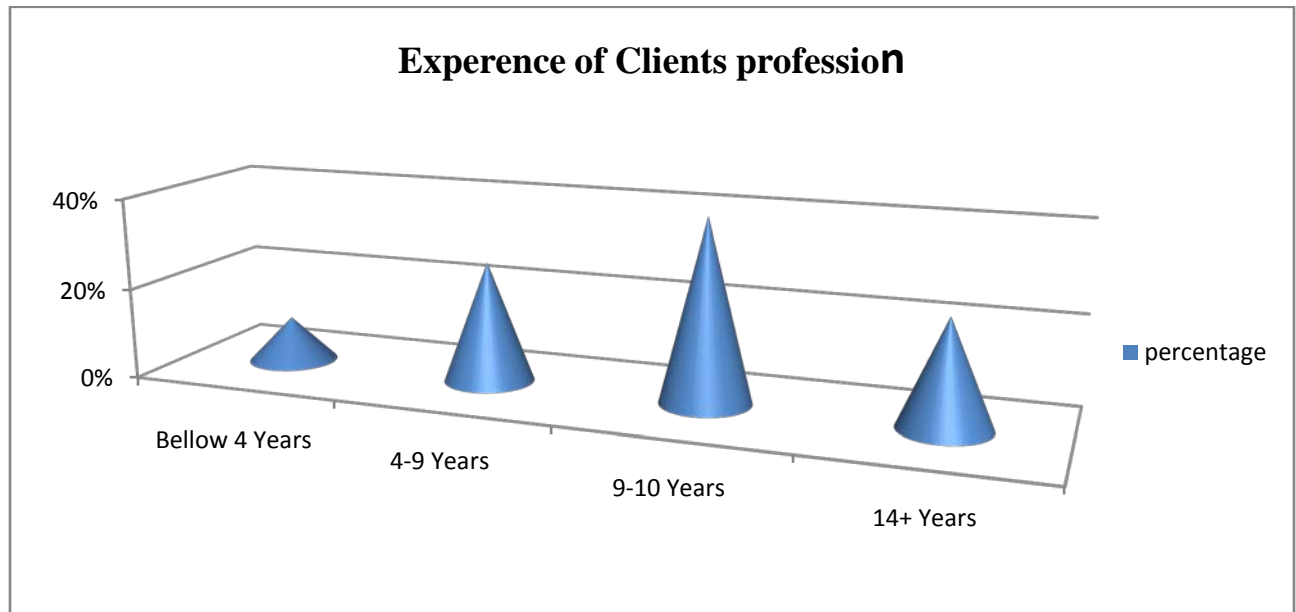


Figure-15: Experience of Clients Profession

Experience in business/service is a very important criterion for providing loan. Bank should provide loan to those who are experienced so that there is less possibility of loan default. From the graph it is seen that most of the clients' experience is in between 4-14 years, which is good for providing loan.

4.4.3 How Jamuna Bank is Different from other Banks?

Opinion	No. of Respondents	Percentage
Low interest rate	6	20.00%
Easy loan & disbursement	13	43.33%
SME loan	8	26.67%
Others	3	10.00%

Chart-22: How Jamuna Bank is Different from other Banks?

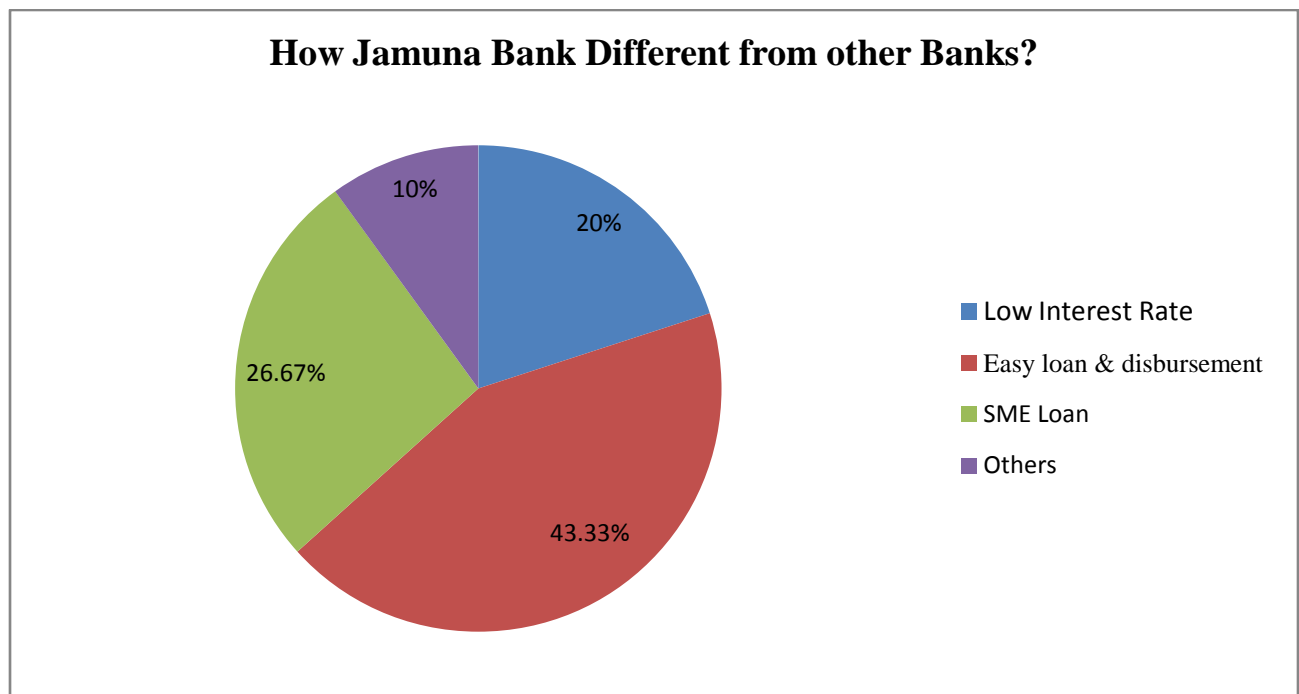


Figure-16: How Jamuna Bank is Different from other Banks

From the graph it is seen that 43.33% client prefer Jamuna Bank because of their easy loan and disbursement. 26.67% prefer for the SME facility. 20% client said that interest rate is low so they prefer this bank. And 10% prefer for the other privilege.

4.4.4 Opinion Regarding Service Charge

opinion	No. of Respondents	Percentage
high	12	40.00%
medium	11	36.67%
low	7	23.33%

Chart-23: Opinion Regarding Service Charge

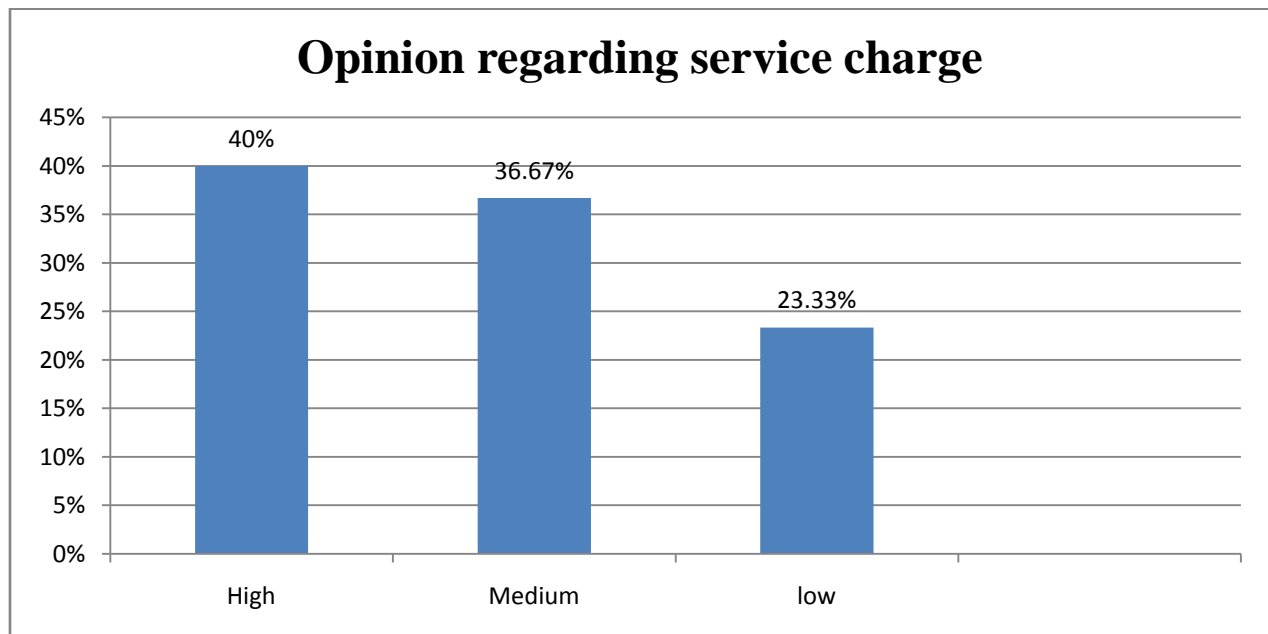


Figure-17: Opinion Regarding Service Charge

From the graph it is seen that 40% people said that the service charge of Jamuna Bank is high, 36% said it is medium and 23.33% said it is low. So bank should work on this factor.

4.4.5 The Loan Processing Time is Lengthy

Opinion	No. of Respondents	Percentage
fully agree	14	46.67%
agree	9	30.00%
disagree	7	23.33%
fully disagree	0	0.00%

Chart-24: the Loan Processing Time is Lengthy

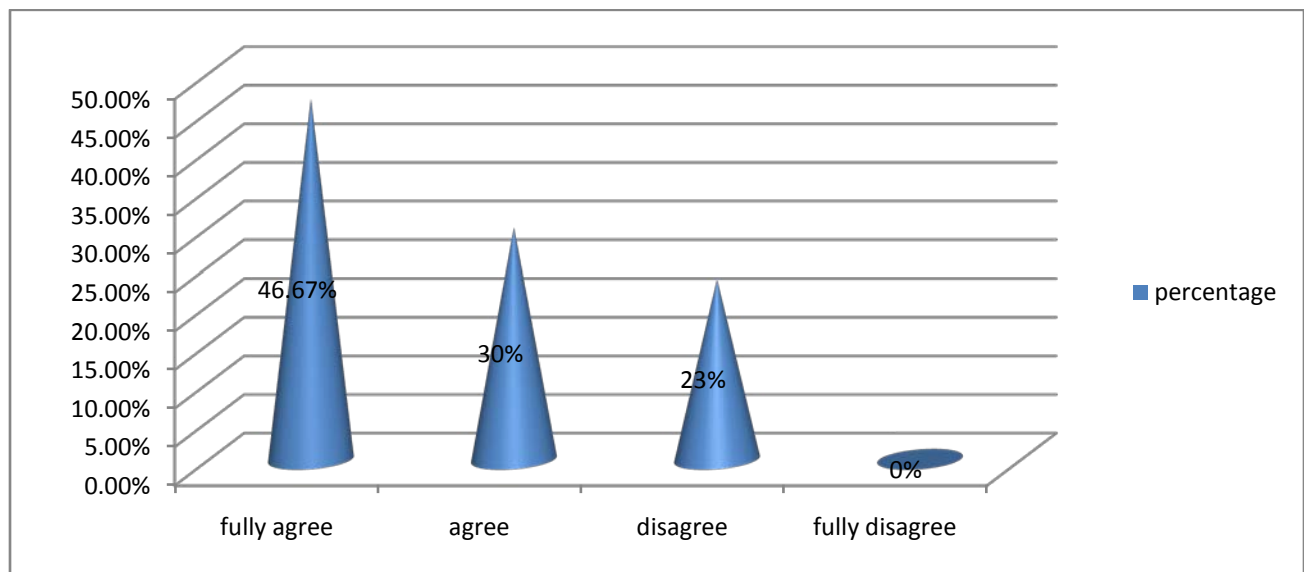


Figure-18: the Loan Processing Time is Lengthy

From the graph it is seen that 46.67% client fully agree with the statement, 30% agree, 8% disagree, and no one is fully disagree with this statement.

4.4.6 The loan packages of JBL are attractive?

Opinion	No. of Respondents	Percentage
yes	19	63.33%
no	11	36.67%

Chart-25: The loan packages of JBL are attractive?

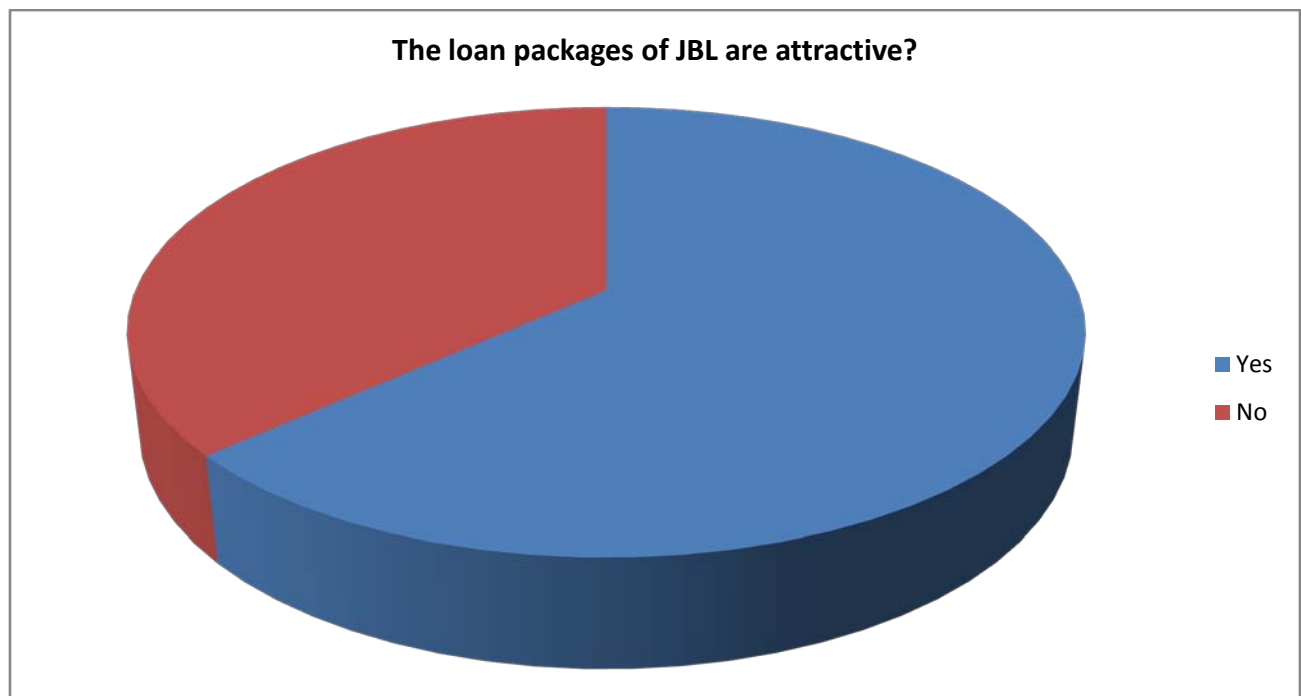


Figure-19: The loan packages of JBL are attractive

From the graph it is seen that 63.33% client agree with the statement, 33.67% disagree with this statement.

4.4.7 Area That Should Take Care of

Opinion	No. of Respondents	Percentage
service charge	9	30.00%
loan processing time	12	40.00%
interest rate	6	20.00%
installment period	3	10.00%

Chart-26: Area That Should Take Care of

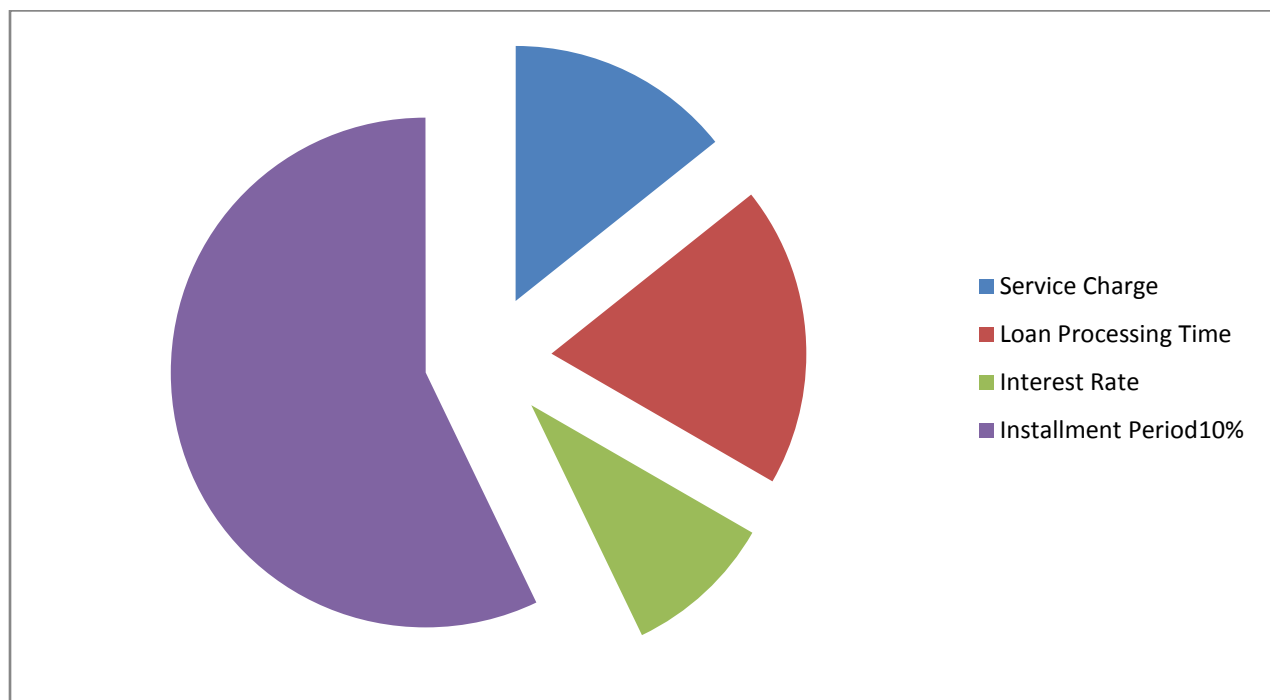


Figure-20: Area That Should Take Care of

From the graph it is seen that 30% said that service charge should be reduce. 40% said that the bank should work on their loan processing time, 20% said that interest rate should be decrease and 10% said installment period should increase.

CHAPTER- 05: RECOMMENDATION AND CONCLUSION

5.1 Recommendation

As we all know JBL is one of the well known banks in our country. From my little knowledge it's quite hard to give recommendation to such a well established bank. Still from my learning and observation, I am giving following recommendation to follow:

- JBL need to more concentrate on loan and advance services. And they need to offer attractive packages to promote their loan and advance product.
- Maximum amount of loan is provided to the long-term industrial sectors. They intentionally ignore the agriculture sector because of riskiness and safety issues. But for the overall economic development of the country they should diversify their loans in agriculture sector.
- JBL has only 62 branches all over the country. Since day by day their demand is increasing so it is quite hard to provide full range services with those branches. So they need to put more attention toward the expansion of branch network as well as ATM Booths.
- For improving the recovery position and reducing huge over due loans, first action needed to attract political support and urge upon the govt. and political parties to take necessary steps for repayment of defaulted loans within a limit.
- New credit culture needs to be developed in place of default culture. Efforts to be taken as soon as possible to safeguard the interest of banking sector.
- Real value of business can come from making regular visits to the customer's place of business rather than holding all meetings in the Bank.
- JBL earn 68.87% profit from Dhaka City. So JBL need to spread their all over the Bangladesh.

5.2 Suggested new loan products for JBL

5.2.1 Women Entrepreneur Loan Scheme- “Sawnirbhor Naari”

Now-a-days Jamuna Bank is offering different types of credit to the different groups like traders, industrialist, businessman, and individuals in case of personal loan. These are generally for all people but we are not providing something special for women. As Bangladesh bank has declared that for every five branches in metropolitan area one branch must be opened in rural area. We can utilize this opportunity. In rural area women are involved with many productive works like poultry, handicrafts etc in small extent. They can't able to get that job to the large extent for the shortage of capital. In urban and sub urban area there are also so many potential women entrepreneurs who are sitting idle only because they don't have enough capital to run their business. If we finance them at low rate under our SME project then it will be a great help for the growth of our economy. We can easily do that as BB offers concessional rate under the SME project to the disbursing bank in case of woman borrower. We can name the product as 'Sawnirbhor Naari'.

5.2.2 Ship Building Loan (Industrial loan)

Ship building industry in Bangladesh is set to emerge as new export leader. Since major ship manufacturing countries like South Korea, Vietnam, China and Singapore are becoming less interested in building Small Ocean going vessels. European buyers are now coming to Bangladesh and India. The industry is gradually shifting towards developing countries like us mainly because of the availability of a cheap labor force. The global market for small ships is

now about \$400 billion. If we can grab one per cent of the global order for small ships, the amount will be worth \$4.0 billion. Recently Bangladesh government has declared Ship Building Industry as 7th thrust sector. This is a very lucrative sector and will improve day by day. But this is a highly capital intensive industry. So there is a huge demand for Bank loan there. If we invest in this infant sector with lower interest rate then it would be a great help for this sector as well as our economy, which will flourish our image throughout the country. We can launch a new loan product especially for the Ship Building Industry named “Ship Building Loan”.

5.2.3 Syndication loan

JBL’s present position in syndication loan is not so pleasing. We should go for such kind of loan in near future frequently as it is a profitable sector to reap the maximum benefit for our bank. Within the next five (5) years, we will be the lead bank or lead arranger in this kind of lending.

Conclusion

Jamuna Bank Ltd. is a commercial bank launched its operation in 2001. It has already developed goodwill among its clientele by offering its excellent services by different divisions. This success has resulted from the dedication, commitment and dynamic leadership among its management over the periods. The working atmosphere of the Jamuna Bank Limited is very simulating. During the short span of time of its operation, the bank has been successfully to the position itself as a progressive and dynamic financial institution in the country.

Credit policy is a very convenient banking tool for the business world. The value of this service is immense. It has gathered such a position in the banking sector that people at developed and also developing counties are very much depended on this service. In Bangladesh credit facilities or loans started to become very attractive in recent periods. But still lots improvements in services and facilities have to be made in this department.

Credit Division of Jamuna Bank has a very qualified and dedicated group of officers and staffs who are always trying to provide the best service to the clients. They always monitor the credit in different sectors and their position. Before providing the loan they analyze whether the loan will be profitable and whether the client is good enough to repay the loan within the given period of time.

The main competitive advantage JBL is enjoying that it has online banking where as other local commercial bank can not yet achieve that advantage. But all the commercial banks are now trying to achieve this. In this bank the employees are highly motivated by their remunerations and other benefits. Here, all the employees are very much cooperative with their customers, colleagues and simply visitors.

References

Websites

- www.jamunabankbd.com
- [www.bangladesh –bank.org](http://www.bangladesh-bank.org)

Annual Reports

- Jamuna Bank Limited (2008-2012)

Published Document & Banking manual

- Credit Division Manual of JBL
- Several Booklets from Jamuna Bank Limited
- Other internship reports of JBL

Appendix

For Clients

Dear Respondent,

I am a student of BRAC University, conducting a survey on “Credit Management of Jamuna Bank Limited”. Kindly noted that this is an academic study and the findings will remain confined within academic interests. No part of this study will be disclosed. Your kind cooperation will be highly appreciated.

Please read the questions carefully and just put a tick✓ in the respective box and kindly give your judgments where necessary.

1. How Jamuna Bank is Different from other Banks?

- a. Low interest rate
- b. Easy loan & disbursement
- c. SME loan
- d. others

2. Opinion Regarding Service Charge

- a. High
- b. Medium
- c. Low

3. The Loan Processing Time is Lengthy

- a. fully agree
- b. agree
- c. disagree
- d. fully disagree

4. The loan packages of JBL are attractive?

- a. yes
- b. no

5. Area That Should Take Care of

- a. Interest rate
- b. Installment period
- c. Service charge
- d. Loan processing time

Customer Satisfaction level Judgment

4.3.1 In terms of the service you received from the lending officer(s), how satisfied was you with the following?

	Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
Friendly and courteous manner					
Knowledge of bank's products & Services					
Willingness to listen and respond to your need					
Fast and efficient service					
Recognition of you as valued customer					
Offer of other services or alternative means to meet your needs					

4.3.2 How would you rate the quality of The Credit Department service of Jamuna Bank Limited?

Very satisfied	Satisfied	Neutral	Dissatisfied	Very dissatisfied
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