

## *Consumer Credit Scheme of Prime Bank Limited*

### **Executive Summary**

Internship is an essential part of BRAC universities BBA program. As per the requirement of the BRAC University I have to perform 90 days or three months internship which will help to prove my potentiality in the practical field. I achieved the opportunity to prove the potentiality, which has given by the Prime Bank Ltd. to commence my internship in the motijheel branch from 27th January to 27th April, 2009. As per the requirement of the internship program I have to prepare a report on the Prime Bank Limited with a specific topic. I was **assigned** in the credit division (corporate credit and retail credit division) so I have chosen "Consumer credit scheme" as my Project topic. Prime Bank Limited started its journey on 17th April 1995 and now at the present time it has created a mile stone in the banking industry. From the first step to the present move the Prime Bank Limited is expanding its business. Expanding 70 branches in the country was not enough for their glory they expand their fully owned subsidiary in Singapore also. They have different products and services, **some** of them are unique and others are common but they always cope up with the changing situation and tough competition. Their authority is not centralizing which has a good effect because every one wants to prove their capacity and for that they have the authority which is very motivating for employees. They will prosper that can be seen from their vision which is to be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound **management**, and profitability having strong liquidity. Besides all these positive aspects it has some difficulties in its way of success but it will overcome those within short time **because in** its 14th year of operation in 2009, Prime Bank has made substantial headway in terms of business growth, profitability and establishing its image **as one** of the leading private commercial banks. When the organization is like Prime Bank Ltd. then it is a tribute to learn the practical way of work and a great opportunity to prove potentiality. I am glad that I used the opportunity properly. In both of the division I got the chance to do the desk work and customer dealings. In corporate credit I got to know the corporate clients and the way they place the proposals for loan and how the proposals operate to get the sanction of loan and in retail credit there was chance to work in more details. In retail credit (CCS) division I got

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the chance to attach with each work done in that department. On the whole it was a very nice practical experience. In the internship requirement completion of a project is also included and for that I have chosen "Consumer Credit Scheme" of Prime Bank Ltd. With the passing time, new competitors appear with better ideas & products as well as services and creating more competitive situation in the market. "Consumer credit scheme" is one of the new innovative ideas which cater to the credit needs of the low & middle income groups. Only Prime Bank limited and other few banks operate this scheme in a large volume. Consumer credit scheme of Prime Bank Ltd provides Car Loan which includes Car, Jeep, Station Jeep, Pick up Van, Cover Van, Bus, Truck, Ambulance and any other vehicle for own use. Doctors Loan, which is for the doctors only. Any qualified person can take "advance against Salary" loan. Education Loan is for Study purpose only. For fulfilling the traveling purpose Travel Loan is available. Wedding loan is also available for the purpose of wedding. CNG Conversion Loan can be taken to convert into CNG. Any Purpose Loan is available for any emergency need. Hospitalization Loan is also available because this bank realizes the emergency need for hospitalization. These all loans need personal Guarantee. These loans require certain percent of equity investment and it has to be repaid by equal monthly installment. This loan has to be repaid within a specific period. Any interested person within the age of 25 to 60 and having a permanent job or having a stable business can apply for the CCS loan of Prime Bank Ltd. Under CCS program of Prime Bank Limited a borrower can get maximum of taka 40, 00,000 and minimum taka 10,000. The down payment is 10% of the loan for each product. The interest rate is 16% for the all products and Prime Bank Ltd. charges 1% service charge and 1% risk fund for all products other than for Car loan and Doctor's loan. There is system of advance against salary and CNG Conversion loan. This was the brief description of present CCS of Prime Bank Ltd. This scheme provides different facilities to the customers and it's has popularity among the customers but there are some negative points where management should concentrate to get more response and satisfaction from the customer. These negative points come from the dissatisfaction of the customers so it can be harmful for their way of achievement so they should give more emphasis to solve those problems. Prime Bank Ltd. should focus on decreasing interest rate which is very high from the customers point of view, and increase the loan payback period because customer think it's short enough to switch the bank for services. These changes will help to get competitive advantage for sure. Introducing variety products in their CCS, such as - Teacher Loan, Shop

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Financing Scheme, Personal Loan for Women **etc will** help them to bring unique position in the **market**. They can go for the package products **also because** in this era people love to get various facilities with **in one package program**. All these will increase the market share of CCS in Prime bank undoubtedly but if they **can arrange** more active promotional activities with it then it's obvious that Prime Bank Ltd. will be the best among the banks in Consumer Credit Scheme.