



Daffodil *International* **University**

Internship Report on:

“Analysis of Credit Management System of Bank Asia Limited”





Daffodil
International
University

Internship Report on:

“Analysis of Credit Management System of Bank Asia Limited”

Submitted To:-

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Date of submission: 20 May, 2023

Letter of Transmittal

Date: 20 May, 2023

To

Dr. Sayed Farrukh Ahmed

Associate Professor

Department of Business Administration

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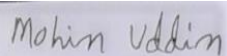
Subject: Submission of Internship Report on “Analysis of Credit Management System of Bank Asia Limited: a study on Ashulia Sme/Agriculture Branch”.

Dear Sir,

With due respect, I would like to thank you for helping me to put together the internship report. This mission has given me the chance to discover the credit management system things to do of banking sector. The document includes a working overall performance “**Analysis of Credit Management System of Bank Asia Limited: a study on Ashulia Sme/Agriculture Branch**” which his based totally on its credit activities. It used to be an excellent pleasure for me to have the chance to work on this bank.

Therefore, I pray and hope that you would be form adequate to receive my internship file and oblige thereby.

Sincerely Yours,



.....
Mohin Uddin

ID No: 222-14-478, Section: PC-(A)

Program: MBA, Major: Accounting

Department of Business Administration

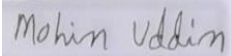
Faculty of Business & Entrepreneurship

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Declaration

I right here declare that the internship file specifically “Analysis of Credit Management System of Bank Asia Limited: a study on Ashulia Sme/Agriculture Branch” underneath the supervision of Dr. Sayed Farrukh Ahmed, Associate Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, submitted by way of Mohin Uddin, ID No: 222-14-478, Section: PC-(A), Program: MBA, Major: Accounting, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University, after finishing of three months (January 15, 2023 to April 13, 2023) of internship duration with Bank Asia Limited, Ashulia Sme/Agriculture Branch.

I additionally declared that this file is my authentic work of my journey and organized for educational cause for finishing the MBA program.



.....
Mohin Uddin

ID No: 222-14-478, Section: PC-(A)

Program: MBA, Major: Accounting

Department of Business Administration

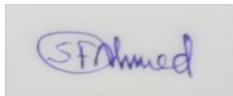
Faculty of Business & Entrepreneurship

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Letter of approval

This is to certify that Mohin Uddin, ID No: 222-14-478, Major in Accounting, is an ordinary scholar of Master of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University. He has efficiently performed his internship program at Bank Asia Limited. He has prepared this report underneath my supervision. His assigned internship subject is “Analysis of Credit Management System of Bank Asia Limited: a study about on Ashulia Sme/Agriculture Branch”. The document is encouraged for submission.

I want his happiness, excellent fitness and each and every success in life.



.....
Dr. Sayed Farrukh Ahmed

Associate Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

First of all, I prefer to specific all my humble thanks to Allah who is very touchy about every and each and every exercise of all his man and except whose help, I am unable to accomplish any goal in my life.

Many thanks to my Almighty Allah for allowing me to write this internship report.

Second, I thank my honorable supervisor Dr. Sayed Farrukh Ahmed, Associate Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University for enabling me to conduct this research. I am grateful to him for his positive guidelines and and helpful advice during the discussion.

I am additionally grateful to all different instructor as the understanding imparted by way of them allows me to achieve understanding of the company in fantastic way.

I would additionally thank to all the officer of Bank Asia Limited, Ashulia Sme/Agriculture Branch, particulars Mr. Anjan Kanti Chakraborty (AVP) & head of branch, Md. Moshir Rahman (EO & MOB), Md. Shamsul Islam (Senior Officer & GB In-Charge) who offers me and chance to work in the financial institution and provide me a risk to discover my knowledge.

Finally, I am additionally grateful to all the different household participants and all my friends for their ethical and religious assist all through my research and mainly in this internship program. I went to thank all the humans who helped me entire this report.

Executive Summary

Today, it is not possible to totally think about a society barring a bank due to the fact banks play a specific function in the improvement of the economy. The bank's major feature is to construct up capital, a vital thing in financial development. The banking area helps the manufacturing area to enhance by using imparting financing to corporations and different offerings as a remote places investor.

The vital motivation in the back of the document is to have a common thinking related to ability and process of credit scope administration, evaluation the equipment and techniques used to measure the mortgage utility and reduce to think about steps to destroy the threat settlement of Bank Asia Limited to recover. Credit administration is one of the primary features of a bank. The purpose of credit score Management, the primary operator of Bank Asia Limited, is to limit threat and allow banks to earnings by way of ready for and retaining the overall performance of their business. The credit score administration company is accountable for identifying the bank threat recuperation profile. The document discusses the nature of credit, kinds of credit, credit management system, policies, credit score approval process, credit score administration committee, credit score monitoring and overall performance of Bank Asia Ltd.

These learning experiences are divided into five chapters and detailed in various parts of the report. Chapters are divided into paragraphs according to the content of the chapter. The first chapter of this report contains some descriptions of the banking sector, the perspective of Bank Asia Limited, objective, scope, methodology and limitations of this report. The next chapter is about the company overview, their corporate mission, vision, core value, corporate objective, product and services included in second chapter of this report. The third chapter contains the theoretical background of credit management system. The fourth chapter is analysis part of this report, which includes the overall credit performance analysis and after the analysis I found that their credit performance is quite satisfactory for Bank Asia Limited. The final chapter of this report contains some findings that made based on the analysis part and some recommendation for the improvement of their credit performance.

Table of Content

S.N	Content	Page No.
	Intro Page	i
	Coverage	ii
	Letter of Transmittal	iii
	Declaration	iv
	Letter of approval	v
	Acknowledgement	vi
	Executive Summary	vii
Chapter-01 Introduction		
1.1	Introduction	02
1.2	Statement of the problem	02
1.3	Origin of the report	03
1.4	Objective of the report	03
1.5	Scope of the report	03
1.6	Methodology	04
1.7	Limitations of the Report	04
Chapter-02 Profile of Bank Asia Limited		
2.1	History Background of Bank Asia Limited	06-07
2.2	Mission, Vision, Core Value and Corporate Objectives	07-08
2.3	Corporate Information of Bank Asia Limited	08
2.4	Product and Services of Bank Asia Limited	09-10
Chapter-03 Credit Management of BAL		
3.1	Definition of Credit	12
3.2	Factors Related with Credit	12
3.3	Types of Credit Management	12-13
3.4	Objectives of Credit Management	13
3.5	Principle of Credit Management	13-14
3.6	Credit Management of Bank Asia Limited	14-15
3.7	Credit Policy of Bank Asia Limited	15
3.8	Deposit and Advance policy of Bank Asia Limited	16
3.9	Definition of Credit Risk Grading	17

3.10	Credit Assessment & Risk Grading	17-18
3.11	Credit Processing of Bank Asia Limited	18-19
3.12	Credit approval of Bank Asia Limited	19
3.13	Credit Collection of Bank Asia Limited	19-20
3.14	Market Risk	20-21
3.15	Operational Risk	21
3.16	Equity Risk	21
3.17	Credit Facilities and Coverage Product at a Glance	21-23
3.18	Rate of Interest on Loan and Advances	23-25
3.19	Bad Portfolio Recovery of Bank Asia Limited	25-26
Chapter-04 Credit Performance of BAL		
4.1	Unclassified Loan of BAL	28
4.2	Classified Loan of BAL	29
4.3	Doubtful Loan of BAL	30
4.4	Bad/Loss Loan of BAL	31
4.5	Loan Recovery Performance of Bank Asia Limited	32
4.6	Sector wise Loans of Bank Asia Limited	33-34
Chapter – 05 Findings, Recommendation, Conclusion		
	Findings	36
	Recommendation	37
	Conclusion	38
	Reference	39

List of Table

S.N	Particulars	Page No.
3.17	Coverage Products at a Glance of Bank Asia Limited	23
3.18	Rate of Interest on loan and Advances of Bank Asia Limited	24
4.1	Unclassified Loan of Bank Asia Limited	28
4.2	Classified Loan of Bank Asia Limited	29
4.3	Doubtful Loan of Bank Asia Limited	30
4.4	Bad/Loss Loan of Bank Asia Limited	31
4.5	Loan Recovery Performance of Bank Asia Limited	32
4.6	Sector wise Loans of Bank Asia Limited	33

List of Chart

S.N	Particulars	Page No.
4.1	Unclassified Loan of Bank Asia Limited	28
4.2	Classified Loan of Bank Asia Limited	29
4.3	Doubtful Loan of Bank Asia Limited	30
4.4	Bad/Loss Loan of Bank Asia Limited	31
4.5	Loan Recovery Performance of Bank Asia Limited	32
4.6	Sector wise Loans of Bank Asia Limited	34

CHAPTER - 01

INTRODUCTION



1.1 Introduction

A bank is an economic institution licensed to acquire deposits and make loans. Financial institutions in general play an essential function in matching and allocating cash with depositors and lenders and making the financial system greater efficient. Bank Asia Limited began its experience on November 27, 1999. Bank Asia Limited has been a principal imparting banking offerings to the most faraway corners of country of a thru directing “Agent Banking” offerings in Bangladesh during 2014. Bank Asia Limited began its present day offerings and modern banking merchandise such as Business Banking, Small and Medium Enterprise, Treasury, Deposit Product, Islamic Banking, Internet Banking, 24/7 ATM services, Card services etc. Among these services, the major motive of my document is to discover out the credit score overall performance of Bank Asia Limited. The credit score operation of the financial institution is very necessary as it generates the biggest share of the whole income of the bank. The best possible threat is based on it and even the existence of the bank relies upon on environment friendly administration of its credit score portfolio. The subject matter of credit score administration device of Bank Asia Limited are mentioned in element in the following chapters.

1.2 Statement of the problem

This document is one of the primary components of MBA Program provided by way of Daffodil International University. In this day and age, education isn't always virtually limited to books and classrooms. Education now-a-days is appreciation the actual world and making use of understanding and training for the betterment of the society. So the Internship is such a way, to the factor that applies the facts and comprehension of the guides and to make use of them in a down to earth field. Bank Asia Limited offers me this possibility to be engaged there to acquire realistic journey about the actual commercial enterprise world and to take a look at unique realistic elements of education. Daffodil International University has dreams to produce world-class post-graduates inside the nearby environment, with understanding and abilities to grant management in enterprise, public provider and welfare. An enterprise document is characterized as an organized, goal correspondence of information that fills some enterprise need. Along these lines, so to meet this commercial enterprise they want for a theme of reporting need to be disclosed incredibly. The subject that has been described for analyzing in this document is in infinitive phase.

1.3 Origin of the report

An internship report is a requirement for the M.B.A. program Daffodil International University. The application is "Analysis of Credit Management System of Bank Asia Limited". Content provided and maintained by Dr. Sayed Farrukh Ahmed, Associate Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University.

1.4 Objective of the report

Broad Objective: The broad objective is to evaluate the credit management system of Bank Asia Limited.

Specific Objectives:

- ❖ To explain the credit management and lending procedures of Bank Asia Limited.
- ❖ To analyse the credit performance of Bank Asia Limited.
- ❖ To identify the problems relating to credit management of Bank Asia Limited.
- ❖ To provide some recommendation for solving the problem.

1.5 Scope of the report

This document consists of records and journey whilst working in the mortgage workplace at Ashulia Sme/Agriculture Branch, Bank Asia Limited. The document describes the technique of things to do concerned in approving the debts, the evaluation of which is used by way of the credit score administration system. Bank Asia Limited for credit score evaluation is an necessary section of the lending system. The document additionally focuses on managing the mortgage risks raised by way of Bank Asia Limited over the previous year. Finally, the document consists of an overview of a number of components of the mortgage system and oversees the economic procedure and gives recommendations.

1.6 Methodology

In this study, the information have been gathered from the principal sources by way of conducting area visit. However, principal information as properly as secondary information have been compiled for excellent results. To set up this document the required information gathered from each vital and beneficial sources. Both the necessary and in addition the auxiliary kind of information used to be utilized to set up the report. The important points of these sources are highlighted below.

❖ Primary data

- ✚ Observation during the total internship period.
- ✚ Private conversation with Ashulia Sme/Agriculture branch officer of BAL.
- ✚ Checking related files provided by the relevant employees.

❖ Secondary data

- ✚ Bank Asia Limited Annual Report.
- ✚ Bank Asia Limited Periodic Report.
- ✚ Head of Policy and CRM at Bank Asia Limited Policies.
- ✚ Bank Asia Limited of Banking Circular.
- ✚ Company manual.
- ✚ Website & Newsletters used as major sources.

1.7 Limitations of the Report

The actual constraints of this document are as per the following:

- There used to be a lack of ideal secondary data for Bank Asia Limited and its products. Annual reports, association rules, website and different associated archives do not cover full and enough data.
- Within such a brief duration of time, it used to be no longer viable for me to learn about the whole thing about Bank Asia Limited.
- In order to protect the secrecy of the bank, the personnel of Bank Asia Limited is no longer involved to expose some positive data required for this report.

CHAPTER - 02

PROFILE OF BANK ASIA LIMITED



2.1 Historical Background of BAL

Bank Asia Limited launched its mission on November 27, 1999 with the purpose of achieving all customers by way of offering the modern technological know-how and administration merchandise to a team of the excellent entrepreneurs in the country, and its primary goal is to supply the increase and growth of the country wide economy. Bank Asia Limited is a privately held organization in Bangladesh, included below the Constitution of 1991 and registered as a legal responsibility business enterprise below the Company Act 1994. The financial institution receives the Certificate of Participation and the Certificate of Participation. Business September 28, 1999 and banking license issued May 6, 1999.

In February 2001, Bank Asia Limited in Bangladesh used to be set up by way of The Bank of Nova Scotia. It is the first overseas financial institution to be permitted by way of a nearby financial institution in the records of Bangladesh. The Bank of Asia used to be later received in Bangladesh by way of the Muslim Commercial Bank of Pakistan in December 2001. These companies blinded some decision-makers and persevered to protest in the industry. The financial institution used to be later listed on the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) on January 6, 2004. Since its inception, Bank Asia has come to be a completely owned subsidiary.

After 14 years of operation, Bank Asia is proud to be one of the first-class banks in the country with a community of common companies. Islamic Windows, Offshore Banking, Brokerage Office, Agriculture Division and SMEs. In a quick time, the financial institution has installed itself as one of the most worthwhile and effective economic establishments in the country. The financial institution has been identified by way of nearby businesses, from small corporations to giant buyers and corporations, such as credit score management, enterprise possibilities and new funding solutions. So in a quick time, it has created a picture and earned a popularity amongst country wide economic companies. There are additionally ATMs in Dhaka and many different Dhaka cities that clients can use 24 hours a day. In addition to its 2007 assets, Bank Asia invested LTL 163.778 million. 113,489 IB and 104.911 million respectively. 2013 Over the previous two years, the enterprise has additionally registered overseas enterprise in the area of remittances.

Bank Asia has efficiently ensured consumer pleasure with excellent offerings and continues to serve the majority of the country's population. The Asian Development Bank handles all kinds of transactions. The Bank contains out a number of business activities. The primary

exercise of the financial institution is foreign money trading. Long-term financing working capital financing and co-investment. The Asian Development Bank has borrowed for a quantity of joint tasks and in some instances participates in economic contracts. The financial institution additionally provides private loans. Internal and exterior economic offerings and many different products. The Bank's lending application goals to assist the bond sector enhance residing standards, decrease expenses and make them greater available to consumers. Asian Bank Poverty Reduction Program thru an everlasting microfinance agency. It has made a large contribution to economic improvement and the prosperity of the bad rural population.

The Bank's Asian administration is dedicated to managing and growing capital thru non-stop coaching and improvement of applied sciences that meet the desires of industry, innovation and competition. Bank of Asia entered the market as the country's regulatory surroundings organized for increased economic increase and development. Diverse macroeconomic insurance policies and the government's dedication to reforming the banking area create a favorable and supportive environment.

2.2 Mission, Vision, Core Value and Corporate Objectives

Vision

Bank Asia Limited's imaginative and prescient is to create a poverty-free Bangladesh in the new millennium that displays the country's dream. The company's imaginative and prescient is to create a neighborhood centered on decreasing human dignity, human rights and poverty.

Mission

- ✚ Help supply excessive excellent client provider and get involved.
- ✚ Growth and expansion.
- ✚ To create excessive requirements of integrity and make sure whole client satisfaction.
- ✚ To be the most coveted technology-focused financial institutions in the country.
- ✚ Innovative offerings from a group of committed professionals.

Core Values

- ✚ Prioritizes client pastime and pleasure and provides customized banking merchandise and services.
- ✚ Added price for stakeholders, received from banking experience.
- ✚ Maintain excessive moral requirements and business transparency.

- ✚ Be a compliant organization that meets all prison requirements.
- ✚ This contributes a lot to the improvement of the society.
- ✚ We make sure a greater stage of motivation and an enough working surroundings for our human capital and we recognize the most useful stability between expert and personal life.
- ✚ Committed to defending the surroundings and turning into greener.

Corporate Objective

- ✚ High self-service.
- ✚ Focus on the consumer.
- ✚ Total dedication to quality.
- ✚ Good things.
- ✚ Promote business.
- ✚ Commitment to its clients at all levels.

2.3 Corporate Information of BAL

Name: Bank Asia Limited (BAL).

Registered Office: Rangs Tower.

Date of Incorporation: September 28, 1999.

Authorized Capital: Tk. 15000 million.

Paid up Capital: Tk. 6936.32 million.

Credit Rating: AA3 (LT), ST2 (ST).

Number of Branches: 86

Subsidiary Companies: 2

Technology: For online banking Bank Asia use STELAR and iStelar.

Telephone: 04470009098, 7110042, 7110062, 7110173, 7110147,

Fax +88 02 7164311

E-mail: bankasia@bankasia.com.bd

Website: www.bankasia-bd.com, www.bankasia.net

SWIFT Code: BALBDDHCTS

2.4 Product and Services

Business Banking	
<ul style="list-style-type: none"> ❖ Overdraft. ❖ Secured Overdraft. ❖ Secured OD (Earnest Money). ❖ Working capital finance. ❖ Loan against Trust Receipt. ❖ Loan against Cash Incentives. ❖ Bill discounting. ❖ Loan Syndication and Structured Finance. ❖ Packing Credit. ❖ Demand Loan. ❖ Demand Loan (work order). ❖ Time Loan. ❖ Transport Loan. ❖ House Building Loan (Commercial). ❖ Term loan. ❖ Lease Finance. ❖ Letter of Guarantee. ❖ Letter of Credit (Sight/Deferred/UPAS). ❖ Back to back Letter of Credit (Local & Foreign). ❖ Agriculture Financing. 	<ul style="list-style-type: none"> ❖ Sheba- Secured Service. ☀ Over Draft ❖ Somadhan- Secured. ☀ Special Product ❖ Utshob -Seasonal Business. ❖ Subarno -Women Entrepreneur. ☀ Consumer Finance ❖ Auto Loan. ❖ Consumer Durable Loan. ❖ Unsecured Personal Loan. ❖ House Finance. ❖ Loan for Professionals. ❖ Senior Citizen Support. ☀ Credit Card ❖ VISA Platinum Card (with Priority Pass). ❖ VISA Classic Local Card. ❖ VISA Classic Dual Card. ❖ VISA Butterfly Card. ❖ VISA Gold Local Card. ❖ VISA Gold Dual Card. ❖ Hajj Card. ❖ Travel Card (prepaid card). ❖ Lanka Bangla Card Cheque. ❖ Master Silver Card. ❖ Master Gold Card. ❖ SME Credit Card.
Small and Medium Enterprise	
<ul style="list-style-type: none"> ☀ Term Loan ❖ Subidha -Unsecured Trading. ❖ Sondhi -Secured Trading. ❖ Sristi –Unsecured Manufacturing. ❖ Shombridhi -Secured Manufacturing. ❖ Shofol –Unsecured Service. 	

Treasury	
<ul style="list-style-type: none"> ☀ Money Market ❖ Overnight Lending and Borrowing. ❖ Repo and Reverse Repo. ❖ Swap. ❖ Sale and Purchase of Treasury Bill & Bond. ❖ Placement of Fund. ❖ Term Borrowing. ❖ Investment. ☀ Foreign Exchange Market ❖ Spot. ❖ Forward. ❖ Currency Swap. 	<ul style="list-style-type: none"> ❖ Mudaraba Term Deposit Account (MTDA) of different tenure. ❖ Mudaraba Hajj Savings Scheme (MHSS). ❖ Mudaraba Deposit Pension Scheme (MDPS). ❖ Mudaraba Monthly Profit Paying Deposit Scheme (MMPPDS). ❖ Smart Junior Saver (SJS). ❖ Cash Waqf. ☀ Investment Product ❖ Bai Murabaha Muajjal. ❖ Hire Purchase Shirkatul Melk (HPSM). ❖ Musharaka Quard against Accepted Bills.
Deposit Product	
<ul style="list-style-type: none"> ❖ Saving Account. ❖ Current Account Short Notice. ❖ Deposit Fixed Deposit. ❖ Fixed Deposit. ❖ Foreign Currency Account. ❖ Deposit Pension Scheme. ❖ Monthly Benefit Scheme. ❖ Double Benefit Scheme. ❖ Triple Benefit Scheme. ❖ Bank Asia Sanchoy Plus. ❖ Shonchoy E KotiPoti (SKP). 	<ul style="list-style-type: none"> ☀ Service Products ❖ ATM Services. ❖ Remittance Service. ❖ Locker Service. ❖ Online Banking. ❖ Internet Banking. ❖ Mobile Banking. ❖ SWIFT. ❖ Centralized Trade Services. ❖ Student File. ❖ Travellers Cheque. ❖ E-Commerce. ❖ E-Procurement. ❖ Debit Card. ❖ Call Centre. ❖ Remote Banking (EBEK). ❖ Agent Banking.
Islamic Banking	
<ul style="list-style-type: none"> ☀ Deposit Product ❖ Al-Wadiah Current Account (AWCA). ❖ Mudaraba Savings Account (MSA). ❖ Mudaraba Special Notice Deposit Account (MSNDA). 	

CHAPTER - 03

CREDIT MANAGEMENT OF BAL



3.1 Definition of Credit

The phrase credit score comes from the Latin phrase "credit" which potential "I believe". It is the donor's trust in the capacity or possible of an individual / company or businesses to pay for the potential. In different words, credit score is the capacity to order the merchandise or offerings of others in change for the promise to supply these merchandise or offerings at positive instances in the future. For a bank, this is the primary supply of income and, on the different hand, the wrong use of credit score will no longer solely bring catastrophe to the financial institution for the total economy.

The goal of credit score administration is to decrease overall performance and impairment assets, as properly as to make sure the fantastic mortgage and develop factors and their environment friendly management. Credit administration is a dynamic region the place a sure popular of long-term planning is wanted to allocate money in a range of areas and to reduce threat and maximize the return on invested funds.

3.2 Factors Related with Credit

- ✓ Finance Change.
- ✓ Interest rate.
- ✓ Inflation.
- ✓ Time.
- ✓ Risk.
- ✓ Operating Expense.
- ✓ Security or Collateral.
- ✓ Legal Considerations.

3.3 Types of Credit Management

- ❖ **Credit default risk:** The threat of failure is minimal to pay all or section of the legal responsibility due to the legal responsibility of any product greater than ninety days prior to the threat that may also be affected all exchanges, which includes unhindered transactions, which includes loans, securities and economic investment.

- ❖ **Concentration risk:** The threat is associated to the effect of one or a team of issues with the possible for the property to come to be massive sufficient to threaten the bank's business. It can be a single identify mannequin or an excessive enterprise one.
- ❖ **Country risk:** The threat of damage that arises from the freezing of Foreign Payments by way of the Government of Sovereign or by way of the legal responsibility of its subsidiaries.

3.4 Objectives of Credit Management

There are some objectives of credit management of Bank Asia limited follow:

- ✓ Change the role of the work function by way of top-level management.
- ✓ Expedite the system of loan.
- ✓ To supply instruction on loan.
- ✓ To analyze and stability tasks.
- ✓ Quick response to consumer needs.

3.5 Principle of Credit Management

Despite the reality that economic difficulties have been skilled for the duration of the yr due to a number of factors, a massive quantity of actual financial issues have been a excellent sigh of relief. Bad credit score to lenders and partners, awful credit score to administration or lack of trust. Refers to adjustments in the economic role or different prerequisites that may also make the financial institution unprofitable. Banks are uncovered to the opportunity of inside lending thru the portfolio and the threat of credit score or person exchange. Banks have to additionally think about the hyperlink between credit score administration and a number of risks. An economic professional have to observe the common regulations for lending to his clients.

- ☀ Diversity.
- ☀ Source of Imbursement.
- ☀ Profitability.
- ☀ Security.
- ☀ Safety.

- ☀ Team of Office.
- ☀ Purpose of Office.
- ☀ Background, Character, and Capacity of the Borrowers.

As the introduction of lending has come to be a primary supply of international banking problems, banks and their executives want to be capable to make fraudulent investments, which has been lifeblood of preceding meetings. Banks now want to focal point on the want to differentiate, measure, consider and control insurance plan choices and make sure that they have enough capital to keep away from misdiagnosis and control threats appropriately. Although the suitable methodology chosen by way of every director relies upon on many variables, which include on-site techniques and exterior monitoring, and the extent to which exterior evaluators are used to screen the great of monitoring. More or much less skilled financial institution managers need to make sure that the credit score line administration strategy used is suitable for their exercise and that the credit score line administration modules supply enough manage over threat recovery. Another particularity of credit score threat is linked to the system of resolving economic crises. If one celebration to the change resolves the choice however the different fails, an equal loss of market capitalization will occur. Regardless of whether or not the assembly used to be delayed or not, 1/3 events will no longer be capable to discover with when the enterprise failed.

In this case, it consists of proper marketing, advertising, operations and reputation, and strains of credit score management. The diploma of threat is decided by way of the particular guidelines of the offender. Key factors of the threat design include: cost-critical enterprise plan; extend / shut entrance; and administration of intermediaries and clearing houses.

3.6 Credit Management of BAL

Credit administration is the threat that the uncertainty of a candidate will decide the success of its obligations. With so many candidates in authorities and so many specific commitments, faculties view it differently. When assessing a developer's credit score risk, and company have to think about three things:

Rate of return: If so, which of the following may be the method any different solution found? When we discuss about the creditworthiness of a responsibility, we are absolutely speaking about the capacity to expect a third responsibility. This consists of each the

incidence of the previous as properly as the predicted return. What is the position of the perpetrator in committing a crime?

Consequence: The final result is that the candidate is unable to fulfill his promise all through the time period of the contract or for divine choice One year? Selecting a one-year imaginative and prescient is known as a test. The reason of a personal loan lender is to minimize the threat of compensation by way of the financial institution whilst keeping the availability of the mortgage in the match of a dispute. Banks are required to control the threat of borrowing at any threat and the danger of borrowing or exchanging. Banks may also additionally determine on a aggregate of special kinds of loans and risks. Good credit score administration is an essential section of the common method for threat administration and fundamental to the long-term success of any cash organization. Most of the company's property are used to adjust or buy contracts. When the usage of actual estate, the financial institution acts as the borrower and is affected by way of the unstable charges or the capacity to borrow cash from the bank, besides repayment. The kind of mortgage obtained and the collateral supplied are used to decide all credit score risk. The financial institution hires a credit score examiner, who opinions the borrower's economic records and measures its credit score worthiness. The evaluation needs the enterprise to be capable to repay the mortgage so the financial institution can determine whether or not to lend.

3.7 Credit Policy of BAL

To minimize credit score risk, BAL has developed a complete credit score coverage in line with the Bank of Bangladesh's Basic Risk Management Guidelines. The bank's lending strategy concerned keeping apart the enterprise by way of approving enterprise loans, merchandising and organizing progress. BAL's credit score coverage is encouraged for all credit score and threat assessments of customers for the duration of portfolio approval and review. The credit score method additionally offers policies for the information required for credit score evaluation, marketing techniques, approval process, early monitoring, and early warning process, credit score collection, checking of non-refundable accounts, credit score deferral and discount strategy, and many greater others. Each year, pinnacle managers consider how the financial institution gives credit.

3.8 Deposit and Advance Policy of BAL

Deposit Strategy

- ❖ This kind of product includes a range of retail companies.
- ❖ Exploit the increase of nearby microfinance companies-small branches in rural areas and massive channels such as EBK (Ektee Bari Ektee Khamar), Agent Banking, etc.
- ❖ Provides economic management, translation services, organization account administration and environment friendly use of EFTN offerings to make sure economic offerings and quickly security.
- ❖ Strong CASA support, Hajj credit score merchandising and more.
- ❖ Take benefit of cell banking to add low cost ticket transfers as properly as cell wallets to assist enterprise transactions.

Advance Policy

- ❖ New aspects emerge from a sturdy focal point on power, shipbuilding, sailing, jute yarn, ceramics, pharmaceutical industry, etc.
- ❖ Current developments such as agro-industry, leather, frozen food, and garb enterprise are extra focused.
- ❖ The response enterprise will be targeted, which will be a key supply of enterprise infrastructure for SMEs, taking benefit of the provide chain management.
- ❖ The primary purpose for the export and export enterprise is to assist expand the increase of Forex thru more than one channels, as properly as to assist extend the profitability of the bank.
- ❖ Special interest will be paid to the improvement of the SME mortgage portfolio to obtain a greater stage and minimize the poor effect of primary breaches.
- ❖ Credit administration structures will be applied to make sure environment friendly domestic administration and commercial enterprise operations.
- ❖ When possible issues in your account are recognized by way of the Early Warning System (EWS), these are cautiously monitored and, if necessary, redesigned.
- ❖ Transferring credit to the enterprise area brings big benefits, attractive in mathematical play as properly as managing an excessive portfolio.

3.9 Definition of Credit Risk Grading

- The Credit Risk Level (CRG) is a compound time period primarily based on a set measure and has affected the credit score threat for exposure.
- Mortgage Security is an easy mannequin for growing a Credit Management Security System.
- A Security code borrows a quantity / letter / image that is an early indication of the dangers related with debt.

3.10 Credit Assessment & Risk Grading

- ✓ **Credit Assessment:** Before the mortgage is disbursed and at least as soon as a yr. for all benefits, a full evaluation and threat is required. The advantages of this measure have to be disclosed in the mortgage utility by way of the Relationship Management / Finance ("RM") and accepted by way of the Credit Risk Management (CRM). RM shall be in cost of client family members and shall have the duty of overseeing the availability of all authorized mortgage applications. RMs want to be conscious of employer financial institution records about end-of-life and new borrowers, executives and guarantors want to be proactive. It is essential that RMs understand their clients and be cautious oversee new recruits, the principal and the guarantor to make sure that these businesses are really representative. Each financial institution is required to set up a KYC and economic safety methods that should be observed in a well-timed manner. The mortgage utility have to consist of a short précis of the RM threat evaluation and consist of at least the following information:
 - ✓ Security Arrangements.
 - ✓ Amount and types of loan proposed.
 - ✓ Purpose of loan.
 - ✓ Loan Structure (Interest, Repayment Schedule, Covenants, Tenor).

Risk Grading: All banks need to receive a credit score threat rating. The recipient of sure threat or threat measures have to be described to make sure that he or she meets the dangers concerned in managing the account, requirements and costs. The threat distribution is an essential measure of the high-quality of a financial institution and, therefore, it is essential that the threat is a strong process. Each

advantage have to be decided by way of the diploma of risk. If impairment is observed in the risk, the stage of threat provided to the borrower and its advantages have to exchange immediately. The threat lessons of the beneficiary have to be actually mentioned in the mortgage application. The preliminary notification system need to be finished by way of the RM in a well-timed manner and have to be submitted to the CRM for approval at all costs. After approval, the document should be submitted to the credit score management, which is accountable for making sure that the real receivables / receipts are corrected on a normal foundation in the system. Reductions must be made right now in the match of mistaken records and have to no longer be delayed till the annual assessment process.

3.11 Credit Processing of BAL

Debt records is a technique the place all the essential credit score records and utility assessment is done. Loan utility types should include enough records to maintain all essential facts for the preliminary credit score begin assessment. In this link, economic establishments need to have stock to make sure that all essential data is correct written. Financial companies want to increase choices first; this will be the information for finding out the kind of assurance for acceptance through their operations. For example, the system may also consist of rejection of a utility by way of a nameless customer. These processes will assist companies keep away from and consider purposes that may also be rejected later.

The subsequent stage of the credit score examination is the credit score evaluation in which the economic group assesses the client's potential to operate its functions. Institutions have to set up a well-planned credit score assessment criterion (Morton) to make sure that solely clients are capable to reimburse from fairly set up sources of money glide over a duration of time (Morton Glantz, 2002).

In the case of mortgage syndication, there have to be a coverage to make sure that a collaborating economic group is no longer unjustifiably primarily based on a credit score threat evaluation carried out by way of a lead insurer. The enterprise have to elevate out its suitable work, such as the phrases and prerequisites of threat evaluation and syndication. As a common rule, the assessment standards will be concentrated-

- Administration ability of company customers.
- Purpose and quantity of facilities, sources of repayment.
- Current and forecast working surroundings of the borrower.
- Physical inspection of the beneficiary's enterprise premises as properly as the services issue to the proposed funding.
- The integrity and popularity of the applicant, as properly as its prison ability to maintain credit score liability.
- Sensitivity of the industrial area relevant to the threat profile of the recipient and financial fluctuations.

3.12 Credit approval of BAL

An economic group ought to have written suggestions primarily based on the credit score approval system and the approval authority of the individual or committee, as properly as these decisions. Authorizing authorities have to be accepted by using the Management Board. Approval authorities will amend the phrases of new credit score approvals, renewals of present credit score and before accepted credit score and, in particular, credit score restructuring, which need to be in full swing. Documented and registered. Prudent credit score exercise requires that people approved with the credit score approval authority are no longer accountable for the relationship with customers.

Depending on the measurement of the economic institution, it have to improve a team of credit score threat specialists with a excessive stage of knowledge and journey and show understanding in the assessment, approval and administration of credit score risk. A device of accountability ought to be set up with the decision-making process, which include a clear way to screen the choices taken with a right identification of the people / committees involved.

3.13 Credit Collection of Bank Asia Limited

Debt settlement: Depending on the location of the mortgage package, the maturity date is set at the maturity date, relying on the location of the mortgage package.

Loan Breakdown by way of Past Days: The credit score error charge is decided primarily based on the consumer's regular day by day charge from the day of the consumer's first payment, in addition to the pockets introduced the preceding day.

Loans from the preceding day: In addition to the baggage introduced the day before, the quantity borrowed is constant due to the fact the client receives the each day charge from the date of the consumer's first payment.

Billing Procedure: Consumers will obtain a observe or a financial institution contract alongside with all the installments and credit score alongside with the compensation of the loan. If the client does now not comply with the contract or does no longer obtain the required fee, the registration will be closed for this period. The mission of debt series is to get better late repayments from unsecured customers. There have been a number of levels in the writing process, after an advert behaved deceptively till the publication used to be again after late payment. Content series can be divided into 4 phases, specifically crawling, searching, collecting, and retrieving. The maturation of the information in the accumulation refers to the days that have elapsed considering that sunset.

Collection unit: The series method for SMEs and outlets starts when the client does no longer pay at least one part. Then the series unit need to be capable to stop massive income losses and credit score problems. Consolidation performs an essential position in lending and collateral procedures thru the potential and capacity to get better losses on receivables, the manufacturing of allotted objects and information status. The major cause of the merger is to make sure that merchandise that are no longer precious nowadays are, if possible, obtained and depended on by using consumers.

3.14 Market Risk

The threat of loss from unfavorable motion in economic market costs (interest and change rate) and bond, fairness or commodity prices. A bank's market threat publicity is decided through each the volatility of underlying threat elements and the sensitivity of the bank's portfolio to actions in these threat elements (Hendricks and Hirtle, 1997). The threat of adjustments in profits of the financial institution as a end result of actions in market activity rates. Interest costs threat is a primary situation for banks due to the nominal nature of their property and the asset-liability maturity mismatch (Hasan and Sarkar, 2002). Some researchers emphasized that greater activity costs had effective effect on banks (Hanweck and

Ryu, 2004; Hyde, 2007). It arises from achievable exchange in income resulted from alternate fee fluctuations, detrimental change positioning or trade in the market costs managed by way of the Treasury Division.

3.15 Operational Risk

Financial harm can be induced by way of mistakes in present day enterprise processes. Occupational threat is no longer solely associated to financial institution crashes, however additionally to financial institution crashes, such as anti-bullying, uncontrolled opposition and herbal catastrophe threat (King, 1998). These reasons are frequently uncontrollable and unknown. In addition, human or technological errors, lack of manage to stop unlawful or inappropriate business, fraud and misrepresentation can lead to loss of inside processes, humans and work (Medova, 2001).

3.16 Equity Risk

It is the threat of loss due to unfavorable exchange in market rate of equities held through the bank. Equity threat is "the economic threat concerned in keeping fairness in a specific investment." Equity threat regularly refers to fairness in businesses thru the buy of stocks, and does now not usually refer to the threat in paying into actual property or constructing fairness in properties. The measure of threat used in the fairness markets is generally the popular deviation of a security's fee over a quantity of periods. The popular deviation will delineate the regular fluctuations one can assume in that specific protection above and under the mean, or average. However, due to the fact most buyers would no longer think about fluctuations above the common return as "risk", some economists choose different potential of measuring.

3.17 Credit Facilities and Coverage Product at a Glance

Debt property are categorized in accordance to special industries, main debt sectors and the nature of debt assets.

There are generally three kinds of loans in this sector. They are proven below:

- ❖ Service.
- ❖ Trading.
- ❖ Manufacturing.

Loan and Advance have been primary divided into three major group they are given-

- ❖ Term Loan.
 1. Short Term.
 2. Medium Term.
 3. Long Term.
- ❖ Continuous Loan.
- ❖ Demand Loan.

According to the central credit sectors, all categories of loans and promotions are taken into account. The sectors are shown below:



Depending on the type of financing, all loans can be grouped into two major categories.

The followings are the funded credit facilities/limits usually in the industries:

<ul style="list-style-type: none"> ☀ Payment against Documents. ☀ Loan Against Trust Receipt. ☀ Loan against Imported Merchandise. ☀ Secured Overdraft (Earnest Money). ☀ Packing Credit (Export). ☀ Local Documentary Bill Purchase. ☀ Foreign Documentary Bill Purchase. ☀ Loan Against Export Development Fund. 	<ul style="list-style-type: none"> ☀ Lease Finance. ☀ House Building Loan. ☀ Demand Loan (Work Order Finance). ☀ Cash Credit against Hypothecation. ☀ Cash Credit (Pledge). ☀ Export Cash Credit. ☀ Secured Overdraft (Financial Obligation). ☀ Overdraft.
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Coverage Products at a Glance

Products	Loan Limit	Age Limit (At loan Maturity)	Equity	Processing Fees	Risk Fund	Loan Period
House Finance	3-75lac	25-65years	30%	0.5% or tk. 5000/-	NIL	15years
Auto Loan	Up to20lac	25-65years	70%	1% or tk.5000/-	NIL	5-6years
Consumer Durable Loan	0.5-5lac	25-57years	70%	1% or tk.1000/-	1%	4years
Loans for Professionals	0.5-5lac	25-65years	70%	1% or tk.1000/-	1%	4years
Unsecured Personal Loan	0.25-10 lac	25-57years	70%	1% or tk.1000/-	1%	4years
Senior Citizen Support	0.25-2lac	57-65years	70%	Waiver	1%	3years

3.18 Rate of Interest on loan and Advances

The charge will take impact on May 5, 2021. The selection to regulate the activity costs on loans. The selection to regulate activity costs on loans and profits used to be made at a assembly of the Bank Asia Limited's Security Council (ALCO) of Bank Asia Limited. If the mortgage is repaid and increased, an activity fee of 2% per annum is paid. In the case of SOD, by using acknowledging the overpayment, the department supervisor will make sure that activity charges exchange for the duration of the FDR transition.

Rate of Interest

Sl.	Type	Rate	
		Mid-Rate	Maximum Rate
1	Agriculture	11.50%	13.00%
2	Term Loan to Industries	14.00%	15.50%
3	Working Capital to Industries	14.00%	15.50%
4	Trade Finance for rice, wheat, edible oil, pulse, peas, onion, dates & sugar	14.00%	15.50%
5	Other Trade Finance	15.50%	17.00%
6	Export	7.00%	7.00%
7	Others Commercial Lending	15.50%	17.00%
8	Cottage Industries		
	With Govt. Refinance	10.50%	12.00%
	Without Govt. Refinance	13.50%	15.00%
9	Housing	13.50%	15.00%
10	Overdraft Against		
	FDR issued By BAL	3% above the weighted average rate of interest given/applied on cash collaterals subject to minimum at 11.50%	
	MB+,DB+,TB+,DPS+,BASP of BAL	14.50%	16.00%
	Similar Instruments issued by other Banks	12.50%	14.00%
11	Consumer Credit		
	Micro Credit Scheme	11.50%	13.00%
	Unsecured personal Loan	15.50%	17.00%
	Consumer Durable Loan	15.50%	17.00%
	Auto Loan	15.50%	17.00%
	House Finance	13.50%	15.00%
	Loan to professional	15.50%	17.00%
	Senior Citizen Support	14.00%	15.50%
12	Loans to Non-Banking financial Institution	15.50%	17.00%
13	Others	15.50%	17.00%

Loan Classified and Provisioning

- ❖ Continuous Loan.
- ❖ Short Term Loan.
- ❖ Fixed Term Loan.
- ❖ Demand Loan.

Continuous Loan

Loan limits, generally one year, are up to date on a normal foundation for every kind of loan.

Examples: cash, credit, etc.

Short Term Loan

Short-term agricultural credit score consists of temporary bulletins posted in the annual economic application of the Bank for Agriculture and Finance of Bangladesh. Information recorded in 12 months can also additionally be included. Short-term loans can be small loans with a constant activity price on constant loans from ACFID Bank in Bangladesh and repayable inside 12 months if registered, such as Non-farm loans, private information. Credit, Weaver credit score or challenge credit score from a personal bank.

Fixed Term Loan

Loans that are repaid over a sure duration in accordance to a sure amortization time table are dealt with as loans at maturity.

Demand Loan

Loans that fall into the bank on request are handled as day by day loans. If a rent or different legal responsibility is transferred to a loan bank, as the lender is no longer pre-approved, it is modified in accordance to the source. For example: pressured loans for overseas goods, charge with documents, buy of overseas foreign money and buy of mortgages, etc.

3.19 Bad Portfolio Recovery of Bank Asia Limited

Withdrawal Process: SAM's nationwide compensation mannequin is starting to battle awful credit score by way of giving customers an exception for delays. The waiver will be decided by way of law, however, suffered damage, finally closing companies, etc. Now a day decrease exception is granted.

The board resigned: According to a press launch from the Bank of Bangladesh, East Company has the proper to particularly resign. The SAM will take motion to decrease the proposed threat information if the following methods are followed:

- ☀ Negative Rating / Loss Rating (BL)
- ☀ 100% Allowed
- ☀ Applicable (according to national law).

Legal notice: SAM-S & R will submit a prison observe of 145 DPD for small and medium-sized companies and a retail observe of DPD 360 for non-performing debtors to exchange the stability and a 2nd for the debtor after the switch return experiments. The first prison observe used to be obtained by way of 1/2 of the country and was once used by way of unlawful retailer's backyard clinical facilities. Fifteen days after the first prison observe and thirty days after the 2nd observe below the NI, the debtor is generally served with the major change. The inadequate quantity of the mortgage will be repaid by way of SAM after the property are diagnosed as related.

SME and Corporate Banking Services: Specialized Financial Management (SAM) - Specialized CRM conferences for SMEs and Retail Banking. Its important feature is to get better an unstable bank. SAM regulates financial institution failure thru regulatory / regulatory measures and helps exterior and inside recuperation to make sure the integrity of the bank's threat portfolio (RIP). In this case, SAM used to be set up as a small buying and selling organization and a brokerage company imparting prison offerings for two portfolios, as properly as CIS and inside checking out programs. SAM is drafting law associated to essential SME pastimes and enterprise intelligence.

File Transfer: Transfer documents to SAM or SME when transferring to DPD a hundred and eighty SAM obtained a response from shops after the DPD 360 conversion.

CHAPTER – 04

CREDIT PERFORMANCE OF BAL



4.1 Unclassified Loan of BAL

Year	Total Loans and Advances	Amount of Unclassified Loan	The ratio of unclassified loan in total loans and advances
2018	37,683,324,392	32,223,224,898	85.51%
2019	54,898,938,962	49,324,987,926	89.85%
2020	66,372,947,371	59,949,657,761	90.32%
2021	88,524,991,539	79,384,299,992	89.67%
2022	92,944,396,887	85,861,865,362	92.38%

Table 1: Unclassified Loan

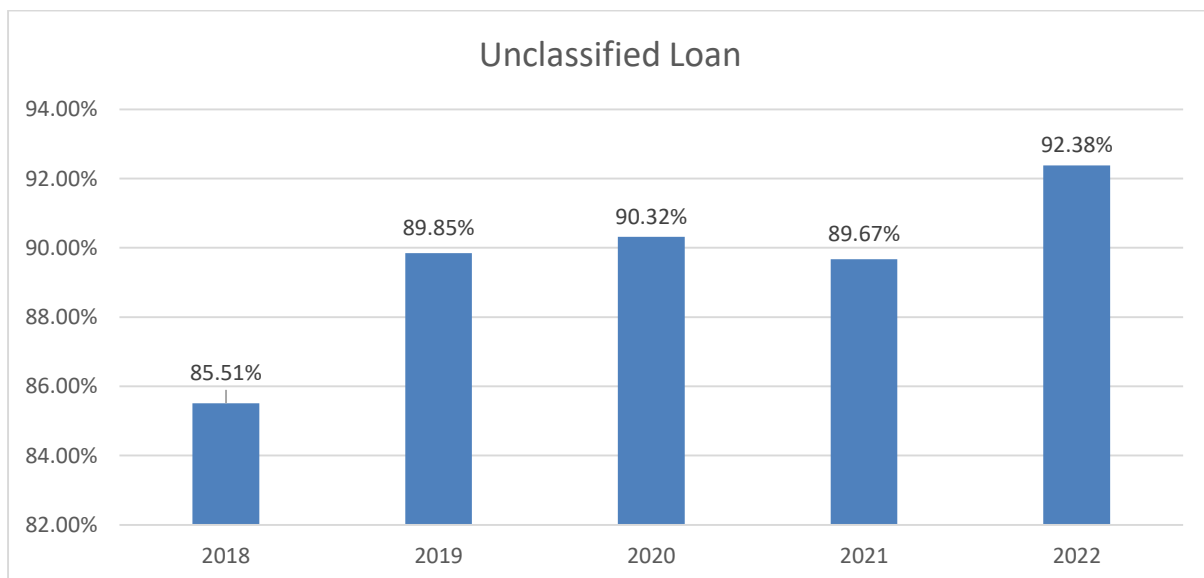


Chart 1: Unclassified Loan

Interpretation:

In the above point out overall performance evaluation of the unclassified loan, use 2018 as the base year. The diagram above indicates that Bank Asia Limited unclassified mortgage used to be between 2018 and 2022. In 2018, their unclassified mortgage ratio used to be 85.51%, and the following year, it improved then closing yr. 2022 the ratio used to be 92.38%. The couple of three-year improved barely in 2019, ratio used to be 89.85% in 2020, the place the ratio used to be 90.32% and 2021 ratio used to be 89.67% however reduced in 2018 in contrast to different years. The closing 5 years ratio of unclassified mortgage common price used to be 89.54%.

4.2 Classified Loan of BAL

Year	Total Loans and Advances	Amount of Classified Loan	The ratio of classified loan in total loans and advances
2018	37,683,324,392	679,934,229	1.80%
2019	54,898,938,962	1,226,652,988	2.23%
2020	66,372,947,371	1,726,348,499	2.60%
2021	88,524,991,539	1,364,917,316	1.54%
2022	92,944,396,887	1,699,234,199	1.83%

Table 2: Classified Loan

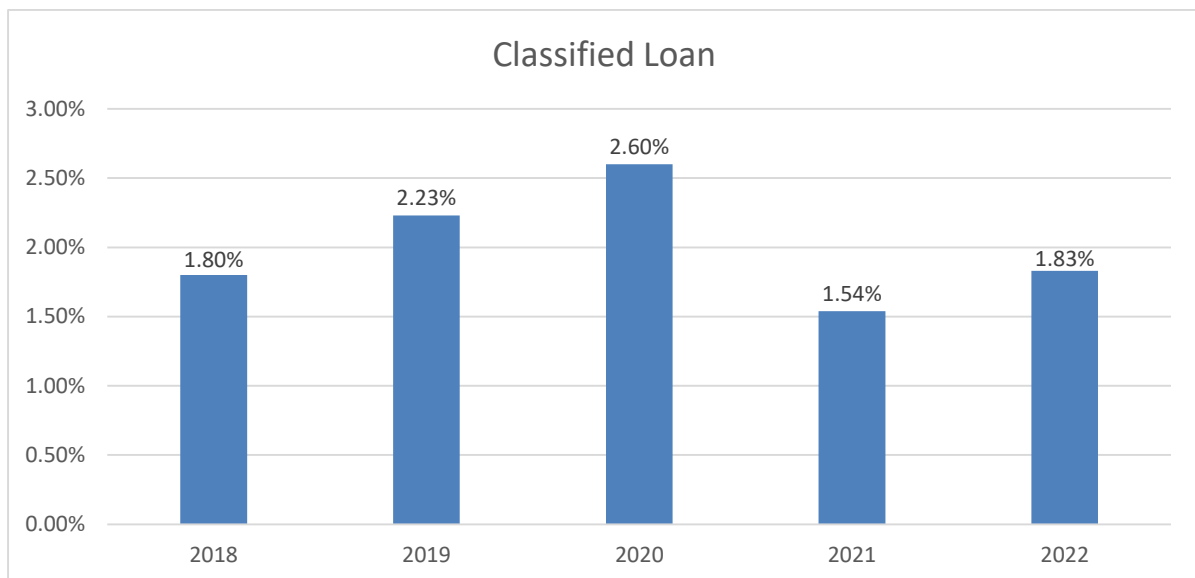


Chart 2: Classified Loan

Interpretation:

From the desk above it is referred to that their classified mortgage the ratio used to be 2.23% decrease than in 2019, which used to be 2.60% in 2020 greater than the following yr. ratio, their ratio reduced to 1.54% in 2021. Which is very unlucky for Bank Asia Limited, so last the yr. in 2022 the place the ratio improved to 1.83% in contrast to 2021. Use base yr. 2018, the common ratio of classified mortgage in the last 5 years used to be 2.0%.

4.3 Doubtful Loan of BAL

Year	Total Loans and Advances	Amount of Doubtful Loan	The ratio of doubtful loan in total loans and advances
2018	37,683,324,392	449,379,925	1.19%
2019	54,898,938,962	696,827,649	1.27%
2020	66,372,947,371	934,988,969	1.40%
2021	88,524,991,539	1,652,998,191	1.87%
2022	92,944,396,887	1,491,313,566	1.60%

Table 3: Doubtful Loan

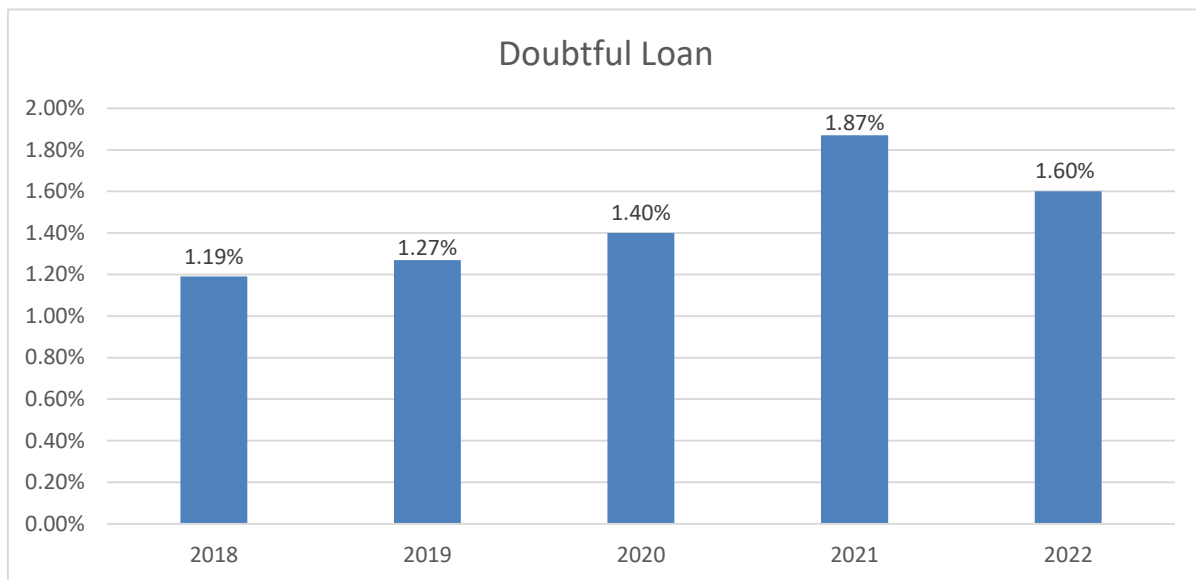


Chart 3: Doubtful Loan

Interpretation:

From the chart it indicates doubtful mortgage of Bank Asia Limited in 2018 to 2022. Where, 2018 is used as a base yr. for the doubtful mortgage ratio evaluation noted above. The common ratio of doubtful mortgage last 5 years is 1.47%. Their doubtful mortgage in 2019 the ratio used to be 1.27%, which is greater than the preceding year, subsequent yr. their ratio will be 1.40% in 2020, and in 2021 their ratio used to be 1.87%. But final yr. 2022, at the cease of the fiscal year, the ratio used to be reduced to 1.60% in contrast to different years that is appropriate signal of BAL.

4.4 Bad/Loss Loan of BAL

Year	Total Loans and Advances	Amount of Bad/Loss Loan	The ratio of bad/loss loan in total loans and advances
2018	37,683,324,392	593,348,964	1.57%
2019	54,898,938,962	895,197,618	1.63%
2020	66,372,947,371	1,594,896,859	2.40%
2021	88,524,991,539	2,577,997,115	2.91%
2022	92,944,396,887	2,583,594,523	2.78%

Table 4: Bad/Loss Loan

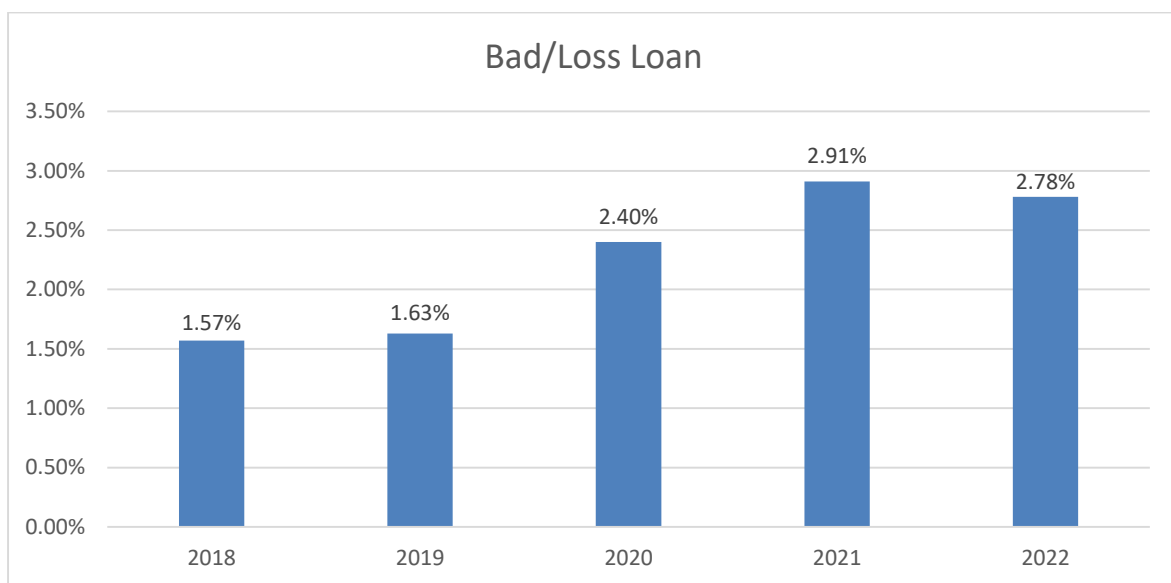


Chart 4: Bad/Loss Loan

Interpretation:

The graphs above exhibit an expand in whole bad / loss mortgage continues to expand each and every year. For the bad/loss mortgage overall performance evaluation above noted in 2018 used as a base year. In 2019 bad/loss mortgage used to be the ratio is 1.63%, in 2020 ratio used to be improved is 2.40%, in 2021 bad/loss mortgage ratio used to be improved 2.91% that is no longer appropriate signal of BAL. The common ratio of bad/loss mortgage final 5 years 2.26% is no longer satisfactory. In the final yr. 2022, the bad/loss mortgage the ratio used to be reduced 2.78% will no longer expand significantly. Therefore, it is no longer in prefer of Bank Asia Limited.

4.5 Loan Recovery Performance of BAL

Year	Write off Loans and Advances	Recovery of Write off Loans	The ratio of loan recovery to total write off loans and advances
2018	125,947,339	5,326,494	4.23%
2019	182,622,739	6,795,569	3.72%
2020	1,378,669,145	59,989,878	4.35%
2021	2,345,979,953	197,695,741	8.43%
2022	2,154,469,972	246,998,991	11.46%

Table 5: Loan Recovery Performance of BAL

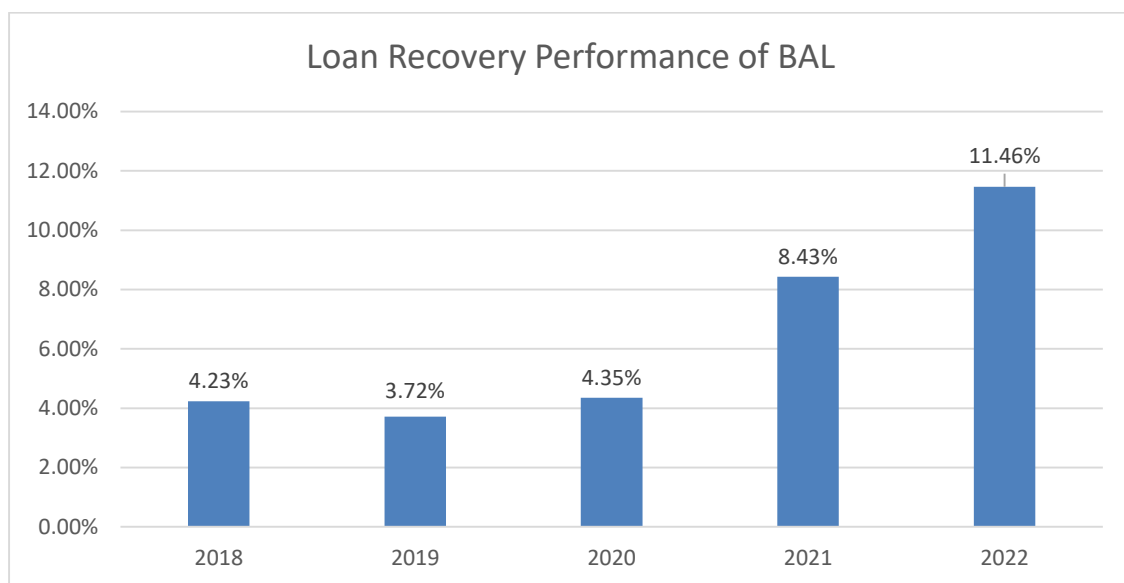


Chart 5: Loan Recovery Performance of BAL

Interpretation:

The above noted 2018 is used as a base yr. for loan recovery overall performance analysis. From the chart above it can be referred to that the loan recovery ratio in 2018 used to be 4.23% and it reduced to 3.72% in 2019. The following yr. it improved by way of 4.35% in 2020 than in 2021 it improved by way of 8.43% as a large amount. But in 2022 it improved large once more to 11.46%. BAL's common loan recovery overall performance over the final 5 years is 6.44%. Thus, BAL's loan recovery overall performance has been fluctuating after yr. by way of year.

4.6 Sector wise Loans of BAL

SL. No	Sectors/Sub-Sectors	2022	Ratio
1.	Agriculture	7,409.10	2.67%
2.	Industries		
	Food Manufacturing	14,167.5	5.10%
	Beverage industry	244.6	0.09%
	RMG industry	33,951.9	12.23%
	Textile industry	24,298.9	8.751%
	Wood cork and allied products	46.6	0.02%
	Furniture and Fixture	313.4	0.11%
	Paper and paper products	5,024.4	1.81%
	Leather and leather products	3,157.3	1.14%
	Rubber products	4,577.7	1.65%
	Chemical and chemical products	916.2	0.33%
	Basic metal products	11,429.8	4.12%
	Electrical machinery and apparatus	3,499.3	1.26%
	Other manufacturing industries	23,046.0	8.30%
	Ship building	4,468.7	1.61%
	Ship breaking	1,435.1	0.52%
	Pharmaceutical	7,899.8	2.84%
	Subtotal	138,477.18	49.87%
3.	Constructions	8,404	3.03%
4.	Power, Gas, Water and Sanitary Services	13,914.80	5.01%
5.	Transport, Storage and Communication	2,532.9	0.91%
6.	Trade Services	51,879.2	18.68%
7.	Housing Services	18,448.60	6.64%
8.	Banking and Insurance	4,857.40	1.75%
9.	Professional and Misc. services	31,760.5	11.44%
	Total	277,683.68	100%

Table 6: Sector wise Loans of BAL

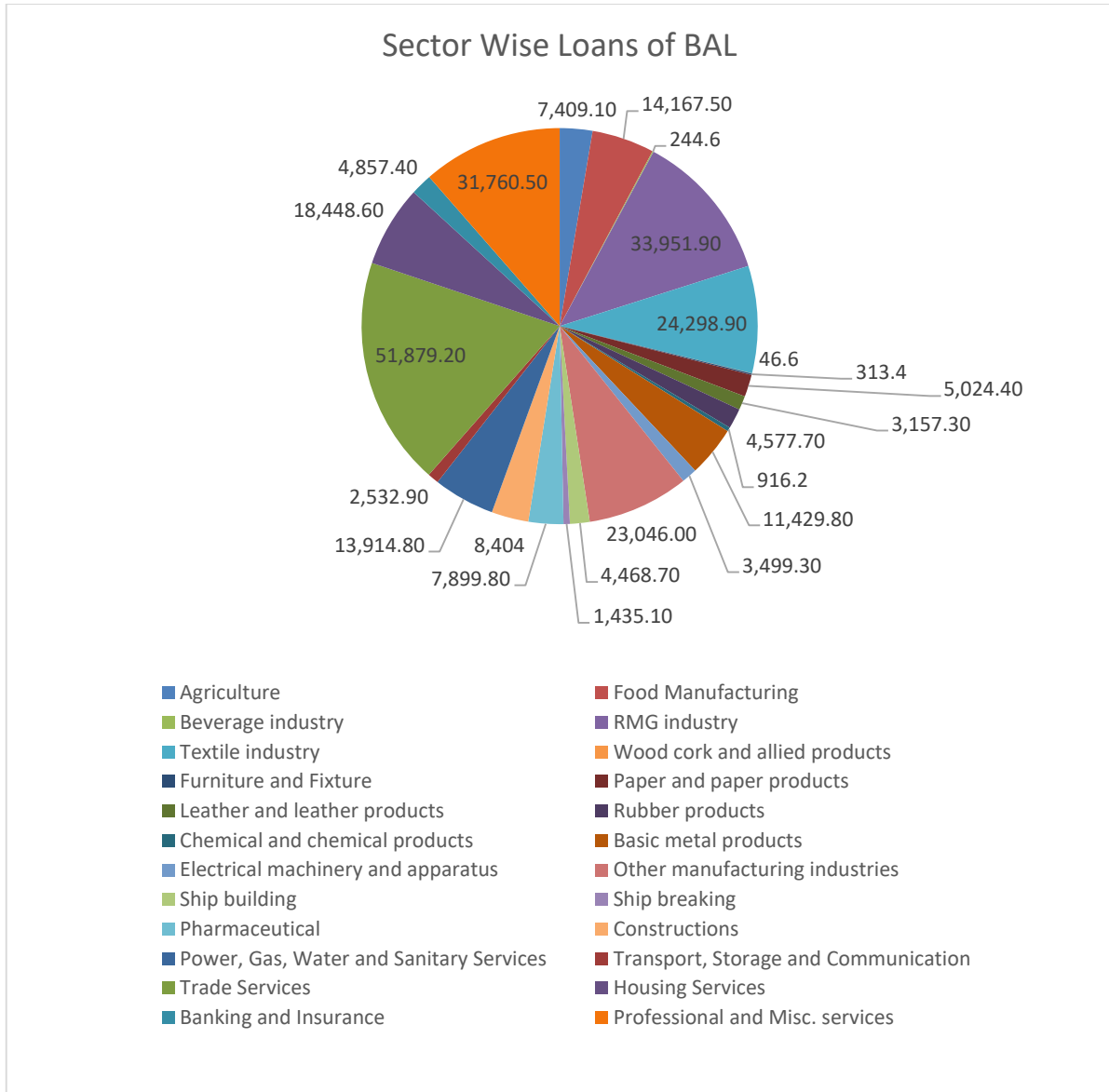


Chart 6: Sector wise Loans of BAL

Interpretation:

In the above chart we have considered that, area wise mortgage of Bank Asia Limited 2022 year. This was once displaying the Agriculture 2.67%. Here Bank Asia limited in the lowest mortgage supply in Wood cork and allied merchandise 0.02%, RMG enterprise 12.23%, Food Manufacturing 5.10%, Textile enterprise 8.75%, Basic steel merchandise 4.12%, Other manufacturing industries 8.30%, Constructions 3.03%, Power, Gas, Water and Sanitary Services 5.01%, Trade Services 18.68%, Housing Services 6.64%, Professional and Misc. offerings 11.44%, Pharmaceutical 2.84%, Paper and paper merchandise 1.81% and Banking and Insurance 1.75%. Total area wise mortgage of BAL are appealing and bendy mortgage.

CHAPTER – 05

FINDINGS, RECOMMENDATION, CONCLUSION



Findings

From my find out about on the credit overall performance and things to do of Bank Asia Limited I acquired some essential findings, which are given below:

- ✚ In 2022, the unclassified mortgage ratio improved by means of 92.38% over the preceding years. The perfect unclassified mortgage ratio need to be 80-85%. Thus, the unclassified mortgage ratio is in an excellent position.
- ✚ Classified mortgage fluctuates to between 2018 and 2019 it improved by means of 1.80% to 2.23%. In 2020, it extended through 2.60% and then fell again. BAL was once successful to keep classified mortgage ratio.
- ✚ Doubtful mortgage has regularly increased. In 2018, it used to be 1.19% decrease than different years, however in 2021 it used to be the highest, at 1.87% it is no longer a appropriate signal for BAL.
- ✚ The bad/loss mortgage of BAL additionally growing yr. through year. In 2021 it used to be 2.91% a lot greater than different 4 years. In 2022 it was once 2.78% it is suitable role evaluate to 2021.
- ✚ Loan recovery overall performance of BAL proceed to develop the ratio large improved final yr. at 11.46% in 2022, a lot greater than the preceding 4 years. Even throughout the Covid-19 situation, BAL's mortgage recovery overall performance has no longer been affected in any way. Last year, mortgage used to be elevated by way of 3% in contrast to 2021.
- ✚ In 2022, the best possible sector-based lending used to be trade services loans of 18.68% and the lowest in the case of wood cork and allied merchandise was once 0.02%. BAL's whole sector-based loans supply beautiful and bendy loans.

Recommendations

Based on an evaluation of the variations in lending techniques between Bank Asia Limited, the following guidelines had been made:

- ✚ Over the final 5 years, Bank Asia Limited's whole mortgage and boom has increased. So banks must attempt to keep this overall performance by way of growing buyers, with new schemes and through providing proper activity rates.
- ✚ The technique of lending ought to be made quicker and simpler due to the fact in the market opposition is very difficult nowadays in the banking industry.
- ✚ Unclassified mortgage charge BAL have to current and enhance the design of information and must confirm pointers for credit, managers are observed completely.
- ✚ The financial institution has scarcity of humans in their client provider and credit score department. That creates hassle for supplying the provider to their valued customers. Sufficient staff is necessary.
- ✚ For the reduce of classified loan, BAL can expand investigate the files proper for credit score approval method as per the common rule of Bangladesh Bank.
- ✚ It is necessary to set up some other group for bad loss mortgage recovery and these are essential problems for normal monitoring and auditing. Not giving mortgage except legitimate documents. Only then is it viable to get better bad/loss and doubtful loans.
- ✚ In the case of sector-wise loans, it is considered that the organization has extra loans in the massive sector, however the loans are no longer being get better thru fraud. If a suitable BAL focuses on SME loans such as family loans or private loans, due to the fact personnel provide greater returns. Therefore, greater loans must be given to SMEs.

Conclusion

As an organization, Bank Asia Limited is registered as one of the main banking businesses in Bangladesh. This assembly is prepared by using extra than any different business financial institution in Bangladesh. He continues to attempt for innovation and enterprise development. Progress has a popularity as a partner. Many Bangladeshi banks provide a broad vary of economic offerings such as new kinds of loans and promotions as properly as some new offerings launched annually. Bank Asia Limited, a separate bank, has determined a new way to attain its goals. The company has reached the hearts of the humans by way of updating a number of projects. In the close to future, when the opposition between the banks will be served, Asian banks will have to renew their mortgage portfolio to get their personal identity. Credit threat administration structures that may also appear suitable nowadays may also no longer work tomorrow. Central to this is a complete IT system, necessary abilities and the potential to attain the modern insights as properly as enhance your credit score administration system. Now Bank Asia continues to work in Bangladesh, developing a picture and favoring its clients by way of offering them with fantastic services. This success is pushed by way of dedication, dedication and sturdy leadership. In a quick duration of work, the Bank of Asia has efficiently installed itself as the strongest and most effective economic organization in the country. With the growth of new services, the use of automation equipment and the digital transmission of economic information, the Bank of Asia will quickly grow to be the first digital infrastructure in the country. The present day scenario with BAL is satisfactory. But all through the competition, if the financial institution does no longer care about different regular people, and consequently higher results, then it will become challenging to maintain the cash due to the fact anybody needs to remain healthy. But even if BAL can resolve such a problem, it will be greater prepared than any different financial institution in the Bangladeshi region.

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