



Daffodil *International* **University**

Internship Report On:

“Credit Operation and Performance of Premier Bank Limited”





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“Credit Operation & Performance of Premier Bank Limited”

Submitted To

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Submitted By

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ID No: 183-11-5964

Program: BBA, Major: Accounting

Department of Business Administration

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Daffodil International University

Date of submission: 05-10-2023

Letter of Transmittal

Date: 05/10/2023

To

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

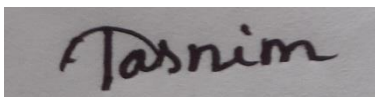
Subject: Submission of Internship Report.

Dear Sir,

With due respect, I humbly request your permission to submit my internship report on “**Credit operation & Performance of Premier Bank Limited**”. This task has given me the opportunity to gather practical experience and explore the credit operation activities of banking industry. The report includes an evaluation of the “Credit operation & Performance of Premier Bank Limited” based on its credit activities. Being given the chance to work at this bank was a wonderful pleasure for me. I apologize for my any mistake that appear in the report despite my best effort.

Therefore, I pray and hope that you would be kind enough to approve my internship report and oblige thereby.

Sincerely Yours,



.....
Tasnim Mahajabin

ID No: 183-11-5964

Program: BBA, Major: Accounting

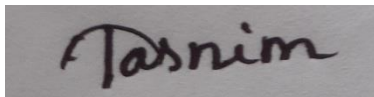
Department of Business Administration

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Declaration

I, Tasnim Mahajabin a student of bachelor of Business Administration (BBA) program bearing ID: 183-11-5964, major in accounting from Daffodil International University would like to declare here that an internship report on have “**Credit operation & Performance of Premier Bank Limited**” has been authentically prepared by me. This report was not submitted elsewhere for any academic purposes.

I also stated that I wrote my paper entirely based on my own experiences for academic purpose.



.....
Tasnim Mahajabin

ID No: 183-11-5964

Program: BBA, Major: Accounting

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Letter of approval

This is to certify that Tasnim Mahajabin, ID No: 183-11-5964, Major in Accounting, is a regular student of Bachelor of Business Administration (BBA) Program, under the department of Business Administration, Daffodil International University, has completed the internship report on “**Credit Process & Performance of Premier Bank Limited**” under my supervision. She successfully completed her internship program at Premier Bank Limited.

I wish her happiness, good health and every success in life.



.....
Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Acknowledgement

First of all, I want to express my gratitude to the almighty Allah who gave me strength and opportunity to complete this internship report. Without whose help, I am unable to achieve any goal in my life.

Secondly, I am grateful to my honorable supervisor Md. Arif Hassan, Assistant Professor, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University for allowing me to complete my internship report. His guidance actually helped me and i am grateful to him for his informative suggestion.

I am also pleased to all other teachers who have shared their knowledge and provide me the finest opportunity to learn about the organization.

I would also thank to all the officer of Premier Bank Limited (Panthapath Branch) particulars Abdul Kayum (EVP) & head of branch, Md. Saiful Hamid (EO & MOB), Nasrin Jahan (Senior Officer & GB In-Charge) who gave me the opportunity to expand my knowledge.

Finally, I am grateful to my parents for their support, prayers for my bright future and thanks for all of my friends for their support during in this internship program.

Executive Summary

Now a days, we can't imagine a society without bank that contribute to play a vital role in the development of the economy. The bank's main target is to build up capital, improving financial capacity and security.

The Premier Bank Limited is the largest and leading private sector commercial bank in Bangladesh. The bank is engaged in offering conventional and Islamic commercial banking service to its customer such as depository scheme, loans and advances, card. Its product and service include corporate banking service such as short-term finance, long-term finance, export finance, retail banking, home loan, travel loan, digital banking service (p money apps), popular as student file service and remittance payment service. The report discusses the nature of credit, types of credit, credit process, credit performance, credit management system, policies, credit approval process, credit monitoring of Premier Bank Ltd.

This report has divided into five chapters and detailed in various parts of the report. The first chapter of this report contains introduction, background, origin of the report, objective, scope, methodology and limitation of the report. The next chapter is about the company overview, mission, vision, core value, corporate objective and information, product and services included in second chapter of this report. The third chapter contains the theoretical background of credit operations. The fourth chapter is analysis part of this report, which includes the overall credit performance of Premier Bank Limited.

Finally, the last chapter of this report contains some findings, recommendations for the improvement of their credit operation.

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CHAPTER-01

INTRODUCTION (PBL)



1.1 INTRODUCRION

An internship is an opportunity to gain real-world experience. The goal of the internship is to learn about a subject in depth. Through an internship, student can practice the skill which is necessary for the workplace. Banking is a big opportunity to expand financial knowledge because, bank industry mainly participant in our economy and it also offers a simulation atmosphere for professional progress. Premier Bank Limited is a commercial bank & financial institution. It was started on June 10,1999 under companies Act. 1994.The central bank of Bangladesh, issued banking license on June 17,1999. The premier bank Limited's head office is situated in Banani, one of the City of Dhaka's primary commercial and business District. Bank has provided Depository products, loan & advances, card product are just a few of the service that the bank provides to its clients in both conventional, Islamic commercial banking and given satisfactory service.

1.2 ORIGIN OF THE REPORT

This report is one of the major part for completing the graduation from Daffodil International University. After completing course work of BBA program one has to do a three-month internship in any industry. Premier Bank Limited give me this opportunity to be engaged there to gather practical knowledge and preparing report on this work is a requirement for the B.B.A. program at Daffodil International University. The honorable supervisor Md. Arif Hassan and Abdul Kayum (Branch Manager, Panthapath Branch) provided me “**Credit operation & Performance of Premier Bank Limited**” as a topic of report.

1.3 OBJECTIVE OF THE REPORT

The main objective is to evaluate the Credit operation and Performance of Premier Bank Limited. Some objectives are below:

- To explain the credit operations of Premier Bank Limited.
- To analysis the credit performance of Premier Bank Limited.
- To find out the problems relating to credit operation and performance of Premier Bank Limited.

1.4 SCOPE OF THE REPORT

Many details about “credit process & performance of premier bank limited” from the report includes experience while working in credit division at Premier Bank Limited (Panthapath Branch). The report provides an overview of the debt which is analyze by credit process & performance. An essential component of the loan system is the use of Premier Bank Limited for the credit evaluation. The report also focused on credit performance by Premier Bank Limited over the past year. Finally, the report included of various loan process & provides recommendations.

1.5 METHODOLOGY

The report was prepared secondary data were compiled for the best outcomes. Necessary information was compiled for this report from practical source.

The details of these sources are highlighted below.

□ Secondary data

- ✓ Annual report of PBL (2017-2021)
- ✓ Previous research Report.
- ✓ Manual and relevant papers
- ✓ Official website of PBL

1.6 LIMITATION OF THE REPORT

- ✓ In a short period of time, it was impossible for me to observe everything about Premier Bank Limited.
- ✓ Limited information is another issue.
- ✓ It was challenging to obtain appropriate information because the credit department may be quite secretive.
- ✓ Most of the time, current information is not published on the website.

CHAPTER – 02

PROFILE OF PREMIER BANK LIMITED (PBL)



2.1 HISTORICAL BACKGROUND OF PREMIER BANK LIMITED

Premier Bank is a financial institution. The main contribution of financial institutions to the efficient operation of the economy is in matching and distributing funds among depositors and lenders. On November 10, 1999, the premier bank was officially established under companies act 1994. The premier bank Limited's head office is situated in Banani, one of the City of Dhaka's primary commercial and business District. Depository products, loan & advances, card product are just a few of the service that the bank provides to its clients in both conventional and Islamic commercial banking.

Few specialized service and products that are exclusive to Bangladesh banking and financial industry have been introduced by premier bank in banking services. PBL offers "Evening Banking" a special service served for receiving cash and documents after transaction hour. on January 30, 2006, the bank introduced bank SMS service. Its offerings include corporate banking, short Term financing, Long-term financing, Export banking product, Retail banking product like home loan, term loan for freedom fighters, salary loan, card product like, travel card, debit card, digital banking service like (P money) apps, ATM banking, E- statements banking & well known banking service like student file, remittance payment service. The credit division plays a vital role because it accounts for the majority of the institution's overall revenue. The following chapter goes to detail about the topic on "credit process & performance" of Premier Bank Limited. Premier Bank has ensured customer satisfaction with qualified services and presents their policy (service First).

2.2 TIME LINE & MILESTONE

10 th June 1999	Incorporation of the Company as private Limited Company
15 th June 1999	First Meeting of the Board directors
26 Oct 1999	Formal Launching of Banking Business
21 June 2003	Establishment Of own training institute

03 Aug 2003	Introduction of real time online Banking
22 Jan 2004	Pioneering VISA credit card among the local banks
30 Jan 2006	Launching of SMS service
01 Feb 2007	Launching of Premier ATM service
28 Oct 2007	Introduction to Premier Visa Debit Card
19 Oct 2008	Purchase of DSE Membership
17 Oct 2009	Purchase of CSE Membership
17 May 2010	Remittance Deal with Grameen Phone
26 Sep 2011	Launching of Premier Mobile remittance Service with Grameen Phone
20 Feb 2013	Incorporation of Premier Bank Foundation
19 Nov 2015	Lunching of Premier Direct-Banking, SMS Banking, E- Statement Service

2.3 MISSION, VISION, CORE VALUE & CORPORATE OBJECTIVE

□ Vision of PBL

- ✓ To be the best bank.
- ✓ A team of highly qualified employees.
- ✓ provide greatest service that customer will ever want.

□ Mission of PBL

- ✓ Main purpose of the bank is to deliver fast service, customer friendly manner and expanding opportunities for customer.
- ✓ To increase productivity, lower cost per transaction and implement at all operation level.

- ✓ To create a friendly environment that would draw qualified employees who are proud to work for the bank.
- ✓ Being socially conscious and working to improve people's quality of lives.
- ✓ Focused on active and updated technology.

□ Core Values

- ✓ create connection with customer and service is our first priority
- ✓ maintain compliance with all legal laws.
- ✓ we are accessible, trustworthy, Shariah rules serve as our direction.
- ✓ Maintain the highest standards of honesty and transparency.

□ Corporate Objective

- ✓ High self-service.
- ✓ Service first
- ✓ To value & respect the customers
- ✓ Promote business.

2.4 COPORTE INFORMATION OF PBL

Name: Premier Bank Limited (PBL).

Registered Office: Iqbal Centre, Banani

Date of Incorporation: June 10, 1999.

VAT Registration: 5101027082, dated July 31, 2000

TIN Certificate: October 17, 2000

Operating income: Tk. 7,317.46 million (2019)

Revenue: Tk. 12,951.78 million (2019)

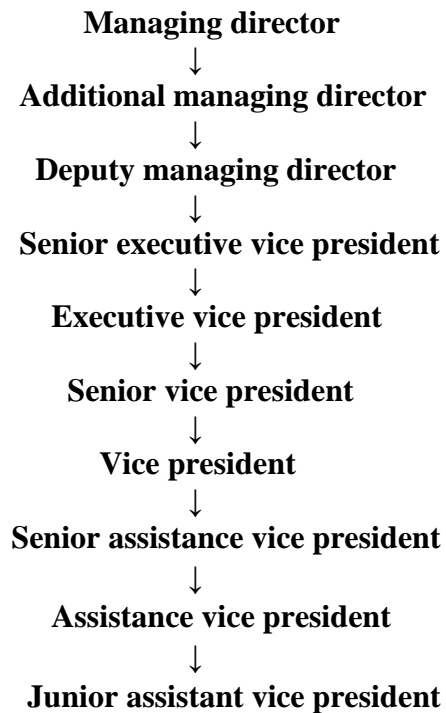
Number of Branches: 118(10 sub-branches) **Subsidiary Companies:**
Premier Bank Securities LTD.

Telephone: 9887581-4, Fax: 8815393, 9889153

Website: www.premierbankltd.com

2.5 ORGANIZATIONAL STRUCTURE

Organizational structure of Premier Bank Limited



2.6 PRODUCT AND SERRVICES

Deposit Product	Loan Product	Services
Fixed Deposit	Personal loan	Remittance service
Current Account	House Building	Premier SMS
Savings Account	SME Finance	SME service center
Double Benefit Scheme	Transport Loan	VISA Debit Card ATM
Monthly savings Scheme	Lease Finance	International service
Islamic savings account		Call center
Salary Account		

CHAPTER -3

THEORETICAL BACKGROUND (PBL)



3.1 DEFINITION OF CREDIT

The credit has several different financial meanings, most people understand it to refer to a situation in which a borrower borrows money from a lender & returns with interest. This term comes from the Latin word "credit" which means "I believe".

Credit is a financial strength for a bank, helps to obtain the goods we need right away. Bank's primary source of income, but misuse of credit can be harmful for the whole economy large scale manufacturing of goods or another requirement of life is made possible by bank financing which promotes advancement.

3.2 FACTORS RELATED WITH CREDIT

- ✓ Credit mix
- ✓ Credit age
- ✓ Interest rate.
- ✓ Inflation.
- ✓ Time.
- ✓ Risk
- ✓ Operating Expense.
- ✓ Security or Collateral.

3.3 CREDIT OPERATION OF PBL

Debt history is procedure that involves finishing the application reviewing all pertinent credit history. All the information needed for the initial credit start examination must be kept on loan application forms, thus they must be filled out completely. A policy is required to ensure that a participating financial institution in loan syndication is not unfairly selected based on the credit risk assessment of a lead insure. The organization is required to carry out its proper duties, including the terms and conditions of risk analysis & syndication. general evaluation standards will be focused on:

- ✓ Corporate customer's ability to manage
- ✓ Goal, size & sources of financing
- ✓ Operating conditions of the buyer's current & future
- ✓ Inspection of the business location & the facilities that would be funded by the beneficiary

3.4 CREDIT APPROVAL OF PBL

Credit approval is the process an organization or person must go through in order to be approved for a loan or to be able to pay for goods and services over an extended period of time. For many lenders, the most fundamental form of the procedure will look something like this:

- ✓ Sales order received
- ✓ Credit application issue
- ✓ Credit report
- ✓ Analysis
- ✓ Credit level assigned
- ✓ Credit insurance
- ✓ Verification
- ✓ Approval
- ✓ File details

Most of the time, business seek approval to borrow loans and grant approval to their customers to borrow money. For a business or individual to be approved for a loan or to be allowed to make long term payments for goods and services, the credit approval process is necessary. Credit is accepted based on the lender's desire to lend money in the given economic environment as well as their assessment of the borrower's capacity and willingness to repay the loan or make the required payment for the goods on time.

Businesses frequently request authorization to borrow money and grant it to their customers as well. Additionally, companies approve credit application for their clients. A business typically requests credit references before extending a consumer credit. A bank account number and another credit card are provided as reference when a person gets credit approval. credit history information can only be disclosed with a person's consent & FTC protects people's right throughout the credit approval process. In a 1994 survey by National Association of independent credit reporting agencies. 44% of credit reports lacked information about current loan amounts. Due to this error, banks & internal credit information services to authorize loans.

3.5 CREDIT ANALYSIS OF PBL

Any person or company looking for a loan must complete the initial step, which is a credit inquiry. Credit analysis is a type of financial research that a bond portfolio manager or investor performs on companies that the issuer's ability to pay back its debts.

Credit analysis process involves three key steps:

- **Information gathering:** At this early stage, banking data is needed, including credit extensions, payment histories, and sources of recovery. For instance, a credit analysis for a business seeking a loan can consider potential investments in the future and the intended use of the borrowed money. The presence of any guarantees that the loan will be fully repaid by the debtor will also be taken into account by the lenders. The primary issue with the traditional method of data collecting for a credit analysis is that it excludes those who are not a part of the system, such as students, immigrants, or business owners from analysis. Because they consider both Intelligence based on a person's general behavior and financial data.

- **Information analysis:** Verification of supporting documents such identity, a passport, and business licenses, among others, this stage of traditional credit rating begins. It continues by analyzing earlier financial information, such as balance sheets, financial statements, cash flow, etc. in the case of a project expansion are all evaluate. Data analysts may evaluate potential risks & ascertain if the organization will have the cash on hand necessary to repay the loan. Given that it is a manual process, it can take some time.

- **Decision making:** in a typical credit analysis technique, the analyst gathers and verifies the data, identifies the risk, and suggests a plan of action before the credit committee makes the final judgement. Additional delays follow as a result of this. Alternative credit analysis is superior in this final step as well because eliminate human error and makes way for cutting edge data processing methods that provide precise credit profiles.

3.6 CREDIT POLICY OF PBL

This bank has different operating requirements & resource, they have their own credit policies & principles for all development. The following elements need to be considered which creating a credit policy:

- ✓ Deposit resources held by the bank as well as the rate at which those resource change
- ✓ Ownership of the deposit organization
- ✓ Able to flex its lending muscles when its cap on high-risk, high return loans at lower interest rate.

- ✓ credit policy must give proper consideration to the loan management.
- ✓ Able to hire a large number of highly skilled expert in various fields to advise the bank in loan making.

3.7 CREDIT EVALUATION OF PBL

In order to keep credit risk at a minimal and to ensure the profitability of the banking industry, PBL maintains certain lending rules or standards when approving loans. The following are the main principle of lending:

- **Liquidity:** Liquidity is the capacity to access Bank funds quickly. Due to an advance liquidity, it can be repaid immediately depending on the due date. As a result, the bank must keep their liquidity levels high enough to back their depositors & and must make a trade-off.
- **Safety:** safety refers to the guarantee that allocated loans will be repaid. In fact, a bank is in business to generate money, safety should never be compromised in the name of profit in order to guarantee loan security.
- **Security:** The security provided in exchange for an advance is a safety net that can be used in emergency situations. security acts as a safety value in case of an unplanned advances. Before making a loan, must be obtained because risk elements are Include.

3.8 GLOBAL CREDIT PORTFOLIO LIMIT OF PBL

The amount of the total deposits that will be used for lending depends on a number of variables, including the percentage of long-term loans, client exposure, nation exposure the percentage of unsecured facilities etc. of particular note are:

Not more than 80% of the customer's deposit will be used for the total cash facility. 20% of the overall loan portfolio's long-term loans cannot be borrowed. The use of facilities is limited to 5 years. Generally speaking, credit facilities to any group should not be greater than 15% of the capital fund or tk.100 crores.

3.9 CREDIT COLLECTION OF PBL

Debt settlement: Where the location of the loan package is located, the maturity time determined at that site.

Loan Breakdown by Past Days: The credit error rate is determined based on the consumer's normal daily payment from the day of the consumer's first payment, in addition to the pockets announced the previous day.

Loans from the previous day: In addition to the bags announced the day before, the amount borrowed is fixed because the consumer receives the daily payment from the date of the consumer's first payment.

Billing Procedure: Consumers will receive a notice or a bank contract along with all the installments and credit along with the repayment of the loan. If the customer does not comply with the contract or does not receive the required fee, the registration will be closed for this period. The task of debt collection is to recover late payments from unsecured customers. There were several stages in the writing process, after an ad behaved deceptively until the newsletter was returned after late payment. Content collection can be divided into four phases, namely crawling, searching, collecting, and retrieving. The maturation of the data in the accumulation refers to the days that have elapsed since sunset.

Collection unit: The collection process for SMEs and retailers begins when the consumer does not pay at least one part (part). Then the collection unit should be able to prevent large revenue losses and credit problems. Consolidation plays an important role in lending and collateral processes through the ability and ability to recover losses on receivables, the production of distributed items and data status. The main purpose of the merger is to ensure that products that are no longer valuable today are, if possible, received and trusted by consumers.

3.10 CREDIT FACILITIES AND COVERAGE PRODUCT AT A GLANCE

Debt assets are categorized based on various industries, & and the type of debt assets.

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

- ✓ Term Loan.
 - a. Short Term.
 - b. Medium Term.
 - c. Long Term.
- ✓ Continuous Loan.
- ✓ Demand Loan

Coverage Products at a Glance

Products	Loan Limit	Age Limit (At loan Maturity)	Equity	Risk Fund	Loan Period
Home loan	10-1.20 crore	25-65years	70%	NIL	15years
Auto Loan	20lac-40lac	25-65years	70%	NIL	5-6years
Freedom Fighter Loan	10lac-35lac	75years	70%	NIL	1-10 years

3.11 LOAN AND ADVANCE OF PBL

Under the premier bank limited, there are various sorts of loans and advances product plans. These products and loans are listed below:

❑ Loan Products:

- ❖ Project loan
- ❖ Trade finance
- ❖ Cash credit
- ❖ Overdraft
- ❖ Trust receipt
- ❖ Guarantee
- ❖ House building finance
- ❖ Letters of credit

❑ Premier Special Credit Schemes:

- ❖ Personal loan
- ❖ SME Finance
- ❖ Lease Finance
- ❖ Student credit scheme
- ❖ Doctor Loan Scheme
- ❖ Housing loan

3.12 RATE OF INTEREST ON LOAN & ADVANCES

Rate of Interest:

SL.	Type	Rate	
		Minimum-Rate	Maximum Rate
1	1-36month FDR	3.00%	6.75%
2	Term Loan to Industries	8.00%	15.50%
3	SND	2.00%	3.50%
5	Premier super account	3.00%	4.25%
6	Premier genius account	2.00%	2.00%
7	Premier Esteem savers	2.00%	3.50%
8	Premier Remittance savers	.50%	.50%
9	MSS for 1yr-12yr	7.25%	7.75%

Loan Classified and Provisioning

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

Continuous Loan

For each form of loan, the annual maximum Loan amount is changed on a regular basis. Cash, credit etc.

Short Term Loan

Short-term loans are easy to obtain and are funded quickly. They are quite attractive because they typically require little collateral. The repayment period also be limited to a few weeks. Short-term loans should only be used sparingly because of these factors.

Fixed Term Loan

Loans that are repaid over a certain period according to a certain amortization schedule are treated as loans at maturity.

Demand Loan

Demand loans are secured loans that have a request only repayment period. These loans frequently range in duration from seven days to a full year. These loan primary goal is to help people and business with their short-term financial needs.

CHAPTER – 04

CREDIT PERFORMANCE OF PBL



4.1 LOAN AND ADVANCE PERFORMANCE OF PBL

Under the premier bank limited, there are various sorts of loans and advances product plans. These products and loans are listed below:

(Amount in BDT)

Year	Loan & Advances	Growth Rate
2017	135,891,061,280	
2018	156,960,037,516	15%
2019	188,945,466,378	20%
2020	213,204,682,073	13%
2021	249,829,580,581	17%

Table 1: Loan and Advance of PBL

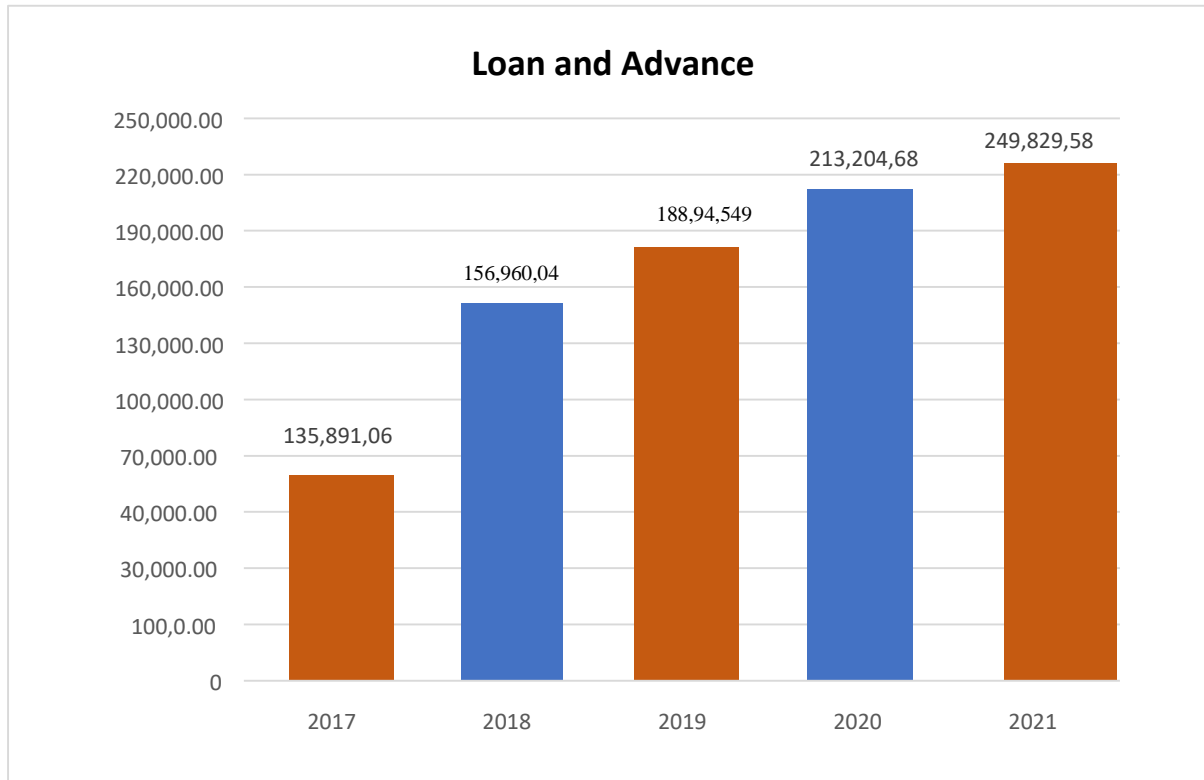


Chart 1: Loan and Advance

Interpretation:

For the loan and advance performance analysis above mentioned in 2017 used as a base year. The total loan and advances of PBL are also increasing year by year. In 2018, the growing loan was 15% and it was increase 188,94,004 million in 2019. The last year growth rate loan and advances increase by 17% in 2021 than 2020. Decreasing rate of 13% in 2020 over the last five years because of COVID-19 crisis but they try to recover this situation. Figure shows that the sum of loans and advances from PBL has further increased due to attractive and flexible loan packages including their budget and risk. Currently, banks are committed to providing loans and advances in economic sector such as readymade garments, trade financing, paper and packaging, based industry etc.

4.2 LOAN TO DEPOSIT RATIO OF PBL

The ratio of bank's total loans to its total assets is known as the loan to deposit ratio. The ratio is generally called in percentage term. If the ratio is too low, banks might not be making the most money. If the ratio is too high, the banks could not have adequate liquidity to deal with any economic emergencies. The bank liquidity is typically evaluated by banking experts using a measure.

(Amount in Million)

Year	2017	2018	2019	2020	2021
Total Loan & Advances	135,891.06	156,960.04	188,945.47	213,204.68	249,829.58
Total Deposit	140,690.47	169,439.78	209,346.02	241,630.24	268,803.05
Loan to Deposit Ratio	92.14%	82.68%	80.01%	73.51%	76.22%

Table 2: Loan to deposit Ratio

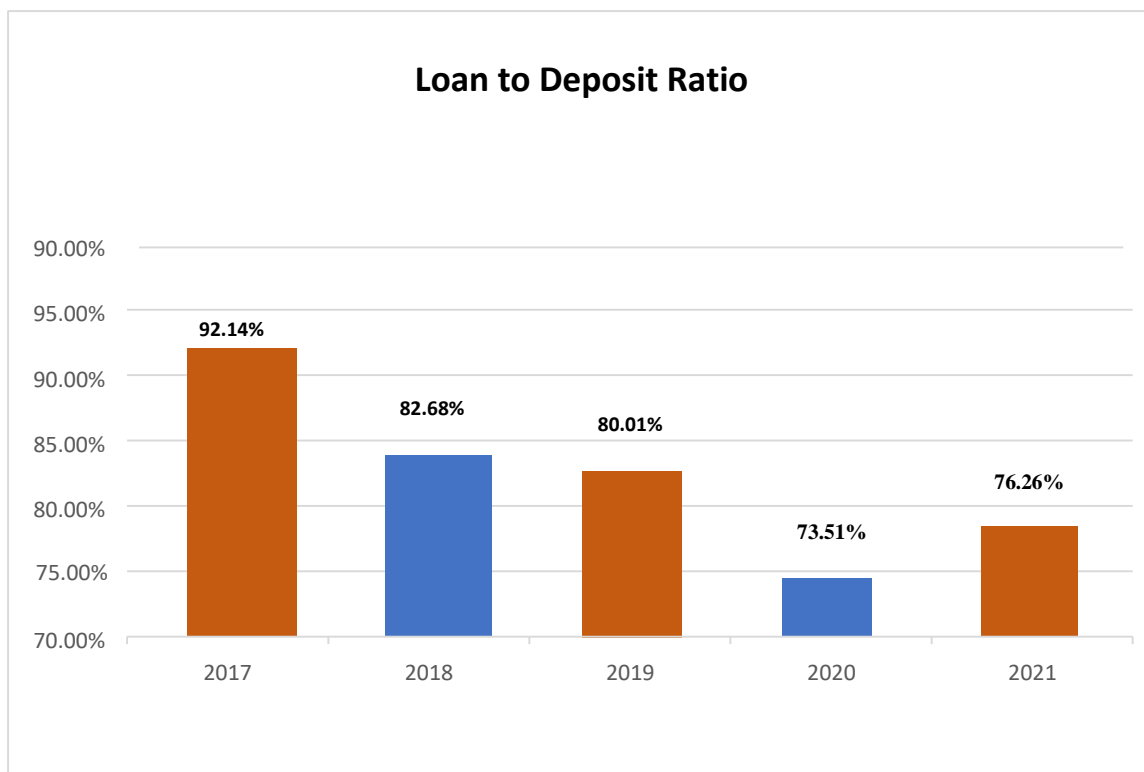


Chart 2: Loan to deposit Ratio

Interpretation:

From the chart total deposit ratio, it is clear at premier bank Limited loan-to-deposit ratio was up and down during the year. Where, 2019 is used as a base year for the loan-to-deposit ratio analysis mentioned above. The standard percentage deposit ratio of loans in the last five years was 80.92%. In 2017, loan deposit was 92.14% which is cause of liquidity crisis and not good for the bank loan to deposit ratio. They provide 82.68% in 2018, In 2019, the average growth was 80.92%, and the lowest rate in the last five years was 73.51% in 2020 due to the Covid-19 situation. They are trying to maintain their loan to deposit ratio and should be invest more.

4.3 STANDARD LOAN OF PBL

Standard loan is eligible loan which as of the applicable closing data.

(Amount in Taka)

Year	Loan & Advances	Standard Loan	Ratio of standard
2017	135,891,061,280	127,672,308,581	93.95%
2018	156,960,037,516	145,234,985,516	92%
2019	188,945,466,378	173,478,073,387	91.81%
2020	213,204,682,073	204,328,163,335	95.83%
2021	249,829,580,581	239,295,072,733	95.78%

Table 3: Standard loan of PBL

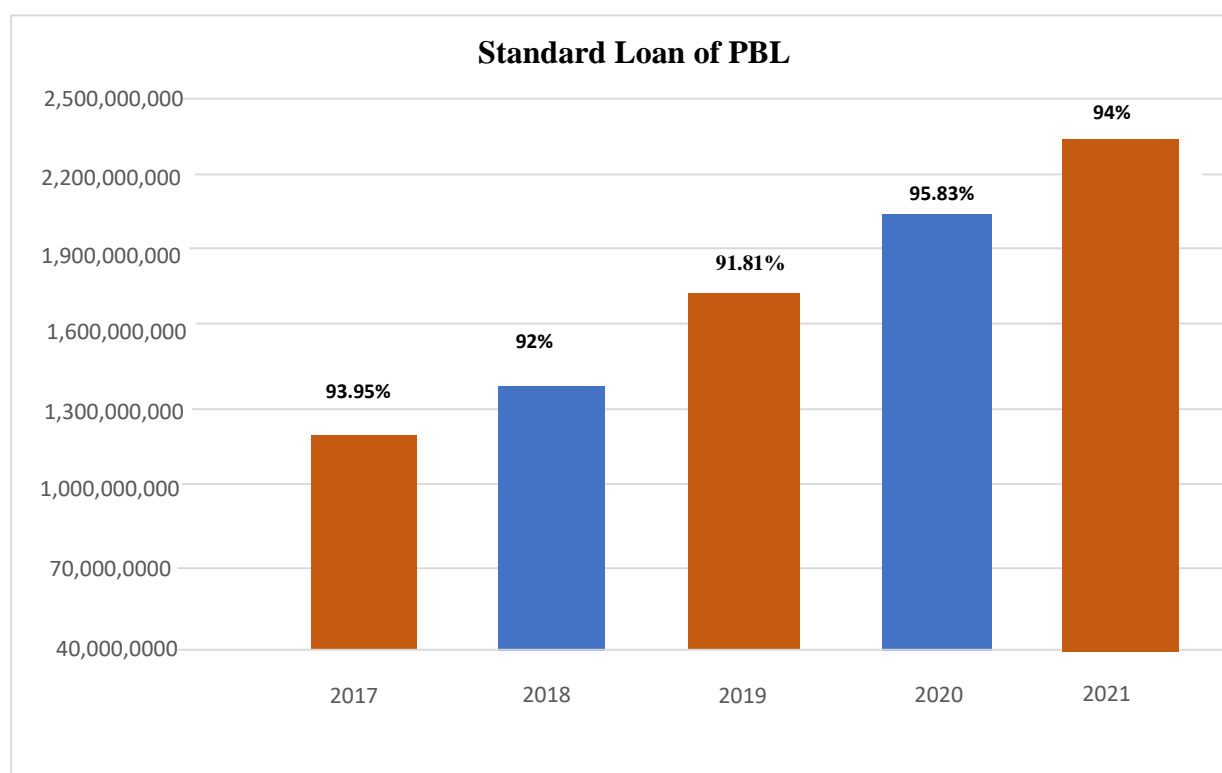


Chart 3: Standard Loan of PBL

Interpretation:

In the above mention performance analysis of the standard loan, use 2017 as the base year. The bar chart showing the standard loan of PBL between 2017 to 2021. In 2017 to 2019 of three years, their growth rate is quite good. The couple of two year increased slightly in 2020 and

2021 where ratio was 95.83% and 95.78% but decreased in 2019 compared to others year. The last five years ratio of standard loan average rate was 93.87%.

4.4 SUB-STANDARD LOAN OF PBL

(Amount in BDT)

Year	Loan & Advances	Sub-Standard Loan	Ratio of sub-standard Loan
2017	135,891,061,280	6,376,639,000	4.69%
2018	156,960,037,516	6,266,984,000	3.99%
2019	188,945,466,378	12,658,134,027	6.70%
2020	213,204,682,073	5,357,210,761	2.51%
2021	249,829,580,581	6,817,972,036	2.72%

Table 4: sub-standard loan of PBL

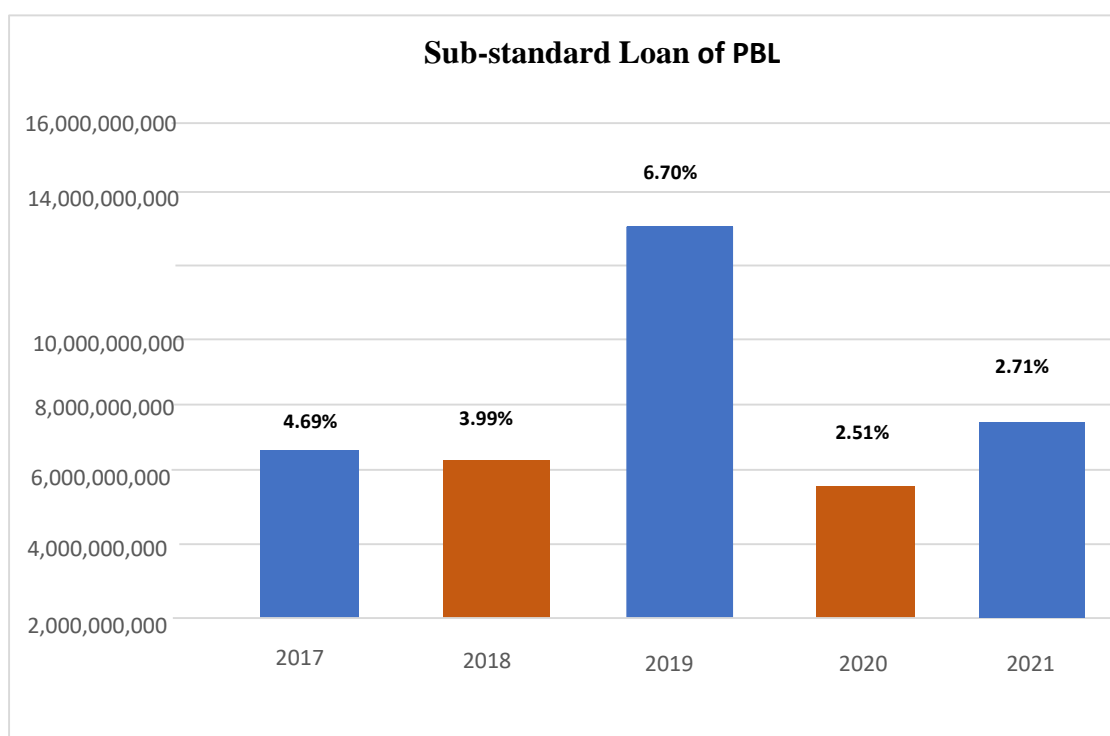


Chart 4: Sub-standard Loan

Interpretation:

From the chart, it is identified that in 2017 their substandard loan ratio was 4.69% lower than in 2018, which was 3.99%. In 2019, rate 6.70% is decreased than before two years and harmful for PBL. In the last year 2020 and 2021 are respectively growth rate increase 2.51% and 2.72%, this is good sign.

4.5 DOUBTFUL LOAN OF PBL

(Amount in BDT)

year	Loan & Advances	Doubtful Loan	Doubtful Loan in Total Loan & Advances
2017	135,891,061,280	191,332,000	0.14%
2018	156,960,037,516	543,793,000	0.34%
2019	188,945,466,378	505,047,089	0.26%
2020	213,204,682,073	471,274,999	0.22%
2021	249,829,580,581	593,287,565	0.23%

Table 5: Doubtful loan of PBL

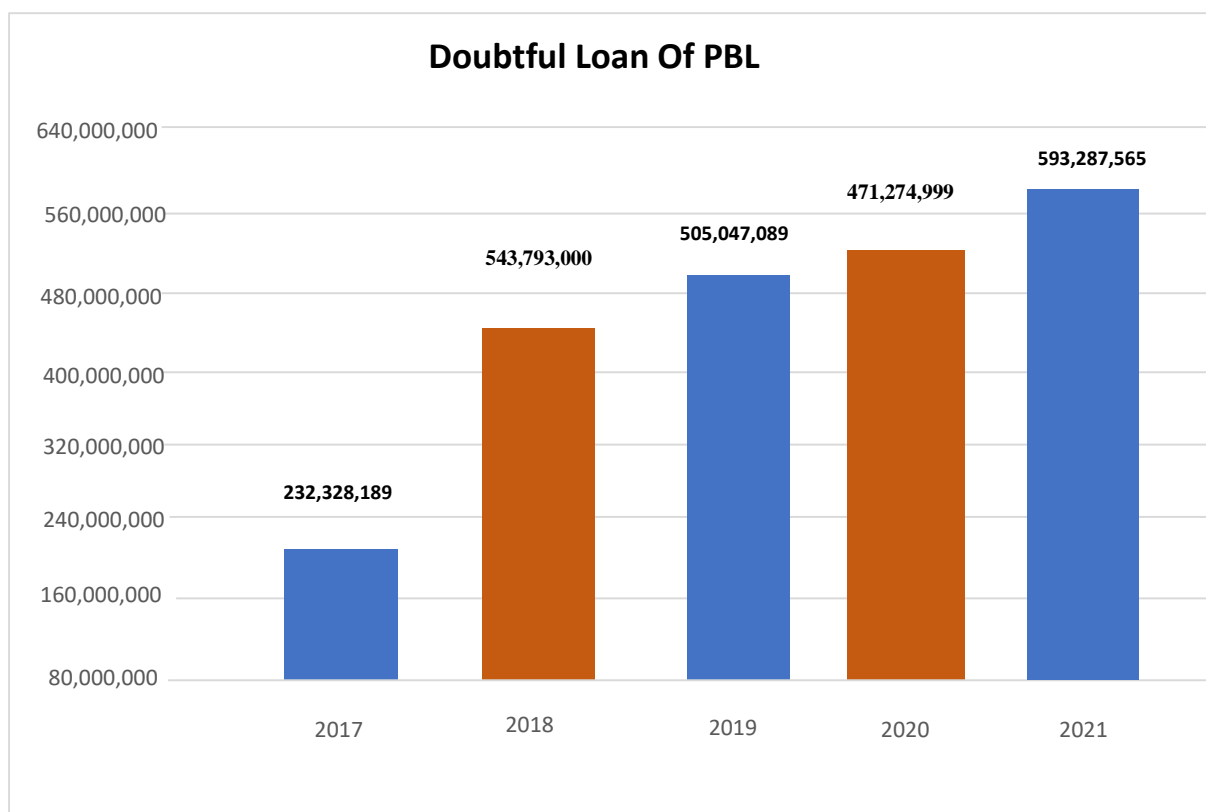


Chart 5: Doubtful loan of PBL

Interpretation:

From the chart, it shows doubtful loan of PBL in 2017, their doubtful loan growth rate .14% which is the lowest rate than the others year and good for PBL. The next years of 2018 to 2019 their growth rate was increasing than previous year, that not is good sign of PBL. In 2020 and 2021, their growth rate .22% and .23% are slightly increase which is good and quite same as the early year.

4.6 BAD/LOSS LOAN OF PBL

(Amount in BDT)

Year	Loan & Advances	Bad/loss Loan	Bad/loss loan in total loan & advances
2017	135,891,061,280	2,844,235,811	2.09%
2018	156,960,037,516	2,654,021,596	1.6%
2019	188,945,466,378	5,109,234,612	2.7%
2020	213,204,682,073	2,346,650,364	1.1%
2021	249,829,580,581	2,008,277,410	0.80%

Table 6: Bad/Loss Loan of PBL

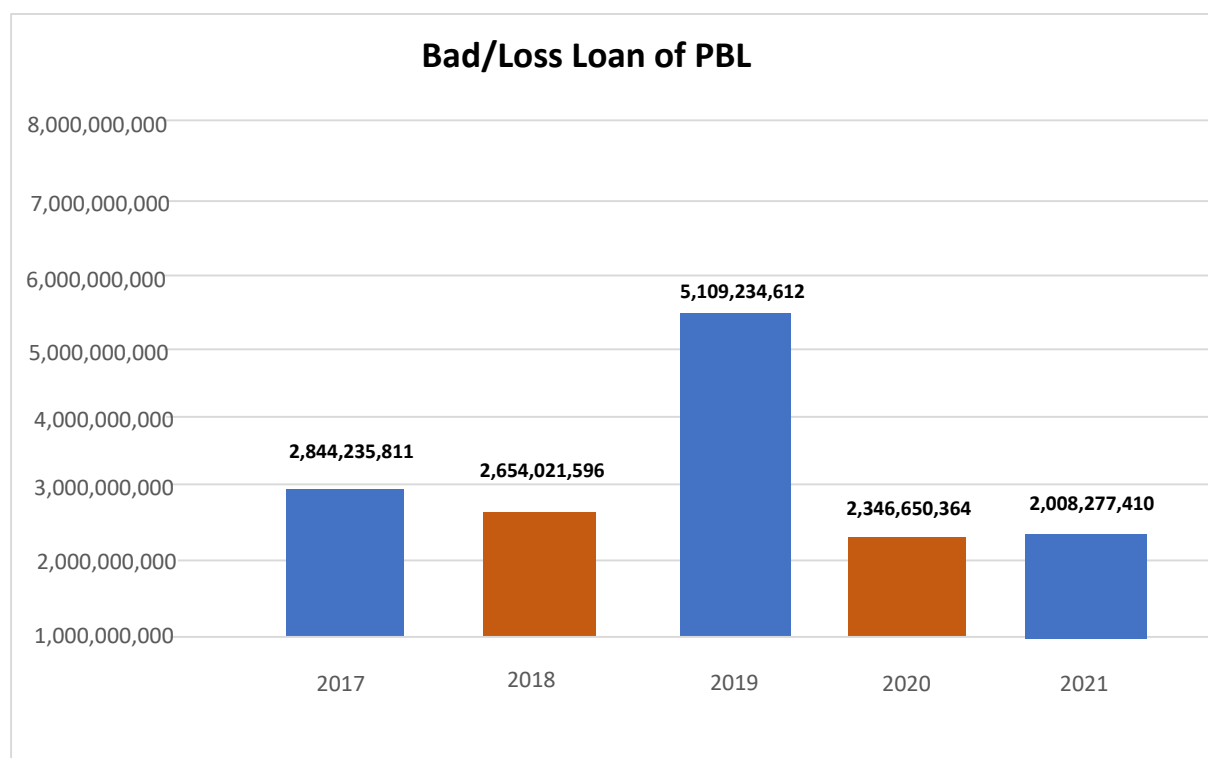


Chart 6: Bad/Loss Loan of PBL

Interpretation:

From the graph, it shows that the overall Bad/loss Loan and its growth rate in 2017 is 2.09% which is not satisfactory. In 2018 it was 1.6% and in 2019 it was 2.7%. In 2020 the bad/loss loan growth rate will decrease and ratio was 1.06%. The average growth of bad/loss loan last five years ratio 1.66% is not satisfactory but in 2021, the last year ratio was 0.80%. It was good but they should be decrease more their bad/loss for the bank.

4.7 SECTOR WISE LOAN

Particulars	2021	Ratio
Agriculture and fishery	138.86	0.55%
Industry	6,363.04	25.49%
RMG	5,023.36	20.11%
Textile	2,323.85	9.30%
Leather	103.41	0.41%
Pharmaceuticals	90.97	0.36%
Construction	919.31	3.68%
Power, Gas, Water & sanitary service	495.31	1.98%
Transport, Storage & Communication	58.44	0.23%
Trade Services	3,574.50	14.31%
Housing Services	1101.28	4.41%
Banking & Insurance	300.1	1.20%
Professional & Misc. services	4328.89	17.32%
Others	264.04	1.06%
Total	24982.95	100%

Table 7: Sector wise Loans Of PBL

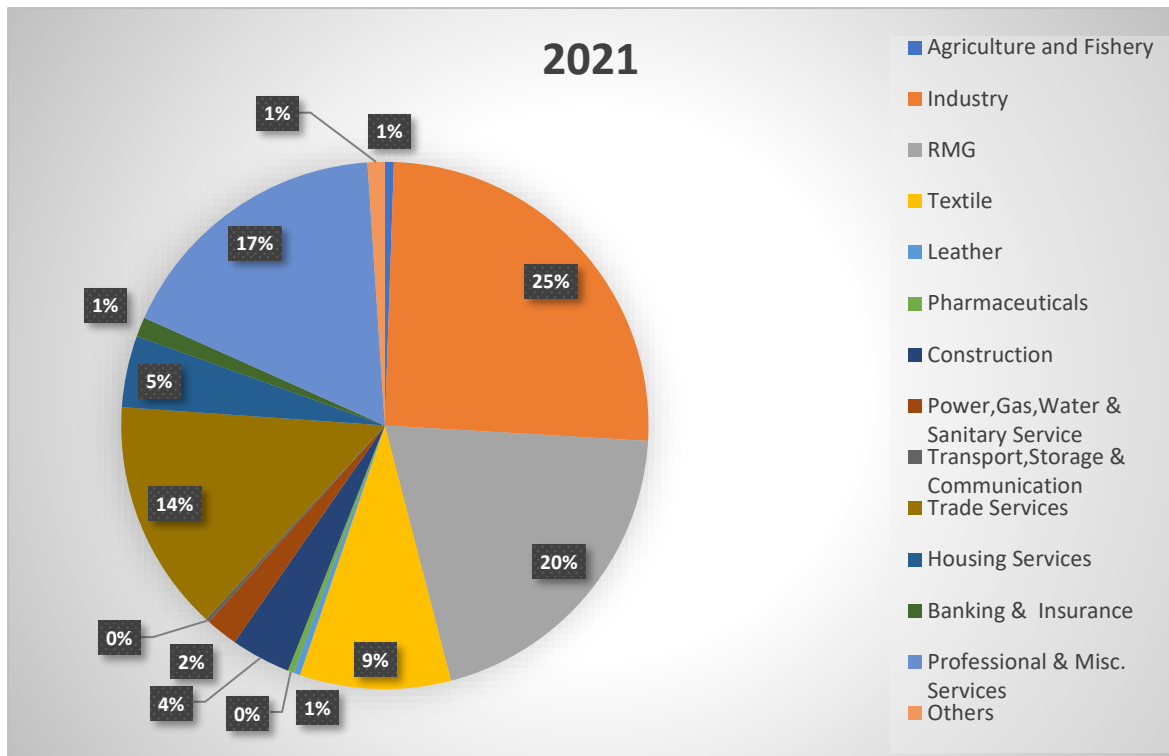


Chart 7: sector wise Loans of PBL

Interpretation:

From the figure and graph we have seen that, sector wise loan of Premier Bank Limited year 2021. It was showing the Agriculture and Fishery 0.55%. The Premier Bank Limited highest loan provider in Industry sector in 25.49%, RMG sector in 20.11%, and the lowest loan provide in Transport, Storage and communication 0.23%, leather and house services loan around 0.41% and 4.41%. They should work more with all the sectors that develop the country.

CHAPTER – 05

FINDINGS, RECOMMENDATION, CONCLUSION



5.1 FINDINGS

Based on my study of the credit process & performance of premier Bank Limited. I got some major findings, the list of which is below which are given below:

- ❑ PBL loans and advances have been increasing over the year. It was 249,829,580,581 in 2021 that is the highest amount among last five years and it was increased by 17% from 2020.
- ❑ PBL loan to deposit ratio was 92.14% in 2017 that showed a chance of liquidity crisis however, they improved the performance in the following years. Currently the ratio goes down to 76.22% in 2021 which is close to standard however it shows they have few idle money to invest.
- ❑ The standard loan was fluctuating over the year. It was 91.81% of total loan in 2019. However, it increases to 95.78% in 2021 of total loan shows a very good performance.
- ❑ The Sub-Standard loan was fluctuating over the years. It was 6.70% in 2019 which is quite high however it improves their performance by decreasing the amount to only 2.72% of total loan in 2021.
- ❑ Their doubtful loan is relatively low that is 0.23% of total loan shows relatively good sign.
- ❑ The bad loan was 2,844,235,811 in 2017 which is 2.09% of total loan showed a poor performance. However, they successfully overcome the situation and it decreases to Tk. 2,008,277,410 that is only 0.80% of total loan showed a good performance.
- ❑ Sector wise loan of Premier Bank Limited in 2021 showing the highest loan has been disburse to industry and RMG sector which was 25.49% and 20.11% of total loan respectively. The lowest loan provided to leather, transport & communication, pharmaceuticals sectors.

5.2 RECOMMENDATIONS

The suggestion listed below were made after looking into the differences in lending policies between Premier Bank Ltd:

- ❑ Over the last five years, Premier Bank Limited's total loan and growth has increased. So, banks should try to maintain this performance by increasing buyers, with new schemes and by offering good interest rates.
- ❑ The process of lending should be made faster and easier because in the market competition is very hard today in banking industry.
- ❑ As their deposit become available and enough liquidity to cover any fund so, they can invest more to maintain standard loan to deposit ratio.
- ❑ They should enhance their monitoring system so that they can collect classified loans.
- ❑ They can establish another team for bad loss loan recovery and not giving loan without valid documents, that would result good performance in recovering the bad/loss and doubtful loans.
- ❑ For lessen the classified loan, PBL bank should focus on eligible customers criteria while providing loans and take necessary legal action against defaulters.
- ❑ They should invest more in leather, transport & communication, pharmaceuticals and SMR sectors.

5.3 CONCLUSION

Every firm needs to have a goal. The organizations vision and mission must be updated in goal. The mission & vision of financial institution like bank both revolve around the needs of their customers. Most banks offer the same products & they also have similar characteristics and features. So, it become much more difficult for a financial institution to establish a competitive advantage and provide customers better, higher quality products. Only exceptional customer service. just the level of service can set one bank apart from another bank. The key difficulty for banks in this competitive market is to manage their assets and liabilities in a comprehensive fashion while also acquiring new cutting-edge technologies to lower their operational costs and enhance their profit. if we have significant and massive corporate clients, we will make this profit. If the Bank provide outstanding service, these customers will stay with it. In each & every branch. So, PBL will be required to guarantee high- quality service. PBL must address client issues in order to provide exceptional service. They risk having their business destroyed by even the smallest oversight. PBL must give up traditional banking practices in order to offer different service. This industry has grown in today's competitive environment.

5.4 REFERENCE

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****THANK YOU****