“An Analysis of the Credit Management of Agrani Bank PLC”

Submitted to:

Professor Mohammed Masum Iqbal, PhD

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Letter of Transmittal

September 21, 2025

To

Professor Mohammed Masum Iqbal, PhD

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report.

Dear Sir,

I am pleased to present my internship report**, "An Analysis of the Credit Management of Agrani Bank PLC."** which I was given as a requirement for my BBA program. I have made every effort to compile relevant and positive information and present it in an organized manner. I have gained a valuable experience by working on this topic.

I am sincerely grateful for your guidance and continued cooperation, and I hope that the report will meet your expectations.

Yours Sincerely,

Sakib

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Md. Sakibul Imam

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Declaration

I am Md. Sakibul Imam, confirm that the research presented on the internship report entitled **“Analysis of the Credit Management of Agrani Bank PLC”** has been prepared uniquely after completing a three-month internship program at Agrani Bank PLC.

I further confirm that the research has been prepared only for my educational needs and not for any other purpose. It cannot be used for the benefit of any party against the Corporation.

Sakib

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Certificate of Approval

This certifies that, in fulfillment of the requirements of the BBA Program at Daffodil International University's Department of Business Administration and Faculty of Business and Entrepreneurship, Md. Sakibul Imam, ID: 201-11-1039, prepared the internship report entitled "An Analysis of the Credit Management of Agrani Bank PLC".

The report is recommended for submission.

Professor Mohammed Masum Iqbal, PhD

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

First of all, I would like to express my sincere gratitude to the Almighty for giving me the strength and opportunity to complete this internship report within the stipulated time. Without the grace of Allah, this work would not have been possible to complete successfully.

As part of the BBA program, the internship report provides valuable real-world experience to students by giving them the opportunity to observe and participate in the daily activities of an organization for three months. In this regard, I am truly grateful to Agrani Bank PLC. for arranging my internship and giving me the opportunity to learn from the practical experience.

I express my deep gratitude to my supervisor **Professor Mohammed Masum Iqbal, PhD**, Faculty of Business and Entrepreneurship, Daffodil International University, for his invaluable guidance, support and encouragement during the preparation of this report. His constructive suggestions and supervision have been a constant source of inspiration for me.

Finally, my sincere gratitude also goes to the officers, staff and fellow interns of Agrani Bank PLC. Whose cooperation and support made my internship journey smooth and fruitful. The positive work environment, team spirit of this organization helped me gain meaningful insights and effectively complete the assigned tasks.

Executive Summary

This report focuses on the credit management system of Agrani Bank PLC, which was developed through my three months of working with their credit management team. During the internship, I observed firsthand how the bank manages its credit operations. From their robust, well-organized loan approval process to the over-reliance on paperwork, limited use of digital tools and occasional communication breakdowns between departments, I gained insights not only from staff or daily observations but also from the feedback collected through 313 survey responses, which provided a holistic view of the system. Regulatory compliance plays a major role in how the bank manages its credit operations smoothly and securely. Based on my knowledge, this report provides recommendations on how the bank can increase productivity, strengthen its relationships with clients and leverage technology more effectively. The internship enhanced my understanding of how my academic studies translate into a real banking environment, which helped me develop important communication and problem-solving skills. All in all, it was a valuable experience that helped me prepare for a future in finance.

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Chapter 01

Introduction

1.1 Introduction

One of the most important pillars of banking is credit management. Meticulous credit planning, evaluation, disbursement and recovery are required to maintain financial stability and profitability. Efficient credit management is crucial to reduce risk and increase returns in today’s highly regulated and competitive banking sector.

Agrani Bank PLC. is one of the leading state-owned commercial banks in Bangladesh, which is essential for both national development and financial inclusion. With over 970 branches, the bank has expanded into a vast network since its inception in 1972. Its credit operations, which assist a variety of industries, including small businesses, large corporations and agriculture are one of its main advantages.

With an emphasis on policies, procedures, loan classification and recovery performance, this report examines Agrani Bank PLC's credit management practices. The aim of this study is to assess the extent of the bank's effectiveness in managing credit operations and determine improvement areas based on what I have learned through my internship, as well as supported by supporting data and papers. It is hoped that the learnings would give tangible recommendations on how to manage credit risk, especially for a state-owned bank.

1.2 Background of the Study

As immediately connected to the financial stability and profitability of financial institutions, credit management is a vital activity for all banks. Well-lending should exist in Bangladesh which the access to credit is most essential to materialize economic growth. Agrani Bank PLC. being one of the biggest state-owned banks has been providing services to various industries since 1972 from its extensive branches all over the country. The bank has expanded its lending activities over the years to cover small enterprises, trade, industry and agriculture. Besides, credit management has also become more difficult with the increased defaults on loans and tighter regulations. From sanction of the loan to recovery this study examines how Agrani Bank manages its credit operations and where performance can be optimized for better financial results.

1.3 Scope of the Study

This research paper discusses the debt management process of Agrani Bank PLC. It addresses all phases of the credit process from loan classification to disbursement through recovery, monitoring, approval and disbursement. The study is based on observations made during the internship at a particular branch and backed up by reports, policy statements and discussions with the bank's representative. It also deals with the bank's domestic lending business for retail, SME and corporate clients. These exclude foreign credit business and other non-credit services, but not investment banking. While they are derived from a short time and place, the results point to more overall trends and patterns that are applicable to the bank's overall credit performance.

1.4 Objective of the Study

The study has been carried out with the following objectives:

- To analyze the lending procedures of Agrani Bank PLC.
- To examine the loan recovery process of Agrani Bank PLC.
- To identify the problem related to credit management of Agrani Bank PLC.
- To make recommendations to solve the problem.

1.5 Methodology of the Study

Systematicity is needed to conduct precise findings and make intelligent conclusions. For comprehension of Agrani Bank PLC's credit management procedures, quantitative and qualitative methods have been incorporated in this research. Methods adopted were chosen to represent theoretical knowledge and real practice gained from the internship.

1.5.1 Design of Research

The research is analytical and descriptive, based on field observations, interviews with financiers, analysis of government records and credit accounts. An attempt was made to describe the practical effectiveness of debt management as well as to judge efficiency and identify shortcomings.

1.5.2 Data Collection

The data collection tool is the instrument we use to collect customer satisfaction data from our sample. Direct observation of Agrani Bank PLC. credit operations and first-hand exposure were carried out during the internship and informal interviews with the credit officers, branch managers and staff were conducted. Besides, 313 effective responses from the clients and employees dealing with the credit process have been collected using a structured questionnaire, obtaining profound views on how things are done. Agrani Bank annual reports, credit manuals, Bangladesh Bank guidelines, journals, prior studies and related internet sources were used as secondary data sources to substantiate the theoretical base and relate results to industry norms.

1.5.3 Data Analysis

To determine trends and observations in the case of loan disbursal, credit sanctions, loan grading, recovery and the collective data was examined with utmost care. Complicated information was reduced to simplicity by tables, graphs and comparative summaries. The results were further interpreted in the light of existing banking practice and theory.

1.6 Limitations of the Study

- Deeper investigation of sensitive data was hindered by restricted access to internal financial documents and private credit files.
- Since the study was based on an internship at a single branch, it might not accurately represent procedures at other Agrani Bank PLC branches.
- The study's brief duration limited its ability to observe long-term credit performance and recovery patterns.
- The 313 responses that were gathered may not be representative because the survey employed a convenience sampling technique.

Chapter 02

Organizational Profile

2.1 History of Agrani Bank PLC

On 26 March 1972, Habib Bank Limited and Commerce Bank Limited were nationalized to form Agrani Bank PLC. which played a significant role in the economic recovery of Bangladesh after independence. From the outset, it sought to establish itself as a reliable banking institution promoting national development by providing accessible banking services in rural and urban areas. By becoming a public limited company in May 2007, Agrani Bank was able to adopt contemporary banking practices while maintaining its government ownership. This change brought the bank into line with international standards and enhanced good governance and efficiency. Currently one of the largest state-owned commercial banks in Bangladesh, Agrani Bank PLC. with an extensive branch network is strongly committed to innovation financial inclusion and including the expansion of digital services.

2.2 Overview of Agrani Bank PLC

As a major state-owned commercial bank in Bangladesh, Agrani Bank PLC. is well known for its extensive branch network (over 970) and high public trust. Headquartered in Dhaka, it offers a wide range of services to its customers, including digital banking, trade finance, remittances, loans and deposits. With an emphasis on financial inclusion and development initiatives, the bank supports key industries such as trade, agriculture and women-led businesses. Since going public as a limited company in 2007, Agrani Bank PLC. has adopted a more open performance-based approach. Its credibility as a reliable competitive financial institution has been strengthened by recent technological investments that have enhanced its online and mobile banking operations.

2.3 Vision Statement

The vision of Agrani Bank PLC. is to become the most reputable and vibrant state-owned commercial bank in Bangladesh, establishing new benchmarks for financial innovation, service quality and national advancement. The bank hopes to empower both individuals, businesses by providing accessible, secure or timely financial solutions that are guided by integrity, inclusion and sustainability. Looking to the future, Agrani Bank aims to lead the transformation of the banking sector in Bangladesh by embracing digital innovation, strengthening corporate governance and making a significant contribution to economic development. Its ultimate goal is to be known domestically and internationally as a representative of reliability, effectiveness and integrity in creating a society with financial empowerment.

2.4 Mission Statement

- Provide innovative, responsible and inclusive banking services to enhance financial health and economic growth.
- Provide secure, user-friendly solutions that blend traditional values with contemporary technology.
- Maintain efficiency, integrity and openness in all transactions.
- Use responsible credit management and ethical lending to support disadvantaged communities and entrepreneurs.
- Continuously improve operational excellence, digital infrastructure and human resources.
- Work as a trusted financial partner to advance the country.

2.5 Core Values

- Commitment to truthfulness and willingness in all dealings.
- Establishing enduring connections by comprehending and meeting the needs of clients.
- To provide professional, timely and accurate banking solutions.
- To adopt significant innovations to simplify and expand banking.
- Agrani Bank PLC. as a state-owned bank promotes inclusion, financial literacy and community development.

2.6 Code of Conduct

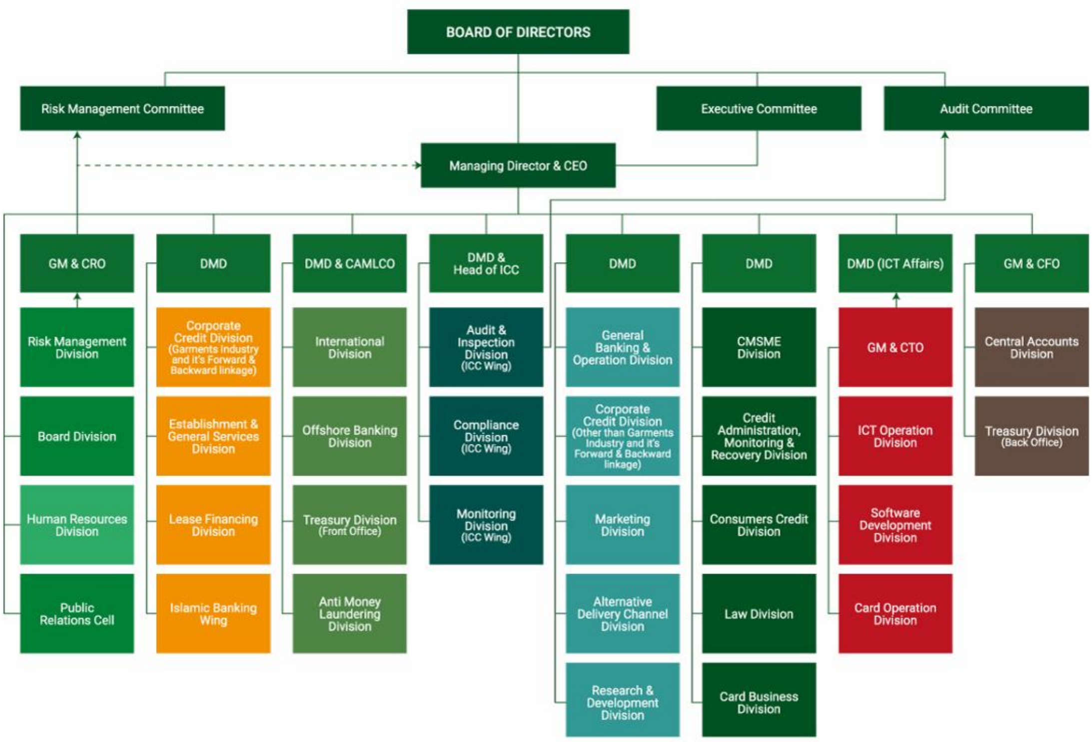
- Employees must behave respectfully, responsibly and fairly in every interaction.
- The Bank prohibits harassment and discrimination and promotes diversity, inclusion and dignity.
- Only authorized uses are made of client information which is strictly protected.
- All laws, regulations and internal policies must be strictly followed.
- To preserve the bank's reputation, staff members should act with civility, competence and responsibility.

- Misconduct, conflicts of interest, fraud and corruption are not accepted and will result in disciplinary action.

2.7 Objective of Agrani Bank PLC

Agrani Bank PLC strives to promote inclusive economic growth through responsible banking. As a state-owned bank operating nationwide, its mission is to empower customers, businesses and marginalized communities by providing safe, affordable and accessible services. The bank supports small businesses, industry and agriculture to promote employment generation, rural development and national progress. It also focuses on improving digital capabilities, strengthening governance, ensuring regulatory compliance, promoting transparency, reducing the level of non-performing loans and providing effective customer service.

2.8 Management Organogram



Chapter 03

Internship Role & Responsibilities

3.1 Role and Responsibilities

I gained practical experience in customer service and loan management in the banking industry while I was an intern at Agrani Bank PLC. While working closely with the loan management team, my responsibilities included assisting in loan risk assessment, organizing, analyzing client financial information and assisting in processing loan applications. I also observed the processes used to assess creditworthiness, tracked repayment plans and helped maintain loan documentation. This experience enhanced my knowledge of the importance of risk management, loan analysis and good lending practices in maintaining stable banking operations.

3.2 Rationale of those roles and Responsibilities

- Assist in the preparation of loan documentation and credit reports.
- Contribute to the investigation of clients' credit history and financial records.
- Support initiatives to analyze credit risk and review loan applications.
- Monitor how credit decisions are affected by customer behavior and repayment tendencies.
- Participate in the analysis of loan performance and classification data.
- Develop the confidence and skills necessary for future positions in credit and financial analysis.

3.3 Task

- Contributed to file organization, loan documentation preparation and client communication.
- Assisted in updating internal documents and client forms to ensure accuracy and uniformity across branches.
- Participated in loan awareness campaigns and customer engagement projects on loan services.
- Conducted sector-wise borrower data collection to assist in reporting and loan risk assessment.
- Prepared official notices regarding loan approval, disbursement and reminders for repayment.
- Participated in internal loan meetings to monitor policy discussions, risk assessments and loan proposal evaluation.

Chapter 04

Key Learning and Experiences

4.1 Important Learnings

- Received training on combining theoretical understanding with effective debt management strategies in real banking operations.
- I learned how risk and credit assessment affect client confidence in financial decision-making.
- My focus has been further enhanced through work reviewing financial documents and managing client files.
- I learned about improving professionalism in communication by writing short official letters to clients about loan processing and repayment.
- Enhanced time management abilities through managing several tasks within rigorous banking deadlines.
- I understand that effective debt management requires a clear understanding of client needs and maintaining healthy relationships.
- In addition to developing analytical skills, my confidence to take on future finance roles has increased and this internship has transformed book-smart information into real-world experience.

4.2 Connections to academia

This experience has prepared me to confidently enter the financial services sector by providing me with insights into the effectiveness of lending decision-making in the banking industry and the balance between risk and compliance, as well as sharpening my analytical skills, bridging the gap between academic experience and the real world. This experience has given me insights into the lending decision-making process in the banking sector, including the balancing of risk versus compliance. Strengthening my analytical skills, has prepared me to confidently enter the financial services landscape by building bridges between academic studies and the wider world.

4.3 Experience

The internship at Agrani Bank PLC. taught me a lot and helped me advance in my career. As part of the Credit Management Department, I assisted in credit analysis, prepared client documents and scrutinized loan applications. The internship taught me to be professional and more focused and be punctual as part of a team. This practical experience helped me to connect what I learned about finance and credit management at university to the world of banking. It helped me to build my confidence and prepare me for a future financial career.

Chapter 05

Critique and Reflections

5.1 Critical Evaluation

- Agrani Bank PLC's disciplined policy-driven lending operations bring unity, transparency and loyalty.
- A high level of professionalism, honesty and adherence to procedures has been observed among bank employees.
- Inefficiencies have been observed due to the inappropriate use of digital assets for risk analysis and documentation and the reliance on manual paperwork for loan management.
- Opportunities have arisen to leverage technology-driven loan evaluation platforms to enhance customer experience, speed and accuracy.
- Limited inter-departmental cooperation was observed which sometimes delayed loan disbursement and affected recovery-unit-credit-unit coordination.
- An improved internal communication system was identified as essential to improve client service and workflow processes.
- It was found that customer-centric service delivery, inter-departmental coordination and expansion of digitalization of loan operations are essential for future growth.

5.2 Key challenges faced during the entire internship period

- By handling several credit-related tasks, I learned how to prioritize, stay organized and stay calm under pressure.
- My time and attention span grew with the accomplishment of various communication-related activities under a time limit.
- I was repeatedly asked to read technical responses and interact with all levels of financial process knowledge regarding credit reporting, disputes and recovery technology procedures.
- My ability to complete client questions or questionnaires was from time to time hindered by my exposure to confidential financial information.
- Poor interdepartmental communication hampered the workflow and processing of my requests.

5.3 Learning from challenges

- Handling several credit-related tasks taught me how to prioritize, stay organized and stay calm under pressure.
- Asking questions, seeking advice and doing my research helped me become more knowledgeable and confident when dealing with new banking terms and lending procedures.
- Limiting access to sensitive information has improved my critical observation skills and reaffirmed the value of confidentiality in banking.
- As I adapted to the formal environment of the bank, my professionalism, punctuality and polite communication all improved.
- I have learned patience, perseverance and productive teamwork in a structured organization, dealing with communication difficulties and procedural delays.
- These difficulties turned into learning experiences as they increased my flexibility, confidence and preparation for future positions in the banking and financial industry.

5.4 Overall Reflection

I gained invaluable practical experience at Agrani Bank PLC. where I implemented real-world features like document management and client communication in real-world functions as a credit department. I gained a deep understanding of the challenges of navigating the complexities and perseverance of public banks. I now have more self-introspection, a clear idea of my professional goals, knowledge and skills that will be useful in my future work.

Chapter 06

Conclusion

The internship at Agrani Bank PLC. played a significant role in my educational and personal development. As a member of the Credit Management Team, I learned firsthand how the bank evaluates loan applications and manages credit risk to achieve financial goals. I have seen how the bank's operations are conducted through professionalism, teamwork, open communication and how the strategy ensures responsible lending decisions to meet customer needs. By overcoming obstacles in this well-organized environment, I have increased my own flexibility, problem-solving skills and confidence. The internship helped me understand the importance of lifelong learning. It was not just a place of employment; Agrani Bank served as a realistic financial learning environment that prepared me well for a future in the financial sector.

Chapter 07

Implecations

- Doing the internship allowed me to learn how academic knowledge relates to real-world banking challenges and personal development.
- I applied theoretical concepts in finance and credit management to complete tasks such as reviewing loan documents, assessing loan risk and communicating with clients.
- I supported the credit team by organizing loan files, analyzing data and preparing reports to support decision-making.
- I saw how important customer trust, regulatory compliance, risk management are to maintaining the bank's operations and financial stability.
- I applied my skills in professional communication, collaboration, research and problem-solving appropriately.
- I learned how trusting shared goals foster collaborative success in a fast-paced and structured environment.
- I am motivated to continue learning and make impactful contributions to the finance industry.
- The internship changed my perspective on credit management which also increased my confidence to face upcoming challenges in my job.

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