Internship Report on:

Credit Operation and Performance of Dhaka Bank Limited

" A Study on Dhanmondi Branch "

Internship Report on:

Credit Operation and Performance of Dhaka Bank PLC

Submitted To

Md. Arif Hassan

Assistant Professor

Department of Business Administration

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Submitted By

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Program: BBA,Major : Accounting

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Date of Submission:

Letter of Transmittal

Date:

To

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business Administration

Daffodil International University

Subject : Submission of Internship Report.

Dear Sir,

With due respect, I am pleased to submit my internship report on the " Credit Operation and Performance" of Dhaka Bank PLC, completed during my three-month internship program.This report reflects my understanding of corporate culture,organizational policies, and various aspects of credit operations.I have made every effort to ensure its accuracy and relevance.

I sincerely appreciate your guidance throughout the preparation of this report and apologize for any errors.If further clarification is needed ,I will be happy to provide the necessary details.

Thank you for your time and support.

Sincerely Yours,

……………………….

Lamiya Lablu Apon

ID No: 203-11-1199

Program: BBA,Major : Accounting

Department of Business Administration

Faculty of Business Administration

Daffodil International University

Declaration

After concluding a three-month internship at Dhaka Bank PLC, I am Lamiya Lablu Apon, I prepared this internship report entitles **" Credit Operation and Performance of Dhaka Bank PLC."** I promise that the report will be written solely to meet academic requirments and not be used for any other reason.

Lamiya

………………………

Lamiya Lablu Apon

ID : 203-11-1199

Program: BBA,Major : Accounting

Department of Business Administration

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Daffodil International University

Letter of Approval

This is to certify that Lamiya Lablu Apon , ID : 203-11-1199, Major in Accounting, student of Bachelor of Business Administration (BBA) program,under the department of Business Administration, Daffodil International University, has completed the internship report on " **Credit Operation and Performance of Dhaka Bank PLC"** under my supervision.She successfully completed her internship program at Dhaka Bank PLC.

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

………………………………..

Md. Arif Hassan

Assistant Professor

Department of Business Administration

Faculty of Business Administration

Daffodil International University

Acknowledgment

Firstly, I would like to express my deepest sense of gratitude to almighty Allah for granting me the opportunity to do my internship at Dhaka Bank PLC. (Dhanmondi Branch ,Dhaka) from February to May of 2024.

Then, I would want to thank a few individuals because I could not have finished my internship report without their help. I have the utmost respect for my honorable supervisor Md. Arif Hassan**,** an assistant professor at the Daffodil International University. His assistance, counsel, and direction in completing this report are greatly appreciated.

Additionally, I would want to express my gratitude to all of the BBA program's faculty members who provided invaluable guidance.

I'm overjoyed that Dhaka Bank PLC offered me the chance to serve as an intern. I want to express my gratitude to every member of the Dhaka Bank PLC Dhanmondi brunch staff for their kindness and generosity. It marked a total shift in my life. I learned a lot about the banking industry, various individuals, tasks, and situational management techniques from this internship. And with their cooperation, all of this was made possible. I am incredibly grateful to Archona Rani Paul (GB Incharge), Md. Mamun Sardar (Senior Vice President), who all provided me with invaluable ideas.

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

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

Dhaka Bank PLC is one of the largest and leading private-sector commercial bank in Bangladesh. The bank is engaged in offering conventional and Islamic commercial banking services to its customers, such as depository schemes, loans and advances, and card services. Its products and services include corporate banking services such as short-term finance, long-term finance, export finance, retail banking, home loans, travel loans, digital banking services the popular student file service, and remittance payment services. This report discusses the nature of credit, types of credit, credit processes, credit performance, credit management system, policies, credit approval process, and credit monitoring of Dhaka Bank PLC.

This report is divided into five chapters and detailed in various parts. The first chapter contains the introduction, background, origin of the report, objectives, scope, methodology, and limitations of the report. The next chapter is about the company overview, including its mission, vision, core values, corporate objectives, and information about its products and services. The third chapter contains the theoretical background of credit operations. The fourth chapter is the analysis part, which includes the overall credit performance of Dhaka Bank PLC.

Finally, the last chapter of this report contains some findings and recommendations for the improvement of Dhaka Bank PLC.

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CHAPTER-01
INTRODUCTION (DHAKA BANK PLC)

1.1 INTRODUCTION

This internship report is prepared as part of the fulfillment requirements of my academic needs and tends to provide a detail-based account regarding my internship experience at Dhaka Bank PLC, which is among the top tiers in the banking industry of Bangladesh. Born in 1995, Dhaka Bank has spread its operational coverage significantly and is providing a broad range of banking services that range from retail, corporate, and SME banking to treasury and investment banking.

The internship thus aimed at hands-on experience and practical knowledge regarding how a leading commercial bank would run its operations in a dynamic financial environment. During the three-month internship, I was assigned to the Accounts, Finance, Credit, and Customer Service departments, enabling me to go into the details of various essential banking operations. It ranged from processing loan applications and maintaining client accounts to assisting with financial analysis and credit evaluation.

1.2 ORIGIN OF THE REPORT

This report has been prepared as an internship requirement for graduation under the BBA program at Daffodil International University, upon successfully completing an internship with Dhaka Bank PLC. The major purpose of the internship is to provide practical exposure with real-world banking and various financial practices that complement the theoretical knowledge acquired throughout the academic program.

This report is, therefore, based on my personal experiences, analyses, and inferences that I gathered from the banking world at Dhaka Bank PLC during the internship.

1.3 OBJECTIVE OF THE REPORT:

- To explain the credit operations of Dhaka Bank PLC;
- To evaluate the credit performance of Dhaka Bank PLC;
- To find out the problems relating to credit operation and performance of Dhaka Bank PLC.

1.4 SCOPE OF THE REPORT

This report has been prepared on the credit department of Dhaka Bank PLC, Dhanmondi Branch. The main tasks to be reported in this respect are loan processing, credit evaluation, risk grading, and recovery operation. It will also include a discussion on branch performance related to credit portfolio management, efficiency of credit operation, and steps taken to reduce non-performing loans.

1.5 METHODOLOGY

Secondary Data:

→Internal reports of Dhaka Bank PLC were reviewed.

→The annual reports of the bank concerning credit operations and performance were analyzed.

→Studies on relevant literature on credit management and banking operations.

1.6 LIMITATIONS OF THE REPORT

→ The short duration of the internship made it difficult to observe all aspects of Dhaka Bank PLC.

→ Access to detailed information was another limitation.

→ Obtaining relevant data was challenging, as the credit department often maintains strict confidentiality.

→ Additionally, up-to-date information is rarely available on the official website.

CHAPTER-02

PROFILE OF DHAKA BANK PLC

2.1 HISTORICAL BACKGROUND OF DHAKA BANK PLC

Dhaka Bank Ltd. was established on April 6, 1995, with a mission to render financial services through a private commercial bank that will act for the development of an affluent Bangladesh. It commenced its operations on July 5, 1995, and soon appeared as one of the top-ranked financial organizations in the country. Dhaka Bank is a relatively few leading innovative banks in Bangladesh focused on providing a helping response, both corporate and individual customers. Its head office is located in Dhaka, with a wide network of branches covering the length and breadth of the country.

2.2 TIMELINE AND MILESTONE

YEAR	MILESTONES
1995	**Establishment of Dhaka Bank PLC.**
1997	**Introduction of ATM services.**
2001	**Launch of online banking services.**
2003	**Listed on Dhaka and Chittagong stock Exchanges.**
2010	**Achieved BDT 100 billion in assets.**
2015	**Open its 100 branch.**
2020	**Introduced digital banking platform DBL Go.**
2022	**Launched green banking initiatives to promote sustainability.**

2.3 MISSION,VISION AND CORE VALUES

Mission

To deliver the best customer service possible based on innovative banking solutions so as to accelerate growth and promote financial inclusion in Bangladesh.

Vision

To become a financial institution that is most cherished in Bangladesh by rendering unsurpassed banking services with a strong emphasis on enhanced customer satisfaction and contributing towards the economic development of the country.

Core Values:

- Trust
- Enterprise
- Customers' Interests
- Clarity
- Cooperation
- Social Responsibility

2.4 CORPORATE INFORMATION OF DHAKA BANK PLC

→Aim for enhancement of shareholders value with proper stability to the bottom line.

→Develop relevant and appropriate products and services for the clients.

→Guarantee availability of banking services to all sections.

→Encourage innovation for achieving excellence in operations and customer experience.

→Commitment towards responsible business practices and social inclusiveness.

2.5 ORGANIZATIONAL STRUCTURE OF DHAKA BANK PLC

Dhaka Bank PLC. is structured in a hierarchical form that may be unraveled to the extent of the principal positions mentioned.

Board of Directors: Groups of individuals formed to govern and provide strategic direction.

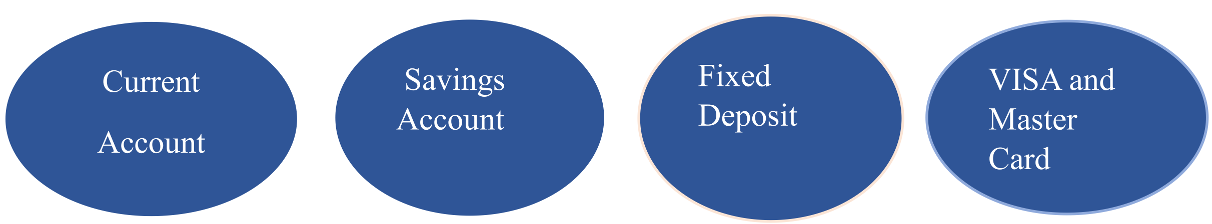
Managing Director & CEO: Overall strategy and managing the business on a day-to-day basis.

Deputy Managing Director: Senior management positions that are given the task of supervising and managing certain departments directly under the CEO's jurisdiction.

Division heads: Analysis covers HR, finance, IT, operations for banks, mainly in charge of the divisions and coordination of bank's activities.

2.6. PRODUCTS AND SERVICES OF DHAKA BANK PLC

Retail Banking:



Loan Products

→Personal Loans

→Cars Loans

→Home Loans

→Education Loans

Cards

→Debit Cards

→Credit Cards

→Prepaid Cards

Corporate Banking Services

Corporate Loans:

→Working Capital Loans

→Term Loans

→Project Financing

→Trade Financing

Trade Services:

→Letters of Credit (LC)

→Bank Guarantees

→Export and Import Financing

Cash Management:

→Collection and Payment Services

→Payroll Processing Services

SME Banking

→SME Loans and Financing Solutions

→Trade and Working Capital Loans for SME

→Collateral-Free Loans for Small Businesses

→Women Entrepreneur Loans

Islamic Banking (offered under the name Dhaka Bank Shariah Unit)

→Deposit Products (based on Islamic principles)

→Investment Products such as Murabaha, Bai-Muazzal, and Hire Purchase under Shirkatul Melk

→Islamic Trade Finance Services

Foreign Exchange and Remittance Services

→Foreign Currency Accounts

→Overseas Remittance Processing

→NRB (Non-Resident Bangladeshis) Accounts

Digital Banking Services

→Mobile Banking (Dhaka Bank Go app

→Internet Banking

→SMS Banking

→E-Wallet Services

Treasury and Capital Market Services

Investment in Government Securities

→Forex Trading Services

→Capital Market Investments for Corporate Clients

→Financing a project

→Working capital finance

→Cash management services

SME Banking:

→Business finance

→SME Saving Deposit

→Business current account

Digital Banking:

→DBL Go Mobile application.

→Internet banking , SMS Banking

CHAPTER-03

THEORETICAL BACKGROUND OF DHAKA BANK PLC

3.1 DEFINATION OF CREDIT

Credit is then defined simply as the trust between two parties: whereas the first provides money or resources to the second party, the second is expected to repay in the future. Repayment may include the repayment of the principal amount, and, on a case-there-such that applies, charged interests or fees. The banking definition of credit involves loans, advances, or other financial services accorded to a customer with the specific intention of generating profit and stimulating economic activity.

3.2 FACTORS RELATED WITH CREDIT

Factors influencing credit decisions:

Creditworthiness of the Borrower: Understanding and appraisal of a borrower as a person who can pay back.

Purpose of the Loan: Discussion regarding whether the purpose fits into the institution's objectives and policies.

Collateral: Looking at the kind of assets against which a loan to be granted would be secured.

Economic Conditions: Analysis of lending's viability under the current economic environment.

Interest Rate: Considering rate on credit regarding potential profitability and associated risk.

3.3 CREDIT APPROVAL PROCESS OF DHAKA BANK PLC

The steps to be taken follow approval process in Dhaka Bank:

Application submission: A formal request by the borrower;

Preliminary screening: Initial assessment of credit solvency or worthiness

Documentation and verification: Gathering and confirming essential papers;

Credit Committee concerning approving the proposed loan

Disbursement: Release of the agreed funds to the borrower after final approval.

3.4 CREDIT ANALYSIS OF DHAKA BANK PLC

However, several tools and methods are utilized or used to analyze the financial strength of applicants, such as the following:

Financial Statements Analysis: Balance sheet, profit and loss statement, and cash flow statement, also analyzed.

Ratio Analysis: Critical comments made, in full detail, on liquidity, profitability, solvency, and capital ratios.

Credit Scoring and Risk Assessment: Standardized credit scoring models used to compartmentalize and minimize risk arising from lending.

3.5 CREDIT POLICY OF DHAKA BANK PLC

The credit policy of Dhaka Bank provides salient directions for credit risk management, conformity to regulatory requirements, and institutionalization of ethical lending practices. The policy takes care to ensure responsible lending along with equitably balancing growth and risk.

3.6 CREDIT EVALUATION OF DHAKA BANK PLC

Credit evaluation involves an exhaustive assessment of the following:

Character of the Borrower: The reliability of the borrower along with its history.

Capacity to Repay: The borrowed order to repay its financial obligations.

Capital and Collateral: Assets used in securing loans.

Conditions of the Loan: Awareness of industry and economic risks.

3.7 DEPOSIT AND ADVANCE POLICY OF DHAKA BANK PLC

The deposit and advance policy directs how the bank handles customer deposits and advances in a manner that helps control liquidity within appropriate levels and ensures proper management of deposits and loans in healthy proportions.

3.8 CREDIT COLLECTION OF DHAKA BANK PLC

Dhaka Bank has a systematic method for the collection of credit, whereby after some time has passed, overdue accounts will be followed up income will be structurally controlled based on the class of the customer's account or account balance will be strategically managed, reorganization of obligations for remaining viable accounts will be done and if all of that does not reduce the default rates legal measures will be taken.

3.9 CREDIT FACILITIES OF DHAKA BANK PLC

There is a selection of credit facilities that the bank provides, these include:

Corporate Loans: Designed for big business customers.

SME Loans: Now catering for small and medium enterprises.

Personal Loans: commercial purposes loan Extended to individuals.

Agricultural Loans: Financing those engaged in the agricultural activities.

Trade Finance: Facilitating businesses of import and export.

3.10 RATE OF INTEREST IN LOAN AND ADVANCES

The rate of interest on loans and advances at Dhaka Bank PLC is determine by various factors, such as the policy rate of Bangladesh Bank, market competition, the risk profile of the borrowers, and the type of loan product. The rates would be applied in the Dhanmondi branch based on the centralized guidelines of the bank, adjusted for client demographics and sectoral demand of the branch.

Interest rates usually vary within a range depending upon the type of loan.

Retail Loans: Due to the ticket size being relatively small for personal or consumer loans, the rates of interest are usually higher, keeping in mind the individual risk that each loan possesses. The rates for personal loans can range from 9-12%.

Corporate Loans: Because corporate loans usually come with higher volumes and less chance of default due to large and already established companies, interest rates maybe marginally lower.Corporate loan rates are capped at 8-10%, depending on creditworthiness.

SME Loans: The loan to SMEs has moderate risks; hence, the bank normally charges between 10-12% interest rates. Rates may also be determined by the business performance of the client and collateral provided.

Agricultural Loans: Agricultural loans are often provided at the lowest interest rate, around 8-9%, in tune with the bank's corporate social responsibility towards this vital sector and regulatory requirements.

Export and Import Financing: The rate of export and import financing loans may be influenced by international market trends and, therefore, are mostly competitive, ranging from 7-9%.

Interest rates are subject to periodic reviews by the credit risk management team of Dhaka Bank so that these rates are in line with the prevailing market conditions and the regulatory requirements and overall risk appetite of the bank.

Loan Approval Process and Credit Assessment

The Dhanmondi branch of Dhaka Bank PLC has a very strenuous loan approval and credit rating process. The major steps involved in this respect are as follows:

1. Application of Loan and Preliminary Screening :
The customers apply for loans with all the necessary documents, such as proof of income, tax-related information, and books of accounts in the case of corporate loans. Preliminary screening is done by the staff of the branch regarding whether the customer is eligible or not.

2. Credit Rating and Risk Grading: The Bank uses several evaluation instruments and risk management frameworks to correctly appraise the creditworthiness of an applicant. Cash flow analysis, credit history, and collateral form part of this assessment.

3. Loan Approval: After the proposal has been approved both at the branch and at the head office levels, the loan is documented. Dhaka Bank ensures that agreement upon the loan, collateral securities, and repayment schedules are spelled out in legally binding terms and conditions.

4. Disbursement and Monitoring: After documentation, the funds are disbursed, and the Dhanmondi branch monitors performance on a continuous basis. The branch staff provides periodic reports regarding repayments and issues efforts toward recovery of delinquent loans.

5. Risk Management and Compliance:
Dhaka Bank PLC adheres to the Bangladesh Bank instructions with respect to credit risk management. The loan officers of the Dhanmondi branch have strict lending policy criteria and frequently review the credit policy, and ensure that the bank itself respects the credit limits. In like manner, the branch has a strong provision for loan losses which could take place upon the occurrence of certain defaults and financial destabilization.

3.11 CREDIT OPERATION

Loan Sanction Process

Loans between two and five lacs are sanctioned at the unit office level. The sanction letter is dispatched along with all the necessary documents to the AOD for processing. The SME head approves the credit, repayment terms and informs the unit office. Then he dispatches the sanction letter and related documents to the AOD for disbursement

.

Selection of the Borrowers

1. Identification of Potential Businesses:

The Chief Risk Officer shortlists those enterprises, meets with the owners of the business, and deliberates on the way the financing schemes would work.

2. Preparation of Loan Proposal:

The CRO will draft loan proposals as per the data provided by the business owner comprising company information and collateral details if needed.

3. Data Collection:

The CRO collects required information about the client from various sources, such as suppliers for payment history, customers regarding supply chain information, and other banks to verify account activity.

4. Account Opening:

Sanctioning the loan, the CRO assists the customer in opening a Short Notice Deposit account with Dhaka Bank. This account is used for loan disbursement and repayment unless any exception is given to use another bank account.

Filling the Form in CIB

Customer fills up the CIB form and signs it. The form is forwarded to SME corporate office by the CRO. In case customer is unable to fill up the form, CRO fills it on behalf of customer.

Submission to Bangladesh Bank

The corporate office sends the completed form to Bangladesh Bank for approval. In 10-12 days, the bank usually returns the CIB report along with a reference number.

Categories of CIB Report

NIL: It indicates that the borrower does not have any loan outstanding from any financial institution.

UC (Unclassified): It means an unsecured loan whose payments are overdue but for less than six months.

SS (Substandard): It indicates that the payments are overdue between six to 12 months.

DF (Doubtful): Shows payments overdue between 12 and 18 months.

BL (Bad Loss): Signifies payments overdue for more than 18 months, labeling the borrower as a delinquent.

These categories help determine whether a customer is eligible for future loans.

Inquiry Form Submission

CIB forms include specific details:

CIB-1A: For individual borrowers.

CIB-2A: For institutions, including owner details.

CIB-3A: For associated businesses or groups.

Form "KA": For individuals, directors, or partners.

The filled-up forms are submitted to the CIB section of AOD, which in turn sends them to Bangladesh Bank. Assessment from CIB may take 7-10 business days. Sanction results are added to the loan file. In case of any correction, corrections will be resubmitted.

Sanction Letter:

The loan approval letter is to be prepared in duplicate, signed by two officers of the bank that are authorized, one being the Credit Team Supervisor. After agreement, the borrower has to sign on the copy of the sanction letter and send it back to the bank. Therefore, this is to ensure the credit policy and approval standards of the bank are fulfilled.

CHAPTER-04

CREDIT PERFORMANCE OF DHAKA BANK PLC

4.1 LOAN AND ADVANCES

(Amount in BDT)

Year	Loans &Advances(in Million BDT)	Growth rate
2019	195,635,000,000	-
2020	198,660,000,000	1.55%
2021	215,459,000,000	8.46%
2022	239,686,000,000	11.24%
2023	256,187,000,000	7%

Table 01: Loans and Advances of Dhaka Bank PLC

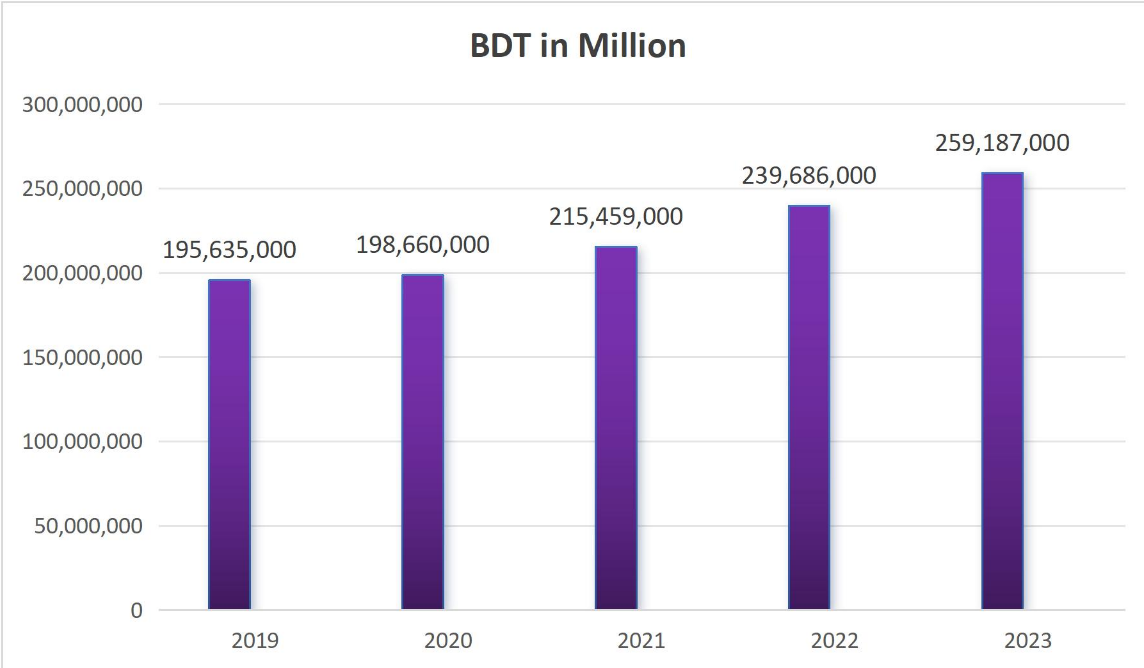


Chart 01: Loans and Advances of Dhaka Bank PLC

Interpretation :

The Loans and Advances performance of Dhaka Bank PLC shows a consistent year-on-year increase over the past five years, demonstrating the bank's robust growth and strategic focus on lending operations. Starting in 2019, the total Loans and Advances stood at BDT 195,635 million, which steadily increased to BDT 256,187 million in 2023. The growth rates over the years reflect the bank's ability to adapt to changing economic conditions and capitalize on emerging opportunities.

In 2020, the growth rate was a modest 1.55%, likely due to the economic slowdown caused by the COVID-19 pandemic. Despite these challenges, Dhaka Bank continued its lending activities, showcasing resilience and commitment to supporting its customers.

The years 2021 and 2022 saw significant growth, with rates of 8.46% and 11.26%, respectively. This can be attributed to the post-pandemic economic recovery, where increased lending activities in sectors such as SMEs, agriculture, and retail financing drove higher disbursements. The bank's initiatives in digital banking and customer-focused services also contributed to this surge.

In 2023, the growth rate moderated to 7%, reflecting stable and sustainable performance. Factors such as regulatory changes and market competition may have influenced this moderation. However, the increase in Loans and Advances still underscores the bank's strong market presence and effective risk management practices.

4.2 LOAN TO DEPOSIT RATIO OF DHAKA BANK PLC

The loan-to-deposit ratio represents the proportion of a bank's total loans to its total assets, typically expressed as a percentage. A low ratio may indicate that the bank is not maximizing its earning potential, while a high ratio suggests insufficient liquidity to handle economic emergencies. Banking experts often assess a bank's liquidity using this measure.

Year	2019	2020	2021	2022	2023
Total Loan & Advances	195,635,000,000	198,66,0,000,000	215,459,000,000	239,686,000,000	256,187,000,000
Total Deposit	224,678	226,718	231,178	243,427	282,079
Loan to Deposit Ratio	87.07%	87.62%	93.20%	98.46%	90.82%

Table 02 : Loan to Deposit Ratio of Dhaka Bank PLC

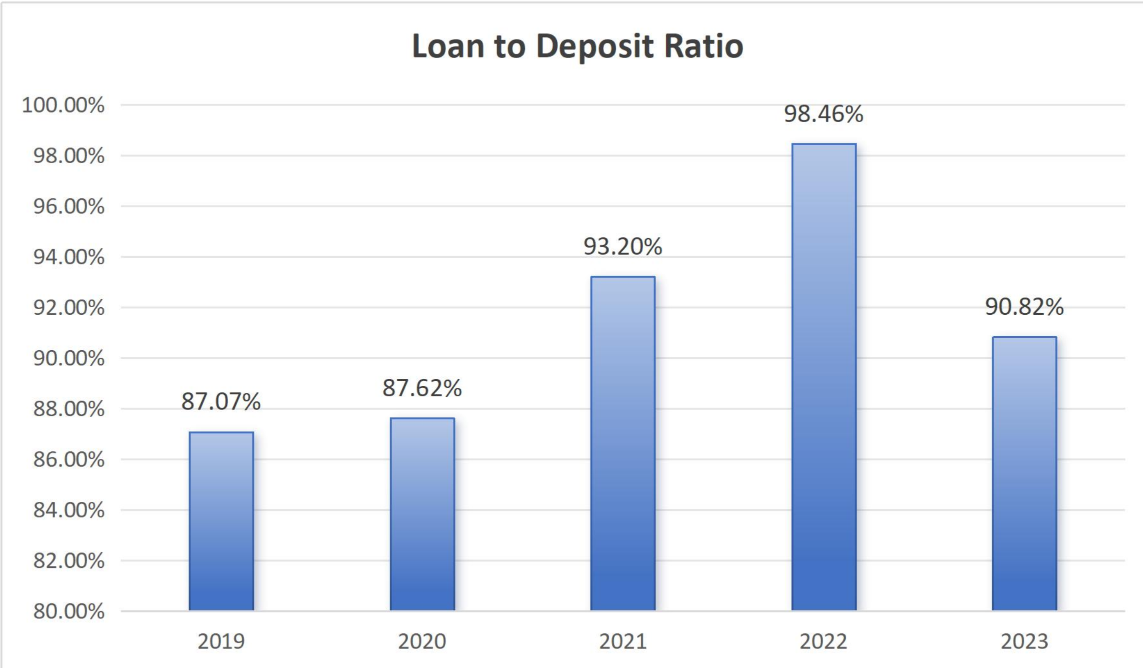


Chart 02:Loan to Deposit Ratio of Dhaka Bank PLC

Interpretation :

The table shows steady growth in loans and deposits from 2019 to 2023, with loans rising from 195.64 billion to 256.19 billion and deposits increasing from 224,678 to 282,079. The Loan-to-Deposit Ratio (LDR) peaked at 98.46% in 2022, reflecting aggressive lending, but dropped to 90.82% in 2023, indicating a more balanced approach to liquidity and risk management. Overall, the institution demonstrates growth and adaptability.

4.3 STANDARD LOAN OF DHAKA BANK PLC

Year	Loan & Advances(BDT in Million)	Standard Loan(BDT in Million)	Ratio of Standard
2019	195,635,000,000	189,181.37	96.73%
2020	198,660,000,000	191,404.87	96.36%
2021	215,459,000,000	207,536.20	96.38%
2022	239,686,000,000	226,413.57	94.50%
2023	256,187,000,000	242,059.95	94.53%

Table 03: Standard Loan of Dhaka Bank PLC

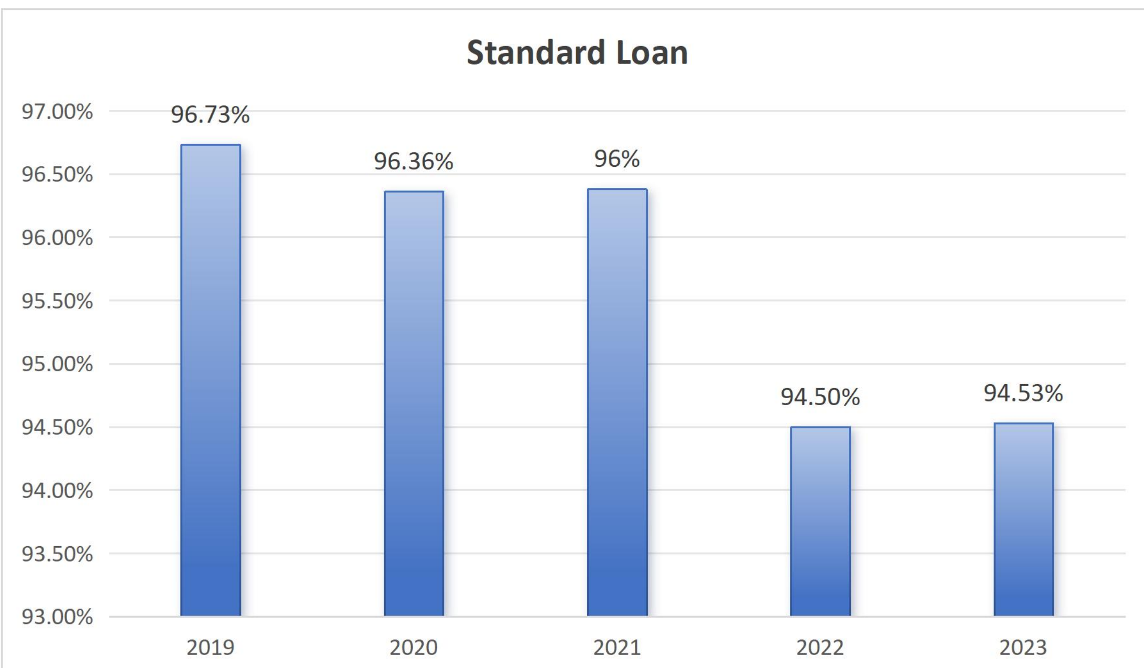


Chart 03:Standard Loan of Dhaka Bank PLC

Interpretation :

The table and chart show the ratio of standard loans has decreased slightly from 96.73% in 2019 to 94.53% in 2023.

This decline suggests a gradual increase in non-performing loans (Sub-Standard, Doubtful, and Bad/Loss), which could indicate challenges in maintaining loan quality.The total amount of standard loans increased significantly from BDT 189,181 million in 2019 to BDT 242,060 million in 2023, reflecting growth in Dhaka Bank's lending activities.

This increase aligns with the bank's expansion and economic recovery efforts post-pandemic.

4.4 SUB-STANDARD LOAN OF DHAKA BANK PLC

Year	Loan & Advances (Amount in BDT)	Sub-Standard Loan(Amount in BDT)	Ratio of sub-standard Loan
2019	**195,635,000,000**	**91.95**	**0.047%**
2020	**198,660,000,000**	**415.30**	**0.209%**
2021	**215,459,000,000**	**396.65**	**0.184%**
2022	**239,686,000,000**	**611.23**	**0.255%**
2023	**256,187,000,000**	**939.24**	**0.367%**

Table 04: Sub-Standard Loan of Dhaka Bank PLC

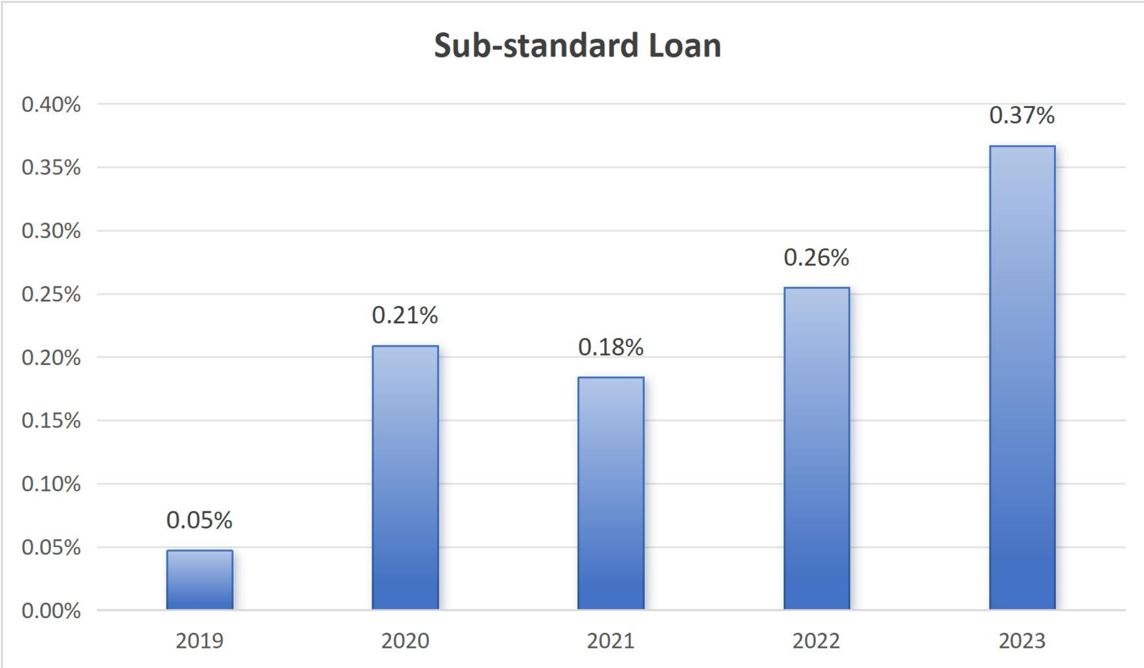


Chart 04: Sub-Standard Loan of Dhaka Bank PLC

Interpretation :

The table and chart indicate a rise of Sub-Standard Loans increased significantly from BDT 92 million in 2019 to BDT 939 million in 2023.

The ratio also rise from 0.047% in 2019 to 0.367% in 2023, indicating a gradual decline in loan quality.The sharp rise in 2020 (BDT 415 million) suggests that economic disruptions, such as the COVID-19 pandemic, may have contributed to repayment difficulties among borrowers.

4.5 DOUDTFUL LOAN OF DHAKA BANK PLC

Year	Loan & Advances (Amount in BDT)	Doubtful Loan (Amount in BDT)	Doubtful Loan in Total Loan & Advances(Amount in BDT)
2019	**195,635,000,000**	**60,650,000**	**0.031%**
2020	**198,660,000,000**	**157,940,000**	**0.079%**
2021	**215,459,000,000**	**66,790,000**	**0.031%**
2022	**239,686,000,000**	**146,210,000**	**0.061%**
2023	**256,187,000,000**	**261,310,000**	**0.102%**

Table 5: Doubtful Loan Of Dhaka Bank PLC

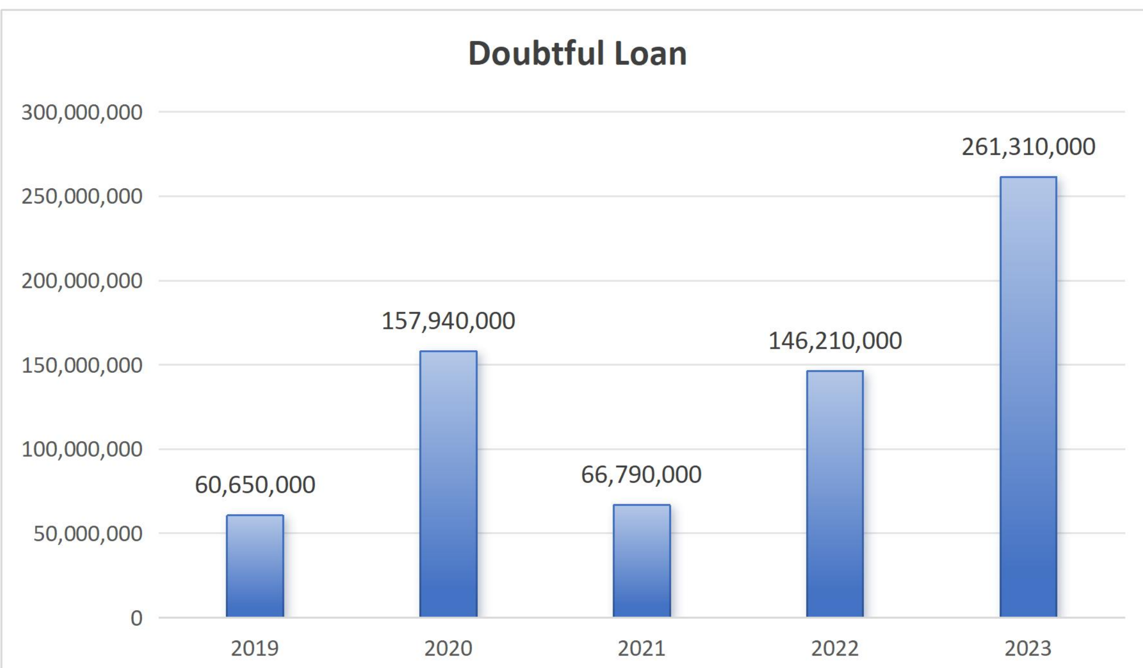


Chart 5: Doubtful Loan Of Dhaka Bank PLC

Interpretation:

The chart shows Doubtful loans increased significantly in 2020 (BDT 157.94 million) and again in 2023 (BDT 261.31 million).

The ratio rise from 0.031% in 2019 to 0.102% in 2023, reflecting an increase in credit risk.The spike in 2020 aligns with the economic challenges of the COVID-19 pandemic, which likely affected borrowers' repayment capacity.Doubtful loans decreased to BDT 66.79 million in 2021, indicating temporary recovery efforts. However, the subsequent rise in 2022 and 2023 suggests the need for sustained interventions.

4.6 BAD/LOSS LOAN OF DHAKA BANK PLC

Year	Loan & Advances (Amount in BDT)	Bad/Loss Loan	Bad/Loss loan in total Loan & Advance(Amount in BDT)
2019	195,635,000,000	6,300,030,000	3.22%
2020	198,660,000,000	6,681,890,000	3.31%
2021	215,459,000,000	7,459,360,000	3.40%
2022	239,686,000,000	12,514,990,000	5.23%
2023	256,187,000,000	12,926,500,000	5.01%

Table 6: Bad/Loss Loan of Dhaka Bank PLC

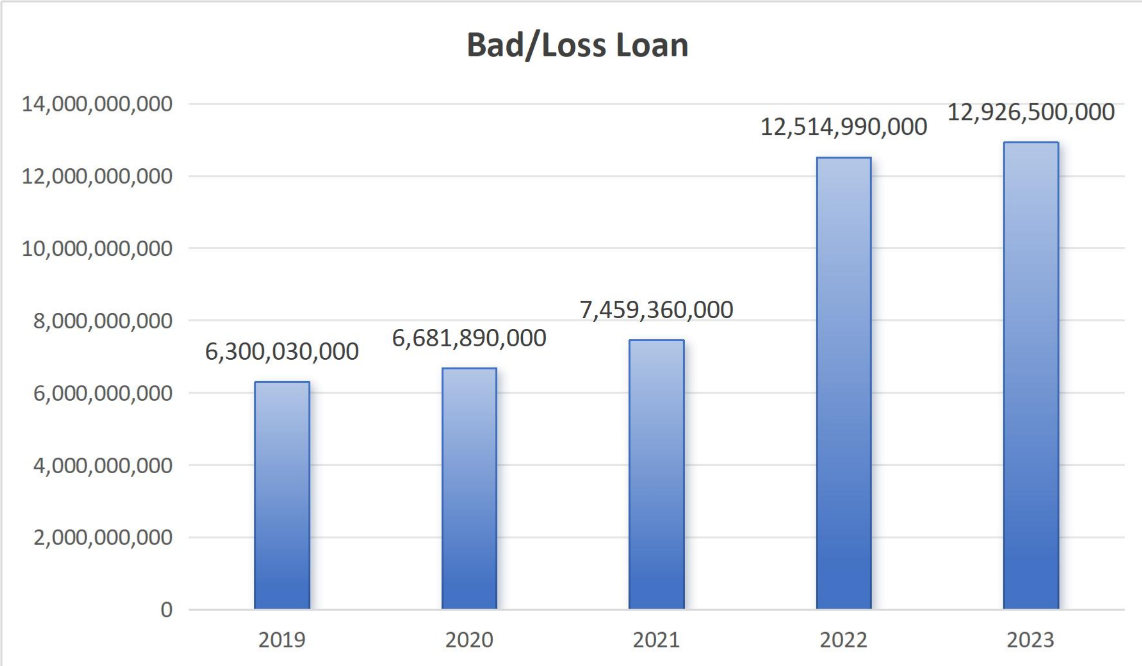


Chart 6: Bad/Loss Loan of Dhaka Bank PLC

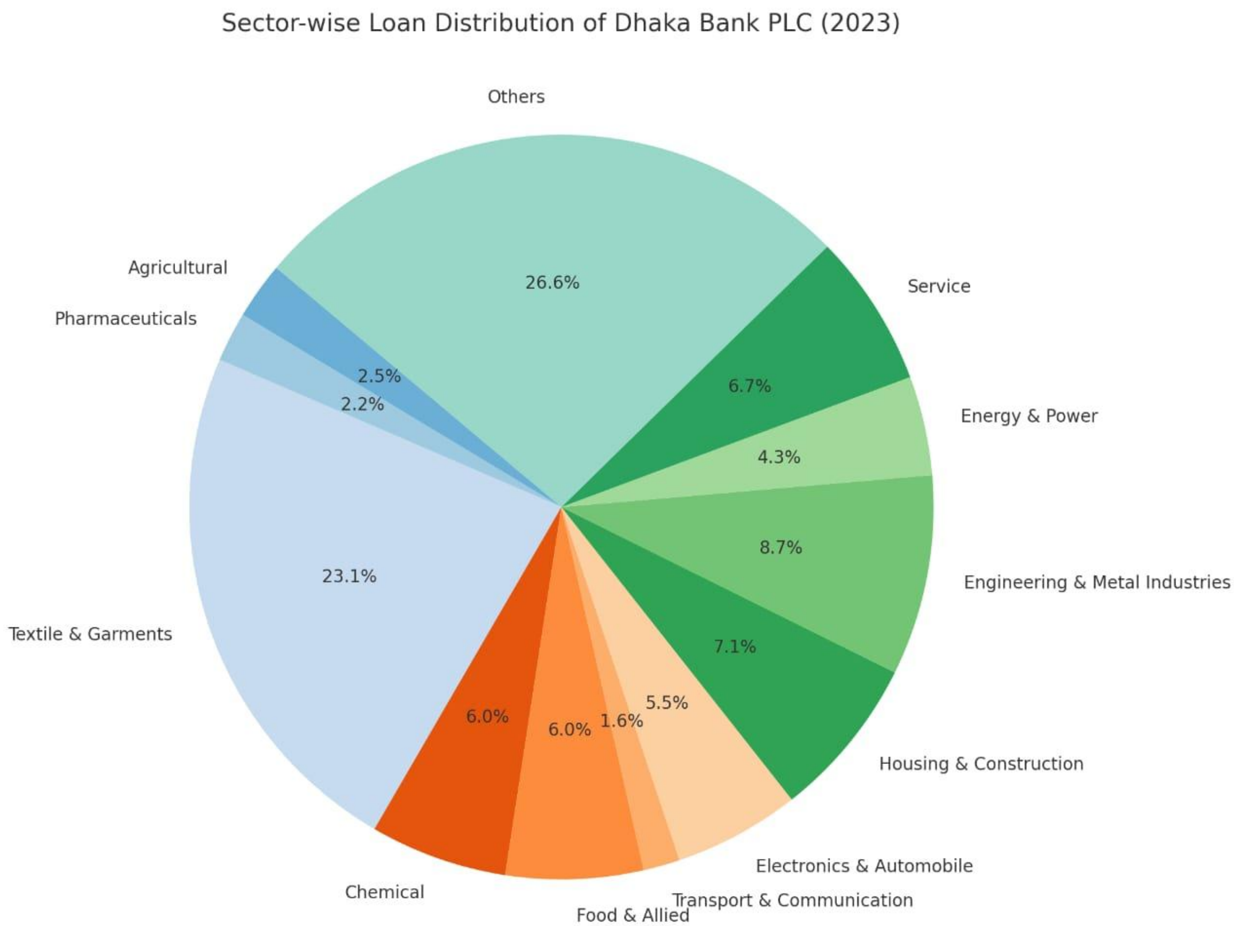
Interpretation:

The data shows a consistent rise in Dhaka Bank's bad/loss loans, growing from 6.23 billion BDT in 2019 to 12.51 billion BDT in 2023. The percentage of bad loans to total loans also increased, peaking at 5.08% in 2022 before slightly decreasing to 4.85% in 2023, indicating persistent but slightly improving loan quality concerns.

4.7 SECTOR WISE LOAN OF DHAKA BANK PLC

Sector	Amount (BDT)	Ratio(%)
Agricultural	6,340,057,434	2.48%
Pharmaceuticals	5,539,637,019	2.16%
Textile & Garments	59,170,855,273	23.09%
Chemical	15,271,729,668	5.95%
Food & Allied	15,296,790,153	5.97%
Transport & Communication	4,062,186,983	1.58%
Electronics & Automobile	14,042,384,417	5.48%
Housing & Construction	18,063,073,217	7.05%
Engineering & Metal Industries	22,284,490,438	8.70%
Energy & Power	11,025,466,549	4.30%
Service	17,063,666,946	6.66%
Others	68,026,868,309	26.55%
Total	256,187,206,406	100%

Table 07: Sector Wise Loan Of Dhaka Bank PLC



Pie Chart 07: Sector Wise Loan of Dhaka Bank PLC

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Interpretation:

Dhaka Bank's loans are primarily allocated to "Others" (26.55%) and "Textile & Garments" (23.09%), with notable shares for "Engineering & Metal Industries" (8.70%) and "Housing & Construction" (7.05%). Smaller sectors like "Transport & Communication" (1.58%) and "Pharmaceuticals" (2.16%) received lower allocations.

Chapter-05

Findings, Recommendation Conclusion, Reference

5.1 FINDINGS

Based on my study of the credit process & performance of Dhaka Bank PLC, I identified several key findings.The list is given below:

→ The loans and advances of Dhaka Bank have shown consistent growth over the years, reaching 256,187,000,000 in 2023, the highest figure in the last five years, reflecting a 7% increase compared to 2022.

→ The loan-to-deposit ratio of Dhaka Bank PLC was 93.20% in 2021 and rose to 98.46% in 2022, indicating a potential liquidity crisis. However, the bank improved its performance in subsequent years, bringing the ratio down to 90.82% in 2023, which is within the standard range.

→ The percentage of standard loans declined from 96.73% (BDT 189,181.37 million) in 2019 to 94.53% in 2023 of total loans, indicating an increase in non-performing loans.

→ The percentage of sub-standard loans at Dhaka Bank PLC has increased from 0.047% (BDT 91.95 million) in 2019 to 0.367% (BDT 939.24 in million) 2023 of total loan, indicating a gradual decline in asset quality.

→ The percentage of doubtful loans at Dhaka Bank PLC fluctuated over the years, rising from 0.031% (BDT 60.65 in million) in 2019 to 0.102% (BDT 261.31 in million) in 2023 of total loans. This increasing trend highlights potential issues in loan recovery.

→ Bad/loss loans rise from BDT 6,300,030,000 in 2019 to BDT 12,926,500,000 million in 2023, peaking at BDT 12,514,990,000 in 2022 (5.23%), before slightly improving to 5.01% in 2023.

→ In 2023, Dhaka Bank PLC disbursed the highest percentage of loans to the "Others" category and the textile and garments sector, accounting for 26.55% and 23.09% of the total loans, respectively. Conversely, the lowest percentage of loans was allocated to the transport and communication, agriculture, and pharmaceuticals sectors.

5.2 RECOMMANDATIOS

Based on my study of the credit process & performance of Dhaka Bank PLC, I identified several key recommendations.The list is given below:

→ Over the past five years, Dhaka Bank PLC has experienced growth in its total loans. Therefore, the bank should focus on maintaining this performance by attracting more customers through innovative schemes and offering attractive interest rates.

→ They might decline credit risk management by strengthening loan monitoring and recovery processes, implementing stricter credit evaluations, and conducting regular borrower follow-ups to reduce sub-standard loans.

→ They should focus on enhancing loan recovery efforts and strengthening credit management practices to address the increasing trend in doubtful loans.

→ They could form a dedicated team for recovering bad or lost loans and ensure that loans are not granted without proper documentation, which would lead to better performance in recovering bad/loss and doubtful loans.

→ Increase focus on customer relationship management to enhance borrower retention and satisfaction.

→ Offer financial literacy programs to help clients better manage their loans.

→ They should invest more in transport and communication, agriculture, and pharmaceuticals sectors.

CONCLUSIONS

Dhaka Bank PLC has demonstrated strong growth in its credit operations, especially in the aftermath of the pandemic. However, the rising trend of non-performing loans highlights the need for improved credit risk management and recovery strategies. By diversifying its loan portfolio, enhancing risk assessment methods, and leveraging digital transformation, the bank can maintain sustainable growth while minimizing credit risks. Additionally, focusing on underrepresented sectors and customer engagement will position Dhaka Bank PLC as a more competitive and inclusive financial institution.

5.3 REFERANCE

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