"Credit Operation Management of Agrani Bank PLC.

A Study on Jahangirnagar University Branch"

Internship Report

On

"Credit Operation Management of Agrani Bank PLC. A Study on Jahangirnagar University Branch"

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Date of Submission: 14/01/2025

LETTER OF TRANSMITTAL

Sabrina Akhter
Assistant Professor
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Subject: Submission of Internship Report, based on " Credit Operation Management of Agrani Bank PLC " A Study on Jahangirnagar University Branch, Savar, Dhaka.

Dear Sir,
It is with great pleasure that I submit the Internship report, which is a partial requirement for the Bachelor of Business Administration (BBA) degree. I have done my internship on " Credit Operation Management of Agrani Bank PLC: A Study on Jahangirnagar University Branch."
This report allowed me to apply theoretical and practical knowledge to a real-life situation, which will be very helpful to me in the future.
I appreciate this opportunity to show my profound gratitude to you for sparing your valuable time, guidance, constant effort, and prompt attention as and when required to accomplish this report.

Sincerely Yours,

………………………...
Md. Tanjil Islam Sefat
ID No: 201-11-1134
Major: Finance
Department of Business Administration
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LETTER OF DECLARATION

I humbly declare that this report is based on work, carried out by me, and no part of it has been presented previously for any higher degree. The report was conducted in the Department of Business Administration, Daffodil International University under the supervision of Sabrina Akhter. It is also declared that the report has been prepared for academic purposes alone and has not been/will not be submitted elsewhere for any other purposes.

Sincerely Yours,

……………………………………….

Md. Tanjil Islam Sefat
ID No: 201-11-1134
Major: Finance
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CERTIFICATE OF APPROVAL

This is to certify Md. Tanjil Islam Sefat, ID# 201-11-1134, Program BBA, Batch 55th, Major in Finance is a regular student of the Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University. He has completed his internship program at Agrani Bank PLC Jahangirnagar University Branch, Savar, Dhaka. And has prepared this internship report under my direct supervision. His assigned internship topic is "Credit Operation Management of Agrani Bank PLC a Study on Jahangirnagar University Branch". I think that the report is worthy of fulfilling the partial requirements of the BBA program.

I wish his happiness and every success in life.

……………………………………….

Sabrina Akhter

Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

ACKNOWLEDGEMENT

First, I want to express my gratitude to almighty Allah for giving me the strength, ability, and opportunity to complete this report successfully. Next, I would like to express my kindness to my beloved parents whose continuous inspiration and blessings encouraged me to make the right move in my life. Then I would like to thank my supervisor of the report Sabrina Akhter.

My heartful thanks to senior principal officer Shimul Chandra Ghosh from Jahangirnar University Branch of Agrani Bank PLC who allowed me to prepare this report with my full freedom and the best cooperation from the Bank.

I would like to thank all officers & workers of Agrani Bank PLC of Jahangirnar University Branch for their cooperation, support & love. I would like to thank from the deep of my heart to those people who are related to making of this report and make it a success.

Finally, I would like to thank DIU University and its faculty of the Business Administration Department for giving me an opportunity to complete my BBA Degree, giving me the opportunity to gather practical experience and enrich my knowledge.

Executive Summary

Agrani Bank PLC is the first state-owned commercial Bank in Bangladesh, with years of experience in the banking industry to introduce Agent Banking. The adoption of modern technology, both in terms of equipment and banking practices, ensures efficient service to clients. Agrani Bank PLC emerged as a nationalized bank under the name of Agrani Bank, which was governed by Bangladesh Bank (Order No. 26 of 1972), which former Habib Bank LTD and Commercial Bank LTD and renamed as Agrani Bank.

Commercial banks lend money to different categories of borrowers for various purposes, aiming to generate revenue. Accordingly, while processing and appraising a Credit proposal, banks essentially analyze the information relating to borrowers, assess the purposes of the Credit, and determine the viability of the Credit proposal. If the proposal is sound and safe for lending, the Credit is sanctioned and disbursed.

This study examines how Agrani Bank PLC's Credit operation management, Credit disbursement procedure, and different Credit types affect the company's or client's performance. The study aims to analyze the effectiveness of their Credit operation management practices and processes. Data sources for this report include primary data gathered from practical banking work, personal discussions with the officers and executives of Agrani Bank, and secondary data from sources like annual reports, published booklets, various published documents, the bank’s website, textbooks, circulars, etc.

The report is divided into five chapters, each of which covers a distinct facet of the subject. The study's introduction, history, scope, goals, methods, and limitations are all covered in the first chapter. Agrani Bank PLC's history, goal, and vision, as well as the corporate profile and organizational structure, are all covered in the second chapter. The third chapter explains the Credit operation management, Credit classification, steps in Credit operations, Credit proposal analysis, evaluation of collateral, Credit documentation, and the Credit recovery program. The fourth chapter presents various financial analyses, such as the financial performance of the bank over five years, sector-wise Credits and advances of Agrani Bank for five years, and the credit deposit ratio. Finally, the fifth chapter provides findings, recommendations, conclusions, and references.

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Chapter One

Introduction

1.1 Introduction of the Report

A Bank is an essential institution in today's economy. In a mature economy, it constitutes the core of the money market and is essential to a nation's economic development. Globally, Banking processes and areas of operation are continuously expanding. Today's fast-growing companies need business Banking services that fully meet their expectations for speed, convenience, efficiency, and security. To ensure optimal satisfaction regarding their needs for affluent Banking services, various local and multinational Banks are offering diverse and dynamic corporate Banking services.

The term "Bank" originally referred to an individual or organization that acted as a moneychanger, exchanging one currency for another. In its most basic form, Banking is the process of taking deposits from the public that can be repaid on demand or under other circumstances, and that can be withdrawn in the form of checks, drafts, or orders.

Among all the public sector commercial Banks in Bangladesh, Agrani Bank PLC is among the best. The Bank has grown significantly over the years and offers a wide range of financial services to its customers. Agrani Bank guarantees effective and efficient client service by embracing new technology in both Banking procedures and equipment. With over 900 locations throughout Bangladesh, the Bank operates through a huge branch network that offers its clients wide accessibility and reach. In addition to helping the country's economy, Agrani Bank PLC is committed to supporting its customers.

Although the Banking market is very competitive, Agrani Bank PLC has maintained steady development in nearly every area of its operations. With its solid financial standing, Agrani Bank PLC is well-equipped to handle the demands of the ever-changing Banking landscape.

Agrani Bank PLC offers a variety of quality products, such as Credits and deposits, and ensures the services typically provided by modern Banks. In addition to providing a range of high-quality goods, including deposits and Credits. Among its many Credit products are the Agrani Car Credit, Agrani Fixed Term Credit to Enterprises, Agrani Small Business Credit, Agrani Home Credit, Agrani House Repairing Credit, and numerous other alluring Credit products. Agrani Bank carefully chooses its customers by evaluating borrowers' creditworthiness. Following Credit issuance, the Bank keeps a careful eye on the borrowers' plans to return the Credit in full and on schedule.

1.1 Origin of the Report

When theoretical information is put into practice, it becomes flawless. Gaining practical knowledge and abilities is crucial for BBA students to compete successfully in the job market in the future. Without practical exposure, theoretical learning remains incomplete. One of the main elements of the four-year BBA degree is the three-month internship program, which acknowledges the value of practical experience. The BBA program requires this practical orientation; therefore, I jumped at the chance to finish my internship in a respectable company with a supportive and encouraging work atmosphere.

My organizational supervisor, **Shimul Chandra Ghosh**, senior principal officer at Agrani Bank PLC Jahangirnar University Branch, and the Branch Manager **MD. ABDUR RAHAMAN** instructed me to conduct a study on **Credit Operation Management (COM)** at Agrani Bank PLC. My academic supervisor, **Ms. Sabrina Akhter**, Assistant Professor at Daffodil International University, also approved the topic and authorized me to prepare this report as part of the fulfillment of my internship requirements.

1.2 Background of the Report

This report is being prepared to fulfill the partial requirement of the BBA program. During my three-month internship at **Agrani Bank PLC**, Donia Branch, Dhaka, I had the opportunity to gain practical experience in the Credit Department. The objective of this report is to analyze the overall **Credit Operation Management (LOM)** of Agrani Bank PLC, based on the practical knowledge and insights I gathered during my internship.

In the real world, practical work scenarios often differ from theoretical concepts. Although business processes are grounded in theory, their practical application can vary to meet specific situations. In this context, the **Credit Operation Management** of Agrani Bank PLC, Donia Branch, Dhaka, has been closely observed and presented in this report.

1.3 Scope of the Study

The scope of this study encompasses the organizational structure, background, objectives, functions, and departmental activities of **Agrani Bank PLC**. The core focus of the report is the Credit and advance operations of Agrani Bank PLC, particularly within the **Credit Operation Management** framework. The study explores the processes, challenges, and strategies employed by Agrani Bank in managing its Credit portfolio effectively.

1.4 Objectives of the Report

The main objectives of this report are:

- To present an overview of **Agrani Bank PLC** and its Credit and deposit products.
- To investigate the steps involved in Credit processing and the measures taken by **Agrani Bank PLC** to implement Credit operation management guidelines.
- To analyze the Credit disbursement process at **Agrani Bank PLC**.
- To present the major findings and provide recommendations based on the findings.

1.5 Methodology of the Study

From choosing the subject to writing the final report, the study takes a methodical approach. Both primary and secondary sources were used to get the data for this descriptive report.

1.5.1 Primary Data Sources:

- Practical Banking work during the internship.
- Personal discussions with the officers and executives of **Agrani Bank PLC**.
- Personal interviews with customers of **Agrani Bank PLC**.

1.5.2 Secondary Data Sources:

- Annual reports of **Agrani Bank PLC**.
- Published booklets of **Agrani Bank PLC**.
- Various published documents related to the Bank.
- Website of **Agrani Bank PLC**.
- Files and documents of the branch.
- Relevant textbooks.
- Circulars sent by the Head Office of **Agrani Bank PLC**.
- Daily newspapers and relevant journals.

1.6 Limitations of the Study

The present study was not without its limitations. Nevertheless, it was a great chance for me to get knowledge about Banking operations in Bangladesh as an intern, particularly at Agrani Bank PLC. Throughout the study, the following difficulties or restrictions were encountered:

- No remuneration was provided to the intern.
- Lack of comprehensive records or documentation in certain areas.
- Limited time for thorough research and data collection.
- Insufficient data in some cases, especially in terms of internal documents.
- Lack of proper support and guidance from some departments.
- Limited experience and exposure to certain aspects of Credit operations.
- Insufficient information available on the **Agrani Bank PLC** website.

Chapter Two

Overview of Agrani Bank PLC.

2.1 History of Agrani Bank PLC

One of Bangladesh's biggest state-owned commercial Banks is Agrani Bank PLC. Since its founding, Agrani Bank has provided innovative and committed service to the people of Bangladesh through its extensive global correspondent structure and 977 branches.

The Bank was founded on March 26, 1972, after Bangladesh gained its independence. It was formed by combining the operations of Habib Bank Ltd. and Commerce Bank Ltd., two Pakistani Banks operating in East Pakistan before the liberation war. Agrani Bank was first nationalized to support the economy and encourage financial inclusion in the recently independent country.

In the years following its establishment, Agrani Bank played a significant role in the expansio n of Bangladesh's financial sector. It evolved into a crucial element for lending to a variety of sectors, including trade, manufacturing, and agriculture, as well as for mobilizing deposits. Agrani Bank operated as a nationalized Bank until 2007. To improve its competitiveness and operational efficiency, it was reformed as a public limited company under the new name Agrani Bank PLC.

Agrani Bank has created innovative Banking solutions and expanded its products over time to meet the changing needs of its customers. In addition to being a pioneer in offshore Banking, SME lending, and rural Banking, the Bank today advocates for economic development at all levels.

Currently, the Bank has **977 branches** connected to an **online network**, ensuring seamless Banking experiences for its customers. Alongside traditional Banking services, Agrani Bank has embraced **alternative delivery channels**. It offers **SMS Banking**, and **Internet Banking**, and operates an extensive network of **ATMs**, including **ATM-sharing arrangements** with partner Banks.

Agrani Bank PLC continues to play a pivotal role in the economic development of Bangladesh, standing as a trusted financial institution committed to excellence and growth.

2.2 Mission & Vision

Mission:

cutting-edge technologies combined with superior financial services. Quick and effective customer support. a plan for long-term growth. respect for moral principles in the workplace. Competitively priced, cutting-edge Banking solutions. attracting and keeping top-notch personnel. dedication to the principles of corporate social responsibility.

Vision:

To be the premier Banking institution in Bangladesh and contribute significantly to the national economy.

Objective:

To increase the shareholders' wealth. to offer typical financial services. must provide a broad range of Banking services to provide a respectable rate of return on investment. Above all, to effectively contribute to the economy of the country.

2.3 Company Profile

Name of Company:	Agrani Bank PLC
Essence	Empowering Financial Progress with Nationwide Coverage
Legal Status	Public Limited Company
Number of Branches	977 (2023)
Date of Inception	March 26, 1972
Registered Office	9D Dilkusha Commercial Area, Dhaka-1000, Bangladesh
Chairman	Syed Abu Naser Bukhtear Ahmed
CEO	Md. Anwarul Islam
Credit Rating	i. **Long Term:** A+(AAA) ii. **Short Term:** ST-2 (ST-1) (High Grade)
SWIFT	AGBKBDDH
Authorized Capital	BDT 500 Crore

Paid-up Capital	BDT 400 Crore
Statutory Fund	BDT 29,218.5 million
Website	www.agraniBank.org

2.4 Agrani Bank PLC Networks

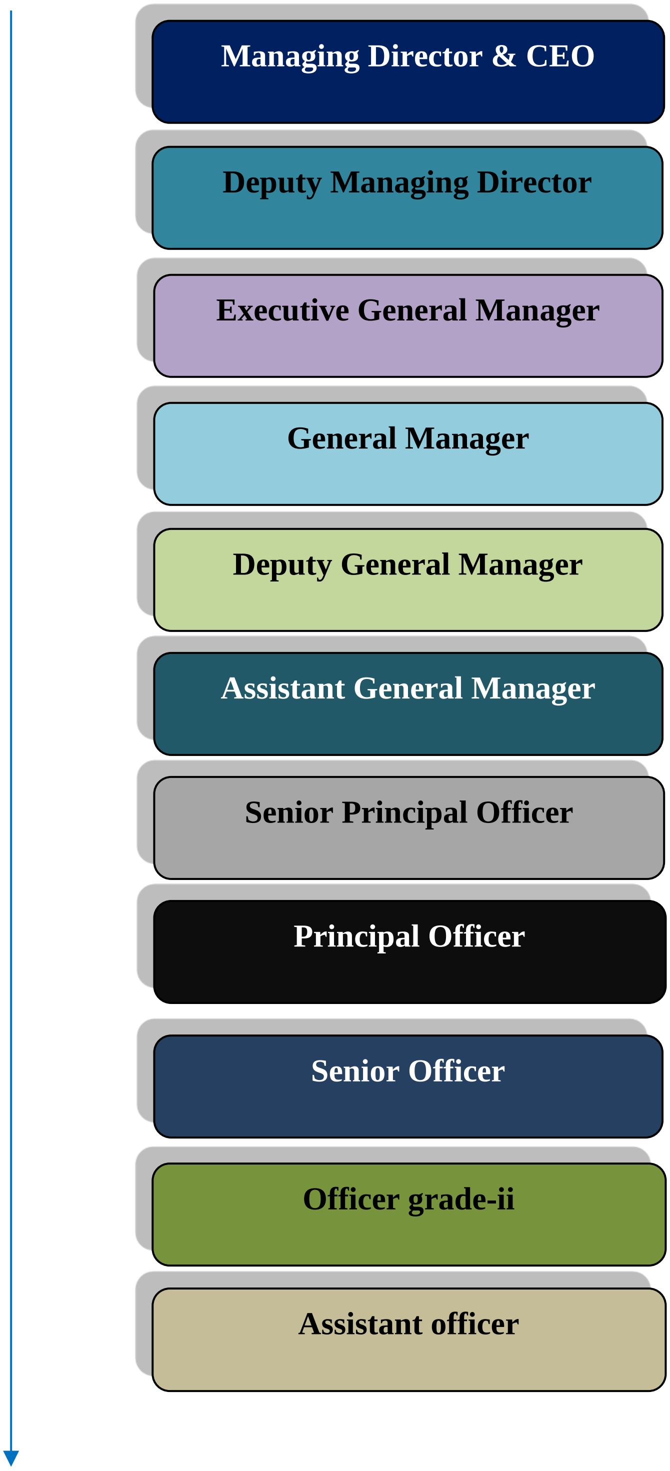
Corporate Offices (Corporate Branch & Local Office)	**36**
Zonal Offices	53
Circle Offices	11
Divisions in Head Office	37
Worldwide Affiliates	Over 600
Total Branches (Including Corporate & Local Branches)	977
Authorized Dealer Branches	43AD
Agent Booths	567
Training Institute	6
Manpower	Approximately 12,656

2.5 Different Wings

Name of the Divisions	Affiliated Department
Corporate Banking Division	Large Corporate Client Management
	SME & MSME Financing
	Structured Finance
Retail Banking Division	Deposit Schemes
	Consumer Credits (home, auto, and personal)
	Cards (Credit, Debit, Prepaid)
International Banking Division	Foreign Trade (Export & Import)
	Remittance Services
	Offshore Banking Operations
Treasury & Investment Division	Treasury Operations
	Foreign Exchange Management
	Investments & Asset-Liability Management
Credit Risk Management Division	Credit Processing & Approvals

Information Technology Division	Risk Assessment and Mitigation
	Credit Recovery & Monitoring
	Core Banking System Maintenance
	Digital Banking (Internet & Mobile Banking)
	IT Security & Infrastructure
Human Resources Management Division	Recruitment & Staffing
	Employee Training & Development
	HR Policies & Welfare Programs
Audit & Compliance Division	Internal Audit
	Regulatory Compliance
	Risk Management
Corporate Affairs & Marketing Division	Branding and Public Relations
	Corporate Social Responsibility (or CSR)
	Customer Relationship Management
Training Institute Division	Capacity Building & Development
	Leadership and Management Programs
	Skill-Based Workshops
Agricultural & Rural Banking Division	Agricultural Credit Schemes
	Rural Microfinancing
	Development Projects
Financial Inclusion Division	Services for Unbanked Populations
	Agent Banking Operations
	Special Financial Literacy Programs

2.6 Management Hierarchy of Agrani Bank PLC



2.7 Products and Services

Agrani Bank offers a variety of financial products and services under its conventional banking system, which are designed to cater to the needs of both individuals and businesses. These are categorized into two main types: **Credit/loan Products** and **Deposit Products**.

Credit Products:

- ❖ Agrani Small Business loan (ASBL)
- ❖ Women Empowerment Credit Program
- ❖ SME Sector Development Project loan (SSDP)
- ❖ Household Durables Financing
- ❖ Home Repairing/Renovation Credit
- ❖ Working Capital loan
- ❖ Education loan
- ❖ Overdraft Facility
- ❖ Agrani Home loan
- ❖ Car/Motorcycle Credit
- ❖ Trade Finance
- ❖ Green Financing
- ❖ Agricultural Credit
- ❖ Lease Financing
- ❖ Fixed Term Credit to Enterprises
- ❖ Credit for Foreign Employment Deposit Products

Deposit Products:

- ❖ Savings Bank Account (Individual)
- ❖ Savings Bank Account (School Banking)
- ❖ Double Benefit Deposit Scheme
- ❖ Current Account (Individual)
- ❖ Current Account (Non-Individual)
- ❖ Fixed Deposit Account
- ❖ Monthly Deposit Scheme
- ❖ Agrani Dream Savings Scheme
- ❖ Agrani Marriage Savings Scheme
- ❖ Agrani Education Savings Scheme
- ❖ Monthly Profit Scheme Services

Services Offered:

- ❖ SMS Banking
- ❖ Online Money Transfers
- ❖ Foreign Remittance Services
- ❖ Internet Banking
- ❖ ATM Cards
- ❖ POS (Point of Sale) through ATM Cards
- ❖ Q-Cash (UBL ATM Debit Card) for 24/7 access

Agrani Bank PLC offers not only standard Banking products and services, but also customized ones like the Monthly Savings Scheme, Double Benefit Scheme, and others. The Bank also offers a variety of electronic Banking services using cutting-edge information technology.

SWIFT Networks

Agrani Bank PLC belongs to the Society for Worldwide Interbank Financial Telecommunication (SWIFT). Agrani Bank now has 24/7 connectivity with over 7,000 financial institutions in 200 countries, allowing it to provide LCs, guarantees, capital transfers, and payments.

2.8 Departments of Agrani Bank PLC - Jahangirnagar University Branch

The Jahangirnagar University Branch of Agrani Bank PLC primarily operates with two core departments:

1. **General Banking**

   - **Overview:** The General Banking Department handles the daily Banking operations and provides essential services to customers. It acts as the direct client service hub of the Bank.
   - **Key Activities:**
     - Opening and managing customer accounts (current, savings, fixed deposit).
     - Handling deposits, withdrawals, and other standard Banking services.
     - Facilitating payments and money transfers.
     - Issuing Bank drafts, pay orders, and other instruments.

- **Major Sections:**

  - **Account Opening Section**: Responsible for opening various types of client accounts, including current, savings, and fixed deposit accounts.
  - **Clearing Section**: Ensures the smooth processing of payments between Banks by managing the clearing of checks and negotiable instruments.
  - **Cash Section**: Manages all cash-related activities, such as currency exchanges, deposits, and withdrawals.
  - **Remittance Section**: Handles both local and foreign remittance transactions, ensuring timely fund transfers.

2. **Credits and Advances**

- **Overview:** The Credits and Advances Department focuses on processing, approving, and managing the Bank's credit facilities, which include personal Credits, education Credits, SME Credits, and other types of Credits.
- **Key Activities:**
  - **Credit Application Processing**: Completes and submits Credit applications for various credit products offered by the Bank.
  - **Preparing CIB Statements**: Generates Credit Information Bureau (CIB) reports to evaluate the creditworthiness of Credit applicants.
  - **Creating Statements and Credit Proposals**: Assesses the financial status of borrowers and prepares comprehensive credit proposals and statements for Credit approval.
  - **Management of Retail Credit**: Oversees the administration of retail credit products, ensuring proper Credit disbursement and timely repayments.

These two departments are central to the branch's operations, with General Banking focusing on everyday transactions and customer service, while Credits and Advances handles credit management and Credit facilities.

Chapter Three

Credit Operation Management of Agrani Bank PLC

3.1 What is a Credit?

Credit is the trust which allows one party to provide money or resources to another party wherein the second party dose not reimburse the first party immediately but promises either to repay or return those resources later, also known as Loan. There is an agreement to repay that details the principal amount borrowed, the interest rate the lender is charging, and the date of repayment, among other details, is proof that a credit has been given by an organization or individual to another entity at an interest rate. With a credit, the borrower and the lender reallocate the subject asset or assets for a predetermined amount of time.

3.2 Credit Operation Management

Credit operation management is a critical aspect of Banking as it directly impacts the Bank's financial performance, customer relationships, and overall stability. At **Agrani Bank PLC**, the Credit operation management system is designed to ensure the smooth and effective functioning of Credit activities while maintaining financial discipline and adhering to regulatory standards. This chapter explores the Credit operation process, from the initiation of a Credit application to the disbursement and monitoring of Credits, highlighting the roles and responsibilities of various departments involved.

3.3 Credit Classification

Credit classification is an essential part of the Credit management process at **Agrani Bank PLC**. The classification helps identify and categorize Credits based on their repayment status, allowing the Bank to implement appropriate measures for managing and recovering outstanding Credits. The classification is carried out based on the financial health of the borrower and the likelihood of Credit repayment.

1. Substandard Credit: A substandard Credit is one where a well-defined financial weakness is evident, and this may impact the borrower's ability to repay the Credit in full. It indicates a troubled situation that requires immediate intervention and intensive efforts to rectify. If not corrected in time, it may result in a potential loss for the Bank.

Key Characteristics:

- The borrower is facing financial difficulties.
- Immediate corrective action is needed to reduce the risk of loss.

- Intensive monitoring and restructuring may be required to restore the Credit to a performing status.

2. Doubtful (DF): A doubtful Credit occurs when there is a significant doubt about whether the borrower will be able to repay the Credit in full, although the exact amount of the loss cannot be determined at the time of classification. This category suggests that the borrower's financial situation is precarious, and the chances of full recovery are uncertain.

Key Characteristics:

- Serious doubt about the borrower's ability to repay.
- Loss cannot be precisely determined now but is anticipated.
- Requires close monitoring and recovery efforts, often involving legal action or restructuring.

3. Bad/Loss: A bad/loss Credit refers to Credits or parts of Credits that are deemed uncollectable based on the Bank's knowledge of the borrower's current situation. These Credits are considered to be non-recoverable, and the Bank may write them off as a loss. These Credits typically result from a complete failure to repay or other factors that make it impossible to recover the Credit.

Key Characteristics:

- Advances are determined to be uncollectable.
- Loss is a result of the borrower's inability to pay or other factors leading to non-recovery.
- The Bank may choose to write off the Credit as a loss.

Action Strategy for Classified Credits

Each Credit that is classified into any of the above categories will have an action strategy developed by the **Branch/Regional Office**. This strategy will include a detailed program aimed at:

- **Getting the Credit paid off**: Implementing recovery measures to bring the Credit back into good standing.
- **Restoring the Credit to acceptable credit standards**: In cases where the borrower is still able to recover, efforts will be made to restructure the Credit and assist the borrower in meeting repayment obligations.

The Bank aims to ensure that classified Credits are managed effectively to either recover the full amount or reduce losses.

3.4 Types of Credits Offered by Agrani Bank PLC

Agrani Bank PLC offers a wide range of Credit products designed to cater to the needs of individuals, businesses, and industries. The primary categories of Credits offered include:

1. **Personal Credits**
    i. Home Credits
    ii. Car Credits
    iii. Education Credits
    iv. Consumer Credits
2. **SME Credits**
    i. Financing for Small and Medium Enterprises (SMEs)
    ii. Working Capital Credits
    iii. Trade Finance
3. **Agricultural Credits**
    i. Crop Credits
    ii. Rural Development Credits
4. **Corporate Credits**
    i. Business Expansion Credits
    ii. Project Financing
    iii. Trade Finance
5. **Special Credit Schemes**
    i. Women Empowerment Credits
    ii. Green Financing Credits

3.5 Credit Operation Management of Agrani Bank PLC

Agrani Bank PLC believes in decentralizing power and authority to ensure prompt and efficient service across its wide range of operations. This decentralization is designed to eliminate the risks associated with dual subordination and ensure that each level of operation is clearly defined and properly implemented. To serve the diverse needs of its customers, Agrani Bank has developed a delegation system where authority is distributed across various executive levels, allowing the Bank to function effectively and achieve its desired goals. The Bank's delegation system follows a few key principles and guidelines:

Delegation of Authority's

1. **Managing Director's Authority**: The **Managing Director** holds the highest level of authority and can exercise all powers delegated to other executives of the Bank. The Managing Director is responsible for the overall direction and performance of the Credit operations. However, the Managing Director can also suspend or modify the delegated powers of any executive through specific or general orders.
2. **Executive Delegation of Powers**: Other than the Managing Director, **delegation of powers** is carried out by executives at various levels through specific or general orders. These orders specify the scope and limitations of the powers granted, ensuring that delegated authority is exercised judiciously, in line with the Bank's objectives, and in the best interest of the Bank and its clients.
3. **Judicious Exercise of Powers**: Authorized executives are expected to exercise their delegated powers with caution and discretion. The powers should always be used in a manner that aligns with the Bank's strategic goals, maintaining financial stability and adhering to regulatory standards.
4. **Delegation Guidelines for Credit Decisions**: When exercising delegated powers related to Credit sanctions, executives must follow specific guidelines to ensure sound credit risk management and compliance with Banking regulations. These guidelines include:
    - **Integrity and Reputation of Borrower**: The borrower must be of good standing, with a strong reputation in the market.
    - **Viability of the Enterprise**: The borrower's business or project must be financially viable and capable of generating profits. Each Credit proposal should be thoroughly evaluated for profitability and sustainability.
    - **Capital and Capability**: The borrower must demonstrate the financial capital and capability to properly utilize the credit. Proper financial management and use of the Credit must be ensured to avoid defaults.
    - **Avoidance of Conflicts of Interest**: No sanctioning officer is allowed to approve credit for their near relatives or to any firm/company where they have a financial interest. This ensures transparency and prevents any unethical practices.

- **Geographical Consideration**: As far as possible, credit should be extended to customers who are located within the Bank's operational command area, ensuring the Bank has the necessary oversight and control.

3.6 Steps in Credit Operation

3.6.1 Credit Application Process

The Credit application process at Agrani Bank PLC involves several steps, ensuring that all Credit applicants are thoroughly vetted before approval. The key stages in the process include:

1. **Credit Application Submission:** The applicant submits a completed Credit application form along with the necessary supporting documents such as income proof, property papers, business plans (for corporate Credits), and other relevant details.
2. **Credit Assessment:** The Bank assesses the applicant's creditworthiness by reviewing their financial history, repayment capacity, and the CIB (Credit Information Bureau) report.
3. **Approval Process:** The credit proposal is then reviewed by the Credit approval committee, which determines whether to approve or reject the application based on the applicant's creditworthiness and the Bank's risk policies.
4. **Credit Agreement and Terms:** If the Credit is approved, a Credit agreement is signed by both the Bank and the borrower, outlining the Credit amount, interest rate, repayment terms, and other conditions.

3.6.2 Credit Disbursement

After the Credit agreement is signed, the Bank proceeds with the disbursement of the Credit amount. The disbursement can be done in the following ways, depending on the type of Credit:

1. **One-Time Disbursement:** For personal Credits, home Credits, and similar Credits, the full amount is disbursed in a lump sum.
2. **Partial or Installment Disbursement:** For project financing and business Credits, the disbursement is made in installments based on project milestones or business requirements.

3.6.3 Credit Monitoring and Recovery

Effective monitoring and recovery are vital to minimizing non-performing Credits (NPLs) and ensuring the repayment of borrowed funds. Agrani Bank PLC uses several methods to monitor Credits and ensure timely repayment:

1. **Regular Follow-ups:** Credit officers regularly follow up with borrowers to ensure that payments are being made as per the agreed terms.
2. **Risk Management:** The Bank employs risk management techniques to assess potential risks related to Credit repayment and mitigate them through restructuring or additional collateral if necessary.
3. **Credit Recovery:** In case of Credit default, the recovery department takes necessary actions, including legal measures, to recover the outstanding Credit amount.

3.6.4 Credit Portfolio Management

Agrani Bank PLC maintains a diverse Credit portfolio, ensuring that the Credit book is balanced between different sectors, such as retail, corporate, and agricultural Credits. This diversification helps mitigate risk and optimize returns for the Bank. The Credit portfolio management includes:

1. **Risk Assessment:** Regularly assessing the performance and risk associated with each Credit category.
2. **Credit Restructuring:** Providing borrowers with options to restructure Credits in case of financial hardship.
3. **Non-Performing Credit (NPL) Management:** Identifying and managing NPLs effectively to minimize their impact on the Bank's profitability and financial health.

3.6.5 Challenges in Credit Operations

Despite the robust Credit management system, Agrani Bank PLC faces several challenges in Credit operations:

1. **Credit Risk:** The risk of Credit defaults due to economic instability, borrower financial difficulties, and other external factors.
2. **Regulatory Compliance:** Ensuring that all Credit operations comply with local Banking regulations and international standards.
3. **Credit Recovery:** Efficiently managing Credit recovery in cases of default, particularly for large Credits.

3.6.6 Credit Sanctioning Process

The process of sanctioning Credits involves several checks and balances to ensure that credit decisions are made according to established guidelines. These checks ensure that Credits are granted to borrowers with a genuine need, strong repayment capability, and viable projects. The general process includes:

1. **Initial Credit Proposal:** The Credit application is received, reviewed, and assessed by the relevant branch or department. The borrower's financial position, the proposed business plan, and potential risks are examined.
2. **Evaluation and Risk Assessment:** The proposal undergoes a detailed evaluation and risk assessment, where factors like profitability, business viability, market conditions, and borrower's credit history are carefully reviewed.
3. **Approval from Relevant Authorities:** Once the proposal passes the evaluation, it is forwarded for approval. The appropriate level of authority based on the Credit amount and type will make the final decision. For higher Credit amounts, the proposal might require approval from the **Credit Sanctioning Committee** or senior executives, including the Managing Director.
4. **Credit Agreement and Documentation:** Once the Credit is approved, a Credit agreement is signed, detailing the Credit amount, interest rates, repayment terms, and any collateral requirements. The borrower is required to provide the necessary documents to formalize the agreement.

3.7 Credit Proposal Analysis

The **Credit Proposal Analysis** is a crucial step in the Credit operation process, where the project proposal is thoroughly assessed to determine the potential risks and benefits of the Credit. The **Credits and Advances Department** is responsible for conducting this analysis.

Process Overview:

1. **Preliminary Appraisal:** The initial review of the Credit proposal is done by the Credits and Advances Department. This appraisal involves evaluating the basic feasibility of the proposed project and the borrower's ability to repay the Credit.
2. **Managerial Approval:** After the preliminary appraisal, the final decision about the Credit proposal is made. The Credit manager gives the initial approval based on the analysis.
3. **Escalation to the Principal Office:** If the Credit amount exceeds a certain threshold (e.g., 1,000,000), the Credit proposal is sent to the **Principal Office** for final approval.

The experts in the Principal Office perform a deeper analysis, examining various financial ratios and evaluating the overall potential of the project.

4. **Evaluation Criteria:** During the analysis, the Bank evaluates the Credit proposal based on several **predetermined variables**. These variables help assess the overall viability of the Credit and include:

    - **Liquidity:** The borrower's ability to meet short-term financial obligations.
    - **Profitability:** The potential for the project to generate income or return on investment.
    - **Security:** The types of collateral provided to secure the Credit.
    - **Purpose of the Credit:** The intended use of the Credit and its alignment with the borrower's financial needs.
    - **Sources of Repayment:** The borrower's sources of income to ensure the Credit can be repaid.
    - **Diversification of Risk:** Ensuring that the Bank's exposure to risk is minimized by diversifying the Credit portfolio.

Security Types:

Securities, which act as a safeguard for the Bank against Credit default, are classified into two types:

- **Primary Security:** The main form of collateral offered by the borrower to secure the Credit.
- **Collateral Security:** Additional security offered to further reduce the risk associated with the Credit.

3.8 Evaluation of Collateral

Agrani Bank is meticulous in evaluating the collateral offered by the borrower to ensure its value is accurately assessed. The Bank follows a rigorous process to ensure that the collateral can serve as adequate security for the Credit. The **Credit Officer** and **Valuation Experts** are responsible for this evaluation.

Valuation Process:

1. **Valuation Methodology:** The Bank evaluates the collateral using three different types of values to determine its accuracy and potential risk:

- **Current Market Value:** The present value of the collateral in the open market.
- **Forced Sale Value:** The estimated value of the collateral if it were sold under distressed conditions, where it might be sold quickly or at a lower price.
- **Value After Five Years:** The projected value of the collateral after five years, considering depreciation, market trends, and other factors that might influence its worth.

2. **Legal Verification:** The **legal officers** of the Bank play a key role in the collateral evaluation process. They verify the authenticity of the collateral documents and ensure that the collateral is free from any legal disputes or encumbrances. This step helps to mitigate any potential legal issues that may arise in case of default.

This thorough evaluation of the Credit proposal and collateral ensures that Agrani Bank maintains a careful and well-considered approach to lending, balancing the risks while maximizing the potential for successful Credit repayment.

3.9 Final Decision about the Project

The final decision regarding a Credit proposal depends on the level of authority. If the Credit decision is made at the **branch level**, the branch is responsible for **sanctioning the Credit**. However, if the approval authority lies with the **Head Office**, the decision is communicated to the branch via **mail**.

3.10 Proper Supervision of the Project

If the Credit sanction contract includes a provision for supervision, **Agrani Bank PLC** officials are required to visit the project site to observe how the Credit is being utilized. This ensures that the Credit is used for its intended purpose and that the project is progressing as planned.

If no such supervision clause is mentioned in the contract, the Bank still monitors the performance of the project through regular reviews to ensure the Credit is being utilized properly.

3.11 Documentation of the Credit

The following are the most frequently used documents and formalities for sanctioning a Credit at **Agrani Bank PLC**:

1. **Demand Promissory Note:** The borrower promises to repay the Credit as demanded by the Bank.
2. **Letter of Arrangement:** A written document specifying the sanctioned Credit amount and the terms agreed upon by the Bank and the borrower.
3. **Letter of Continuity:** Used for continuous credit facilities, outlining the provision of continuous securities.
4. **Letter of Hypothecation:** A written document describing the goods hypothecated as collateral for the Credit, which the Bank can claim in case of default.
5. **Personal Guarantee:** A confirmation from the borrower or a third party, guaranteeing the repayment of the Credit in case the borrower fails to repay.
6. **Guarantee of the Directors of the Company:** If the borrower is a company, the directors may be required to provide a personal guarantee for Credit repayment.
7. **Resolution of the Board of Directors:** Used by companies to authorize borrowing funds, execute documents, and complete other necessary formalities.
8. **Letter of Disclaimer:** A document where the borrower withdraws any claim over mortgaged property, confirming the Bank's right to seize the property if necessary.
9. **Letter of Acceptance:** The borrower's letter indicating their acceptance of the Credit sanction proposal and the terms specified by the Bank.
10. **Letter of Pledge:** A written document detailing the goods pledged as collateral and confirming the legality of holding these goods.
11. **Letter of Disbursement:** A document indicating the release of the Credit amount to the borrower.
12. **Letter of Partnership:** For partnership firms, the partnership deed is required to confirm the legal structure of the partnership.
13. **Letter of Installment:** This specifies the amount of each installment that the borrower must pay at certain intervals.
14. **Tax Paying Certificate:** A certificate from the borrower confirming their tax payments.
15. **Others:** Any additional documents specified in the sanctioned advice issued by the **Head Office**.

3.12 Credit Recovery Programs

When **Agrani Bank PLC** sanctions Credits and advances to its customers, the payment terms and repayment schedule are clearly stated in the Credit agreement. However, some borrowers fail to make payments on time, resulting in overdue Credits. This issue is common in both nationalized and private-sector commercial Banks, and **Agrani Bank PLC** also faces this challenge. To overcome the problem of overdue Credits, the Bank has implemented several **Credit Recovery Programs**.

3.12.1 Recovery Programs Taken by Agrani Bank PLC

1. **Establishing Credit Supervision and Monitoring Cell:** The Bank has established a dedicated credit supervision and monitoring cell to closely track the performance of Credits. This ensures that any repayment issues are identified early, and corrective actions can be taken promptly.
2. **Restructuring Credit Sanctioning and Distribution Policy:** The Bank has restructured its Credit sanctioning and distribution policies to ensure that Credits are provided under manageable terms and conditions. This aims to reduce the risk of Credit defaults.
3. **Sanctioning Credits Against Sufficient Securities:** Agrani Bank ensures that Credits are sanctioned against adequate securities to minimize the risk of loss in case of default. Proper collateral helps protect the Bank's interests.
4. **Empowering Branch Managers in Credit Management:** The Bank has given more decision-making powers to branch managers in the credit management process. This enables quicker responses to emerging issues and ensures that decisions are made closer to the customer.
5. **Incentive Packages for Sound Borrowers:** To encourage prompt repayments, Agrani Bank offers a package of incentives to reliable borrowers. This motivates borrowers to repay on time and strengthens the overall relationship with the Bank.
6. **Focusing on Short-Term Credits and Advances:** The Bank gives more emphasis on short-term Credits and advances to reduce the risk of long-term default. Short-term Credits are easier to manage and monitor, ensuring more efficient repayment schedules.
7. **Imposing Restrictions on Credits for Sick Industries:** Agrani Bank places restrictions on lending to sick industries or businesses that are unable to meet their financial obligations. This precaution helps prevent potential defaults and protects the Bank's assets.
8. **Taking Legal Action Against Unsound Borrowers:** The Bank is proactive in taking legal action against borrowers who are unable or unwilling to repay their Credits. Legal

actions are taken quickly, within the timeframe specified by the law of limitations, to recover the overdue amounts.

3.12.2 Recovery Patterns of Credit & Advances

Agrani Bank sanctions Credits and advances across various sectors of the economy. Understanding certain key terms is important before discussing recovery performance. Below are the key terms used in the recovery process:

1. **Disbursement:** This refers to the highest outstanding balance on any given date during the reporting period, minus the outstanding balance at the end of the preceding period. Disbursement represents the total Credit amount issued within the reporting period.
2. **Recovery:** This term refers to the highest outstanding balance on any date during the reporting period, minus the outstanding balance at the end of the recovery period. It represents the total Credit amount recovered during the reporting period.
3. **Outstanding:** The outstanding figure represents the remaining Credit balance in the Bank's ledger at the end of the reporting period.
4. **Overdue:** Overdue refers to the amount of the Credit that remains unpaid after the due date. It is calculated by subtracting the recovered amount from the demand for recovery.

Chapter Four

Financial Analysis

4.1 financial performance of the Bank for five years

(BDT in crore)

SL No	Particulars	2019	2020	2021	2022	2023
Income statement						
1	Gross income	5386	5560	6662	6734	7996
2	Gross expenditure	4486	4898	6014	5532	6281
3	Gross profit	1715	662	648	1202	1715
4	Pre-tax profit	259	229	167	121	259
5	Post-tax profit	69	-14	137	111	69
Balance sheet						
6	Authorized capital	2500	2500	2500	2500	2500
7	Paid-up capital	2072	2072	2072	2072	2072
8	Reserve funds and reserves	2090	2090	2124	2145	2187
9	Shareholders' equity	4243	4080	4057	4081	4148
10	Deposit	69224	92065	100864	93077	98909
11	Advances	46583	51944	59790	72938	75699
12	Investment	19968	29621	39033	22519	25444
13	Export business	10873	10637	14766	18133	14321
14	Import business	38841	24874	39922	66111	41745
15	Foreign remittance	14863	21014	17961	13247	11934
16	Fixed assets	1460	1588	1562	1824	1746
17	Total assets	25393	109309	119501	114978	123096
18	Classified Credits and advances	6643	6472	9987	15400	21476
19	Total off-balance sheet exposures	17184	27245	30357	37320	31474
BIS capital measures						
20	Risk-Weighted Assets	45,970	46,642	63,114	73,466	81,755
21	Going concern capital (Tier-1)	2,643	2,601	2,919	2,960	2,505

	Gone concern capital (Tier-2)	1,965	1,941	1,843	1,653	1,229
	Total Capital	4,608	4,542	4,762	4,613	3,735
	Capital Surplus/(Deficit)	11	(122)	(1548)	(2733)	(4441)
	Credit quality					
22	Provision for unclassified Credits	1146	1148	1176	1001	877
23	Provision for classified Credit	2678	2799	2924	3733	4840
24	Provision for contingent liabilities	116	209	224	349	349
	Share information					
25	No of shares outstanding (million)	207.23	207.23	207.23	207.23	207.23
26	Earnings per share (taka)	5.17	-0.68	6.63	5.34	3.33
27	Net asset value per share (taka)	205	197	196	209	200
	Operating performance ratio					
28	Credit Deposit Ratio	67.29%	56.42%	59.28%	78.36%	76.53%
29	Cost of Deposit	4.05%	3.72%	4.31%	3.72%	4.36%
30	Cost of Borrowings	6.12%	7.46%	7.06%	9.82%	10.31%
31	Administrative Cost	3.02%	2.77%	2.08%	2.39%	2.19%
32	Return on Assets	0.13%	-0.01%	0.12%	0.10%	0.06%
33	Return on Equity	2.53%	-0.34%	3.39%	2.71%	1.66%
	Other information					
34	Number of shareholders	7	7	9	9	9
35	Number of branches	956	960	962	970	974
36	Number of employees	12,051	11,389	10,750	10,140	10,028

4.2 performance of Credit department regarding five years

Years	2019	2020	2021	2022	2023
Total Credit & Advances	46583	51944	59790	72938	75699
Growth	-	12%	15%	22%	4%

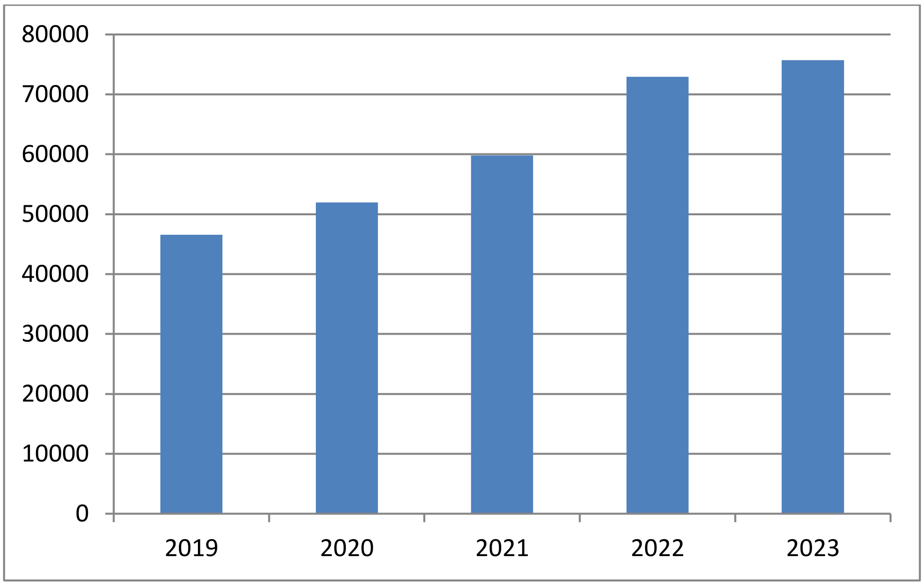


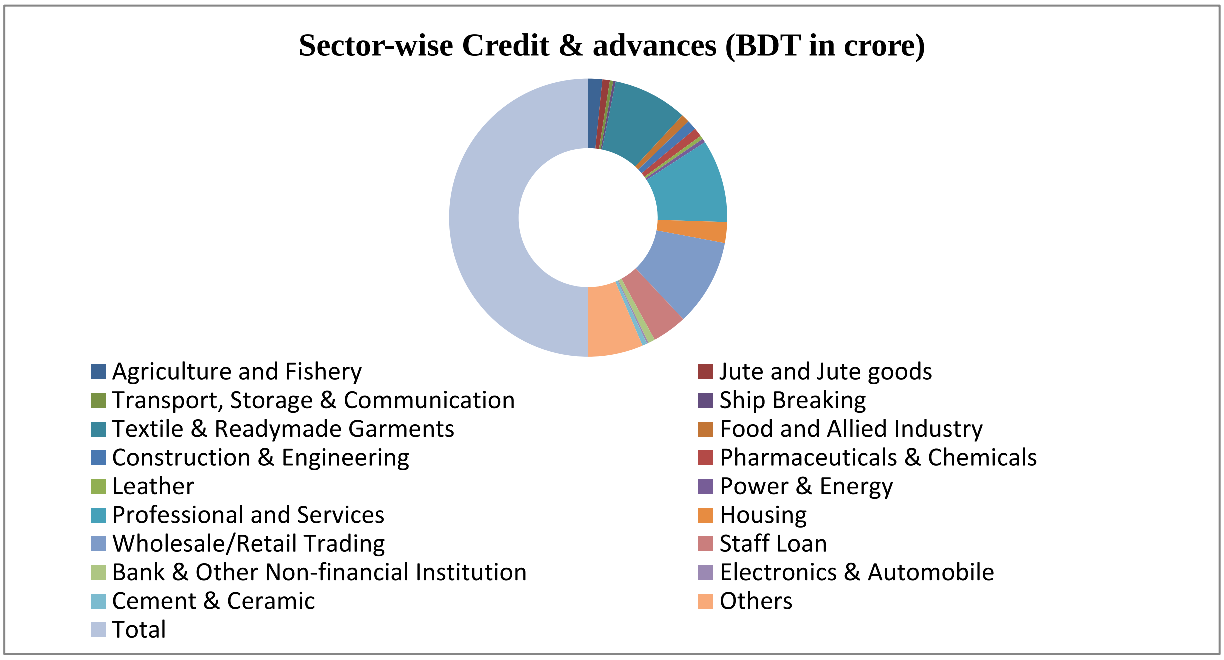
Figure: Yearly Credits & Advances

Interpretation: The chart shows the Credits and advances of Agrani Bank last five years. In 2019 the Credit amount was 46583 BDT in crore. This is the lowest amount of Credit compared to the next four years. But in the following years, the Credit increased gradually. Finally, in 2023 total Credits and advance is 75699 BDT in crore which is the highest amount in the previous years.

4.2.1 Sector-wise position of Credits and advances of Agrani Bank in 2023

Sector-wise Credit & advances	BDT in crore
Agriculture and Fishery	2499.45
Jute and Jute goods	1287.23
Transport, Storage & Communication	593.91
Ship Breaking	431.14

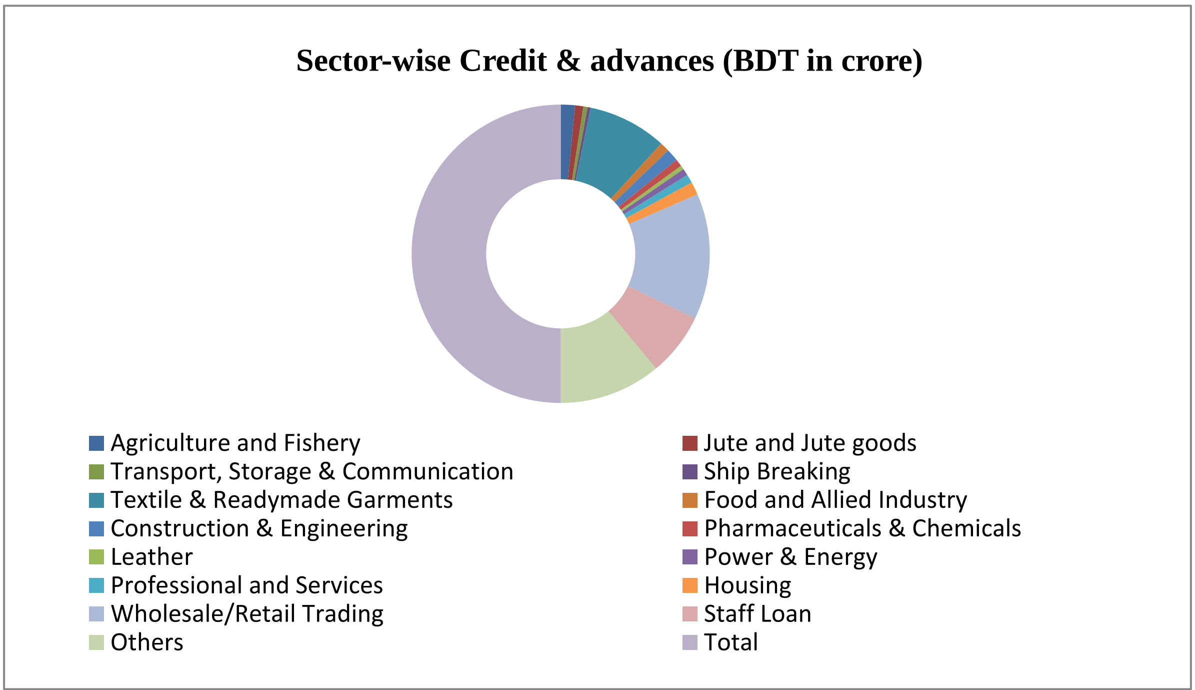
Textile & Readymade Garments	13123.19
Food and Allied Industry	1485.60
Construction & Engineering	1736.57
Pharmaceuticals & Chemicals	1549.65
Leather	641.02
Power & Energy	672.04
Professional and Services	14592.61
Housing	3677.50
Wholesale/Retail Trading	15279.02
Staff Credit	6104.49
Bank & Other Non-financial Institution	1212.47
Electronics & Automobile	278.99
Cement & Ceramic	852.18
Others	9682.18
Total	75699.24



Interpretation: In 2023 Agrani Bank provided the highest amount of Credits and advances in Wholesale/Retail Trading, Professional Services, and Textile & Readymade Garments and provided the lowest amount in the Electronics & Automobile Sector.

4.2.2 Sector wise of Credits and advances of Agrani Bank in 2022

Sector-wise Credit & advances	BDT in crore
Agriculture and Fishery	2249.86
Jute and Jute goods	1309.22
Transport, Storage & Communication	660.88
Ship Breaking	490.69
Textile & Readymade Garments	12460.01
Food and Allied Industry	1511.45
Construction & Engineering	1979.64
Pharmaceuticals & Chemicals	1152.01
Leather	649.31
Power & Energy	1082.81
Professional and Services	1358.51
Housing	2052.90
Wholesale/Retail Trading	19903.18
Staff Credit	9992.94
Others	16084.79
Total	72938.20

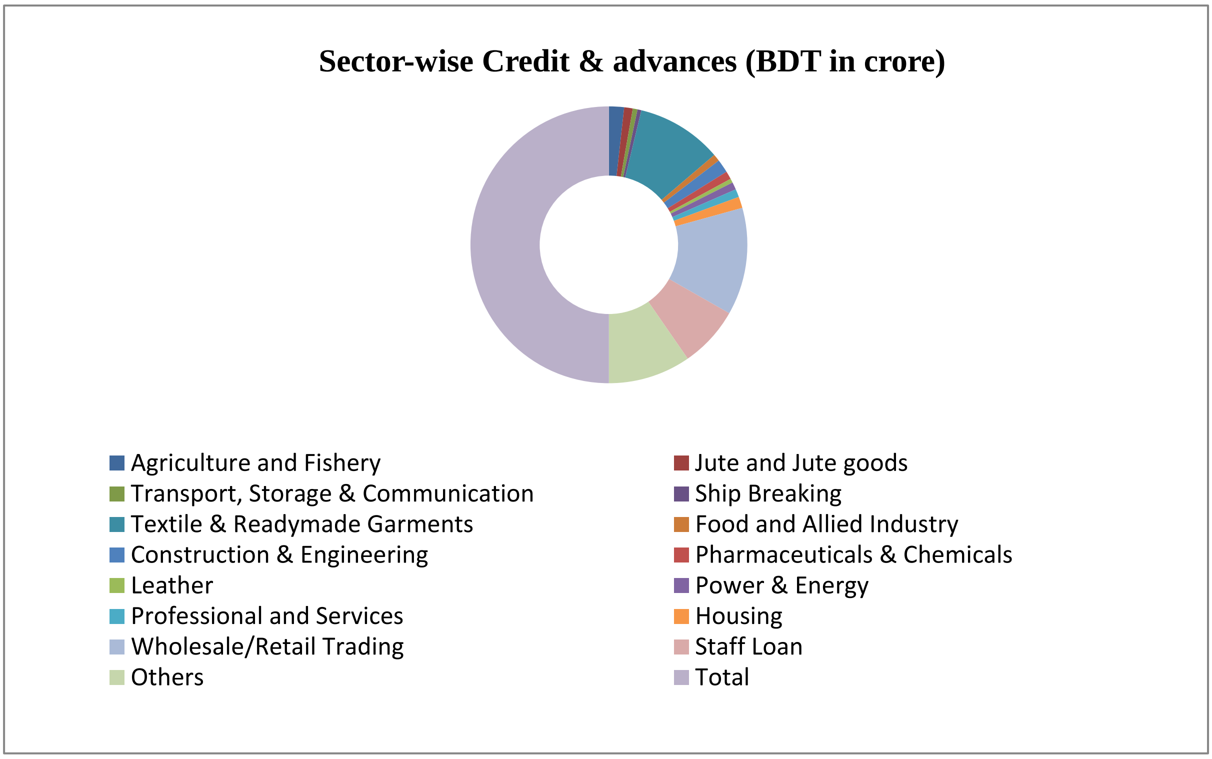


Interpretation: In 2022 Agrani Bank will provide the highest amount of Credits and advances in Wholesale/Retail Trading and Textile & Readymade Garments and provide the lowest amount in the Ship Breaking Sector.

4.2.3 Sector wise position of Credits and Advances of Agrani Bank in 2021

Sector-wise Credit & advances	BDT in crore
Agriculture and Fishery	2107.51
Jute and Jute goods	1201.15
Transport, Storage & Communication	659.83
Ship Breaking	543.52
Textile & Readymade Garments	11944.78
Food and Allied Industry	986.39
Construction & Engineering	1872.24
Pharmaceuticals & Chemicals	1125.11
Leather	570.28
Power & Energy	1042.13
Professional and Services	1117.28
Housing	1582.57

Wholesale/Retail Trading	14978.79
Staff Credit	8529.82
Others	11527.87
Total	59790.28

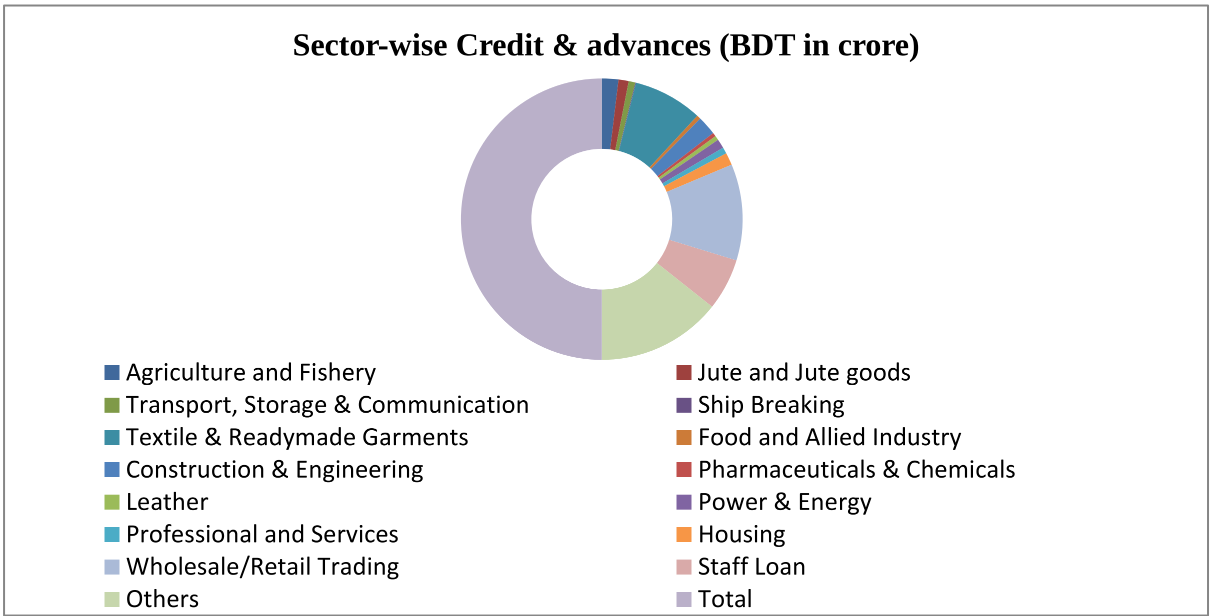


Interpretation: In 2021 Agrani Bank provided the highest amount of Credits and advances in Wholesale/Retail Trading and Textile & Readymade Garments and provided the lowest amount in the Ship Breaking Sector.

4.2.4 Sector wise position of Credits and advances of Agrani Bank in 2020

Sector-wise Credit & advances	BDT in crore
Agriculture and Fishery	1970.25
Jute and Jute goods	1219.84
Transport, Storage & Communication	788.17
Ship Breaking	85.02
Textile & Readymade Garments	8260.33
Food and Allied Industry	466.49
Construction & Engineering	2294.43
Pharmaceuticals & Chemicals	446.47

Leather	524.46
Power & Energy	1104.21
Professional and Services	756.71
Housing	1475.68
Wholesale/Retail Trading	11494.67
Staff Credit	6182.07
Others	14875.29
Total	51944.08

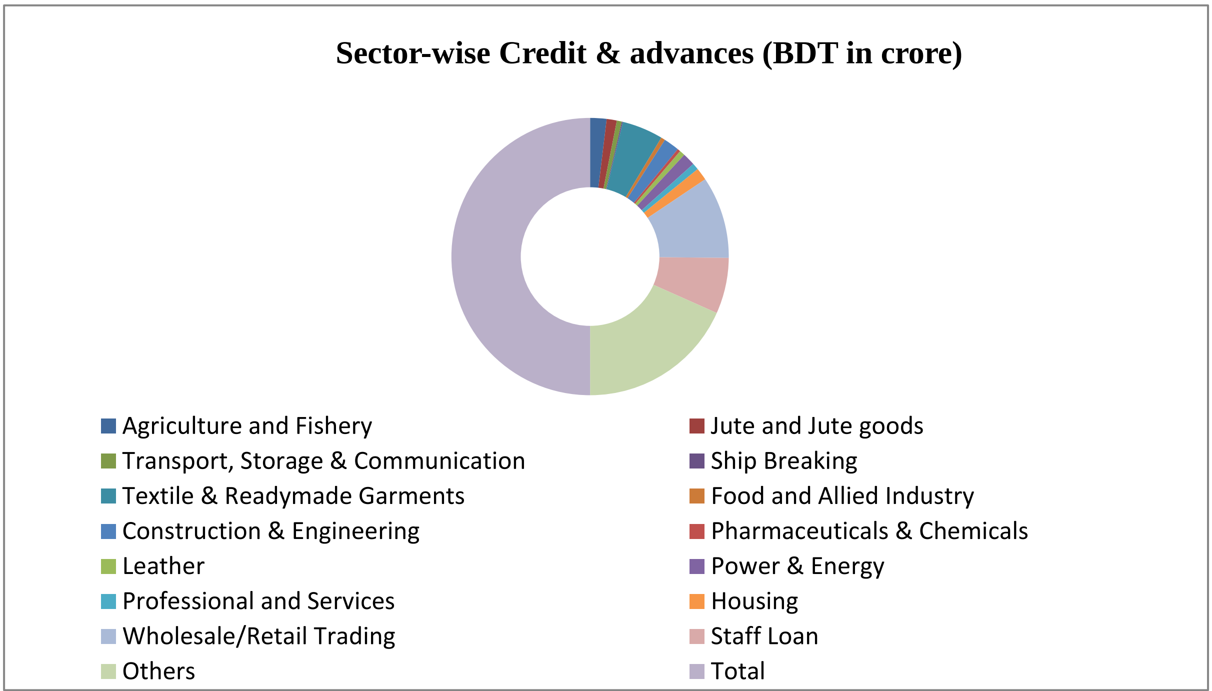


Interpretation: In 2020 Agrani Bank provided the highest amount of Credits and advances in Wholesale/Retail Trading and Textile & Readymade Garments and provided the lowest amount in the Ship Breaking Sector.

4.2.5 Sector wise position of Credits and advances of Agrani Bank in 2019

Sector-wise Credit & advances	BDT in crore
Agriculture and Fishery	1779.83
Jute and Jute goods	1104.65
Transport, Storage & Communication	546.12
Ship Breaking	118.94
Textile & Readymade Garments	4451.41
Food and Allied Industry	452.58
Construction & Engineering	1698.19

Pharmaceuticals & Chemicals	329.83
Leather	592.28
Power & Energy	1372.20
Professional and Services	720.68
Housing	1353.82
Wholesale/Retail Trading	8913.86
Staff Credit	6068.80
Others	17079.52
Total	46582.71



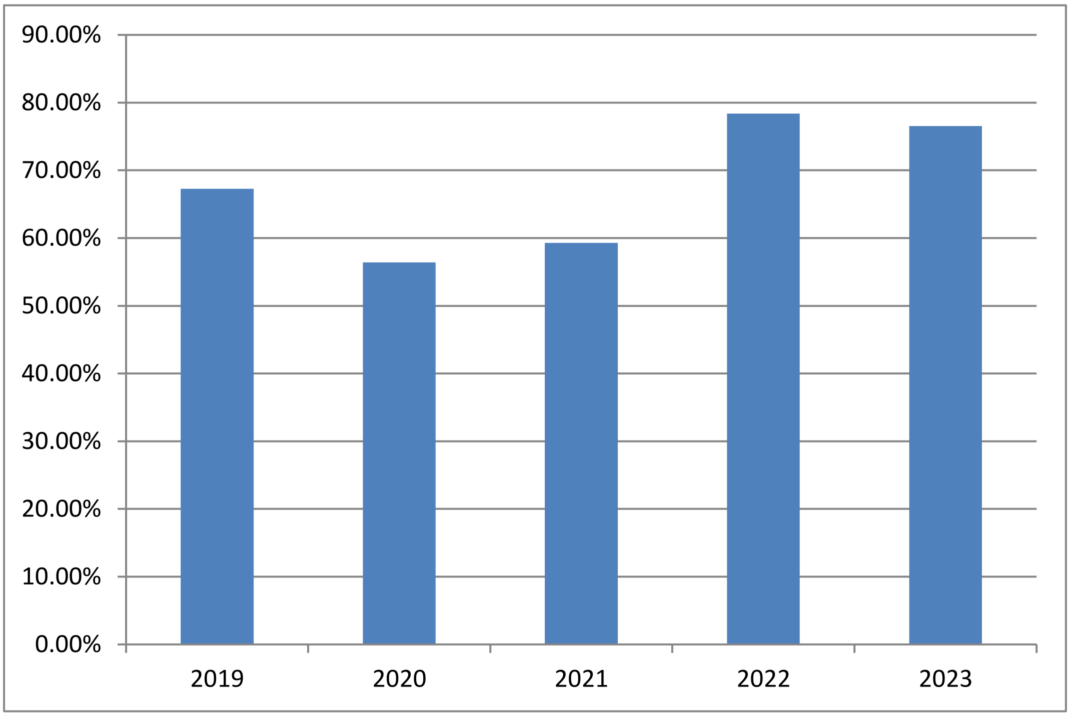
Interpretation: In 2019 Agrani Bank provides the highest amount of Credits and advance in Wholesale/Retail Trading, Staff Credit and Textile & Readymade Garments and provides the lowest amount in the Ship Breaking Sector.

4.3 Analysis of Credit Deposit Ratio

Formula =Credit/Deposit Credit = Deposit Ratio

Year	2019	2020	2021	2022	2023
Deposit	69224	92065	100864	93077	98909

Credit	46583	51944	59790	72938	75699
Ratio	67.29%	56.42%	59.28%	78.36%	76.53%



Interpretation: This chart shows the ratio of Credits against deposits last five years. In 2022 the ratio was 78.36%, which is the highest compared with the other four years. 2020 to 2022 the percentage level gradually increases but in 2023 it decreases to 76.53%, which is 1.83% lower compared to the previous year. In 2019 67.29% then it decreased to 56.42% in 2020, which is the lowest credit performance of the credit deposit ratio.

Chapter Five

Findings, Recommendation & Conclusion

5.1 Findings

In the course of this study on **Agrani Bank PLC**'s Credit management practices, I have analyzed various aspects of the Credit operations based on data gathered during my research period. Below are the key findings that summarize the Credit management system at Agrani Bank and provide insights into its current practices.

1. **Fluctuating Credit and Advances Amount**: The number of Credits and advances at Agrani Bank PLC has fluctuated during the last five years. A number of variables, including shifts in the market, borrower demand, and the Bank's lending policy, could be responsible for this discrepancy. These variations point to the necessity of improved planning and forecasting to maintain stability in Credit distribution.
2. **Lack of Systematic, Timely Monitoring and Documentation**: There is a **lack of systematic, timely monitoring** of Credit portfolios. Additionally, **documentation checks** are not always carried out appropriately. This gap in monitoring and documentation could potentially lead to mismanagement of Credits and overdue payments, affecting the Bank's ability to recover Credits efficiently.
3. **Unclear Filing Procedure**: The **filing procedure** at **Agrani Bank** is not maintained in a clear and definite manner. This can lead to confusion in managing records, which in turn can cause delays in processing Credits, as well as complicate recovery efforts. Clearer filing procedures would help in better tracking and retrieval of Credit-related information.
4. **Lengthy Credit Sanction and Disbursement Procedure**: Both the Credit approval and distribution processes take a fair amount of time. This waits time may deter prospective borrowers from submitting Credit applications or irritate current clients. Both customer satisfaction and Credit processing efficiency would increase with a more efficient procedure.
5. **Fluctuating Deposit and Credit Sanction Amount:** Agrani Bank's deposit and Credit sanction amounts have fluctuated over the past five years, with deposits rising while Credit sanction amounts have been falling recently. Consequently, the ratio of credit deposits is also decreasing. To keep a good credit-deposit ratio, the Bank may need to modify its lending practices as this indicates that it is not making the most of its deposits in terms of Credit distribution.
6. **Focus on Private and Commercial Sectors**: Over the years, Agrani Bank has given out the most Credits to both the private and business sectors. Nonetheless, credit disbursements in the government and agricultural sectors have been smaller. This

suggests that the Bank may be overlooking other industries that could utilize financial assistance, such as government and agriculture, in favor of lending to enterprises and commercial entities.

5.2 Recommendations

Based on the findings of this study on **Agrani Bank PLC**'s Credit operation management, I have identified several areas where the Bank can improve its processes and strategies. A successful Credit operation management system is crucial not only for the Bank's performance but also for the smooth functioning and development of the broader economy. To improve its credit management and reduce default rates, **Agrani Bank PLC** can consider the following recommendations:

1. **Credit Allocation to High Recovery Sectors**: Agrani Bank should prioritize granting Credits to sectors where the chance of repayment and recovery is high. Focusing on industries and businesses with stable cash flows and lower risk of default can help the Bank maintain a healthy Credit portfolio.
2. **Control over Deposit Sector and Targeted Investments**: The Bank should have better control over its deposit sector and use its deposited funds more effectively by directing them as Credits to sectors that need financial support. This targeted approach will ensure that the Bank's deposits are working efficiently towards economic development and improving its credit-deposit ratio.
3. **Increase Credit Disbursements in Agriculture, Government, and Industrial Sectors**: The agricultural, governmental, and industrial sectors ought to receive a greater share of Agrani Bank's Credits. For growth and development, some industries could need financial support, but they also have the potential to make major economic contributions. Increasing Credit disbursements to these industries would aid in the growth of the national economy and diversify the Bank's holdings.
4. **Improvement in Monitoring and Follow-up**: The General Banking department's operations and other associated services should be properly monitored and followed up on by the Bank. By identifying possible problems early on, a more robust monitoring system will lower the chance of Credit defaults and guarantee that Credits are being used efficiently.
5. **Speeding Up Credit Processing**: To increase customer satisfaction and raise the standard of overall service, Agrani Bank should try to expedite the Credit processing

time. The Bank will become more competitive and efficient in luring customers by streamlining the Credit application, approval, and payout procedures.

6. **Attractive Credit Products and Competitive Interest Rates**: The Bank should develop and offer more **attractive Credit products and services** to its clients. This could include flexible repayment options, customized Credit packages, or lower interest rates. Keeping interest rates **competitive** with other Banks would also help Agrani Bank retain existing clients and attract new borrowers.

5.3 Conclusion

Agrani Bank PLC's Credit operation management has been examined in this study in several ways, with an emphasis on Credit sanctioning, disbursement, monitoring, and recovery procedures. According to the findings, even though the Bank has achieved great progress in its credit management procedures, certain aspects still need to be improved to maximize Credit operations and guarantee financial stability. As it is a public limited Bank its main and biggest sectors of Credit disbursement are the same sectors over the years.

The **Credit management system** at Agrani Bank, while functional, is hindered by some key issues, such as fluctuating Credit amounts, delays in Credit processing, lack of efficient monitoring, and insufficient documentation practices disbursement of large amounts of Credits in the same sectors. These challenges have affected the Bank's ability to maintain a consistent Credit portfolio and achieve optimal Credit recovery rates. Additionally, the Bank’s focus has primarily been on the commercial sectors, with relatively less emphasis on ship breaking Food and Allied Industry, Construction & Engineering, Pharmaceuticals & Chemicals, and Leather sectors, which could benefit from financial support.

However, based on the analysis, several **recommendations** have been proposed to address these issues, including streamlining Credit procedures, enhancing monitoring and documentation practices, focusing on high-recovery sectors, and improving Credit offerings to attract a wider range of borrowers. By implementing these recommendations, **Agrani Bank PLC** can improve its Credit management efficiency, reduce the default rate, and better serve its customers while contributing to the national economic development.

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