



Daffodil
International
University

INTERNSHIP REPORT

On

**“SME Lending Activities of Sonali Bank Limited – A study on N.C.T.B
branch”**

Submitted To:

Nusrat Nargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Submitted By:

Urmi Akter

ID: 151-11-4395

Department of business Administration

Daffodil International University

Date of Submission: 13th February 2019

Letter of Transmittal

Date: 13th February 2019

Nusrat Nargis
Assistant Professor

Department of Business Administration,
Faculty of Business & Entrepreneurship
Daffodil International University

Subject: Submission of Internship Report

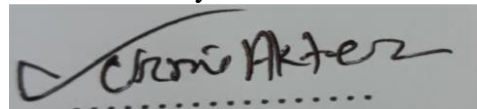
Dear Sir,

With due respect, it is great pleasure to submit the internship report. The report entitled “**SME Lending Activities of Sonali bank limited – A study on N.C.T.B branch**” which is a partial requirement for the completion of BBA program. I have completed my internship program in Sonali Bank Ltd. During this period of three months I have got some incomparable opportunities to go through some effective job experiences.

This report grants me the expectation to have a short-summarized knowledge about SME Lending Activities of Sonali Bank Limited. It's a great acquirement to work within your effective supervision, effort and guidance.

I have tried my best level exertion for this report and enjoyed working on this report. Any mistake or shortcoming in this report could be apologetically considered as my fault. I, sincerely prospect that you will be content with this report.

Yours sincerely

A handwritten signature in black ink on a grey rectangular background. The signature reads "Urmi Akter" in a cursive style. Below the signature, there are several small black dots.

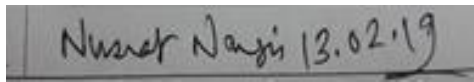
.....
Urmi Akter

ID: 151-11-4395

Department of Business Administration, DIU.

Supervisors Certificate

This is to certify that the internship report on “SME Lending Activities of Sonali Bank Limited – A study on N.C.T.B branch” is prepared by Urmi Akter, bearing ID: 151-11-4395 as a partial fullness of the necessity of Bachelor of Business Administration under my supervision. The data & findings submitted in the report point out to be sincere. Now, it has been authorized for presentation in the internship defense.



.....

Nusrat Nargis

Assistant Professor

Department of Business Administration,

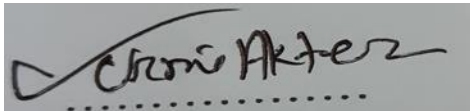
Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

It was a great pleasure to prepare Internship report on the several aspects of "SME Lending Activities of Sonali Bank Limited – A study on N.C.T.B branch". At first, I would like to thank and sustain my gratitude to honorable Supervisor Nusrat Nargis Assistant Professor Department of Business Administration, Daffodil International University for letting me to prepare this report and I would also like to convey my sincere perception to him for his wholehearted support and guidance.

The management of Sonali Bank Limited placed me as an Internee student at N.C.T.B Branch for three months. That's why I am also grateful to the management of The Sonali Bank Limited for offering me the Internship training. My special thanks to Mr. Golam Mohiuddin, Assistant General Manager, at N.C.T.B Branch of the Sonali Bank Limited, and the staffs who have given me the practical knowledge about the Banking operations.



.....

Urmi Akter

ID: 151-11-4395

Department of Business Administration

Daffodil International University

Declaration

My name is Urmi Akter bearing ID: 151 – 11-4395, student of the Bachelor of Business Administration (BBA) program of Daffodil International University. I declare that the internship report on “**SME Lending Activities of Sonali Bank Limited**” embodies the results of my own research work, pursued under the arrangement of Sonali bank ltd, N.C.T.B Branch. The assigned work is by me for partial fulfillment of my Bachelor of Business Administration degree and as a part of the academic curriculum.

Urmi Akter

ID: 151-11-4395

Department of Business Administration,
Daffodil International University

Executive summary

SME financing in a significant sector of banking performances. Bangladesh bank has updated its definition of Small and Medium Enterprises, Micro, Cottage in line with the National industrial policy 2016 and set a limit to the amount of credit they can avail. Moreover, banks must set aside for SMEs 20 percent has to be kept for Micro, Cottage and Small and Medium Enterprises.

Now the instruction is to raise lending to Manufacturing SMEs to at least 40 % and Trading SMEs to maximum 35 % and Service SMEs to at least 25%. At least 10% of the lending will have to go to women SME entrepreneurs. This rate will have to be raised to 15 % by 2021.

Doing internship in financial institution always gives best chances to the student of business faculty to apply their knowledge a practical filed. Banks are the most significant one in the financial sector as they play a very crucial role for the economy. I got an opportunity during my internship to make a report about Sonali Bank Ltd. This report is about the **SME Lending Activities of SBL**. SME banking essentially provides loans to Small and Medium sized manufacturing, trade, service, agro-based industries, agriculture and non-farm activities located across the country. I prepared the full contents of the report in several chapters.

Table to contents

S.L.	Particulars	Page
NO		no:
	Letter of Transmittal	i
	Supervisors certificate	ii
	Acknowledgement	iii
	Declaration	iv
	Executive summary	v
	Chapter- One	1-3
Introduction		
1.1	Introduction	2
1.2	Origin of the study	2
1.3	Objective of the study	2
1.4	Scope of the study	3
1.5	Methodology	3
1.6	Limitation	3
	Chapter -Two	4-11
Profile of Sonali bank limited		
2.1	Banking History of Sonali Bank Ltd	5
2.2	Corporate profile of Sonali Bank Limited	6
2.3	Organogram of Sonali Bank Limited	7
2.4	Management Hierarchy of Sonali Bank Limited	8-9
2.5	Board of Directors	10
2.6	Objectives, Mission, Vision of SBL	10
2.7	Slogan of SBL	10
2.8	Function of Sonali bank	11
2.9	Products of the Bank	11
2.10	Social Activates	11
2.11	Corporate Social Responsibility (CSR)	11

Chapter- three		
SME Lending activities		
3.1	Introduction	13
3.2	Explanation of Small & Medium Enterprise	13
3.3	Approaches of observing of SME loan or credit	13
3.4	Activities to be performed at the Bank Branches	14
3.5	SME Service Centre	14
Chapter – four		
SME lending procedure of SBL		
4.1	SME Banking (Small & Medium)	16
4.2	Objective of SME loan	17
4.3	Types of product for getting SME loan	17
4.4	Monitoring	17
4.5	Procedure of Sonali Bank SME Loan	18-19
Chapter- Five		
An Evaluation of SME Loan		
5.1	Loan Disbursement	21-22
5.2	Recovery Rate of SME loan	22-23
5.3	Classified Loan of SBL	23-25
Chapter- Six		
Findings, Recommendations and Conclusions		
6.1	Findings	27
6.2	Recommendations	27
6.3	Conclusions	28
6.4	References	28

Chapter-One

Introduction

1.1. Introduction

Banking industry is one of the most promising industries of the country. There are different types of banks such as; Commercial bank; Industrial bank, Saving bank, Agricultural Bank and Exchange bank. Bank plays a very important role in providing the SME loan through different type's products.

A loan is special financing ability for small and medium sized service, manufacturing and trading industries continuation in the adjoining sector with centers across the country that is called SME loan. Since, full disbursement of loan, there will be only repayment by the borrower. Loan at one time corrected in part or in full, cannot be traced once again by the borrower. Interest is calculated on the outstanding amount on SME product basis. Loans are sanctioned for SME product maturity basis.

Sonali Bank Limited is perpetually ready to maintain the maximum quality services by upgrading banking technology discretion in manage and factitive high standard business morality through its established consignment and oral history. Objectives of a government financial institution like SBL are to maximize profit through optimum utilization of resources by providing best customers

1.2. Origin of the study

The report has been arranged as a fulfillment of the incomplete prerequisite of the internship program as authorized by Department of Business Administration, DIU. Internship is the opportunity for a student to get the practical knowledge based on their studies. It also helps a student to cope with the organizational environment and helps to progress period of three-month organizational attachment with report preparation. I have prepared internship report on "SME lending activities of SBL" and used my knowledge properly on banking system.

1.3. Objectives of the study

- To analyze the SME lending activities of the bank.
- To discuss the SME lending procedure of Sonali Bank Limited.
- To evaluate the performance of the SME loan section of Sonali Bank Limited.
- To provide some recommendations about the problems of the bank.

1.4 Scope of the study

I have done my internship in the Small and Medium Enterprise activities of Sonali Bank Ltd and it opened the door of being familiarized with the banking environment. Loan and Advance Department is conduct inside all sorts of credit exercises within the bank, examining these center themes, opportunities are there to memorize other viewpoints of SME matters.

- Entrepreneurship improvement circumstance through SME banking.
- SME managing an account setting is importance of Bangladesh.
- Concept of SME and its affect in generally economy of Bangladesh

1.5. Methodology of the study

The study of the evocative exploration data sources has been together from equally primary resources and secondary resources.

The primary data are:

- Face to confront discussion with the individual officers of the bank
- Direct observation by internship training of SBL

The secondary data are:

- Annual report of Sonali bank ltd
- Internet is also used as theoretical sources of information
- Official records of Sonali bank Ltd
- Periodical published by Bangladesh Bank

1.6. Limitation of the study

Data from SBL is profoundly private for the exterior individual and I had no specialist to utilize the center keeping money computer program.

Another limitation of this report is banks arrangement of not information and data, which may be exceptionally much useful.

Lack of experience in internship report writing.

Chapter-2

Profile of Sonali Bank Limited

2.1. Banking History of Sonali Bank Ltd

Sonali Bank Ltd (SBL) could be a state- claimed driving profitable bank in Bangladesh. **SBL** Established in the year 1972 with nationalization order-1972. Before independence Sonali bank was national bank of Pakistan, Bank of Bahawalpur and Premier Bank. When Sonali Bank turnover the full state wined institution, then they take huge responsibility for socio-economic schemes and grow up the economic sector with different activities in Bangladesh by monitoring government.

In November 15, 2007 Sonali Bank Ltd. covered to a open restricted company within 100% possession of the government. When Sonali bank covered corporatization the management body work effectively for developing banking sector. Presently Sonali Bank has authorized and paid up capital is TK 10 billion and TK 9 billion discretely the bank's back was TK 60 million in the year 1979 and TK 2.050 billion on 30 June 2000. In the year 2013, \$250,000 was stolen from the bank by Cyber hoodlums utilizing the quick installment organize. In the year 2016 the bank marked a Reminder of Understanding with PayPal.

Sonali Bank includes a add up of 1214 branches. Out of them, 466 are found in urban regions, 746 in rustic zones, and 2 are found aboard (India). It moreover works the Sonali Exchange Company Inc. Sonali Bank (UK) Ltd and in USA, United Kingdom, to simplify foreign exchange payments. Sonali Bank UK transmits up to 14 goals over Bangladesh straightforwardly, these incorporate Dhaka, Chittagong, Sylhet, Moulvibazar, Beanibazar, Balaganj, Biswanath, Jagannathpur, Sunamganj, Gopalganj, Nabigonj, Hobigonj, Kulaura or Tajpur. There are as of now three branches within the UK, one founded in in Osborn Street, London, another in Littlr Heath; Birmingham and in Manchester.

Sonali Bank Limited is administered by a Board of Directors comprising of 11 (Eleven) individuals. The Bank is headed by the CEO & Managing Director, who could be a well-known investor and a rumored proficient. The corporate head quarter of the bank is located at Motijheel, Dhaka, Bangladesh, and the main commercial center of the capital.

2.2. Corporate profile of Sonali Bank Limited

Corporate Profile

Name of the Company	Sonali Bank Limited
Chairman	Mr. Md. Ashraful Moqbul
CEO & Managing Director	Mr. Md. Obayed Ullah Al Masud
Company Secretary	Mr. Md. Ataur Rahman
Legal Status	Public Limited Company
Genesis	Emerged as Nationalized Commercial Bank in 1972, following the Bangladesh Bank (Nationalization) Order No. 1972 (PO No.26 of 1972)
Date of Incorporation	03 June, 2007
Registered Office	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorized Capital	Taka 6000.00 Crore
Paid-up Capital	Taka 4130.00 Crore
Number of Employee	18,167
Number of Branches	1214
Phone-PABX	9550426-31, 33, 34, 9552924
FAX	88-02-9561410, 9552007
SWIFT	BSONBDDH
Website	www.sonalibank.com.bd
E-mail	itd@sonalibank.com.bd

2.3. Organogram of Sonali Bank Limited

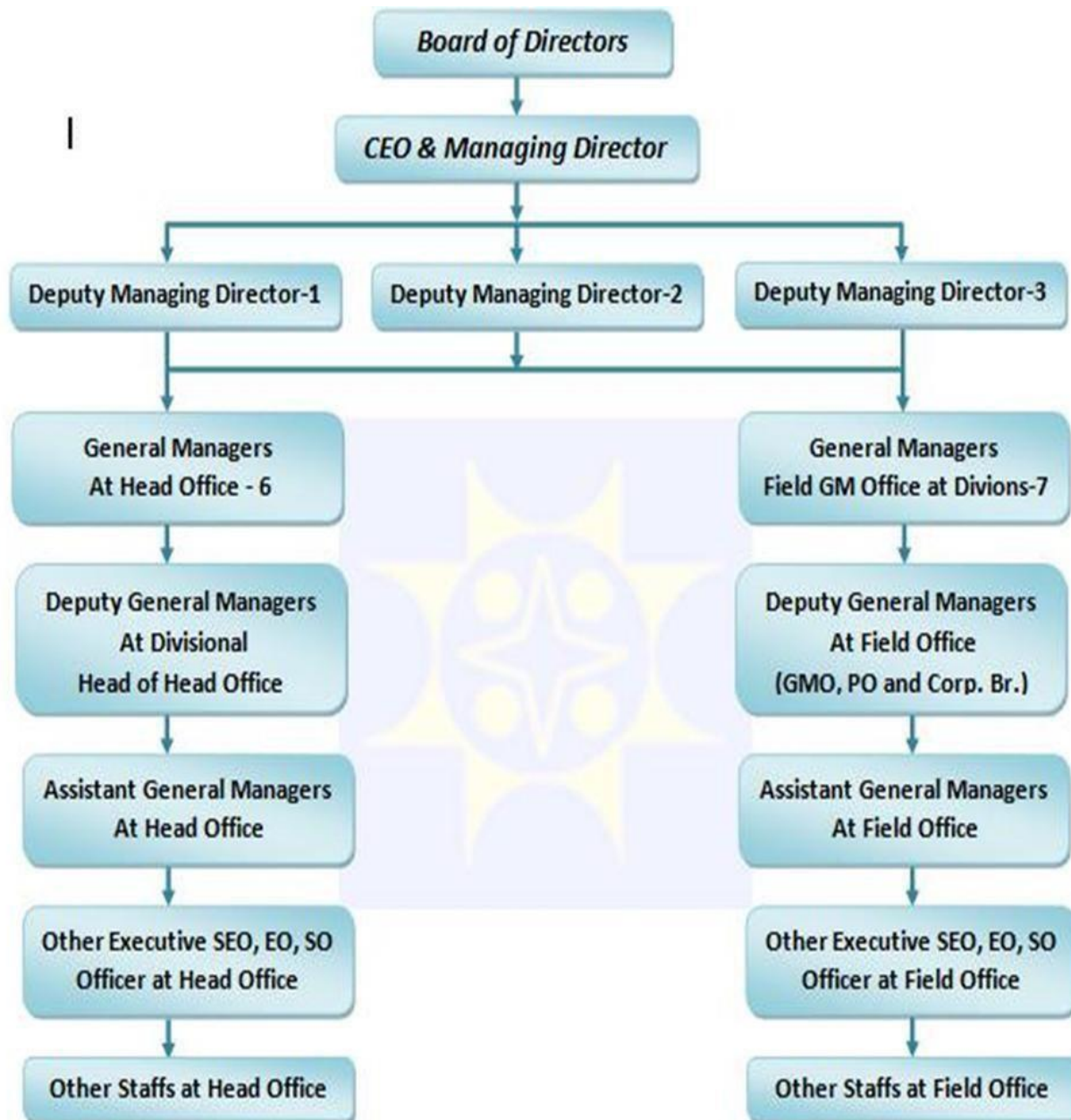
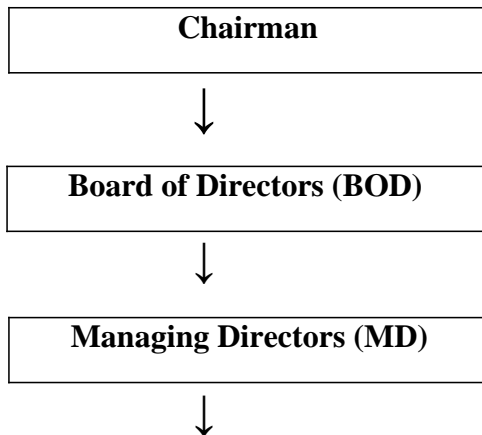




Figure: Organogram of Sonali Bank Limited

2.4. Management Hierarchy of Sonali Bank Limited:



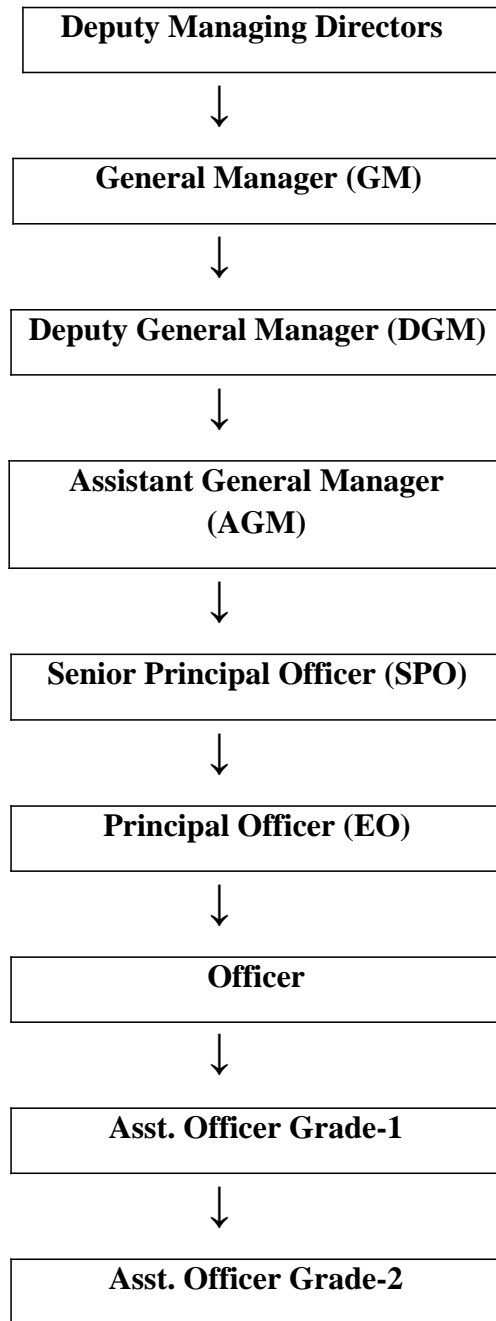


Figure: Management Hierarchy of Sonali Bank Limited

2.5. Directors of Board

SL.NO.	Name	Designation
1	Mr. Md. Ashraful Moqbul	Chairman & Director
2	Mr. Md. Fazlul Haque	Director
3	Mr. Md. Mahboob Hossain	Director
4	Mrs. Sabera Aktari Jamal	Director
5	Mr. Afzal Hossain	Director
6	Mr. Muhammed Asadullah	Director

2.6. Objectives, Mission, Vision:

Vision of Sonali Bank Ltd

Socially committed leading banking institution with global presence.

Mission of Sonali Bank Ltd

Dedicated to extend a whole range of quality products that support divergent needs of people aiming at enriching their lives, creating value for the stakeholders and contributing towards socio-economic development of the country.

Objective of Sonali Bank Ltd

Sonali Bank has a various type of Objectives. Important objectives of Sonali Bank are as follows:

- To reduce poverty
- To be paid profit
- To raise of deposits
- To supply the customers service
- To restraint loan
- To bring medium of exchange
- To grow trade and commerce
- To secure Regional Development
- To produce employment
- To safe deposit
- To extend the capital formation
- To stimulate savings

2.7. Slogan

Your trusted partner in innovative banking.

2.8. Function of Sonali bank

Main function of the Sonali bank: -

- Receiving of the money on deposits
- Transfer of money
- Collection of receipts, Interest, rents, dividends, pensions etc
- Creation of loan deposit
- Discount bill of exchange
- Creation medium of exchange
- Honor of cheque
- Obey the schedule rule

2.9. Products of the Bank

- Deposit Products
- Credit Products
- E- services
- Rural Credits
- Ready Cash

2.10. Social Activates:

Sonali Bank have many social services are:

- Old age allowances.
- Disability allowances
- Freedom Fighters' allowances.
- Maternal allowances for poor women.
- Local Governance Support Project
- US Dollar Premium & Investment Bond
- Rehabilitation allowances for acid survival women.
- Widows, divorcees and destitute women allowance

2.11. Corporate Social Responsibility (CSR)

To develop CSR engagements & practices the Bank has taken up leading programs at lower rate of interest like:

- Special Scholarship brilliant students
- Credit Program for overseas Employment
- Special credit program for freedom fighters
- Green Banking programs like biogas & solar plants

Chapter- Three

SME Lending Activities of the Bank

3.1. Introduction

The character of Small & Medium Enterprises is vital meant for through and great monetarist spread of a state expressly for creating of a nation similar Bangladesh. In the meantime, this division is effort seriously through brief development historical, it's competent of expanding countrywide salary besides quick business area; SME segment has played a crucial part in financial improvement of a few affluent states of Asia. The appear government has too laid considerable emphasis taking place the progression of SME segment in view of it as „the heavy drive for industrial development“.

3.2. Explanation of Small & Medium Enterprise:

Remaining description of SME is prescribed by Superior Corporate Environment and recognized in place of a undeviating one by Ministry of Industry and Bangladesh Bank (BB). Measures of the definition of SME are given underneath:

3.2.1. Explanation of Small Enterprise:

The Small Enterprise raises to the business or firm which isn't an open constrained company and complies the taking after criteria:

Sector	Service	Business	Industrial
Static asset other than arrive & building	50000 -5000000	50,000-50,00,000	50000-15000000
Utilized labor (not above)	25	25	50

3.2.2. Explanation of Medium Enterprise:

The Medium Enterprise raises to the business or firm which isn't an open constrained company and complies the taking after criteria:

Sector	Service	Business	Industrial
Static asset other than arrive & building	5000000-100000000	5000000-100000000	15000000-200000000
Utilized labor (not above)	50	50	100

3.3. Approaches of observing of SME loan or credit:

The Central Bank observing of Head Office

Comprehensive regulator methods are actuality received by means of BB near screen the SME approach effectuation additional successfully. In the meantime, an „Small & medium enterprise Credit observing Prison cell“ has been usual up within the „SME and Special Programs Department“ . To realize the target of SME loan approach or policy, the

observing Cell determination expansively display the SME loan administration at the arena level

The Central Bank observing of Branch Offices:

The SME loan observing cell determination be set up within the branch place of work of BB. This Cell will take compelling steps to screen the SME credit dispensing and recuperation exercise by means of the banks & budgetary teach of their person districts plan.

3.4. Activities to be performed at the Bank Branches:

Victory of SME credit distribution programs generally hangs on the completing of the bank branches. Bank branches will make the taking after exercises to distribute and recoup SME loan:

- a) The branch manager will assess the request for and scope of SME loan disbursement. In this setting, course of action ought to be made to dispense SME loan within the nearby potential sectors.
- b) Special activity ought to be taken by each bank local office to dispense SME loan to the small women entrepreneurs.
- c) Identifying the courageous and successful small entrepreneurs and bring them under loan activities.
- d) Motivating the business person through essential and inclusive publicity.
- e) Monitoring of the proper utilization of disbursed loan.
- f) Gearing up monitoring of SME loan recovery activities.

3.5. SME Service Centre:

The banks (Foreign & Private) have so far opened 210 SME Service Center to provide more facilities to SME clients.

Chapter – Four

SME Lending procedure of the SBL

4.1. SME Banking (Small and Medium)

Sonali Bank Ltd reinforce maximum elevated need on SME financing for rejecting destitution by expanding SME loan flow at financially immature and people groups. Setting up need base SME credit socio-economic condition.

Lending Policy:

- 1) **Loan Limit:**
BDT 50,000/- (Fifty thousand) to BDT 500, 000, 00/- (Five Crore).
- 2) **Criteria of Borrower:**
 - Bangladesh citizen least 18 (eighteen) year old.
 - Loan defaulter, bank-rupt, rationally wreaked individual cannot apply for loan;
 - Women Businesspersons highly empower to apply
- 3) **Nature of the project/ Enterprise:**
 - Proprietorship Enterprise
 - Registered partnership Enterprise
 - Private company limited
 - Joint venture company except public company limited
- 4) **Security:**
 - The collateral security free credit perimeter for Male Businesspersons is up to Tk. 5 lac.
 - The collateral security free credit perimeter for Women Businesspersons is up to Tk. 10 lac.
- 5) **Period:**
 - Project or Term Loan: Determined 5 year (project period may flexible according to project nature)
 - Working capital or Trading Loan: 1 year, renewable at the end of period.
- 6) **Loan: Equity ratio:**
 - Project or Term Loan: 70:30
 - Working capital or Trading Loan: 75:25
- 7) **Repayment procedure:**
 - Project or Term Loan: monthly or quarterly basis repayable within loan period.
 - Working capital or Trading Loan: Daily basis or fully repayment within loan period.

4.2. Objective of SME loan

- Industrialization with employment opportunity.
- Help government to remove poverty.
- Help women entrepreneur to be self-independent by providing loan.
- Produce plentiful exchange by export import business to government.

4.3. Types of product for getting SME loan

Export product: -

- 1) Fringing plant for fish.
- 2) Tanaree business
- 3) Export furniture

Import product: -

- 1) Garments accessories.
- 2) Washing plant, packaging.
- 3) Xining Mill

4.4. Monitoring:

Monitoring may be a framework by which a bank can retain trail of its clients and their procedures. So, monitoring is an essential task for a Customer Relationship Officer (CRO) to know the borrower's activities after the loan disbursement. This moreover encourages the buildup of a data base for future reference.

4.4.1 Importance of Monitoring

Through monitoring a Customer Relationship Officer can see whether the enterprise invested the approved amount in the prespecified area of his business, how well the business is running, the attitude of the entrepreneur, cash credit sales and purchase, inventory position, work in process and finished goods etc., this information will help CRO or Sonali Bank to recover the loan accruing to the schedule and to the necessary decisions for repeat loans. Moreover, Monitoring will also help to reduce delinquency. Constant visit over the client or borrower ensures fidelity between the bank and borrower and tends to foster a rapport between them.

4.4.2 Monitoring system

The CRO can consider the taking after things for monitoring

The CRO will monitor each commerce at slightest once a month. He/she will make a observing arrange / plan at starting of the month All through monitoring the CRO must use the endorsed monitoring from and protect within the client record and forward a duplicate of the report to SME head office instantly. An SME department will keep up the taking after records: The record will contain –

- Purchase Receipt
- Delivery Memo“s
- Quotations

4.4.3. Area of Monitoring

The determination is to identify the perfect commercial complaint and all features of the borrowers so that misfortune can be sidestepped.

Business Condition

The greatest significant commission of the CRO to monitor the commercial recurrently, it will benefit him to recognize whether the commercial is successively well or not,

Management of raw materials

In occasion of a trade enterprise, organization of raw funds is another significant zone for monitoring. If additional currency is impassable in raw materials, then the enterprise may aspect a fund predicament.

Investment

It is actual significant to confirm that the perfect loan has been capitalized in the method devised. If the currency is operated in other zones, then it could not be probable to improve the loan

Production

The CRO determination monitor the production actions of the commercial and if there is a little problematic in the production procedure, the CRO will effort to service the businessperson to resolve the problematic

Sales

Monitoring sales progress is additional vital task of the CRO it will support him to prediction the monthly sales profits, credit sales etc.

4.5. Procedure of Sonali Bank SME Loan:

Select potential Enterprise

For SME loan, in the step the CRO conduct a survey and identify potential enterprise. Then they communicate with entrepreneurs and discuss the SME program.

Loan Presentation

The function of CRO is to prepare loan presentation based on the information collected and provided by the entrepreneur about their business, land property.

[Collect Confidential Information](#)

Another significant function of a CRO is to collect confidential information about the client from various sources. The sources of data are providers with respect to the client's compensation, customers with respect to the conveyance of goods of services agreeing to arrange, different banks where the client has account, which appears the banks exchanges nature of the client.

[Open clients' Accounts in the Respective Bank](#)

When the CRO decided to provide loan to the client then she/he help the client to open account where Sonali bank has a STD A/C. Sonali bank will disburse the loan through this account. On the other hand, the client will reimburse by this account.

[Fill up Credit Information Bureau \(CIB\) form](#)

CRO give a CIB form to the client and the client fill and sign in it. In some case if the client is illiterate then the CRO fill the form on behalf of the client, then CRO sends the filled and signed form to the bank (SME) head office.

[Send CIB form Bangladesh Bank](#)

The SME, head office collects all information and sends the CIB form to Bangladesh Bank for clearance. BB reappearance this CIB shape inside 10-12 days with reference no.

Chapter – Five

An Evaluation of SME Loan

5.1. Loan Disbursement

Disbursement: The performance of disbursing out or expending currency. Disbursements can incorporate cash paid out to run a commerce, investing cash, profits installments, and the sums that a legal counselor might need to pay out on a person's sake in association with an exchange.

5.1.1. Sector Wise Loan Disbursement

Based on sector wise loan disbursement, SBL has segmented the SME market into three categories: Services, Trade and Industry.

Table1: Year-wise Total Loan Disbursement of SME Loan From 2014-2018

SL.NO	Sector Name	2014	2015	2016	2017	2018
A	Service	6,95,308	7,71,405	6,94,688	7,61,248	7,34,449
B	Trade	10,44,905	12,45,509	24,22,419	31,17,798	50,44,193
C	Industry	17,26,488	49,44,621	49,43,136	49,36,095	48,73,814
D	Total Disbursement	34,66,701	69,61,535	80,60,243	88,15,141	1,06,52,456

Table 2: Sector- wise Loan Disbursement of SME Loan From 2014-2018

Year	Sector Service	Trade	Industry
2014	695308	1044905	1726488
2015	771405	1245509	4944621
2016	694688	2422419	4943136
2017	761248	3117798	4936095
2018	734449	5044193	4873814
Total Disbursement	3657098	12874824	21424154

From the over table appear that the sector wise Loan Disbursement of SME loan from 2014 to 2018.

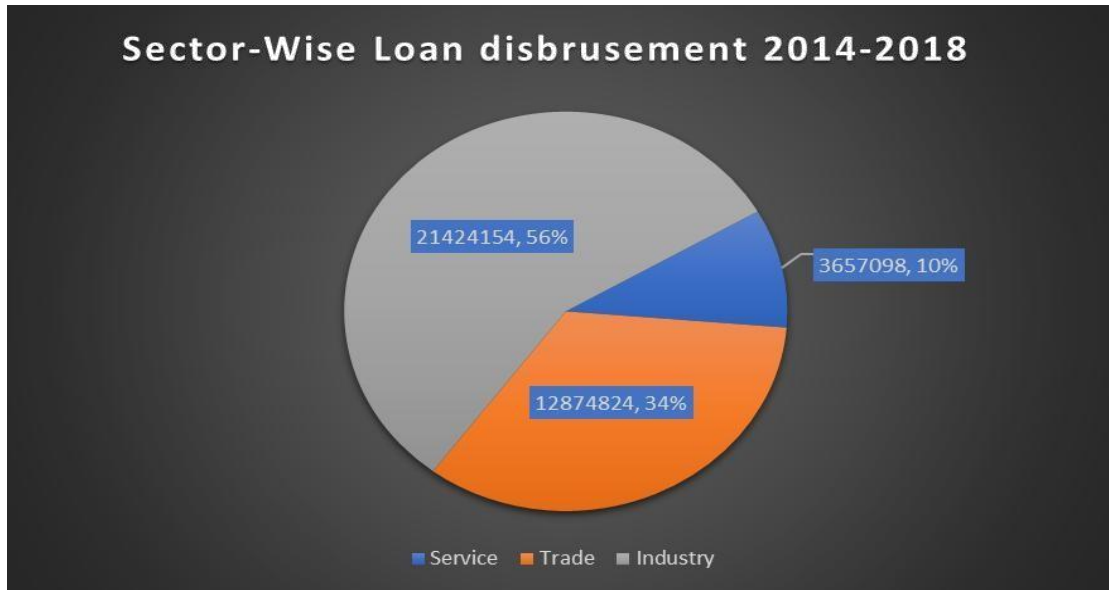


Figure 1: Sector Wise Loan Disbursement of SBL

Interpretation:

From the above pie chart show the percentage of sector wise loan disbursement. Here In year 2014 to 2018, among three sector of SME loan the highest outstanding is industry sector and its 56% (Tk. 2, 14, 24,154). The lowest outstanding is Service sector and its 10% (Tk.3, 65, 70,989).

5.2. Recovery Rate of SME loan

Table 3: Recovery Amount of SME Loan from 2014-2018

Year	Loan Recovery Amount
2014	6,87,836
2015	7,97,183
2016	8,57,183
2017	10,72,808
2018	12,11,962

From the above table show that the Recovery amount of SME loan. In the year 2018 recovery rate is Tk. 12, 11,962 which is slightly increase than the previous year

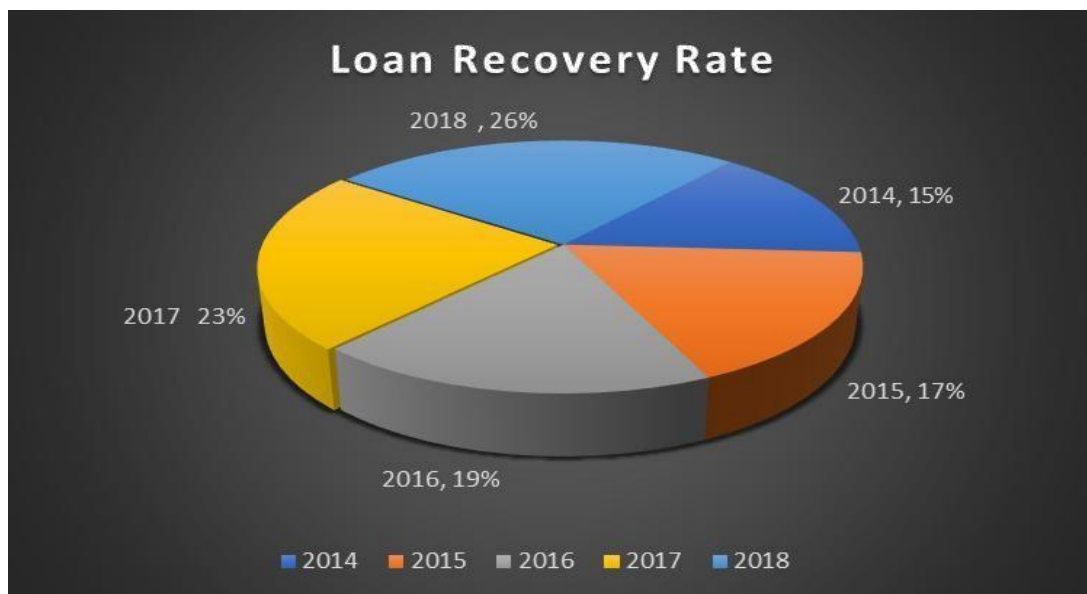


Figure 2: Recovery Rate of SME Loan

Interpretation:

From the above pie chart show the percentage of recovery rate of SBL in 2014 to 2018. Recovery rate of SBL was increased day by day and 3% increases in one year. In the year 2018 the recovery rate is 26%. In the year 2017 the loan was 23% and in the year 2014, 2015 & 2016 the loan was 19%, 17% & 15%.

5.3. Classified Loan of SBL

Table 4: Classified of SME Loan (2014-2018)

Year	2014	2015	2016	2017	2018
Classified Loan	5704908	6145340	6812034	7205388	8111962

From the above table show that the Classified Loan of SBL. In the year 2018 bank provide classified loan of Tk. 81, 11,962. In 2017, Classified Loan was Tk. 72, 05,388 but in 2018 it increases almost 9, 06,574 Tk. compared to year 2017.



Figure 3: SME Classified Loan of SBL

Interpretation:

From the above pie chart show the percentage of classified loan of SBL. In the year 2018 classified loan is 24% which is slightly increase than the previous year.

5.3.1. Unclassified loan of SME

Year	2014	2015	2016	2017	2018
Unclassified loan	58738	67895	87259	84625	96774

Table 5: Unclassified loan of SME (2014-2018)

From the above table show that the Unclassified Loan of SBL. In the year 2018 bank provide unclassified loan of Tk. 96,774. In 2017, Unclassified Loan was Tk. 84,625but in 2018 it increases almost 12,149 Tk. compared to year 2017.

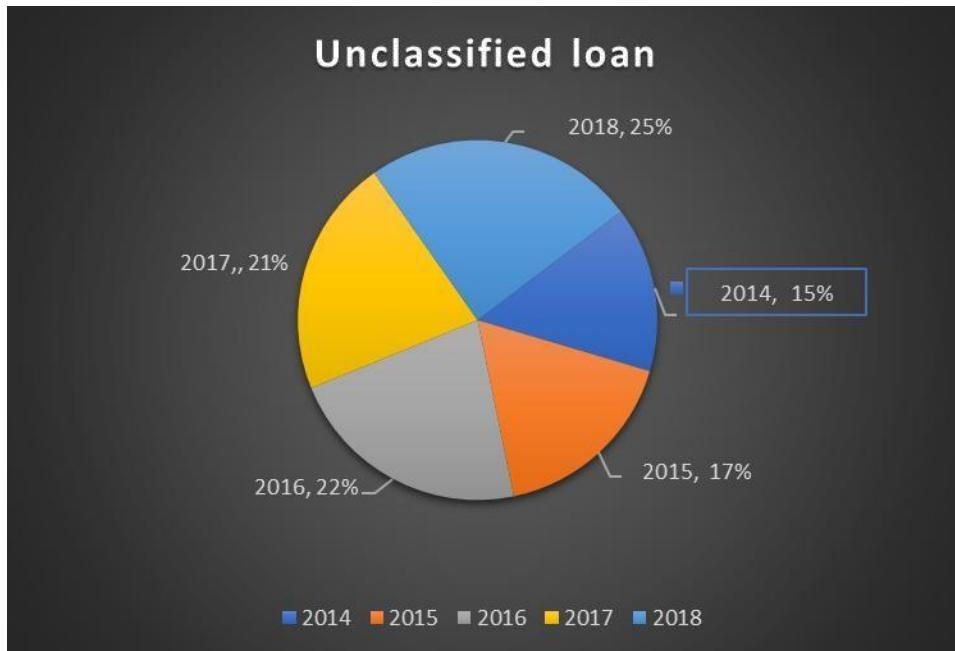


Figure 4: Unclassified of SME Loan

Interpretation:

From the above pie chart show the percentage of unclassified loan of SBL. In the year 2018 unclassified loan is 25% which is slightly increase than the previous year.

Chapter- Six

Findings, Recommendations and Conclusions

6.1. Finding of Study:

Constructed on the past chapter, investigation sections and the short-term portrayal of SME lending activities and performance of Sonali Bank following findings are originated:

Total SME loans of Sonali Bank Limited (SBL) as on 31st December 2018 stood at TK.10,683,583 showing an increase of Taka 2,623,340 from previous year 2017.

The percentage of SME loan disbursed in 2014 to 2018, 10% disbursed in service sector, 34% disbursed in Trading and 56% disbursed in Industry sector. In the year 2014 to

2018, highest loan disbursed in Industry sector and lowest in-Service sector.

The percentage of unclassified loan of SBL. In the year 2018, unclassified loan is 25% which is slightly increase than the previous year.

Sonali Bank Ltd has no separate small and medium enterprise department.

They have little skilled person who is expert in small & medium enterprise loan banking.

SBL NCTB branch have no effective initiative for making clear concepts about SME to customer.

Small and medium enterprise recovery process is very lengthy.

Their customer relation is poor for making SME loan.

6.2. Recommendations

SME is the modern greatest segment for doing improved commercial since small and medium enterprise is contributing the large part rate of GDP within Bangladesh. Sonali Bank Ltd may be a one of the largest banks in Bangladesh; they have needed to improve every section with Digitalized. It is within height period to expand the execution of SME. For superior change of SME, SBL can consider the after taking recommendations:

Utilize assets particularly for development of SME trade or business.

The amount of percentage increase in the industry sector is having a rapid growth rather than other two sectors of loan disbursed. The bank should increase investment in the other sectors.

The problem of unclassified loans have been increased day by day. SBL has to remain vigilant about this problem so that proactive strategies are taken to decrease this problem.

The bank must be employee skill person for the SME or loan and advance department.

Try to open the SME department in all the SBL branches.

The bank should have more conference in overseas, seminar and work shop for more expansion of SME loan and give clear idea to customer.

Implement strict and continuous monitoring system of the whole recovery process and reduce lengthy process.

The bank should analyze customers' behavior to avoid the possibility of loan default.

6.3. Conclusions

The banking sector of any country plays a vital role in the economic activities. Sonali Bank all time follows the mother bank of the Bangladesh Bank. Sonali bank is huge contribution for improving GDP and liquidity solvency of economic sector. In Bangladesh the monetary advancement divisions and the financial advancement segment are closely related. Nowadays the private commercial banks are moreover most noteworthy significance to the advancement to SME in Bangladesh. SMEs are in fact the exceptionally spine of the economy of BD. SBL advances broad-based arrangement of quality keeping money administrations and win the greatest benefit as well. SBL is the biggest and greatest national commercial bank in BD

6.4. References

Annual Report of Sonali Bank Limited (2014 -2018)

Loan account balance report of Sonali Bank Limited (2014 -2018)

Branch summary of loan classified and provision as of SBL (2014 -2018)

Websites

<http://www.sonalibank.com.bd/>

https://en.wikipedia.org/wiki/List_of_banks_in_Bangladesh

<http://www.sonalibank.com.bd/profile.php>

<http://www.sonalibank.com.bd/overview.php>

https://www.sonalibank.com.bd/PDF_file/sme_rules_regularions.pdf

<https://www.bb.org.bd/sme/smepolicye.pdf>