

Internship Report on Loan and Advances Activities of Sonali Bank Limited



Internship Report On

Loan and Advances Activities of Sonali Bank Limited

Submitted To

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Submitted by

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LETTER OF TRANSMITTAL

10th January, 2019

NusratNargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “Loan and Advances Activities of Sonali Bank Limited”.

Dear Madam,

With incredible satisfaction I am presenting my entry level position give an account of "loan and Advances Activities of Sonali Bank Limited" that you have allotted me as a basic prerequisite of Internship program. I have discovered the examination is very fascinating, advantageous and astute and attempted my dimension best to set up a viable and noteworthy report.

I truly, foresee that my examination will help to give an unmistakable thought regarding the general state of "Loan and Advances Activities of Sonali Bank Limited". I welcome your whole question and take pride to answer them.

Yours Sincerely

Punam Roy

Punam Roy

ID: 173-14-2518

Department of Business Administration

Daffodil International University (DIU)

Student Declaration

I am Punam Roy thus express that the displayed report of internship titled "Loan and Advances Activities of Sonali Bank Limited", is only arranged and refreshed by me after finish of three months' work in Sonali Bank Limited, (Lalmatia Branch).

I gravely accommodate that the report is completely arranged for my scholarly prerequisite not for any other reason.

Punam Roy

Punam Roy

ID: 173-14-2518

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

Letter of Acceptance

This is to confirm that Punam Roy is an understudy of MBA, ID : 173-14-2518 effectively finished her "Internship Program" entitled "Loans and Advances Activities of Sonali Bank Limited" under my watch as the halfway satisfaction for the honor of MBA degree.

She has carried out her responsibility as per my supervision and direction. She has attempted her best to do this effectively. I figure this program will help her later on to develop her profession. I wish her prosperity and success.

Nusrat Nargis 05.03.19

NusratNargis

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University (DIU)

Acknowledgement:

Instruction includes perusing books and doing exercise as well as procuring information through doing in down to earth. I arranged this report for thinking about these targets. In this timeframe, I delighted in warm co-task from each individual in the bank.

For the effective achievement of this report, first I might want to say thanks to Almighty Allah. Lastly I might want to thank to my fair administrator for this report NusratNargis who has constantly given help, exertion and astute course to reach at the pinnacle dimension of viability to finish my report.

Moreover, with my warm appreciation from the most profound of my spirit I might want to recall every one of them who have helped me from each viewpoint in achieving this report just as my internship program.

I additionally wish to render my appreciative gratitude to all senior and junior officers of Sonali Bank Limited, Lalmatia Branch, who helped me amid the season of my internship program at the bank. I should specify the brilliant workplace and the positive gathering conduct of this bank, which helped me immensely to watch the managing an account exercises, work with them and to remain there any sort of uncomforted feel. I accept this open door to express my profound feeling of appreciation, much obliged.

I truly offer my most profound thanks to Department of Business organization and every one of the authorities of office for their persevering help and minding frame of mind and to numerous others whose names I neglected to specify here, I thank all of you.

Preface

Anybody can assemble hypothetical information by learning. Be that as it may, pragmatic information and hypothetical learning is completely extraordinary. So as to accumulate down to earth information, DIU has made viable stride, for example, internship program for the MBA understudies.

As an understudy of MBA of Daffodil International University, I was set in Sonali Bank Limited, Lalmatia Branch, Dhaka following three months temporary position program. I chose to deal with a temporary job provide details regarding "Loan and Advances Activities of Sonali Bank Ltd".

In this report I am very thankful to my respectable chief NusratNargis, Professor of Daffodil International University.

I have attempted my best to make this report powerful and practical and my endeavor will be productive around then in the event that anyone is profited by this one.

Punam Roy

ID: 173-14-2518

Executive summary

As a prerequisite of MBA program, I have made my internship report. This report is made dependent on my three months temporary job in Sonali Bank Limited.

Nature of lalmatia branch (SBL) is great and neighborly.

The Sonali Bank Limited is one of the main open Banks working in Bangladesh. Every one of the parts of loan and advances exercises of SBL like; loaning exercises, procedures of advance, recuperation procedure of various sorts of advance and so forth have been appended to this report.

Still I've done bunches of monetary figuring's, reviewed their money related reports and from my step by step working background. Subsequent to creating the report, I had a few discoveries with respect to the Loan and Advances Performance Analysis of Sonali Bank Limited. As an unpracticed individual I may have committed numerous errors in those discoveries, whatever I felt from my perspective, I just brought up those.

Table of Content

Content	Page no
Letter of transmittal	iii
Student declaration	iv
Letter of Acceptance	v
Acknowledgement	vi
Preface	vii
Executive summary	viii

Chapter one (Introduction)

1.1 Background of the study	03
1.2 Significance	03
1.3 Origin of the report	03
1.4 Objective of the report	04
1.5 Methodology	04
1.6 Scopes of the Study	05
1.7 Limitation of the Report	05

Chapter two (Organizational profile of SBL)

2.2History of SBL	09
2.3 Management	09
2.4 Bank's Core Business:	09
2.5 Vision & Mission of the Sonali Bank Limited	10
2.6 Corporate Profile	10
2.7 Some remarkable features of the Bank are as follows	11
2.8 Automation Status	11

Chapter three (Loan & advances policy)

3.1 Loan & advances policy	16
3.2 Principles Lending of Sound	17
3.3 Loan disbursement	18
3.4 Financial soundness of a borrower	19

Chapter four (Process & recovery system of loan & advances)

4.1 Loan & advances	22
4.2 Duties of loan & advances	22
4.3 Loan issue	22

4.4 Loan issue process	23
4.5 Several types of loan	23
4.6 Loan lending rate	25
4.7 Process of Loan Recovery in short:	25

Chapter five (Analysis part)

Analysis of lending performance of Sonali Bank Limited	27-34
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Chapter six (Findings & recommendations & conclusion & reference)

Findings	37
Recommendations	38
Conclusion	39
Reference	40

Part Two

Report body

Chapter One

Introduction



- ❖ Background of the Report
- ❖ Origin of the report
- ❖ Objective of the Study
- ❖ Methodology
- ❖ Scope of the study
- ❖ Limitations of the Study

1.1 Background of the study

It has turned out to be fundamental for each individual to have some thought on the bank and managing an account method. As our instructive framework transcendently message based, consideration of down to earth introduction program is an exemption to the standard. From commonsense learning, we will most likely know genuine circumstances and begin a vocation with some down to earth involvement. Subsequent to finishing MBA, certain occasions are protected for entry level position.

As an understudy of MBA, entry level position is a scholarly prerequisite. For entry level position each understudy is required to work in a chose foundation to upgrade ones pragmatic learning and encounters. For the prerequisite of my course I was allowed to Sonali Bank Limited (SBL), Lalmatia Branch for my entry level position. In this circumstance I was doled out to plan write about "Credit and Advances Activities of Sonali Bank Limited."

Fundamentally, this report is featured on Loan and Advances Activities and Credit the board of the bank, Structure, Analysis, Present status, Performance of SBL, Recommendation and Conclusion.

1.2 Significance

This entry level position report is an imperative fractional necessity of MBA graduation program. This is on the grounds that information and learning end up flawless when it is related with hypothesis and practice. By this temporary position program understudies can build up contacts and systems administration. Contacts may find a new line of work in viable life. That is, understudy can prepare and set themselves up for the activity advertises. A poor nation like Bangladesh has a mind-boggling number of jobless instructed alumni. As they have no temporary position experience they have not possessed the capacity to increase ordinary expert experience of buildup systems administration framework, which is vital in finding a new line of work. In this manner, clearly the criticalness of temporary job is obviously legitimized as the urgent necessity of MBA graduation.

1.3 Origin of the report

MBA program is planned with an astounding blend of hypothetical and pragmatic angles. This temporary job program gives the understudies to interface up their hypothetical learning with

handy fields. In this association, I was doled out to Sonali Bank lalmatia Branch. I am required to set up an entry level position report under the supervision of our fair instructor NusratNargis on "Credit and Advances Activities of sonali Bank Limited to direct a profundity examination on this topic. I have attempted my dimension best to display my experience of the down to earth introduction in this report.

1.4Objective of the report

1. To analyze the lending activities of “The Sonali Bank Limited.”
2. To analyze the lending Process of SBL
- 3.To evaluate the lending performancesof SBL from year 2013 to 2017.
- 4.To find out the problems of the bank and to provides some recommendations about the problems of the bank.

1.5 Methodology

Two types of sources have been used for collecting data required for the report. These are:

- **Primary sources:**

I have gathered information from the representatives of various division of The Sonali Bank Limited by imparting and working with them. I additionally gathered data from watching their monetary status, their hierarchical culture, watching the way toward dealing with the fluid cash and resources of the bank.

- **Secondary sources:**

From working in this branch, I've gathered a few information from record document identified with the liquidity issues. Some other information I've gathered from the site and fund office and address materials from Sonali Bank Staff College.

Information examination and revealing:

Examination of information is a procedure of reviewing, cleaning, changing, and displaying information with the objective of featuring helpful data, recommending ends, and supporting basic leadership.

Techniques:

I have used two types of techniques & Those are :

- 1) Trend Analysis&2) Ratio Analysis.

Tools:

Two types of tools are used & these are : MS Word & MS Excel.

1.6 Scopes of the Study:

This examination has made to pick up a reasonable sight of the advance and advances exercises of the SBL. Reason for the report is center around how The Sonali Bank Limited keeps up liquidity necessities and satisfies the national bank's prerequisites on liquidity the board of the business banks. Lastly I make the determination on the liquidity the board of The Sonali Bank Limited.

1.7 Limitation of the Report:

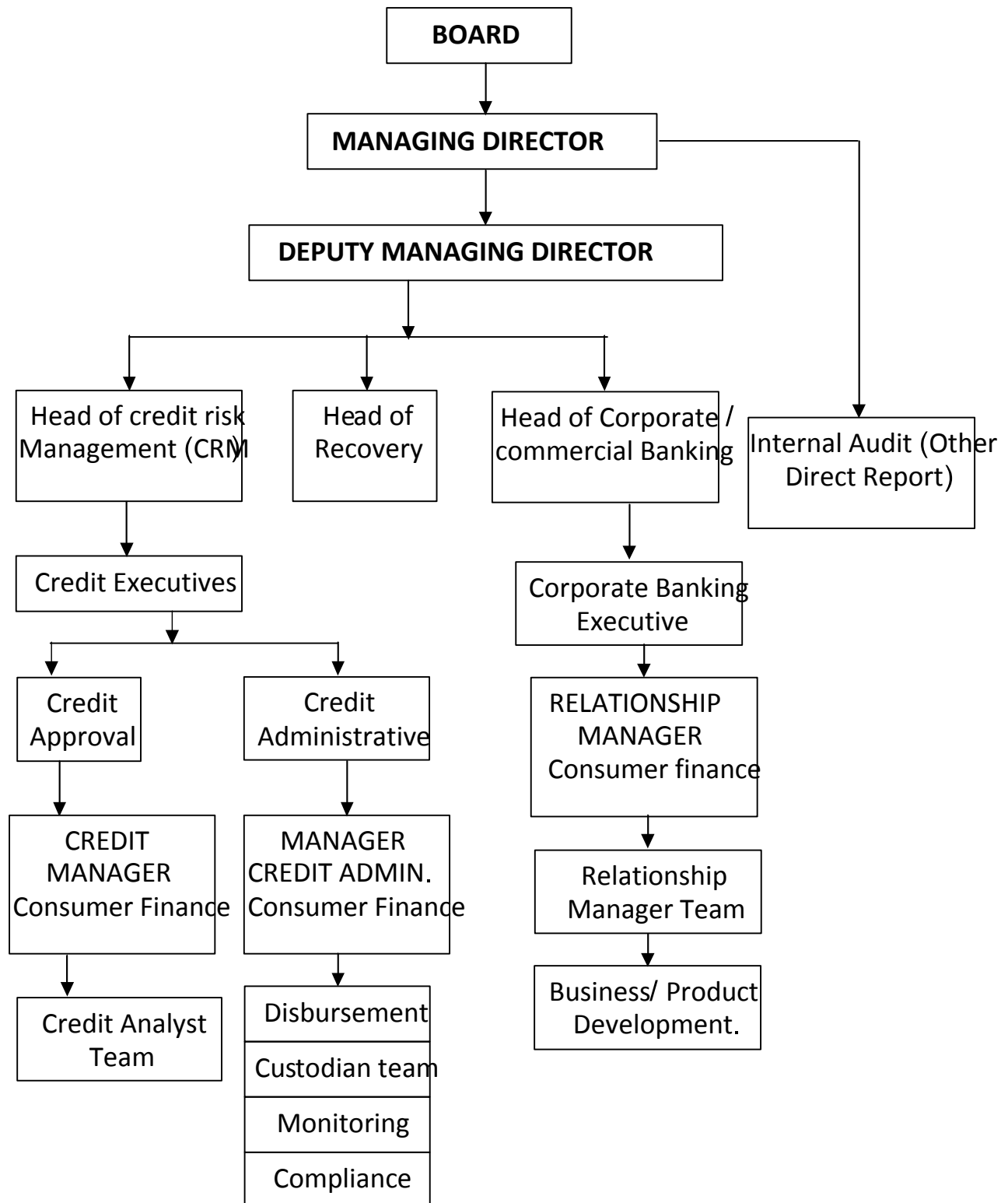
- 1) The primary constrain of the report was shortage of information, which was required for the report.
- 2) Due to time limitation many of the aspects could not be discussed in the present report.
- 3) Since the bank personnel were very busy, they could not provide enough time to me. Lack of opportunity to visit more than one branch.
- 4) Some Functions & Activities of Sonali bank are too unbounded so I can't collect their update information.
- 5) There was no separate loan recovery division.
- 6) Sufficient records, publications were not available.
- 7) The information was not found in a structured way.

Chapter Two

Organizational profile of “The Sonali Bank Limited”



- ❖ Board of Directors
- ❖ The Sonali Bank Limited
- ❖ Management
- ❖ The Bank's Core Business
- ❖ Vision & Mission
- ❖ Corporate Profile
- ❖ Some remarkable features of the Bank are as follows
- ❖ Automation Statues



2.2 History of the Sonali Bank Limited:

Sonali Bank, the biggest business Bank in Bangladesh was built up in 1972 under Presidential request no. 26 of 1972. The legislature of the general population's republic of Bangladesh bluntly possesses the bank. After the freedom of Bangladesh in 1971, the then government, for their preannounce duty, nationalized every one of the banks working in the nation. After the introduction of Bangladesh on sixteenth December 1971, recently framed Sonali bank for mass keeping money got uncommon offices from the govt. to take a shot at benefit of Bangladesh Bank in those regions where Bangladesh Bank isn't accessible.

2.3 Management:

The governing body is the best administration and peak approach making group of sonali Bank, which is comprised as far as the Bangladesh Banks request, 1972. The Board of Directors has self-rule to compose, work and deal with its issues on business thought subject to expansive strategy of the legislature. By and by, the Board comprises of a Chairman and three executives delegated by the Government. It is to be noticed that the overseeing chief, a Government deputy, is additionally an individual from the Board. The chiefs are selected from among individuals who, in the supposition of the Government, have had involvement and appeared in the field of money and managing an account, exchange, Commerce, industry or farming.

The Managing Director (MD) is the CEO of the Bank. He executes every one of the exercises under the course of the board. The Banking officers of the Bank are chosen by the "Investors Recruitment Committee" (BRC) and the other line and staff work force are designated by the Bank's own enlistment board.

2.4 Bank's Core Business:

- Corporate banking
- Project banking
- SME Finance
- Consumer finance
- International Trade
- Loan Syndication

- Foreign Exchange Dealing
- NGO Linking Loan
- Investment
- Government Treasury Function
- Money Market Operation
- Capital Market Operation
- Remittance

2.5 Vision & Mission of the Sonali Bank Limited:

Vision:

Socially committed leading banking institution with global presence.

Mission:

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.

Slogan: Your trusted partner in innovating banking.

2.6 Corporate Profile:

Name of the company	: Sonali Bank limited
Chairman	: Mr.Md.AshrafulMoqbul
CEO and Managing Director	: Mr.Md.ObayedUllah Al Masud
Company Secretary	: Mr. Md.AtaurRahman
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
Date of Vendor's Agreement	: 15 November, 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	: 1215
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

2.7 Some remarkable features of the Bank are as follows:

Capital Structure:

Authorized Capital: Tk. 6000.00 Core

Paid up Capital: Tk. 4130.00 Core

Branches & Subsidiaries:

1. Total No of Branches: 1215

No of Foreign Branches: 2

No.of Local Branches: 1213

- Branches in Urban areas :467
- Branches in Rural areas:745

1. No of Regional Offices:16
2. No of Principal Offices:46
3. No.of GM Offices:11

Subsidiaries:

1. Sonali Exchange Company Incorporated (SECI) having 10 (ten) branches in USA.
2. Sonali Investment Limited (Merchant Banking) having 4 branches at Motijheel, Paltan,Uttara,Mirpur in Dhaka and 1 Branch in Khulna, Bangladesh.

Associates:

1. Sonali Bank (UK) Limited having 6 (Six) branches in UK.
2. Sonali Polaris FT Limited

Representative Office: 3: 1(one) in Jeddah, KSA; 1 (one) in Riyadh, KSA and 1 (one) in Kuwait.

Correspondent: 639

2.9 Automation Status:

Digitalization status of Sonali Bank Limited

1. Branch computerization:

1215 branches are now computerized.

2. Foreign remittance :

Bank's own in-house software "Remittance Management System" (RMS+), having, among others, the feature of paying foreign remittance instantly over the counter is being implemented at all branches. This web based software provides digital services to the expatriates through its

unique advantage of sending confirmation message to the mobile phone of the remitter/beneficiary.

3. ATM:

Sonali Bank Limited is a member of Q-Cash consortium, National Payment Switch Bangladesh and VISA. Customers can enjoy round the clock cash withdrawal facility from 75 own ATM(s) and around 6500+shared ATM booths across the country. Sonali Bank recently launched credit card.

Chapter Three

Lending Activities of SBL



Loan & advances policies

- **Borrower exposure**
- **General policy statement**
- **Other policy statement**

Principles lending of sound

- **Safety**
- **Purpose**
- **Liquidity**
- **Security**
- **Profitability**

Loan Disbursement

Financial soundness of a borrower

3.1. Loan and advances policy:

3.1.1 Borrower exposure:

Greatest indication on an obligor or a gathering for both immediate or financed and aberrant or non-supported is controlled according to Bangladesh Bank's guidance round time to time or some other roundabout as issued by the bank.

3.1.2 General policy statement:

In typical course of leading its business, the bank lean towards Trade Financing as present moment, self-selling or income bolstered all around collateralized exchange exchanges.

3.1.3 Other policies :

- The bank considers loaning momentary working capital account to substances occupied with assembling, amassing, handling, re-bundling of merchandise and wares for local utilization or fare showcase. Unbound advances for working capital without avocation or reason for existing are not to be considered. The bank, specifically, on a case by case premise, endorses term Credits however proposition are not to be viewed as except if they meet the independently settled parameters for such advances.
- The bank on a specific premise leases financing.
- The bank additionally funds long haul contracts/house building advances gave it meets the criteria. The bank on a relationship premise considers explicit venture financing.
- The bank, on a case by case premise, masterminds advance syndication or supports uncovered investment in syndication gave such exchanges meet the parameters independently settled.
- Name loaning or any advance dependent on the general standing and notoriety of the borrower isn't permitted.
- The bank does not engage solicitations to begin another relationship if a target evaluation shows a hazard rating/reviewing of Marginal/Special Mention or underneath.

- The bank does not commonly issue open finished certifications or potentially ensures which might be reached out at the sole alternative of the recipient.
- Assurances verified by 100% money edge or money proportionate held under lien and transportation ensures.
- Certifications issued supporting Government Bodies or Organization and Guarantees favoring official courtrooms.
- The bank does not loan to areas restricted by Bangladesh bank credit approach rules.
- Transient working capital advance or exchange money exchange is explicitly payable inside a most extreme residency of one year.

3.2 Principles Lending of Sound:

It's very essential to maintain lending of sound principles in bank & newlending art to ensure the performances of the credit provided by the bank. Credit is very much dependent on the judgment of the sanctioning authority.

3.2.1 Safety:

The primary loaning Principle of sound loaning is wellbeing. Security ought not to be relinquished for productivity. So most extreme consideration ought to be practiced to guarantee that the assets go to the correct sort of borrower, are used so that they stay safe and the reimbursement comes in the ordinary course.

3.2.2 Purpose:

The Bank ought not to loan cash for any reason for which the borrowers request advance, the reason ought to be gainful. So another vital point to be considered by a credit officer before loaning is the reason for which the advance is required and furthermore the assets through which the borrower is relied upon to reimburse.

3.2.3 Liquidity:

The financier while making advance must make sure that the cash loaned isn't bolted up for quite a while in light of the fact that, greater part of Bank's liabilities are payable either on interest or

after short notice. So the investor should ensure that the advances are fluid enough to meet the banks risk structure. Liquidity implies accessibility or availability of bank assets without prior warning. The liquidity of development implies its reimbursement on interest on due date or after a short notice. The advance must have reasonable odds of reimbursement as per reimbursement plan. Something else, the liquidity position of a bank might be compromised.

3.2.4 Security:

The security offered by a borrower for a development is protection to the broker. It fills in as the wellbeing esteem for an unanticipated crisis. So another rule of sound loaning is the security of loaning. The security acknowledged by an investor to cover a bank advance must be satisfactory, promptly attractive, simple to deal with and free from any encumbrance.

3.2.5 Profitability:

Business Banks get assets from investors and if profit is to be paid on such offers it must be paid by acquiring benefit. Indeed, even on account of open area banks in spite of the fact that they chip away at administration thought process they likewise need to legitimize their reality by gaining benefit. This is absurd except if reserves are utilized gainfully. So the store ought to be utilized in solid and gainful sources, however for benefit, the other two standards security and liquidity can't be relinquished.

3.2.6 National Interest:

The improvement of saving money has achieved a phase where a broker is required to distinguish his business with national arrangements. Saving money Industry has noteworthy task to carry out in the financial improvement of a nation. Along these lines, the reserve funds of the general population which are assembled by banks must be dispersed to those segments which require improvement in the nation's Planning Program.

3.3 Loan disbursement:

Subsequent to finishing all the fundamental strides for endorsing advances bank will make an advance record by the name of the borrower and store the cash to that account. Bank will give

check book to the gathering and encourage them to draw the cash and use it as quickly as time permits.

3.4 Financial soundness of a borrower:

A) Character:

Duty, honesty, genuine reason, and genuine expectation to reimburse advances make up the characters of the borrower.

B) Capacity:

Regardless of whether client asking for credit has the expert to ask for advance and have the lawful remaining to consent to advance arrangement and archives.

C) Economic Condition/ Assets

Regardless of whether borrower has adequate resources for reimburse the advance.

- Other credits and liabilities of the borrower.

D) Credit history/Credit habit:

Whether credits obtained by the clients beforehand and how those prior advances were taken care of.

- Whether there is any credit default prior.

- Whether legitimate move has ever been made against him for recuperation of default advance.

Chapter Four

The Lending Process of SBL



- ❖ Loan & advances
- ❖ Duties of the loan and advance
- ❖ Loan issue
- ❖ Loan issue process
- ❖ Types of loan offered by the Sonali Bank Limited
 - **Staff loan**
 - **House building loan**
 - **Consumer loan**
 - **Agricultural loan**
 - **Agro based industrial loan**
 - **Project loan**
 - **SME**
 - **Special loan for FFs**
- ❖ Loan lending rate
- ❖ Process of loan recovery in short

4.1 Loan & advances:

Numerous individuals feel that credit and Advances is practically same. The two methods when an individual gets the cash from other, both credit and Advance to be reimbursed in regularly scheduled payments of equivalent sums. In any case, in evident sense, it has numerous distinctions. Advance is against security however Advances depends on relationship. Banks stipends progresses in huge sum for present moment however credit could before any period.

4.2 Duties of the loan and advance:

Credit section is the head of the banking activities, because the main bank profit comes from this section. In the Sonali Bank Ltd offer lot of loan side in the real life and business life, such as auto loan consumer loan rural loan, pension saving scheme, Education loan, diagnostic loan, home loan, industrial loan, medical loan, it deposit scheme. The following work in do in this department.

- 1) Loan types
- 2) Information required for preparing the loan proposal
- 3) Documents required for preparing the loan proposal
- 4) Important aspect of the loan sanctioning
- 5) Credit product. Stock valuation of the customer

4.3 Loan issue:

Required document:

- 1) Current issue trade license.
- 2) Tax receipt copy.
- 3) Property tax receipt copy.
- 4) Tax broad application for proper paid tax.
- 5) One Sonali Bank account.
- 6) Three copy photo.

7) Two guarantors.

8) Fixed property or business document (Original copy will be submitted in to the bank)

4.4 Loan issue process:

- Loan holder application.
- Bank application.
- Loan proposal prepared by the bank (For Respective customer)/ loan holder.
- Stock valuation of the business product or the property (prepared by bank or the loan holder).
- Enterprise valuation up 1 to 6 month.
- Loan holder detail information.
- Bank will be verifying the information.
- Property verification.
- Application sends to the head office.
- Head office send to the Bangladesh bank for inquiry of the loan holder.
- Bangladesh bank sends to the loan holder.
- Head office sends the list of the document which is required.
- The bank collects the entire document to the loan holder and sends to the head office.
- Insurance of the loan and its copy.

4.5 Several loan offered by the Sonali Bank Limited:

SBL offered some types of loan to its consumers & these are as follows.

- Agricultural loan.
- Rural credit.
- Staff loan
- Industrial loan
- Project loan
- SME loan.
- Agro base industrial project loan.
- Small cottage industries loan.

- Working capital loan.
- special loan for FFs
- Business loan
- Factory loan
- Personal loan
- Foreign visa loan
- Term loan

From the above different types of loans, I have described some of the loan on the basis of information.

1. Agricultural Loan:

Agricultural loan is given for creating employment opportunities generate income of the rural people, Sonali Bank Ltd. Intensified its efforts to extend credit facilities to all sections of rural population under various rural credit schemes, program and project pedantic agricultural and off forming activities. Interest rate: 2%-10%.

2. Agro-based industrial Finance:

Economic development of Bangladesh mainly depends on agriculture. A large number of people the country are directly or indirectly involved in agriculture. As the largest commercial bank of the country, Sonali Bank Ltd is playing an impotent role in industrial development of the country by extending credit facilities to agro- based industries.

3. Project Loan:

Venture advance consider as long haul speculation of the bank if the task is useful for improving the economy and has a wide market then the bank ponders giving undertaking advance to give this lord advance the bank watches the readiness of the clients the limit and his capacity to run the undertaking.

8. Special loan for FFs:

Sonali Bank Ltd has presented an extraordinary credit office for the opportunity warriors (FFs) on simple conditions. As a feature of its corporate social duty, the state possessed bank issued a

round on October 15 encouraging the indebted opportunity warriors to get the unique advance of Tk 2 lakh for improving their financial conditions.

4.6 Loan Lending rate:

Project	Lending rate /interest rate
Agriculture	4.00%-10.00%
Term Loan to large & medium scale industry	13.00%
Term Loan to small Industry	13.00%
Consumer credit	13.50%
Large & Medium Scale Industry	13.00%
Housing loan&Trade financing	13.00%-13.50%
Small Industry	13.00%
Credit card	0.00%
Export	7.00%
Credit to NBFIs	11.00%

4.7 Process of Loan Recovery in short:

. The branch is giving it most importance for the recovery of the overdue loans.

In days (1 to 14) of past due, bank give delicate call requestng payment, (days of 15 to 29) bank give first update call to customer, (days 30 to 44) bank give second update letter and single visit and (long stretches of 60 to 89) bank give last update and a few legitimate notice and long stretches of 90 to above , bank send officers or specialist to clients for gathering cash and letter to various banks not to give any advance to that clients.

Chapter Five

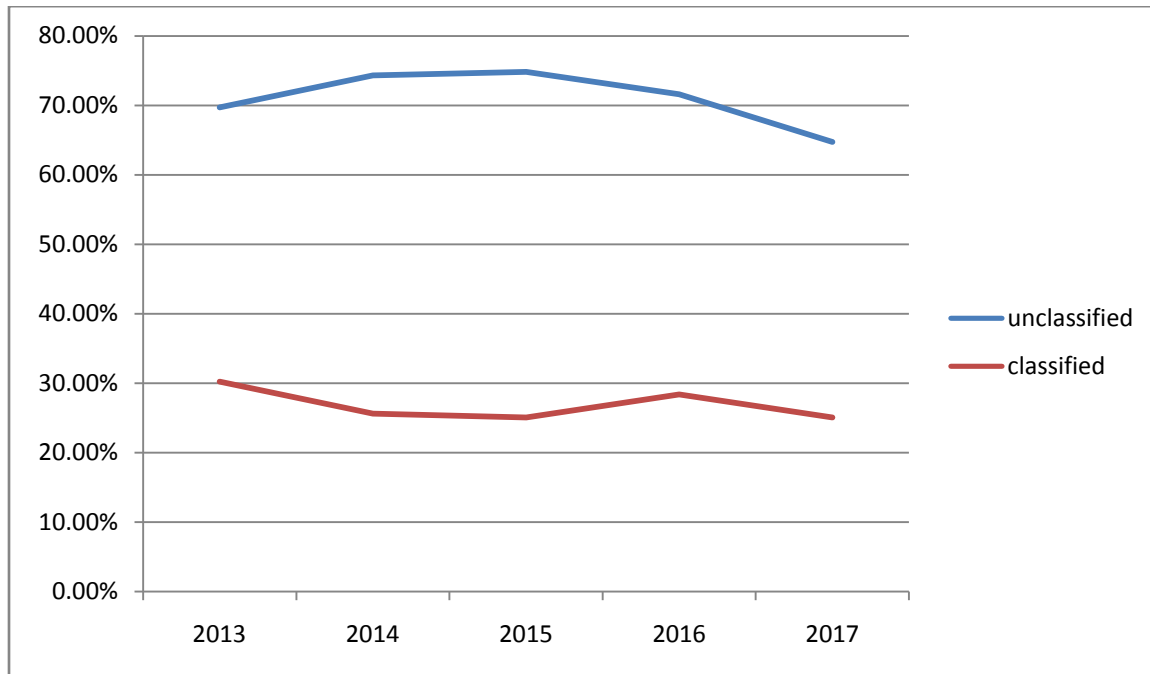
Analysis of lending performance of Sonali Bank Limited:



Percentage of Classification of loan & advances

Particulars	% of Total Loans 2013	% of Total Loans 2014	% of Total Loans 2015	% of Total Loans 2016	% of Total Loans 2017
Unclassified	69.71%	74.31%	74.83%	71.62%	64.72%
Classified	30.21%	25.61%	25.08%	28.38%	35.28%

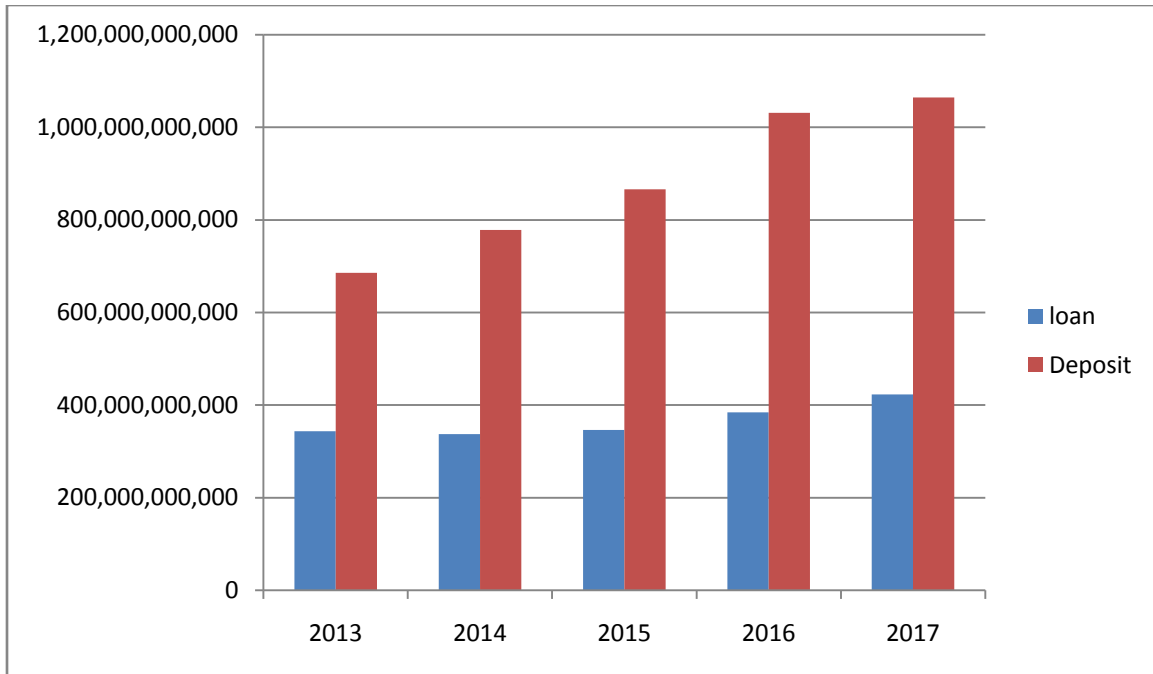
Comparison between Unclassified and Classified Loan



As indicated by 2017, it demonstrates that 64.72% credit are unclassified that implies 64.72% advance are not over their due period and just 35.28% advance are arranged that implies 35.28% advance are surpassed their due period. From five years credit correlations, it demonstrates unclassified advance is too high than characterized advance.

Total loan & Total Deposit

Year	Total loan	Total Deposit
2013	343,450,525,505	685,894,589,394
2014	337,554,433,143	778,042,688,301
2015	346,346,340,867	866,012,281,779
2016	384,538,118,238	1031,608,235,011
2017	423,218,353,943	1064,311,082,539



In this figure, it indicates the differences between total deposit and total loan and advance of the SBL in the five years are increasing & in 2017, deposit & loan is higher than the past years.

Disbursement and Recovery of Loan:

Year	Rural credit		Micro credit		Small Business		Over draft	
	Disbursement	Recovery	Disbursement	Recovery	Disbursement	Recovery	Disbursement	Recovery
2017	68742,30	45254,00	3,75,000	64,10,000	72,000	2,59,000	6,12,000	4,01,000
2016	30,67,800	86,70,000	2,46,000	58,63,000	79,000	1,23,000	4,74,670	3,95,400
2015	27,73,000	70,35,000	1,09,000	3,09,000		50,800	5,00,500	2,90,000
2014	75,98,000	32,30,000	45,600	2,09,000	54,000	1,00,700		1,66,000
2013	43,55,000	42,66,000	75,000	3,00,900	2,56,000	23,000	1,65,000	3,00,500

Report collected from lalmatia branch

In 2017, RCD disbursement amount is higher than 2013 & recovery position is increasing day by day that's good for bank. MCD, OD disbursement and recovery amount are also increasing day by day.

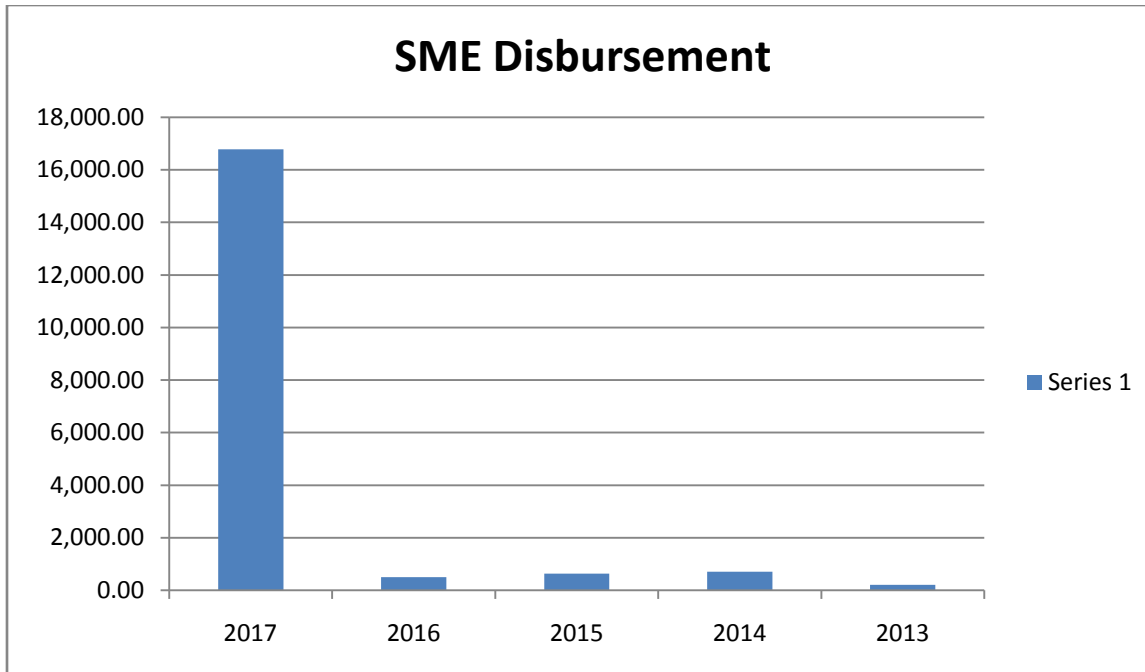
Recovery loan of SBL :

From below chart, it indicates that agricultural loan recovery is increasing day by day. Micro credit loan recovery is slightly increasing from 2013 to 2017. Staff & consumer loan recovery is increasing in 2017. Loan against trust receipt loan recovery is increasing 2016 but decreasing in 2015 & 2017. Small trading loan recovery decreased in 2013 but increased in 2017.

	2013	2014	2015	2016	2017
Micro credit	142,989,589,21	1,475,867,051,88	1,548,766,778,46	1,864,763,903,32	1,953,549,605,68
Agricultural loan	3,688,385,019,77	3,841,288,161,81	4,292,177,536,46	5,742,538,710,76	7,639,640,617,09
Loan against trust receipt	6,066,287,520,88	4,696,313,820,63	4,027,369,948,50	7,964,753,970,53	5,935,6417,652,04
Bridge finance	319,442,277,31	364,953,107,35	391,753,289,85	496,853,750,720	952,854,853,970
Staff loan	717,274,753,32	1,928,714,915,24	2,059,370,554,88	2,943,763,098,75	3,863,753,890,67
Consumer loan	359,926,879,52	809,890,980,08	1,192,908,634,32	1,567,876,098,65	1,653,717,666,78
Small trading loan	100,327,591,78	101,658,096,93	124,692,926,54	387,321,765,98	407,875,653,97

Performance of SBL in SME Sector:

In SME sectors of Sonali bank is trying to improve its loan portfolio .In 2013, the SME disbursement was 212.17 crore. The maximum disbursement occurred in 2014 & 2017. The highest disbursement was 16779.30 million in 2017.

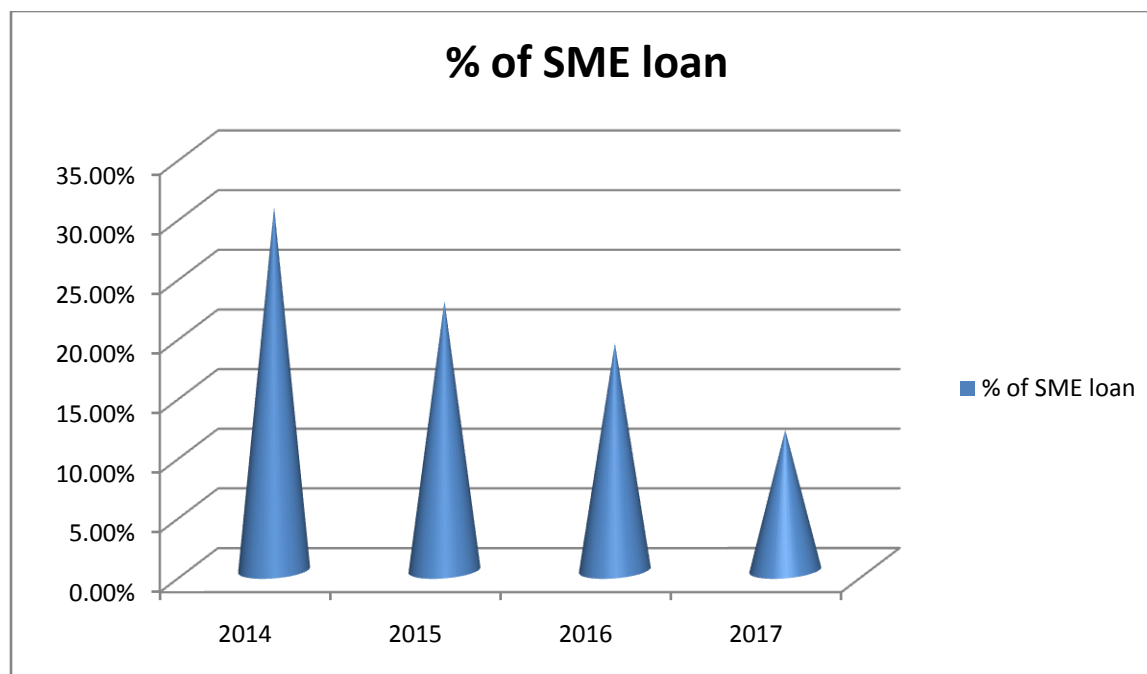


SME disbursement of SBL

- Report collected from annual report 2017

Percentage of SME loan of 5 years :

In 2014 SBL gave 30.46% of complete credit in SME division and payment was 2495 crore. In 2015 SBL given 22.57% of all out advance in this area and payment was 673.5 crore .In 2016 SBL gave 19.02% of absolute advance in SME part and payment was 114.97 crore. In 2017 SBL given 11.76% of all out advance in SME.

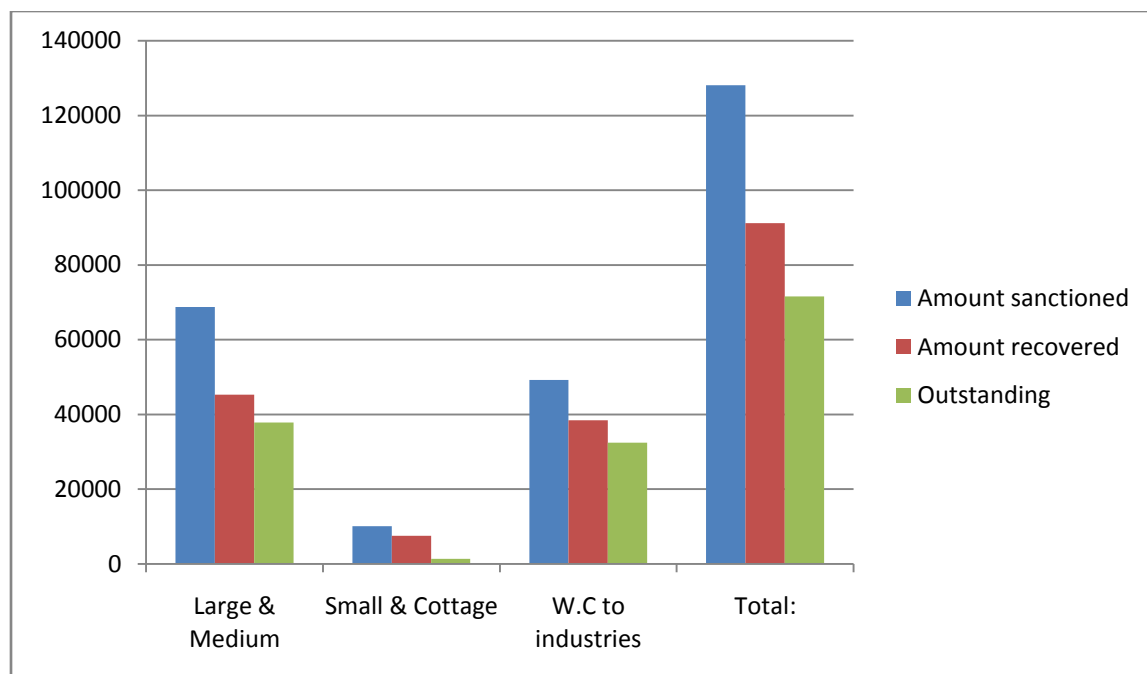


Source : Annual report 2013-2017

Overall Industrial Credit Position of the Bank as on 31 December, 2017:

(Tk. in million)

Nature of Loan	No. of Units	Amount sanctioned	Amount recovered	Outstanding
Large & Medium	818	68742.30	45254.00	37861.10
Small & Cottage	21174	10145.70	7511.00	1334.50
W.C to industries	1413	49234.40	38467.50	32420.30
Total:	23405	128122.40	91232.50	71615.90

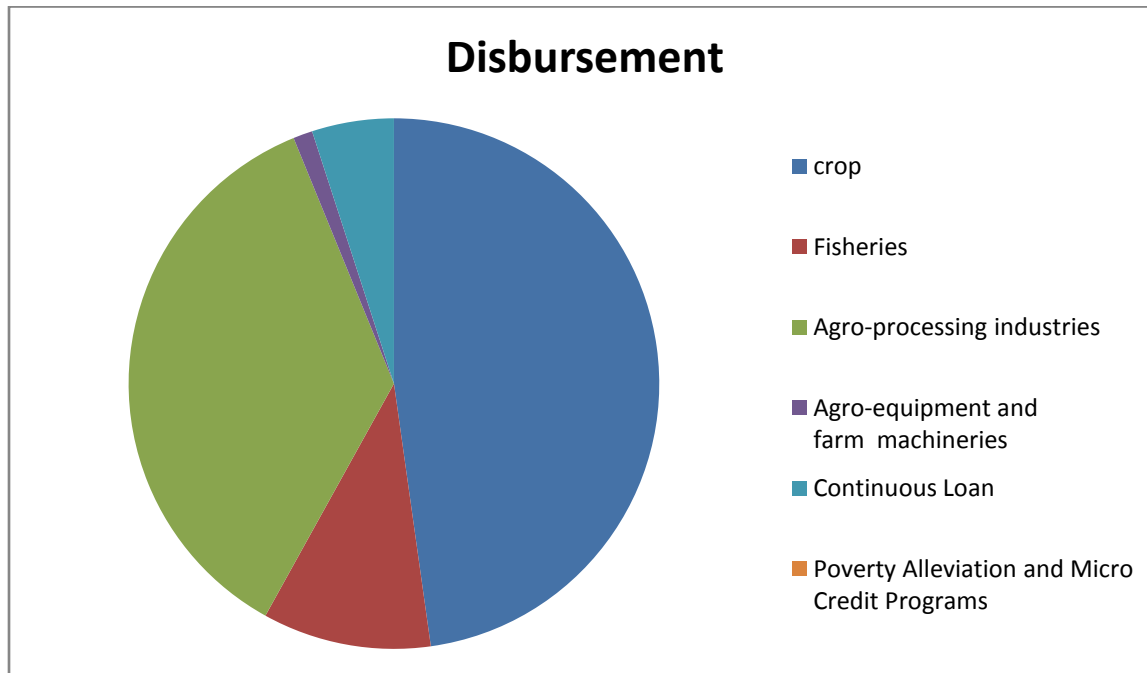


Source : Annual Audit Report

LOAN DISBURSEMENT of Agriculture:

SECTORS OF LOAN DISBURSEMENT	2013-2014	2014-2015	2015-2016	2016=2017
CROP	1778.22	1892.98	2172.20	2742.78
Fisheries	494.39	524.12	578.29	589.59
Continuous Loan	1636.27	1843.53	1982.36	2053.65
Agro-equipment and farm machineries	39.87	48.10	53.10	67.85
Agro-processing industries	187.77	210.34	236.67	286.64

Poverty Alleviation and Micro Credit Programs	53.43	47.82	86.03	96.43
Others	331.25	193.73	604.38	751.04



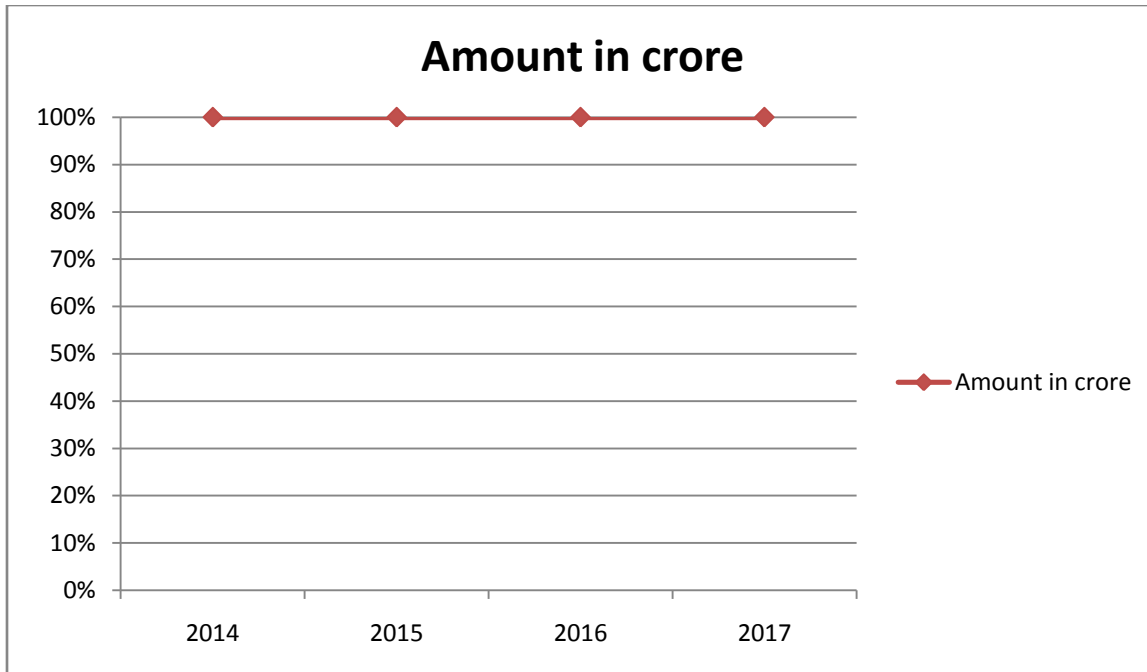
Source : Annual report of SBL

In this figure, loan disbursement of agricultural sectors & others are increasing day by day. Crop, Fisheries, Agro processing industries, Continuous loan etc increased in 2017.

Loan Disbursement:

Year	Amount (core taka)
2013	27,708
2014	30,230
2015	32,045
2016	34,326
2017	36,257

Yearly Loan Disbursement of Sonali Bank Limited



From this figure, it demonstrates that advance disbursements are expanding day by day. when 2013 credit payment was 27,708 center taka then 2014 was 30,230 center taka. Steadily this outline appeared from 2013 to 2017. In 2017, advance dispensing was 36,257 center taka. credit distributions are expanding level.

Chapter Six

Findings, Recommendations, Conclusion, Reference



Findings

Recommendations

Conclusion

Reference

Findings

- ❖ Every year, loan disbursement is increasing rapidly but according to that loan recovery is not increasing.
- ❖ They don't concentrate on loan and advances services & don't visit to the customer place if needed.
- ❖ In 2017, SBL gives more concentrate on SME loan but recovery of SME loan is very poor.
- ❖ Loan disbursement is increasing day by day than loan recovery and it shows risky condition for bank.
- ❖ They are giving more priority in SME sectors for loan disbursement but loan recovery level is very poor.
- ❖ The bank requires more margins for giving the varies types of loan.
- ❖ The proper security required for loan.
- ❖ The banks grant loans to the borrowers who are regular in repayment of loan and have repaying capacity.
- ❖ Maximum amount of loan is provided to the long-term industrial sectors. They intentionally ignore the agriculture sector because of riskiness and safety issues.
- ❖ Costs of housing loan, vehicle loan and personal loan are higher
- ❖ Interest charged for retail loans vary depending on the amount of loan, purpose of loan, loan tenure and pattern of interest.
- ❖ The banks grant subsequent loans to the borrowers who are regular in repayment of loan and have repaying capacity.

Recommendation:

- ❖ Emphasize on time to time visits to the client's place of business with the goal that they can gather the advance.
- ❖ The expense of store should be limited.
- ❖ New credit culture needs to be developed in place of default culture. Efforts to be taken as soon as possible to safeguard the interest of banking sector.
- ❖ For improving the recovery position and reducing huge overdue loans, first action needed to minimize political parties influence to take necessary steps for repayment of defaulted loans within a limit.
- ❖ Loan repayment rules should be strict.
- ❖ More concentration should be given on loan and advance services. And use attractive promotion policy of their loan and advance product.

- ❖ Strict rules should be used for increasing recovery loans & given more priority to agricultural sectors, SME sectors etc.
- ❖ Maximum amount of loan is provided to the long-term industrial sectors. They intentionally ignore the agriculture sector because of riskiness and safety issues. But for the overall economic development of the country they should diversify their loans in different sectors.

Conclusion:

The Almaty branch of SBL is using computers properly. In financial departments are using computer. Analyzing the loan recovery performance of SBL is not enough good but SBL is giving some loan that is good. Some loan giving & recovery sectors are fluctuating. If we see in 5 years performances, it shows SBL loan disbursement is increasing day by day but according to disbursement, loan recovery is not increasing. Finally, it can be said that SBL's overall loan & advances performance was not very much good.

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