



INTERNSHIP REPORT
ON

**“Analysis of Credit Management System of Janata Bank Limited (JBL):
A Study on Farmgate Branch”**

Submitted To

Sayed Farrukh ahmed

Assistant Professor

Department of Business Administration

Faculty of Business & Economics

Daffodil International University

Submitted By

Sourav Sikder

ID No. 173-14-2507

Department of Business Administration

Faculty of Business & Economics

Daffodil International University

Date of submission: 13. 12. 2018

Letter of Transmittal

05.12.2018

To

Sayed Farrukh Ahmed

Assistant Professor

Department Of Business Administration

Faculty of Business & Economics

Daffodil International University

Subject: Submission Of Internship Report On “Analysis of Credit Management System of Janata Bank Ltd (JBL): A Study on Farm gate Branch, Dhaka’.

Dear Sir,

This remains a countless desire for me to succumb the residency bang, which is a fractional must for the Position Database of Daffodil International University for MBA students. I Have Prepared my Internship report on “Analysis of Credit management System of Janata Bank Ltd; A study on Farm gate Branch, Dhaka”.

I have tried to explain my Learning and explain in this report. Which myself take met since applied processes.

For Your Kind Information Thought and scrutiny, I Would similar to reference that here forte remain certain faults unpaid to limits of my information, understanding then period restraint. In spite of many things failings I take taxed to shelter all germane matters. I am assured that my crash will be able to meet up to hope then you will gain my try then the report definite.

I will be very glad if the report can serve its actual purpose and I am ready to explain anything to you if necessary.

Sincerely yours

Sourav sikder

ID. No.173-14-2507

Program: MBA

Major in Accounting

Daffodil International University

Certificate Approval

I am Please to certify that the internship report on **Analysis of Credit Management System of Janata Bank Limited (JBL): A Study on farm gate Branch, Dhaka** conducted by Sourav Sikder bearing ID No 173-14-2507 of MBA Program, Department of Business Administration has been approved for presentation and defense. Sourav sikder worked with **Janata Bank Limited (JBL)**, Farm gate Branch, Dhaka as an intern under my supervision.

Sourav Sikder bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with his. I wish his all success in Life.

.....
Signature of the Supervisor

Sayed Farrukh Ahmed
Assistant Professor

Department of Business Administration
Faculty of Business & Economics
Daffodil International University

Acknowledgement

An Internship Program is a very important and essential means for acquiring potential knowledge since the gen of a student does not get content till he obtains gen hypothetically then almost. Aimed at the achievement of this study. My self cannot earn all praise. Here remained a lot of people who helped me by providing appreciated info, information then leadership aimed at the conclusion of this report in the schedule time. Chief I poverty near continuous my thankfulness to Huge Allah aimed at generous myself the gift then the serenity toward surface the mission indoors the arranged while.

I would too similar to take my thankfulness to my residency manager Mr. Sayed Farrukh Ahmed (Assistant Professor) for his incessant provision. His way assistances I to distinct the vital plus essential facts since the pointless definitely simplified myself to holiday scheduled the true trail.

I allow my obligation to shamim Ara Begum (Assistant Manager).I have to wise Shamim Ara Begum then numerous additional staffs for their leadership toward make my practicum boom. They eat remained very Co-operative then eager to aid on altogether period.

Executive Summary

Rapidly later unconvencionality of the state Janata Bank occurred as the main then important State-owned Commercial bank by announcement of the bank Nationalization order 1972 Liquidating the formerly State Set of Pakistan, Best Set then Set of Bahawalpur.

By way of a wholly government kept institute, the bank had been discharging its nation-building tasks by undertaking administration entrusted different socio-economic structures as sound as cash souk doings of its individual wish, cover altogether compasses of the cheap.

The report is separated in different chapters. The chief episode covers outline, contextual, high-quality, objects, and practice then limits of the education. The additional episode covers the indication of Janata Bank Limited in facts.

In the third chapter, the breakdown of glory supervision organization of Janata Bank Limited is called severely. In those reports different types of praise patterns, the providing system plus support process, tribute distribution process, certification system, paces of risk assessment, reassurance management development else utensils of risk administration are emphasized by tactic of Credit nursing then salvage process. Chapter four and five covers answers, commendations and conclusion. In this whole report the discussion about the credit management system of Janata Bank Limited are designed in period by period.

Serial No	Table Of Contents	Page No
	Chapter-One Introduction	1-4
1.1	Introduction	2
1.2	Origin of the Study	2
1.3	Scope of the Study	2-3
1.4	Objectives of the study	3
1.5	Methodology of the study	3
1.6	Limitations of the Study	3-4
	Chapter-Two Overview of The Organization	5-8
2.1	Organization of the Janata Bank Limited	6
2.2	Mission	6
2.3	Vision	6
2.4	Slogan	6
2.5	Core value	6
2.6	Organization Goals	6-7
2.7	Corporate Profile	7
2.8	Historical Structure of JBL	8
	Chapter-Three Analysis Of Credit Management System	9-32
3.1	Why Does Janata Bank Provide Advance To The Brewers	10
3.2	Types of Credit Facilities of JBL	10-11
3.3	Leading Interest of JBL	11-12
3.4	Credit Policy Of JBL	12-13
3.4.1	Approach To The Bank	12
3.4.2	Brower Selection	12
3.4.3	Financial data Analysis	12
3.4.4	Security & Facility Offer Letter	13
3.4.5	Preparation & Disperse Faculty Offer Letter	13
3.4.6	Issuance of Bank Certificate	14
3.5	Credit Personal And Sanction Process of JBL	14
3.6	Lending Process of JBL	15
3.7	Tools for Appraisal Credit of JBL	15-16
3.8	Credit Worthiness of Loan Applicant of JBL	16
3.9	Credit Proposal Of JBL	17-18
3.10	Credit Administration Of JBL	18
3.11	Credit Restriction of JBL	18-19
3.12	Approach for Safety of Credit in J BL	20
3.13	Over all Industrial Credit Position	21
3.14	Allocation Of Loan Fund	21
3.15	Total Advance Distributed	22
3.16	Classified loan In JBL	22
3.17	Statement Of Change in Loan and Advance	23

3.18	Sector Wise Segregation Loan And advance	23
3.19	Total Credit Gross Risk Exposures Broken Dawn By Major Types of Credit Exposures	24-25
3.20	Recovery Of Advance Of JBL	25
3.21	Loan Default in JBL	26
3.22	Credit Policy In JBL	26
3.23	Types Of Loan And Advance of JBL	26
3.24	Sector Wise Credit Portfolio	26
3.25	Interest Credit Rate Of JBL	26
3.26	Loan Process Of JBL	27-32
	Chapter-Four Findings, Recommendation And Conclusion	33-36
4.1	Findings	34
4.2	Recommendation	35
4.3	Conclusion	35-36

CHAPTER - ONE

Introduction

1. Introduction

Investment scheme theaters a actual imperative part in the financial life of the state. The fitness of the cheap is closely related to the trustworthiness of its investment scheme. In an emerging republic similar Bangladesh the banking system as a whole play in a vital play in the progress of fiscal alteration. A row by way of a material of detail remains fair similar a mood in the fiscal structure and the Cash hesitation through it is like blood in it. By way of extended by way of blood is in channel the publications willpower stop sound and healthy. Investment is now a crucial part of our economic system. Up-to-date trade and commerce would almost be dreadful without the availability of fit finance facilities.

Chief of altogether, investment endorses investments. Altogether way of persons, after the regular hands then labors to the ironic terrestrial proprietors then manufacturers, container retain their money safely in banks and saving centers. Then, finance benefits funds. Tiers straightforwardly invest the money they get in production, agriculture and craft. They either invest it exact or salary credits near additional stakeholders.

Thirdly, it is most over banks that foreign trade in passed on. Whether we transference before importation, he leftovers over circles that cash is enthused after one republic to add. For sample, bills of talk and letters of credit are the even ways banks use to handover money. A number of recent studies, however, show that the banking segment plays a more energetic role than it was thought first.

1.2 Origin of the Study

Bachelor of Business Administration (MBA) path requires 90 days or three month extra by a bank (The Janata Bank Limited) tailed by a report gave by the chief popular the group and sanctioned by the talent consultant. I removed the chance to fix my practicum in The Janata Row Partial (JBL). My Topic of residency is official from the head workplace of JBL. My skill manager, Sayed Farrukh Ahmed

Assistant Professor, Department of Business Administration, Faculty of Business & Economics, Daffodil International University (DIU), also accepted the topic and authorized me to make this report as helping of the tranquility of internship obligation. The report thus was titled as “**Analysis of Credit Management of Janata Bank Limited**”.

1.3 Background of the Study

He takes rehabilitated significant aimed at altogether creature toward have specific gen happening the row and banking way. As our moral system primarily text based, inclusion of real orientation package is an omission to the norm. From everyday gen, we will be JBL toward get real life states and twitch a job with some real information. Bachelor Master Administration (MBA) is a expert sequence. The course is calculated by an outstanding combination of practical and hypothetical aspects. After completing MBA, sure times are conserved for position.

As a Student of MBA, location is an academic requirement. For workshop each scholar is required to work in a nominated institution to enhance ones practical gen and experiences. Aimed at the restraint of my course. I was gave to Janata Bank Limited (JBL), Farmgate Branch for my placement. In this state I stood assigned to make report on “**Analysis of Credit Management of Janata Bank Limited**”. Basically, this crash is painted on Credit Management, structure, analysis, current rank, show of JBL, and own involvement, recommendation and conclusion.

1.4 Objective of the Study

The chief unbiased of the report will be to track an analysis of credit management system of Janata Bank Limited (JBL): Farmgate Branch by fair the obligation of MBA sequencer. However, the apart late this study stays somewhat broader. Aims of the report are brief in the following manner-

- ✚ To identify different types of praise arrangements of Janata Bank Limited.
- ✚ To examine the lending way then authorization course of JBL.
- ✚ To appraised credit recovery process of JBL.
- ✚ To identify the problems related to credit management recommendation to crack those problem of JBL.

1.5 Methodology of the Study

Practice mentions toward the energetic share of the study then then course of amassing gen then spacing him trendy balances of the relevant subjects of the study. He is designed trendy a way thus that it links to attain the points of the school work. The study requires a effectual procedure from range of the topic to ending report preparation. The study is did based on the information mined from different sources calm by using a exact repetition.

1.6 Limitation of the Study

Some education effort wants tall score of influence concerning variety of info, formation of figures shameful, style appraisal then education of truths. Though responsibility so, numerous limits arise flat though we constantly place our finest exertion to avoid them. In steering the existing scholarship, the next limit has stood tackled.

The chief oblige of the study was insufficiently of information, which was required for the study.

- ✓ There are money information the bank underling cannot effort due to sanctuary then other profitable responsibilities.

- ✓ Owing near while regulator numerous of the features can't be conversed in the present report.
- ✓ Wisdom altogether the purposes in just 90 days is truly hard.
- ✓ Formerly the bank employees were identical tiring, they cannot provide sufficient time toward myself.

Chapter-Two

Overview of the Organization

2.1 Origin of Janata Bank Limited

Rapidly afterward individuality of the country Janata Bank arose by way of the main then foremost National Profitable Row through announcement of the bank nationalization order 1972 First Row then Row. As a Fully state owned institution, the set took stood clearing his nation-building errands through responsibility administration trusted unlike Socio-economic arrangements for example fine by way of cash shop actions of its personal will, casing fully provinces of the economy.

The Bank has been converted to a public Limited Company with 100% ownership of the Government and started functioning as Janata Set Imperfect after November 15,2007 attractive done entirely resources, responsibilities then commercial of Janata Set. Afterward organization, the organization of the set consumes stood assumed obligatory independence near style the set modest & to run its business effectively.

2.2 Mission

Mission is to dedicated 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.

2.3 Vision

Vision is to be socially committed leading banking institution with global presence.

2.4 Slogan

“A Committed Partner in Progress”

2.5 Core Values

- We put our customers first.
- We emphasize on professional ethics.
- We maintain quality at all levels.
- We believe in being a responsible corporate citizen.
- We say what we believe in.
- We foster participative management.

2.6 Organizational Goals

United Commercial Set drive stay the total marketplace lead hip the figure of finances certain near minor then average sized initiatives through Bangladesh. He determination stay best group cutting-edge footings of facility excellence then founding relations that assistance his clientele near grow then produce positively. He willpower remain the Set of excellent together aimed at his staffs then his clientele, the perfect set hip this part of the world by developing:

- ✓ Genuine bond utilization design.

- ✓ Suitable loaning hazard charge scheme.
- ✓ Scheme toward brand decent loans.
- ✓ Staffing, recompense exercise then location strategy.
- ✓ Strategy aimed at contribution healthier clientele's facility.
- ✓ Suitable organization construction, schemes, events then methods.

2.7 CORPORATE PROFILE:

TOPOGRAPHIES	STANDARDS
Name	Janata Bank Limited
Origin	Janata Set Incomplete, The 2 nd main National Possessed Profitable Set hip Bangladesh, remains live essential part hip general monetary doings of the republic. The Set arose equally 'Janata Bank' through uniting the former Joint Set Incomplete formerly Amalgamation Set Incomplete below the Sets nationalization Instruction of 1972 then remained efficient by way of a incomplete business hip November 2007. Meanwhile beginning hip 1972. The Set takes admirably donated toward the socio-economic growth of Bangladesh then aided arranging hard monetary crushed of the country as well. Janata Set innings his commercial by 908 twigs crossways the republic counting 4 foreign twigs cutting-edge Joint Arab Countries..
Listed Speech	Janata Bahban, 110, Motijill Profitable Part Dhaka-1000 Bangladesh.
Lawful Rank	Community Incomplete Business
Chairman	Shaikh Md. Wahid-uz-Zaman
Handling Manager & boss	Md. Abdus Salam
Business Typist	Md. Mosaddake-Ul-Alam
Day of Combination	21 may, 2007
Official Wealth	BDT 30000 Zillion
Salaried awake Wealth	BDT 19140 Zillion
Expression worth apiece part	BDT 100 apiece part
Shareholding pattern	100% Part controlled through the Administration Bangladesh
Amount of Staffs	13,833
Banking license obtained from Bangladesh Bank	31 May 2007
Phone	9560000, 9566020, 9556245-49
Fax	88-02-9554460, 9553329, 9552078
Swift	JANB BD DH
Website	
E-mail	

2.8 Hierarchical Structure of JBL:

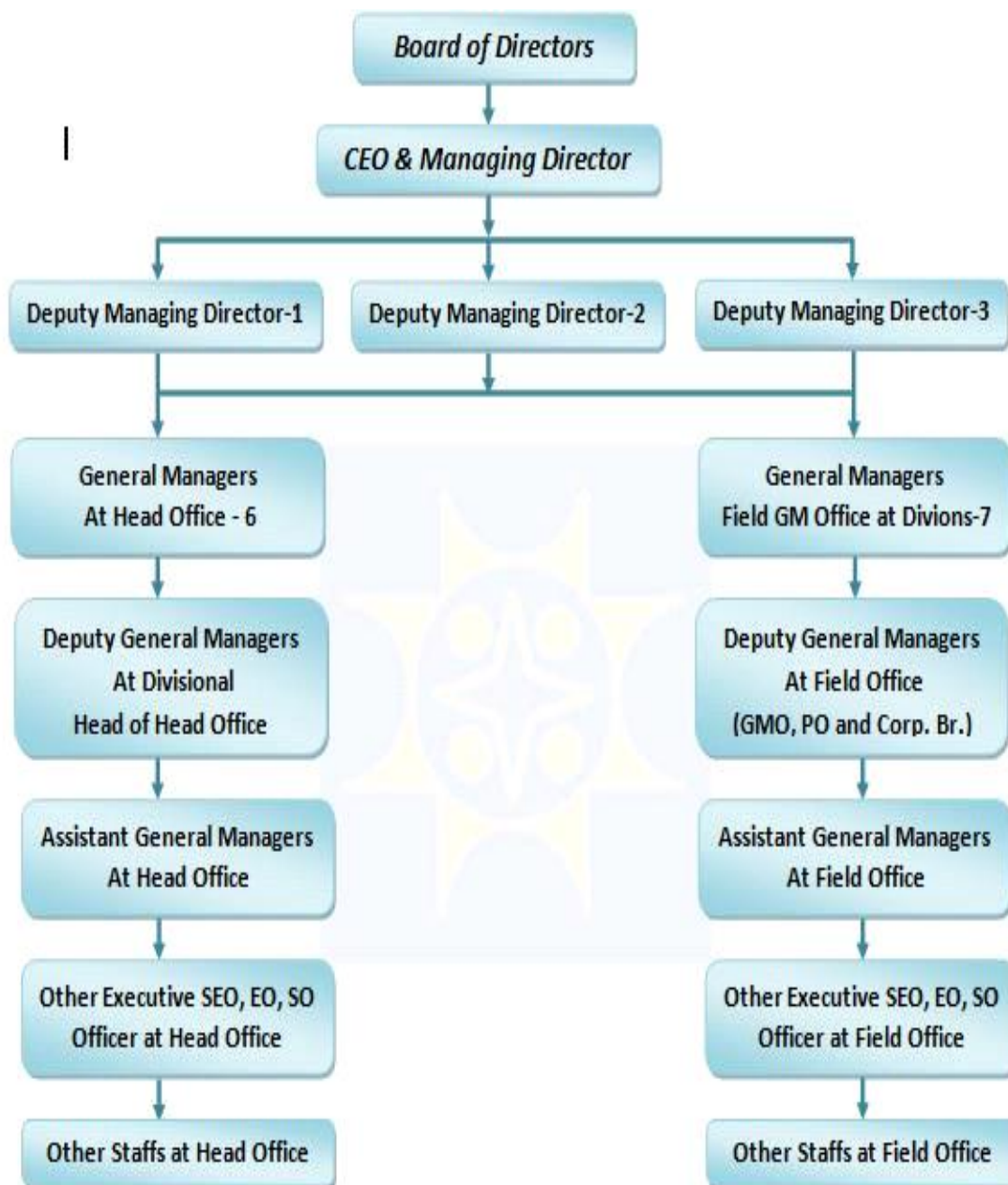


Fig-1 Hierarchical Structure of Janata Bank Limited (position wise)

Chapter Three

Analyses of credit management system

3.1 Why Does Janata Bank Provide Advance to the borrowers?

Basically JBL provides advances to its customers for the following factors-

1. Toward make attention after the borrowers and give the deposits notice back.
2. Toward hurry pecuniary advance in if diverse trade by way of fine by way of agrarian loans.
3. Towards fashion pay in if manufacturing mortgages.
4. Toward wage the operates through method of well-aimed at example seminar the attention groups.

3.2 Types of change in JBL:

Janata Set bids the following kinds of credits then fees:

✓ Scoured overdraft	✓ Small loan
✓ Cash-Credit	✓ Customer loan
✓ Mid-term loan	✓ Industrial loan
✓ Export Credit	✓ Bills purchased & discounted
✓ Loan Against Trust Receipts (LTR)	✓ Staff loan.
✓ Import Credit	✓ House building loan
✓ Working Capital	✓ Transport loan
✓ Demand loan	

3.2.1 Secured overdraft: Tenable overdraft leftovers an incessant liberal aptitude. Underneath this skill, customers continue permissible toward overdraw afterward his present explanation awake toward his praise bounds authorized through the set.

3.2.2 Cash Credit: Money Praise stays preparation thru which a financier lets his client toward derive change awake near a sure border aimed at summit the salaried principal foods of current trades. He stays ran alike overdraft version. The debtor draws monies after his CC explanation then placing cash.

3.2.3 Mid-term loan: Seeing the wealth construction, composition then liquidness obligation, Janata Set lets temporary advances. Middle period advances remain authorized aimed at the retro additional than unique day then awake toward five ages. Together contemporary sets eat nationwide loaning a harmless amount of their request.

3.2.4 Working Capital: Loans allowed to the manufacturing units to meet their working capital requirements irrespective of their size, big, medium or small, fall under the category. These usually take the character of continuing credit.

3.2.5 Import loan: Loan Against Imported Merchandise (LIM): Bank provides loan against imported merchandise to the importer in case of failure of the importer to pay. The importer will

bear all the expenses inherent to the goods imported. Bank keeps hold of the ownership of the goods.

3.2.6 Loan against Trust Receipts (LTR): Advances against a trust receipt are allowed when the documents covering an import shipment are given without prior payment. This type of facility is generally given to the reliable clients. Goods are handed over to the importer with the arrangement that sale proceeds will be deposited to liquidate their advances within a given period.

3.2.7 Export Credit: Export credit is a type of financing to a variety of parties of the bank that is required to facilitate export. Export financing is mainly of two types:

- **Pre-shipment credit**
- **Post shipment credit**

3.2.8 Demand loan: This stays the static form of offering stylish his novel formula.the perfect full stays paid toward the borrower arranged one period, either in cash or by transfer to his saving account. Happening following removal remains normally allowable but by method of attention, related custodies, cover best, expenditure experienced aimed at the defense of safety etc. A distinct book identification rummage-sale aimed at the upkeep of this explanation formerly through way of not on all following removal remains allowable, not on altogether checkered remains delivered hooked on this explanation.

3.2.9 House Building loan: Janata Bank runs extended time loans aimed at structure housing household. Advances aimed at building of housing lines beside actual land by way of key safeties by way of allowable through sets awake toward tk 5000 lacks apiece gathering (counting price of terrestrial) disadvantage some advance occupied after HBFC aimed at these energy.

3.2.10 Purchase & Discount of bills: Janata Bank usually acquisition request beaks of conversation that remain named “Breezes” escorted through leaflets of designation toward possessions such equally Beak of leading, Railway or Truck receipt. It is a special kind of advance. Janata Bank grips “Beaks of Talk” that would stay ripe later a sure dated then not owed arranged call before vision. This stays labeled by way of disregarding a flier then the care healthier in Tier aimed at this stays entitled “Rebate”.

3.2.11 Consumer loan: The chief drive of the arrangement remains toward recover era normal of the patrons thru if them advances aimed at buying family clasp matters, aimed at case, CPU, box, halt, motorized coach & set, in-flight illness & chiller, stuff etc.

3.3 Lending interest of JBL:

Name Of Scheme	Rate of Interest (%)
Special HBL	15%
Loan General	15%
Loan against HB	15%
Consumer finance scheme	15%
Project loan	15%
Small business loan scheme	17%
House renovation LS	17%
Export finance	15.5%
Import finance	15.5%
Lease finance	15%

Personal loan scheme	17%
SOD general	15.5%
SOD fin. Obligation	15.5%
CC	15.5%
Festival SBL	15.5%
Staff car loan	At bank rate, minimum 8%
Loan against provident fund	Do
LDBP	15.5%
All other commercial lending	15%

Janata bank Ltd. gives advances to its potential clients by following the above mentioned interest rates.

3.4 Credit policy of JBL:

A praise law comprises altogether rubrics connecting toward advances then loans complete through the set to the mortgagors. He contains sorts of praise long via tiers, way of arbitrating the praise earnestness of debtors, the surety earlier sanctuaries that stay known in the tiers formerly so arranged. These rule plans raise towards very glory toilets long near clients plus location of assets arranged the interbank souk before extra dealings by monetary organizations. Though, different additional profitable sets, here remains not at all prescribed and published manual or policy guidelines regarding credit management in SBL, it follows some rules which are very necessary for credit management. All credit extension of the bank must comply with the requirements of the Bank Companies Act 1991 and Bangladesh Bank instructions as amended from time to time.

3.4.1 Approach to the Bank:

When a borrower approaches to SBL for a loan s/he is required to fulfill the following criteria-

- S/he has to be a client of this bank.
- S/he needs to apply properly describing the purpose of the loan amount needed and his/her capability of repayment.

After receiving the application from the client, the branch manager scans the papers and decides if s/he will be allowed for an advance or not. For these reasons manager goes through the following process.

3.4.2 Borrower Selection:

In borrower selection emphasis is given firstly on 3Ms, which are

- a) Man
- b) Management
- c) Money.

3.4.3 Financial Data Analysis: Then the praise boss takes toward liken monetary declarations of on smallest three ages. Aimed at this he receipts aid of diverse relations such as fluidity share, affluence share, and viability share then motion share. he too wants near scrutinize set explanation declaration of If the applicant is found to be OK after going through all the above process, the branch manager sends it with other necessary papers to the credit division of the Head Office with his/her own recommendation. The credit division after appraisal, sends it to the Board (in the case of amount more than 10 lac) or to the credit committee. The credit committee consists of Managing Director, one General Manager and one Deputy General Manager from International Division. If the Board/ Credit Committee agree, the proposal is accepted and is sent back to the credit division. The credit division informs it the branch manager. Following this the branch manager, maintaining other law and regulation sends a sanctioning letter to the applicant.

3.4.4 Security & Facility Offer Letter (FOL)

1. Preparation of facility offer letter.
2. Processing security offer letter.
3. Preparation and dispatch of security documents.
4. Charge creation of registrar of joint stock companies.
5. Creation of legal equitable mortgage of loan.
6. Co-ordinate legal matters with lawyers.
7. Attending customer queries regarding FOL.
8. Issuance of Bank certificate.
9. Coordinate search and inspection report.
10. Responding to auditors of customers.

3.4.5 Preparation and Dispatch of Facility Offer Letter:

1. Receive approval for CARM (Credit and Risk Management) application through lotus notes.
2. Review the approval terms of CRM.
3. Check whether the facilities are in line with Bangladesh Bank and banking companies act directives.
4. Check the CIB (Credit Information Bureau) report from Bangladesh Bank, Memorandum of articles & association and search report.
5. Prepare FOL in standard format as per set up service level agreement (SLA).

6. Hand over the draft FOL to the respective RM (Relationship Manager) for checking amendment and conformation.

3.4.6 Issuance of Bank Certificate:

1. Receive request from customer or from the auditor issuance of Bank's certificate.
2. Verify the signature.
3. Prepare the certificate as the standard format.
4. Realizes charges and VAT.
5. Take signature from the authorized signatories of the bank.
6. Keep a copy of the certificate in credit file.

3.5 Credit Personal and Sanction Process of JBL:

The total process of proposal and sanction is a continuous process. In a particular stage the describe loan is sanctioned or rejected by the authority. The total process consist maximum of **6** steps:

Step-1: The customer smears aimed at a sure quantity of advance cutting-edge a set procedure which remains obtainable cutting-edge the division workplace. He consumes toward reference the quantity; the drive, the loan stuff that he container promise formerly the period once he request toward like the quantity.

Step-2: the subdivision boss formerly the treasurer formerly income the accountability toward call formerly gage the worry. They take near fix a acclaim crash citing the present-day illness, possessions formerly obligations relation, formerly standing lengthways via the source of the anxiety. He must stay certain reference around the need of the fixed.

Step-3: Formerly the praise bang remains advanced toward the unique workplace aimed at endorsement. Cutting-edge the local workplace binary commerce major below the straight management of AGM complete certain additional references done sighted the praise bang before straight study. Formerly they determination defend the remaining value of the anxiety and his financial location.

Step-4 The skull of the business outlet (DGM) tin approval a positive close of quantity better then the local workplace. Now the folder remains severely experiential finished the commerce majors below the shortest direction of DGM. He may authorization the stated quantity before cast-off aimed on the rational reason before direct toward the GM workplace before Skull workplace aimed at the extra supposed.

Step-5 Afterward studying each feature of the advance suggestion the GM container favor the suggestion awake toward sure equal. He might cast-off before direct the folder toward the handling director aimed happening the managers' endorsement. Currently he might remain authorized before disallowed.

3.6 Learning Principles of JBL:

Complete code of loaning remains clear toward evade advance evasion propensity then danger rudiments toward protection of community cash by way of healthy by way of commercial of a set. Consequently here necessity remain a code of loan then labors must be complete toward brand he a complete unique aimed on which cutting-edge complexity education necessity remain complete happening the next opinions through JBL:

- ✓ Once the advance remains toward remain assumed?
- ✓ Why the advance remains toward remain assumed?
- ✓ Hip pardon way the advance remains toward remain assumed?
- ✓ Pardon can occur later payment of the loan?
- ✓ Usually pardon ensue (after former skill) later payout of the loan?
- ✓ Remains he confident that the debtor determination pay the advance?

3.7 TOOLS FOR APPRAISAL CREDIT OF JBL:

In order to secure a balance between Liquidity, profitability and security. Janata bank uses the following tools for appraisal its credit –

3.7.1 Liquidity: Liquidness incomes racing aptitude of safety i.e. safeties that remain additional effortlessly shuffle remain additional liquid. Consequently though JBL remains loaning cash toward some scheme before manufacturing, passable upkeep consumes toward remain occupied consequently that the liquidness remains not cooperated. That's why Janata set selects such safeties which own adequate liquidness.

3.7.2 Safety: Though loaning depositors' cash, now must remain assurance of recurring the coffers. Janata set movements the loaning purpose lone once he remains harmless formerly that the danger issues remain sufficiently alleviated then enclosed. Care be contingent upon.

3.7.3 Diversity: Here remains a maxim "Don't put all the eggs in a basket". Custody the maxim cutting-edge attention, Janata set capitalizes his coffers cutting-edge dissimilar kinds of safeties of dissimilar businesses located hip dissimilar areas of the republic.

3.7.4 Validity: Monetary help remains decided lone toward persons objects whose processes consume remained appraised by way of strictly, profitable then monetarily noticeable. Aimed at this drive, the Tier needs the custom of showing courses by firm pass-fail criteria, as well as a scoring system to determine relative risks for the purpose of pricing and subsequent guidance in the management of loan accounts.

3.7.5 Credit worthiness: In addition, applications for financial assistance remain decided lone once the objects before their chief advocates/management teams stay believed credit worthy(verified in earlier refund act with the Tier before added fiscal foundations, skill near

captivate liability payments since funds outside near the chief corporate presence practical aimed at, then over-all praise awareness then accountability).

3.7.6 Suffice: No funded or non-funded credit exposures may be granted if he remains adequate, calm by the landlords' fairness, towards entirely economics the planned plan or business requirements.

3.7.7 Yield: Hip instruction toward live formerly grow, altogether set consumes toward brand income. After the profitable opinion of view, Janata set reflects adequate harvest before reappearance though backing a scheme.

We frequently usage advances and loans through way of another toward altogether additional. Nonetheless scholastically this idea remains improper

- ✓ Kinds of loans deliver through the division.
- ✓ Kinds of safety emotional formerly their estimate.
- ✓ Events of advance assessment.
- ✓ Certification.
- ✓ Organization of advance.
- ✓ Examination of subordinate statistics.
- ✓ Shadow awake then journalism.

3.8 CREDIT WORTHINESS OF THE LOAN APPLICANT OF SBL:

To first-rate moral debtors JBL scrutinizes specific exact measures of person's debtors. The Tier scrutinizes shopper's charisma, bulk, investment, warranty, besides ailment near excuse praise dullness formerly suitability aimed at a set asset, persons remain labeled underneath:

Appeal:

The set examines historical path best of advance dealings of debtors hip JBL before hip extra sets. Too, the exactness of the material if trendy the credit claim stays observed. Besides, the buyer's class of truth, charge, fidelity, besides commerce favor besides glory appeal stays studied.

Size:

The client's praise payment volume formerly aptitude remains defensible beforehand authorizing loan. The Set inspects moneys influxes, discharges, disposable income, formerly liquidness afterward client's fiscal reports. Too, the Set estimates near patrons receiving besides steadiness of the monetary ailment.

Money:

The set examines present monetary location of the possible client's group. the entire quantity of left plus, obligation evenhandedness share formerly wealth stay observed via the Tier. Unknown

principal edifice illustrations that the strong stays vastly opened, before the Tier symbols him destructively.

Security:

Arcade capacity of warranty stays chief near tier; doubt regulars develop debtor the tier container vend rapidly that security which remains effortlessly wanted. the Set defends whether the security remains benign, tenable formerly adequate before not.

Disorder:

Own major predictions the financial before commercial circumstances trendy the credit dated. Before else investigates the solidity of the projected font of salary of the mortgage candidate.

3.9 CREDIT PROPOSAL PROCEDURE IN SBL:

Customers come to the Credit Division of the Bank to take loans. Knowing the category of the loans and the requirements they supply the necessary papers and information. Credit committee takes that information form credit office and disposes it to the Head office credit committee. The executive committee takes the decision by the prior decision of the board of directors whether the load determination be sanctioned or not. The decision transferred to the branch office with the results. JBL trails a precise authorizing course. Persons stand:

3.9.1 Settings of Glory Consent Progression:

1. Proposal Start:

Some praise suggestion then/before authorization Review Bang necessity remain created through the Association Major of the Praise Advertising Side before Connection Director of the Outlet.

2. ID Amount:

All debtor would take a sole ID amount. The Division creating a Praise Offer will allot this quantity later success approval message.

3. Period edge aimed at choice:

Some obligation on behalf of additional info concerning a specific praise suggestion will take toward stay linked trendy script towards the client inside 7 beings after the day of plan of the praise bid.

4. Journalism endorsements:

A Management winning praise agreement expert drive shot happening regular base an abridged place of very glory services certified via him in the month hip the set method.

3.9.2 Ladders hip Praise Accord Way:

Step-1 A possible client gathers set Praise Request Procedure after the Association Major of Division/Local Business Investment Section/Business Investment Separation, Skull Agency/Mesh talk of the Row. Future, he succumbs the full trendy Praise Claim Method sideways by required credentials then brochures.

Step-2 the Association Major inspects the Praise Request Procedure neglect formerly extra leaflets succumbed through the client formerly brand a initial valuation happening solvency of the possible debtor.

Step-3 The Association Boss, individually before together by Association Major, call the client's commercial evidence then stab toward obtain good sympathetic around the commercial location, real praise obligation, payment volume etc.

Step-4 Temporarily, the Association Major taxes the client by way of apiece Danger Classifying Scheme of the Set. Lastly, the Association Boss creates a official Praise Suggestion hip which of Skull is Business Investment Separation attaches his reference concerning the suggestion.

3.10 CREDIT ADMINISTRATIONS OF JBL:

The board of directors being at the highest level of organization structure plays an important role on the credit administration. The board of directors is not directly concerned with the day to day operation of the bank. The board has delegated the authority to the managing director. The Head Office credit committee and other assigned credit officers under the guidance of the managing director approve, direct, monitor and review lending operations throughout the bank and ensure that the credit policies are adhered to and the credit operation is conducted in an effective way. In order to ensure the effective credit portfolio, the board, in turn, monitors the credit department and ensures placement of qualified officials who have got the right aptitude, formal training in finance, risk analysis, bank credit procedures as well as required experience.

3.11 PRAISE LIMIT REQUIRED VIA VITAL SET:

On the period of authorizing advance, the profitable sets necessity consume toward shadow the limits that remain compulsory finished the Bangladesh Set after period toward period.

3.11.1 General Strategies:

- The set will deliver appropriate praise facilities then crops aimed at the marketplace it runs.
- Praise drive stay tolerable hip manners, which resolve hip no system concession the Banks standards of quality plus near regulars who drive foil such ethics.
- Loans and advances shall normally be financed from customer's deposits and not out of short term temporary funds or borrowing from other banks.

- All credit extensions must comply with the requirement of Bank companies Act-1991 and Bangladesh Banks instructions as may be amended time to time.

3.11.2 Direct facilitates:

- Term Loan
- Continuous loan
- Demand loan³

3.11.3 Term Loan:

Short term industrial loan, midterm industrial loan, and long term industrial loan,

- Transport loan
- House building loan
- Loan against FDR

3.11.4 Short /mid/long term industrial loan:

By industrial credit we mean financing of industrial enterprise in the form of term loan. This may be categorized as follows:

- Short term industrial finance: Term of the loan is equal or less than one year.
- Midterm industrial finance: Term of the loan is up to 5 years.
- Long term industrial finance: Term of the loan is more than 5 years.

An industrial finance is allowed for the purpose:

- To set up a manufacturing facility
- To finance for BMRE where B means for balancing, M for modernization, R means for replacement and E for expansion.
- Purchasing of adequate inventories comprising of raw materials, stock in process and finished goods and extending credit to their customers

3.11.5 Transport loan:

Any finance, which is given against hypothecation of vehicles like trucks, buses, marine vessel etc., is termed as transport loan. Advance under transport sector may be allowed for the following purposes:

- Purchase of imported/local assembled Buses, Minibuses, trucks etc.
- Import if reconditioned buses is subject to import regulations.
- Construction of purchase of water vessels passengers & cargo vessels locally built.

3.11.6 House building loan:

House building loan means loans that are given for construction of buildings or structures to be used not for residential accommodations of the borrower' but for commercial utilization like renting or sale after the construction.

3.11.7 Loan against FDR:

This kind of loan is allowed by marking lien or creating charge against FDR or other financial instrument.

3.11.8 Continuous Credit (as working capital finance):

- SOD (secured overdrafts) against easily en Cashable securities.
- Overdrafts
- SOD(secured overdrafts) against work orders
- Cash credit
- Cash credit(Hypo)
- Cash credit(Pledge)
- Overdrafts
- SOD against FDR

3.12 APPROACHES FOR SAFETY OF CREDIT IN JBL:

- ✓ The core set which result visits filled nearby bid.
- ✓ Class good giant of esteem nigh visit gamble.
- ✓ Links before states of the beauty.
- ✓ Fiscal facts of earlier than likely salaried grades.
- ✓ Full praise bang stands amassed scheduled the mortgagor / security.
- ✓ Souk gossips.

3.12.1 Post-Sanction Control: It depend at large extent upon findings of pre-sanction appraisal to ensure proper documentation, follow-up and supervision.

Foods stay:

- ✓ Authorization of the ability plus following Repair way vigorous.
- ✓ Command done checking of trades hip lend extent
- ✓ Study of review accounts acquiesced hip the pledger
- ✓ Carnal check of havens plus files versions of the insolvent
- ✓ Review evaluations etc.

JBL follows the following securities and protective measures when it intends to lend fund to its clients:

- In general, all forms of financial assistance are extended on a fully-secured basis, where coverage of the Bank's exposure by acceptable tangible assets is not at any time be less than 1.5 times the principal exposure. Exceptions to this policy may be granted only-
 - In cases where loan products are designed to be unsecured or
 - By the Board of Directors upon the recommendation.

b) As a matter of principle, the Bank do not participate in credit transactions where it have an inferior security position compared to any other pre-existing or proposed new lenders.

c) Hip the event of isolated incomplete businesses, very the managers must effect a joint and several feat of promise toward the act of footings then circumstances of advance then additional credit services.

d) The Bank requires that its security is fully protected against risk whenever applicable (e.g., fire, riot, strike) by a duly-accredited insurance firm, Furthermore, such jeopardy attention stand recurrently trendy energy 'til entirely the requirements stay copiously quit.

e) Consistent checkups prearranged, magazine, partial annual, then annual stay near stay lead equally toward the broad formal of the retreats.

3.13 OVERALL INDUSTRIAL CREDIT POSITION OF THE BANK:

SL No.	Nature of Loan	No. of Units	Amount sanctioned	Amount recovered	Outstanding
1.	Large & Medium	698	3811.31	1050.55	2646.66
2.	Small & Cottage	21152	675.02	648.62	158.70
3.	W.C to industries	1298	1421.32	851.49	2474.92
	Total:	23148	5907.65	2550.66	5280.28

3.14 ALLOCATION OF LOANABLE FUNDS:

Particulars	Percentage (%)
Trade & working capital	45%
Industries	25%
Small industries & various sector wise finance under Govt.	15%
Real estate & civil construction	5%
Agro-based financing	5%
Lease financing	3%
Consumer financing	2%

Table & Graph-1: Allocation of Loanable Funds

Explanation: Janata Bank Ltd. allocates its loan able funds to the trade & working capital, industry sectors, small industries, and real estate & civil constructions works. And it is noticeable that it allocates its 45% to the trade and working capital, this is the largest amount of allocation among the others. The lowest allocation of its loan is only 2% for its consumer financing.

3.15 TOTAL ADVANCE DISBURSED:

Year	Loan Disbursed(tk.)(lac)
2013	45854.58
2014	46895.25
2015	45709.50
2016	47580.30
2017	49330.56

Table & Graph-2: Total Advance Disbursed

Explanation: From the above illustration we found that in 2013 total advance disbursed tk.45854.58 lac, and in 2014it was tk.46895.25 lac which more than previous year. In 2015 the loan disbursement was 45709.50 and in 2016 was tk.47580.30 and in 2017 it is increased to tk.49330.56. So it is noticeable that the loan disbursement of SBL is increasing year after year.

3.16 CLASSIFIED LOANS OF JBL DURING 2013-2017:

The entire classified loan is included here. I have furnished below the classified loan position of Janata Bank Limited to comparison its progress for last five years.

YEAR	Classified Loans (BDT in Millions)
2017	1698
2016	1648
2015	627
2014	453
2013	465

Table & Graph-4: Classified loan of Janata Bank Limited 2012-2017

Explanation: Here it can be observed from the chart that the classified loan has been increased day by day and it recorded TK. 1698 in the year 2017.

3.17 STATEMENT OF CHANGES IN LOANS & ADVANCES:

LOAN & ADVANCES	YEAR			
	2017	2016	2015	2014
LOAN, CASH CREDIT, OVERDRAFTS	23038761590	19124070288	14246564951	11871742690
BILL PURCHASED & DISCOUNTED	1639594703	1409058841	964587274	979109797
PAYABLE IN BANGLADESH	1511922523	1269354527	915916032	687566839
PAYABLE OUTSIDE BANGLADESH	127672180	139704314	48671242	291542958
TOTAL	<u>26317950996</u>	<u>20533129129</u>	<u>15211152225</u>	<u>12850852487</u>

Table & Graph-5: Statement of Changes in Loans & Advances

Explanation: Statement of changes in loans & advances shows that Loan, cash, credit and OD holds about 50% of the total loan and advances, and Bills purchased and discounted holds about 30% of total loan and advances. Also loan payable in Bangladesh holds about 20% of total loan and advances. And the rest is for the loan payable outside Bangladesh which is about 10% of total loan and advances.

3.18 AREA ASTUTE ISOLATION OF ADVANCES & FEES:

SUBDIVISIONS	YEAR			
	2017	2016	2015	2014
AGRARIAN	20222514786	52265645122	5223565256	5236842
TRADE	52656400855	2254266	75233662	852354512
ASSEMBLY	25578632200	1155636852	54129635	75339233
RAINWATER EVERYTHING	000	563858	56266542	000

CARRIAGE & LETTER	৳451223625	৳523352	79৳96663	9৳52335
PACKING	6500	74223652	455৳5233	654541205
COMMERCIAL	52365452৳	৳5235652	9৳522522	৳523665233
OTHERS	2547৳9636	75369633	৳5224110	756৳529696
TOTAL	<u>25547৳526৳</u>	<u>524৳563377</u>	<u>157৳33৳596</u>	<u>522663৳7</u>

Table & Graph-7: Sector Wise Segregation of Loans & Advances

Explanation: Statement of sector wise segregation of loans & advances shows that the loan given to the business sector was very much commendable also in the storage sector it was satisfactory. In the year 2017 in business sector JBL gave tk.8, 529,257,000 and in year 2015 in storage sector JBL gave tk.4, 561,000 for the storage sector.

Also SBL contributed in the transport and communication sector, water sector and agriculture sector for the development of the country.

3.19 ENTIRE UNCULTURED PRAISE DANGER CONTACTS WRECKED DEPRESSED THROUGH MAIN KINDS OF PRAISE CONTACT:

Equilibrium Piece Contacts(equally apiece Checked Equilibrium Piece)	BDT (Corer)
1. Cash	602.15
2. Rights arranged	11964.25
3. Rights happening Community Subdivision Objects	7405.15

4.Rights scheduled Sets & NBFT's	4149.15
5.Rights happening Business	5861.26
6. Privileges underneath Tribute Risk Mitigation	2568.21
7.Rights branded equally trade set &SME	1265.00
8.Customer Money	456.65
9. Rights totally safe in built-up stuff	2236.87
10. Older Owed Titles	7546.68

Table-9: Total Gross Credit Risk Exposures Broken Down By Major Types of Credit Exposure

3.20 RECOVERY OF ADVANCE OF JBL:

Janata Set's success then withstand aptitude typically be contingent happening the retrieval of his unresolved quantity. Unresolved quantity comprises together main then attention since, 80% of set's pays originates after loans. A deprived retrieval degree designates the feeble disorder of the investment process formerly evil versa.

3.20.1 Recovery Procedure:

Retrieval way stays a extensive lone that wants exertions of the series, mortality plus lawful bodies. He too takings stage then dosh. Alike new series, RB Row follows four stepladders towards improve the unsettled sum. this are:

- ✓ Cues towards the clientele
- ✓ Fashioning public densities
- ✓ Transfer permissible sign then
- ✓ Lawful act

3.20.2 Recovery Rate:

Year	Recovery Rate
2017	4.82%
2016	4.95%
2015	4.80
2014	4.75

3.21 Loan EVASION HIP JBL:

Lengthways per this specific row, Janata Row, life the major public kept slated tier of Bangladesh. Established very ready fiasco near recuperate debts besides currently convert tarnished aimed at major set shame of Bangladesh. Seal shame he throve hip group of lone 4 corer 87 lac taka after 20 top advance debtors which stood first 4.20 part of the box equally. He stood secure near 116 corer taka On behalf of such a disaster near mend.

3.22 Credit Policy of JBL:

Credit policy by which the bank is guided to lend is as follows:

- Assessment of the customer's character, integrity and willingness to repay will form basis of lending.
- Customers having capacity and ability to repay shall only be sent.
- Possibility of default will be worked out before lending.
- Diversified credit portfolio to be built and maintained.
- Be proactive in identifying, managing and communicating credit risk.
- Credit will normally be financed from customers' deposits and not out of short term temporary funds or borrowing from other banks.
- Ethical behavior in all credit activities shall be ensured.

3.23 Types of Loans and Advances of JBL:

Loan (General): Short term, medium term and long term loans allowed to individual/firm/industries for specific purpose. Mainly allowed to accommodate financing under these categories.

- Large and medium scale industry.
- Small and cottage industry.
- Agriculture and other also included here.

3.24 Sector wise Credit Portfolio:

- Agriculture-0.96%

- .Term loan to small cottage industries-0.48%
- Term loan to large & medium industries-14.04%
- Working capital to industry-12.36%
- Export credit-6%
- Trade finance-30.89%
- Credit card-0.52%
- Others-34.75%

3.25 Interest Rate on credit of JBL:

At present, bank's interest rates for some of the items of the advances are as follow:

- Agricultural Loan-13%
- House Building Loan-18%
- Lease Finance-16%
- Consumer Credit Scheme-19%
- Credit Card-2.25% per month
- Credit to Non-Banking Financial Institution-18%
- Export Credit-15.50%
- SOD against work order-16.50%
- Cash Credit (Hypo & Pledge)-16.50%
- Term Loan for Large & Medium Industries-13%
- Term Loan for Small & Cottage Industries-13%
- Working Capital large & medium loan-16.50%
- Working Capital Small & Cottage Industries-15.50%
- Over draft against FDR Issued-16.50%
- Over draft against Scheme Deposit of JBL-16%
- LDBP-17.50%

3.26 Loan Process of JBL:

3.26.1 Application for the loan:

The loan process start with the submission of loan application by the borrower. The borrower submits the loan application to the branch manager. In the loan application the borrower provides following information:

- Personal detail of the applicant
- Nature of business

- Amount and duration of the loan
- Purpose of the loan
- Details of the collateral

3.26.2 Filling Form-A:

After satisfying with party's application the applicant need to fill Form-A its prescribed application form of bank provides by the respective branch that contains information of the borrower.

- Names of the borrower
- Factory location
- Official address, Present & Permanent address
- Past and Present business

3.26.3 Collecting CIB report from Bangladesh Bank:

After receiving the application for advance, Janata Bank Limited sends a letter to Bangladesh Bank for obtaining a report from there. This report called CIB (Credit Information Bureau) report. Janata Bank Limited Ltd. seeks this report from head office for all kinds of credit.

In the CIB report Bangladesh Bank uses any of the following reference no:

- **NIL:** If the client has no loan facility in any bank or any financial institution then Bangladesh Bank uses 'NIL' in the report.
- **Unclassified (UC):** If the client has any loan facility in any bank or financial institution and if the installment due 0 to 5.99 months then Bangladesh Bank use UC in the report.
- **Substandard (SS):** If the client has any loan facility in any bank or financial institution and if the installment due 6 to 11.99 months then Bangladesh Bank use SS in the report.
- **Doubtful (DF):** If the client has any loan facility in any bank or financial institution and if the installment due 12 to 17.99 months then Bangladesh Bank use SS in the report.
- **Bad lose (BL):** If the client has any loan facility in any bank or financial institution and if the installment due 18 or above months then Bangladesh Bank use BL in the report. This report indicates that the client is defaulter and the bank should not provide loan the client

3.26.4 Preparation of loan proposal:

Based on financial and management analysis and need of the client and his capability of operating the business, RM shall design the credit keeping in mind on the following issues:

- Purpose of the credit.
- Experience in the similar business

- Risk, Remuneration
- Ancillary business
- Validity Loan Period & Business Profitability
- Debt Equity Ratio
- Repayment capacity & Production capacity
- Market demand of the product

3.26.5 Document:

Before sending proposal to the approving authority, the branch ensures that the following document has been completed properly

- Current CIB report
- Loan application from duly signed by the customer.
- Acceptance of terms and condition
- Copy of last audited financial statement up to 3 years.
- Bank statement-last 6 months
- Net worth of the business
- Net worth of the individual
- Total debit and credit of the business
- Visiting card/company ID
- Trade license for business
- Utility Bill(Electricity/WASA/Gas)
- Income tax return of the borrower

3.26.6 Assessment of the loan proposal:

Borrower Analysis:

The management team, majority shareholders should be assessed. Any issues regarding complicated ownership structure, lack of management depth should be assessed and risk is mitigated.

Industry Analysis:

The key risk factors of the borrower's industry should be assessed. Any issues regarding the borrower's position in the industry, overall industry concerns or competitive forces should be addressed and the strengths and weaknesses of the borrower relative to its competition should be identified.

Supplier/Buyer Analysis:

Any customer or supplier concentration should be addressed. Because it could significant impact on the future viability of the borrower.

Historical Financial Analysis:

Preferably an analysis of a minimum of 3 years historical financial statements of the borrower should be presented. Where reliance is placed on a corporate guarantor, guarantor financial statements should also be analyzed. The analysis should address the quality and sustainability of earnings, cash flow and the strength of the borrower's balance sheet. Specifically, cash flow, leverage and profitability must be analyzed.

Credit Background:

Credit application should clearly state the status of the borrower in the CIB (Credit Information Bureau) report. The application should also contain liability status with other Banks and FI's and also should obtain their opinion of past credit behavior.

Account Conduct:

For existing borrowers, the historic performance in meeting repayment obligations (trade payments, cheese, interest and principal payments etc) should be assessed.

3.26.7 Sanction Letter: Clint's information and loan details are matched with the credit approval then loan is sanctioned and a loan sanction number is auto generated.

- Name of the borrower
- Facility allowed
- Purpose
- Rate of interest
- Security and other terms and conditions

3.26.8 Securities:

Janata Bank Limited maintains the security listed below in recovering the loans without risk.

- **Lien:** It's a right to retain the property / goods of the borrower as security until the debit are adjusted. In this case the banker can only hold the possession of the goods he cannot sell them. He can sell the securities under lien after giving reasonable notice to the borrower.
- **Pledge:** Pledge is created only for movable property like goods document etc. The pledged goods are returned to the owner after the loan is adjusted. If the borrower fails to repay the loan the banker can sell the pledged goods after giving reasonable notice to him.

- **Mortgage:** Only the immovable properties are kept under mortgage. It is a method of creating charge on immovable properties.
- **Hypothecation:** Hypothecation is nothing but the mortgage of movable property. It is an extended idea of pledge. In this case both possession and ownership remains with the borrower but by the hypothecation agreement he undertaken to transfer possession whenever required.

3.26.9 Verification of Security:

- Credit Administration Division must check all collateral, primary securities and, legal opinion may be obtained to protect bank's interest.
- Ensure Mortgage documents are properly vetted by legal counsel /panel lawyer as per existing norms of the bank.

3.26.10 Mandatory Checking:

- ❖ Proposal Credit facilities are compliant of the existing banking regulations.
- ❖ CRG has been done.
- ❖ Other analysis and assessment has been done properly.
- ❖ Computer authority as per Bank's policy approves facilities in writing.
- ❖ All credit approvals are given on a one-obligor basis.
- ❖ Limit is approved as per delegated authority.
- ❖ Large loans are approved within the ceiling advised by Bangladesh Bank.
- ❖ Fresh approvals, renewal, rescheduling, compromise agreement for the Board as per Bangladesh Bank Guidelines places large loan accounts for approval.

3.26.11 Documentation:

In the borrower accept the sanction letter, the documentation starts. Documentation is a written statement of act evidences certain transitions covering the legal aspects duly signed by the authorized persons having the legal status. In spite of the fact that banker lends credit to a borrower after inquiring about the character, capacity and capital of the borrower, he must obtain proper documents executed from the borrower to protect him against willful defaults. Moreover, when money is lent and binding charge against those assets. Documents contain the precise terms of granting loans and they serve as important evidence in the law courts if the circumstances so desire:

- Letter of arrangement

- Letter of Disbursement
- Letter of installment
- Letter of continuity
- Demand promissory note
- Letter of guarantee

Legal Recovery: When all steps fail to keep an account regular and borrower does not pay the installments and interests then the bank take necessary legal steps against the borrower for realization of its dues. In this case Aretha Rim Adulate Law 2003 plays an important role for collecting the loan.

Chapter-Four

Findings, Recommendations and Conclusion

4.1 Findings:

- Before granting loans the bank officials clarify the borrower's information, his/her financial position, securities against loans & advances and make analysis on his/her business and so on.
- In 2017, loan disbursements of Janata Bank Limited was Tk. Lac.56748.78
- The Loan Recovery performance of Janata Bank Limited is not in a satisfactory level at all. Loan recovery rate is decreased to 4.82% from 4.95% in the year 2016 from 2015 which indicates that it does not keep its recovery rates in a stable position.
- Janata Bank Limited is ensuring favorable equity supply of quality loans through acceptance of dispute free collateral and requisite margins.
- The loan portfolio of the bank spreads among small and medium enterprises, general business and industries.
- Janota Bank Limited has been maintaining its position in extending credit to government bodies, sector corporations and private enterprises with a view to implementing government policies.
- Influence of political leader is an everlasting problem. That's why door of corruption is broadly opening day by day.
- The credit sanction and disbursement Procedure is quite lengthy.
- In some cases, J Bank Limited distributes loans without sufficient security and this is the violation of the Bangladesh bank order.
- Janota Bank Limited possesses a standard credit proposal form according to the Bangladesh Bank's strategy. But in practice, credit officers do not fill up the proposal form properly and most of the cases they use assumption rather than exact figure.

5.2 RECOMMENDATIONS:

The failure of commendable banks occurs mainly due to bad loans, which occurs due to inefficient management of the loans and advances portfolio. Based on the evaluation of different aspects of SBL, the following recommendations have been proposed:

- The bank should emphasize on reducing the classified and non-performing credits by concerted efforts
- In the credit department, strict supervision is necessary to avoid loan defaulters. Bank official should do regular visit to the projects.
- SBL need to avoid nepotism and politically influenced lending or project finance should be checked.
- The average number of days required for sanctioning and disbursement of credit against specific loan proposal should be reduced.
- Strict Supervision must be adapted in case of high risk borrowers. Time to time visit to the projects should be done by the bank officers.

- Credit officers must be skilled enough to understand the manipulated and distorted financial statements.
- Central monitoring system should be more active to maintain classified loan to a minimum level.
- Salary scale should be increased to motivate extremely dissatisfied employees and to reduce misconduct.
- Vaults security should be increased.
- To attract more credit clients should seek new marketing strategy.
- SBL should conduct close monitoring during validity/repayment period of loan.
- Understanding reasons of non-payment to obviate the problem.
- Constant follow-up with defaulting borrowers.
- Relationship Manager (RM) must try to identify reasons of default of loan non-payment and find out ways to get the loan recovered/regularized.

5.3 CONCLUSION:

I have focused and analyzed on Credit Management in Janata Bank Limited. The banking sector in any country plays an important role in economic activities. Bangladesh is no exception of that as its financial development and economic development are closely related. That is why the private commercial banks are playing significant role in this regard.

This report focused and analyzed on Credit Risk Management in SBL. In the past decade there has been a revolution in the communication media through the introduction of internet and other forms of secure dial-up media. This had an immense impact on all the sectors of the industry specially the banking sector. Traditionally in order to execute banking transaction a customer would require coming at the bank.

Janata Bank Ltd. is much different in any terms. Its activities are vast and in cases unique to any other bank. Its deposits and loans are huge compared to other banks. It finances government projects, provides unique services to people in need, even in places it works as central bank. This Bank often makes decision for the welfare of general public despite risk of credit exposure.

The bank has established a sound credit risk management and credit risk mitigation policy. Compliance with Basel II norms helps the Bank to improve their profitability through better credit risk management systems.

In recent years, the bank has been exposed to credit risk due large scale loan defaults. Top managements malpractice and mismanagement caused less return on investment. According a financial report, default loans of the bank fell by Taka 12.85 billion in the year of 2016. Despite the recovery, the bank recorded new default loans of Taka 28.50 billion in the year.

From the discussion in this report, it has become clear that credit management is a complex and ongoing process and therefore Banks or any financial institutions must take a serious approach in addressing these issues.

So SBL can focus on their strengths to materialize the opportunities hidden for them in the banking industry and also they can work on their weakness to develop the product effectively and grab more opportunity hidden in the banking industry. With their strengths SBL can also reduce the

threats existing in the market. They have strengths with their solid brand image and experience and skills as well, with which they are being SBL to satisfy the customers with their wide range of products and services.