

“ Analysis of Credit Management System of Janata Bank Limited (JBL): A Study on Uttara Corporate Branch, Dhaka”

Submitted To:

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Submitted By:

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Daffodil International University
Date of Submission: 2nd December , 2018

Letter of Transmittal

02.12.2018

To
Sayed Farrukh Ahmed
Assistant Professor
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University.

Subject: Submission of the internship report on ‘ Analysis of Credit Management System of Janata Bank Ltd (JBL): A Study on Uttara Branch, Dhaka’.

Dear Sir;

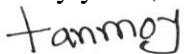
This is a great pleasure for me to submit the internship report, which is a partial requirement for the Internship Program of Daffodil International University for MBA students. I have prepared my internship report on ‘Analysis of Credit Management System of Janata Bank Ltd; A study on Uttara Corporate Branch, Dhaka’.

I have tried to explain my learning and experience in this report which I have gathered from practical operations.

For your kind consideration and perusal, I would like to mention that there might be some mistakes due to limitations of my knowledge, wisdom and time constraint. In spite of various shortcomings I have tried to cover all relevant affairs. I am confident that my report will be able to meet up your expectation and you will appreciate my endeavor and the report emphatic.

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,



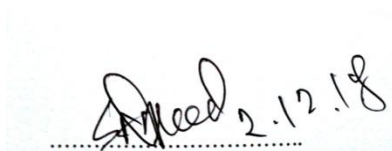
Tanmoy Kormoker
ID. No. 172-14-2404
Program: MBA
Major in Finance
Daffodil International University

Certificate of Approval

I am pleased to certify that the internship report on **Analysis of Credit Management System of Janata Bank Limited (JBL): A Study On Uttara Corporate Branch, Dhaka** conducted by Tanmoy Kormoker bearing ID No 172-14-2404. A regular student of MBA program, Major In finance, Department of Business Administration, Faculty of Business & Entrepreneurship.

Tanmoy Kormoker has successfully performed his internship program in **Janata Bank Limited Uttara Corporate Branch, Dhaka** and prepared this report under my direct supervision.

Tanmoy Kormoker bears a strong moral character and a very pleasing personality. It has indeed been a great pleasure working with him. I wish his all success in life.



.....
Signature of the Supervisor

Sayed Farrukh Ahmed

Assistant Professor

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

Acknowledgement

An internship program is a critical and fundamental means for gaining functional information in light of the fact that the learning of an understudy does not get satisfied until the point when he gets learning hypothetically and for all intents and purposes.

For the consummation of this examination I can't merit all acclaim. There were many individuals who helped me by giving profitable data, counsel and direction for the finish of this report in the planned time.

First I need to offer my thanks to Almighty Allah for giving me the quality and the self-control to complete the assignment inside the booked time.

I might likewise want to pass on my appreciation to my internship supervisor Mr. Sayed Farrukh Ahmed (Assistant Professor) for his persistent help. His direction causes me to isolate the essential and vital points of interest from the superfluous positively helped me to remain on the right track.

I recognize my obligation to Md.Abdul Momin (First Assistant General Manager) .I need to savvy Md.Abdul Momin and numerous other staff for their direction to set up my temporary job report. They have been amazingly co-agent and willing to help at record-breaking.

Executive Summary

The Janata Bank Limited Is One of the Leading Public Banks Operating In Bangladesh. I have been Assigned to Work On This Bank and Accordingly Prepared My Internship Report. A wide range of Necessary Efforts have been Made To Make the Report as Authentic as could reasonably be expected. As a completely state possessed organization, the bank had been releasing its country building duties by attempted government depended diverse financial plans and in addition currency advertise exercises of its own volition, covering all circles of the economy. It has 898 branches all over Bangladesh through which it does all its managing an account exercises. Credit administration is a urgent piece of JBL, in view of its significance for limiting credit hazard and expanding abundance of the Bank. Every one of The Aspects Of Credit Management System of JBL Like; Rules, Regulations Activities, Approval Processes of Loan, Credit Operation Dept And Also Credit Collection Dept, Various Product Diversity And Their Facilities And Recovery Process Of Different Types of Loan Etc. have Been Attached To This Report. At long last Some Recommendations Are Started For Mending The Problem, So If The Authority Concerned to My Recommendations, They Might Get A Positive Result. In conclusion I Am Really Grateful to Almighty Allah for Letting Me Prepare Such As Report.

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CHAPTER - ONE

Introduction

1.1) Introduction: The Banking Sector in Bangladesh passed another dubious year confronting different difficulties in region of falling credit development, declining loan cost and gainfulness, poor resource quality, powerless administration, and poor hazard administration particularly in state claimed business banks. Stretching out credit to new monetary divisions including existing real segments and keeping up resource quality were significant difficulties for generally speaking managing an account part like earlier year. Because of deficiency of venture openings abundance liquidity won everywhere throughout the year. Lower loan cost in call currency showcase, descending alteration of both store and loaning rate demonstrates nation's managing an account segment experienced inert reserve. The monetary extension of a nation depends more on the modernization of agribusiness, mechanical development and improvement, extension of household and outside exchange, and so on. The system and its job and significance in the saving money monetary part can't be overlooked in the advancement of a country. It is without a doubt genuine that the budgetary area assumes the stay job in the economy through execution of fiscal approach in the interest of the administration setting down particular targets in regards to advancement. Accordingly, a sound monetary framework is required as imperative for the created and organized economy.

1.2) ORIGIN OF THE STUDY: The internship program of MBA is a partial requirement to take test of real life challenge conducted by the intern. It is the important part of MBA program. This program is three month duration. During this period I have worked closely with the employee of Uttara Corporate Branch. This report presents the outcomes of the study during the internship- Janata Bank Limited. I was assigned to topic "Credit Management System of Janata Bank Limited". Internship Report prepared as a requirement for the completion of the MBA program of the Daffodil International University. The primary goal of internship is to provide an on the job exposure to the student and an opportunity for translation of theoretical conceptions in real life situation. Students are placed in enterprises, organizations, financial institutions, research

institutions as well as development projects. The program covers a period of 8-12 weeks of organizational attachment. After the completion of one-year academic MBA program I, Tanmoy Kormoker , student of Daffodil International University, was placed in Janata Bank Bangladesh Limited for the Internship Program. As a requirement for the completion of the program I need to submit a report, which includes “**Analysis of Credit Management of Janata Bank Limited**”

1.3) BACKGROUND OF THE STUDY: Internship program is a prerequisite for acquiring MBA degree. Before completion of the degree, every student must under go the internship program. Internship program is a great opportunity for the graduates to have an experience of the real corporate world before starting their career. Internship in the modern business world helps students to demonstrate skills and competence from their supervised experience and in addition enables them to demonstrate maturity and acceptable professional, personal and interpersonal behavior. As the classroom discussion alone cannot make a student perfect in handling the real business situation, therefore it is an opportunity for the students to get accustomed with the real life situation through this program. To fulfill this requirement I was worked as an intern in **Janata Bank Limited, Uttara Corporate Branches, Dhaka for three months**. This not only fulfils the requirement of the program but also facilitates the dissemination of knowledge in the banking arena of Bangladesh and helps me a lot to compare theoretical knowledge with practical Experience . As internship student I have tried my level best to cover the **Analysis of Credit Management System of Janata Bank Limited** in this report.

1.4) OBJECTIVES OF THE STUDY: The main objective of the report is to identify and evaluate the **Analysis of Credit Management System of Janata Bank Limited**, which includes the following specific objectives:

- ✓ To know the practices of credit structure of the bank Janata Bank Limited.
- ✓ To identify the recovery system performed by the bank.

- ✓ To make a critical reasoning in respect to the treatment of provision for bad and doubtful credit.
- ✓ To assess the credit structure of the Janata Bank. Limited in practice.
- ✓ To measure the effectiveness of the bank in the utilization of available resources.
- ✓ To identify the problems related to credit management and make some recommendations to solve those problems of JBL.

1.5) METHODOLOGY OF THE STUDY: The study is performed based on the information extracted from different sources collected by using a specific methodology. To fulfill the objectives of this report total methodology has divided into two major parts: Data Collection Procedure: In order to make the report more meaningful and presentable, two sources of data and information have been used widely.

The “Primary Sources” are as follows:-

- ✓ I have discussed with officials about the credit management of JBL.
- ✓ Relevant file study as provided by the officers concerned.
- ✓ Sharing practical knowledge of officials.
- ✓ In-depth study of selected cases.

The “secondary Sources” are as follows:-

- ✓ Annual report of Janata Bank Limited.
- ✓ A book on ‘Credit Policy and Lending Guidelines’ (Revised edition-2006), Published by JBL
- ✓ Web sites.
- ✓ Office files and documents.
- ✓ Periodicals Published by Bangladesh Bank.
- ✓ Study related books and journals.

1.6) LIMITATIONS OF THE STUDY: Any research work needs high degree of involvement regarding collection of information, creation of data base, literature review

and analysis of data. While doing so, many limitations arise even though we always put our best effort to avoid them. In conducting the present study, the following limitation has been faced.

The main constrain of the study was insufficiency of information, which was required for the study.

- ✓ There are various information the bank employee can't provide due to security and other corporate obligations.
- ✓ Due to shortage of time, the accuracy of information may not have been completely perfect.
- ✓ Lack of opportunity to access to internal data.
- ✓ Due to time limitation, many of the aspects could not be discussed in the present report.
- ✓ All the interpretation and conclusion about the result of study is based on the analyst own perspective
- ✓ Since the bank personnel were very busy, they could not pay enough time.
- ✓ I had to base on secondary data for preparing this report.
- ✓ Data and information used in this study are mostly from secondary sources.
- ✓ Legal action related information was not available.

CHAPTER - TWO

Overview of The Organization

2.1) ORIGIN OF JANATA BANK LIMITED: Janata Bank, one of the largest commercial bank in the country, was established Bangladesh Bank (Nationalization) Order 1972 (Presidency Order of 1972). By taking over branches of former United Bank Limited and Union Bank Limited, were two private banks performing class bank in government the country. After the birth of Bangladesh on 16th December 1971, newly formed Janata Bank of mass bank in special facilities from the government to work as nationalized commercial bank all over the country. With the increase of responsibility and by virtue of performance within a few years, it becomes the largest commercial bank of the country with 898 branches including 4 overseas branches at United Arab Emirates. It is linked with 1202 foreign correspondents all over the world. In 15 November, 2007 Janata Bank got registered with the Joint Stock of Registrars and restructured it as a public limited company with the name Janata Bank Limited. Janata Bank Limited, a corporate body trusted over the years, the 2nd largest (in respect of Deposits/Assets) commercial bank in Bangladesh, has been playing pivotal role in overall financial activities of the country and is possessing a long heritage of discharging laudable services to the society since her embankment immediately after the emergence of this verdant rich alluvial soil as a sovereign, independent state. The contribution of the Bank to the national economy and social reform has set standard bar so high that others in this business can't help aspire touching the benchmark of success earned by JBL. More so a matter of great honour is that the contribution, commitment and success of the Bank have been recognized with a number of prestigious awards by national and international organizations of repute.

2.2) MISSION: To become the effective largest commercial bank in Bangladesh to support socio-economic development of the country and to be a leading bank in South Asia.

2.3) VISION: Janata Bank Limited will be an effective commercial bank by maintaining a stable growth strategy, delivering high quality financial products providing excellent customer

service through an experienced management team and ensuring good corporate governance in every step of banking network

2.4) SLOGAN: Your Committed Partner In Progress.

2.5) CORE VALUES:

- ✓ **For Customers:** To become most caring bank by providing the most courteous & efficient service in every area of our business.
- ✓ **For Employees:** By providing the well-being of the members of the staff.
- ✓ **For Shareholders:** By ensuring fair return on their investment through generating stable profit.
- ✓ **For Community:** By assuming our role as a socially responsible corporate entity in a tangible through close adherence to national policies & objectives.

2.6) CORPORATE PROFILE:

Features	Values
Name	Janata Bank Limited
Genesis	Janata Bank Limited, the 2nd largest State Owned Commercial Bank (SCB) in Bangladesh, is playing pivotal role in overall financial activities of the country. The Bank emerged as ‘Janata Bank’ by combining the erstwhile United Bank Limited and Union Bank Limited under the Banks Nationalization Order (President’s Order- 26) of 1972 and was restructured as a limited company in November, 2007.
Registered Address	Janata Bhaban, 110, Motijheel Commercial Area Dhaka - 1000, Bangladesh.
Legal Status	Public Limited Company
Chairman	Luna Shamsuddoha
CEO & Managing Director	Md. Abdus Salam Azad (F.F.)
Company Secretary	Hussain Yeahyea Chowdhury
Date of Incorporation	21 May 2007
Authorized Capital	BDT 30,000 Million
Paid up Capital	BDT 23,140 Million
Face value per share	BDT 100 per share
Shareholding Pattern	100% Share owned by the Government of Bangladesh
Number of Employees	11,876 (As on 16.09.2018)
Banking license obtained from Bangladesh Bank	31 May 2007
Phone	+88 02-9560000, 9566020, 9556245-49, 9565041-45, 9560027-30

Fax	88-02-9554460, 9553329, 9552078
SWIFT	JANBBDDH
Website	www.jb.com.bd
E-mail	md@janatabank-bd.com

2.7) SOME NOTABLE FEATURES OF JBL:

Capital Structure:

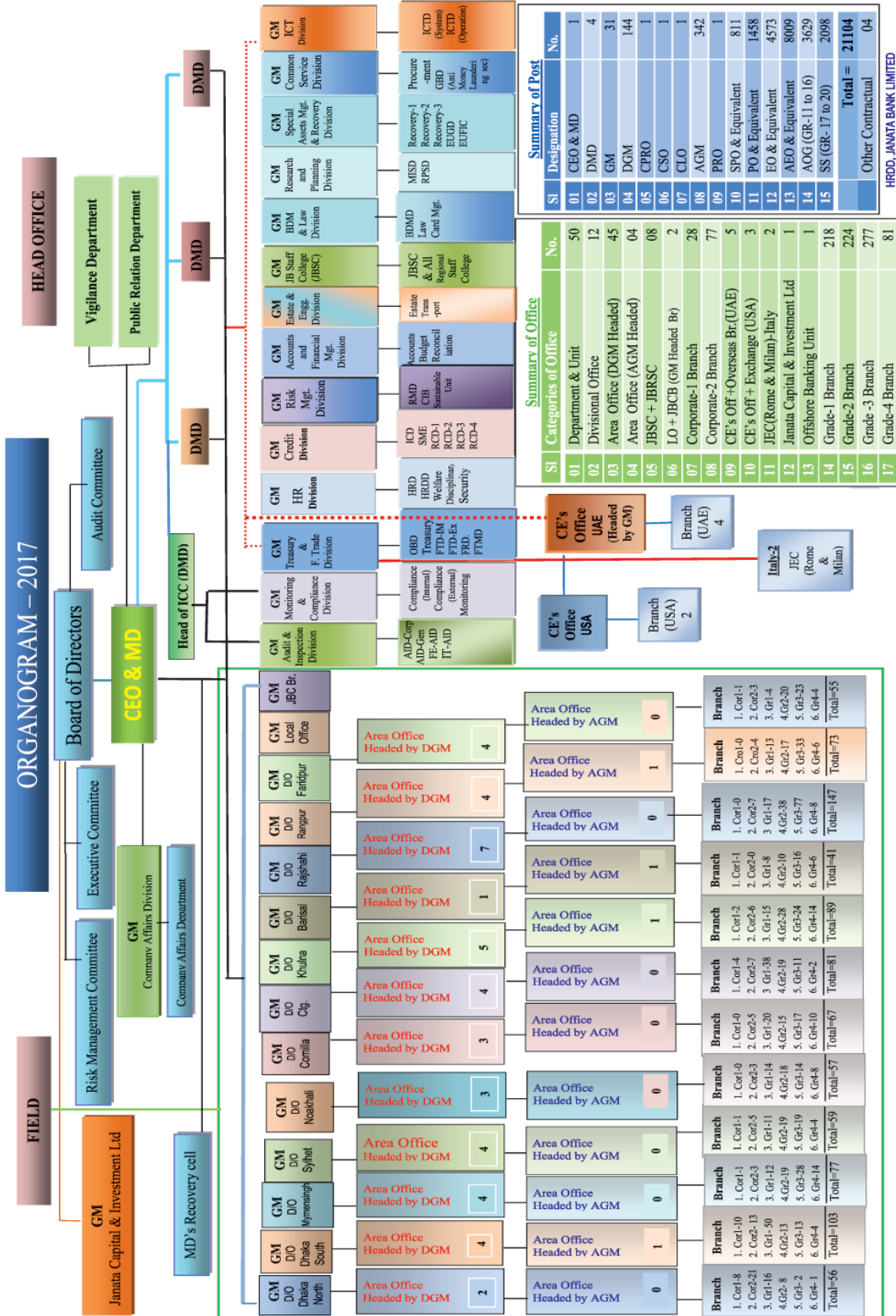
Authorized Capital	:	BDT 30,000 Million
Paid up Capital	:	BDT.23,140 Million

List Of Branches:

Specialized Corporate	02
Corporate-1 Branch	28
Corporate-2 Branch	77
Overseas Branch	04
Grade-1Branch	218
Grade-2Branch	224
Grade-3Branch	277
Grade-4Branch	82
Total Branches	912

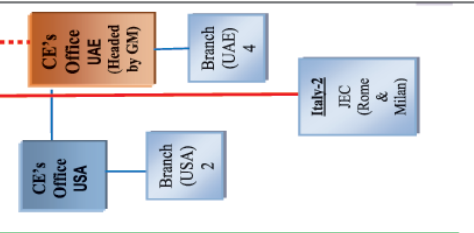
2.8) Hierarchical Structure of JBL

ORGANOGRAM – 2017



Summary of Post	
Sl	Designation
01	CEO & MD
02	DMD
03	GM
04	DGM
05	CPRO
06	CSO
07	CLO
08	AGM
09	PRO
10	SPO & Equivalent
11	PO & Equivalent
12	EO & Equivalent
13	AEO & Equivalent
14	AOG (GR-11 to 16)
15	SS (GR-17 to 20)
Total = 21104	
Other Contractual 04	

Summary of Office	
Sl	Categories of Office
01	Department & Unit
02	Divisional Office
03	Area Office (DGM Headed)
04	Area Office (AGM Headed)
05	JBSC + JBRS
06	LO + JBCEB (GM Headed Br)
07	Corporate-1 Branch
08	Corporate-2 Branch
09	CE's Off+Overseas Br(UAE)
10	CE's Off + Exchange (USA)
11	JEC(Rome & Milan)Italy
12	Janata Capital & Investment Ltd
13	Offshore Banking Unit
14	Grade-1 Branch
15	Grade-2 Branch
16	Grade-3 Branch
17	Grade-4 Branch



Summary of Office	
Sl	Categories of Office
01	Department & Unit
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03	Area Office (DGM Headed)
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10	CE's Off + Exchange (USA)
11	JEC(Rome & Milan)Italy
12	Janata Capital & Investment Ltd
13	Offshore Banking Unit
14	Grade-1 Branch
15	Grade-2 Branch
16	Grade-3 Branch
17	Grade-4 Branch

HRDD, JAWATA BANK LIMITED

CHAPTER – THREE

3.1) WHY DOES JANATA BANK PROVIDE ADVANCES TO THE BORROWERS?

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

1. To make interest from the borrowers and give the deposits interest back.
2. To accelerate economic development by providing different industrial as well as agricultural advances.
3. To create employment by providing industrial loans.
4. To pay the employees as well as meeting the interest groups.

Bank gives interest at a fixed rate to the different types of depositor. Moreover Bank needed huge money for maintaining administrative expenses. Banks have to make profit after meeting these expenses and also providing the interest to the depositor. Bank cannot make equal profit the entire loan. It depends on the right use and principles of the loan.

3.2) TYPES OF CREDIT IN JBL:

Janata Bank offers the following types of loans and advances for their customers :

Secured overdraft (SOD)	Loan against FDR
Mid term loan	Transport loan
Imported Credit	Cash capital (CC)
Export credit	Loan against trust receipt (LTR)
Demand loan	Working capital
Small loan	Consumers loans
House building loan	Agriculture loan
Purchase and discount bills	Education loan
Staff loan	

3.2.1 Secured Overdraft (SOD): Secured overdraft is a ongoing standard facility. Under this facility, customers are approve to overdraw from his present account up to his credit limits authorized by the bank. The interest is charged on the amount withdrawn from the account only, not on the authorized amount. Janata bank sanctioned SOD against different security. Based on different types of security, we can divide SOD in the following two categories-

3.2.1.1 SOD (General): This type of over draft is approve to the individuals against financial duty i.e. lien of FDR or defense savings certificate, ICB unit certificate etc. This type of over drafts is accommodate against assignment of advance is generally approve for a specific purpose. It is not a incessant loan.

3.2.1.2 SOD (Export): This type of over draft is allowed to purchasing foreign currency to make payment against L/Cs where the exporter cannot materialize before the date of import payment.

3.2.2 Cash Credit (CC): Cash Credit is the favourite mode of borrowing by the traders, industrialists for meeting their working capital requirement. The goods hypothecated against this type credit can be easily being converted into cash and hence it is called cash credit. It may be of two types:

3.2.2.1 Cash credit (Hypothecation): Hypothecation is a formal transaction whereby goods are formed accessible to the lending banker as safety for a debt without transferring possession of goods. Since the goods always remain in the physical right of the borrower, there is much risk to the bank. So, in approve CC, extra security (Collateral) is obtained.

3.2.2.2 Cash Credit (pledge): Pledge is known as the bailment of goods as security for payment of a debt or performance of a promise. In this contract of pledge, the lender (pledge) must sent their goods pledged to the pledge (Pawnee) either actually or constructively. After the authorization of cash credit thr lender has fully ready up to legal document look at charge document .Banker prepare a check book for pick up cash from this account .

3.2.3 Mid-term Loan: Thinking about the capital structure, constitution and liquidity prerequisite, Janata Bank permits here and now credits. Mid – term credits are endorsed for the

period over one year and up to five years. Both current banks have state loaning a sheltered extent of their interest and time liabilities for genuinely significant lots to house building, modern, rural, transport and numerous different parts. Such credits are repayable by portions over various years running from 2 to 12 (Horticultural advances going from 6 to 15 months), to the extent, nature and lead are concerned.

3.2.4 Working Capital: Advances permitted to the assembling units to meet their working capital necessities independent of their size, huge, medium or little, fall under the classification. These normally take the character of proceeding with credit.

3.2.5 Import Credit: Advance Against Imported Stock (LIM): Bank gives advance against imported stock to the shipper if there should be an occurrence of disappointment of the merchant to pay. The shipper will bear every one of the costs intrinsic to the products imported. Bank keeps hold of the responsibility for products.

3.2.6 Loan against Trust Receipts (LTR): Advances against a trust receipt are permitted when the archives covering an import shipment are given without earlier installment. This kind of office is for the most part given to the dependable customers. Products are given over to the shipper with the game plan that deal continues will be saved to sell their advances inside a given period.

3.2.7 Export Credit: Export credit is a sort of financing to an assortment of gatherings of the bank that is required to encourage send out. Export financing is mainly of two types:

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

Pre-shipment Credit offices are basically a short shape credit, which is to be exchanged by acquiring of fare charge covering the specific shipment. By and large the pre-shipment credit takes the accompanying structures

- **Packing Credit** offices are basically a short shape credit, which is to be exchanged by acquiring of fare charge covering the specific shipment. By and large the pre-shipment credit takes the accompanying structures
- **Back to back** Credit is an auxiliary credit opened by the educating bank in support with respect to a residential provider for the benefit of the recipient of the first outside L/C. By and large the post shipment credit takes the accompanying structures:
 - Negotiation of documents.
 - Purchase of foreign bill.

3.2.8 Demand Loan: This is the settled sort of loaning in its unique frame. The whole sum is paid to the borrower at one time, either in real money or by exchange to his sparing record. On consequent charge is usually permitted aside from by method for intrigue, accidental charges, protection premium, cost brought about for the assurance of security and so on. A different record id utilized for the support of this record and as no ensuing withdrawal is permitted, no register is issued with this record.

3.2.9 Small Loan: It alludes to the loaning permitted to little merchants; house businesses, little scale enterprises and independently employed people. The greatest roof for this credit is at present is tk.5,000,00 for little merchants and independently employed people, tk.200,000.00 for bungalow enterprises and little scale ventures. Such credits are by and large profitable/improvement arranged as opposed to security situated and this is the method for accentuation in these cases is on the motivation behind the development and in addition expertise notoriety limit of the borrower. The security necessities are substituted the end-utilize and visit supervision of the credit.

3.2.10 Staff Loan: Staffs of janata Bank are furnished with "Staff Loans" for purchasing motorcycles and bicycles, for wedding of their children or little girl and so forth. Bank gives this development office under portion framework. The measure of credit is recouped from their month to month compensation.

3.2.11 House Building Loans: janata Bank gives long haul advances to building private house. Advances for development of private houses against land as essential securities as permitted by

banks up to tk.5.00 lacks needs per party (counting cost of land) less any advance taken from HBFC for these reason. The rate of enthusiasm for "house Building Loans" is 16% per annum and most extreme reimbursement period is 12 years. In such cases, parties need to settle installment of 30% of the aggregate sum and rest of the sum ought to be reimbursed inside 2 years.

3.2.12 Purchase & Discount of Bills: Janata bank typically buy request bills of trade that are classified "Drafts" joined by archives of title to merchandise, for example, Bill of Lading, Railway or Truck receipt. It is an extraordinary sort of development. Janata bank buys "Bills of Exchange" that would be developed after a specific period and not payable on interest or sight. This is named as reducing a bill and the charge recuperated by Bank for this is classified "Discount".

3.2.13 Consumer Loans: The fundamental motivation behind the plan is to enhance life standard of the customers by giving them credits to obtaining house hold things, for instance, PC, TV, freeze , motorcar and cycle, air- condition, furniture and so forth. Different business banks offering different sorts of advances to the buyer with the goal that they can appreciate these developments and settled a simple portion procedure to reimburse that money. Janata Bank is putting forth advance calling Consumer Credit plot in different kinds of goods.

3.2.14 Transport Loan: Genuine transport specialists are permitted propels for "Power-Driven Vehicles" (PDV) including watercrafts against hypothecation at 30% edge and appropriate assurance from people and adequate security. If there should be an occurrence of acknowledgment of home loan, the base edge might be decreased up to 10%. These credits ought to be repayable inside most extreme time of two years, which is liable to recharging with endorsement from head office.

3.2.15 Bank Guarantee: A bank guarantee is an irrevocable undertaking to a third party by a bank on behalf of his customer to pay if the customer fails to meet the certain contractual obligation. Banks get commission from issuing guarantee. The person who gives the guarantee is called the 'surety'

3.2.16 Education Loan: Janata Bank can provide educational loan for the students. Bank Can Provide Borrowing 50,000to 5,00,000 luck. The Duration Period Of the Borrowing Maximum 5 Years.

3.2.17 Agriculture Loan: Live stock sector plays an important role in the development of agriculture. Janata Bank provides loan for Bullock, Milky Cow, Goatery, Beef fattening and other draft animals. It is basically Medium Term Loan. The Interest Rate Are 9% & The Duration Period 3 Months.

3.3) LENDING INTERESTS OF JBL:

<i>Particular</i>	<i>Rate of Interest (%)</i>
Special HBL	9%
Loan General	9%
Loan against HB	9%
Consumer finance scheme	9%
Project loan	9%
Small business loan scheme	9%
House renovation LS	9%
Export finance	7%
Import finance	9%
Lease finance	9%
Personal loan scheme	9%
SOD general	9%
SOD fin. Obligation	9%
CC(Hyp)	9%
Agriculture Loan	9%
Staff car loan	At bank rate, minimum 8%
Loan against provident fund	Do
LDBP	9%
All other commercial lending	9%

3.4) CREDIT POLICY OF JBL:

A credit arrangement incorporates all guidelines identifying with advances and advances made by the bank to the borrowers. It incorporates kinds of credit reached out by banks, technique for making a decision about the credit value of borrowers, the insurance or securities that are

acknowledged by the banks et cetera. These approach rules allude to all credit offices reached out to clients including position of assets on the bury bank showcase or different exchanges with money related organizations. Although, not at all like other business banks, there is no endorsed and distributed manual or strategy rules with respect to credit administration in JBL, it pursues a few guidelines which are exceptionally essential for credit administration. All credit augmentation of the bank must consent to the prerequisites of the Bank Companies Act 1991 and Bangladesh Bank guidelines as revised occasionally.

3.4.1 Approach to the Bank:

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

- ✓ S/he must be a customer of this bank.
- ✓ S/he needs to apply legitimately portraying the reason for the credit sum required and his/her ability of reimbursement.

Subsequent to getting the application from the customer, the branch manager scan the papers and chooses if s/he will be took into account a development or not. Therefore director experiences the accompanying procedure.

3.4.2 Borrower Selection:

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

a) Man

b) Management

c) Money.

- ✓ **Man:** The manager needs to contemplate the man connected for a development. For this s/he accumulates data about the candidate's character, credit value and economic wellbeing. To pass judgment on the credit value of borrowers JBL pursues some essential standards of loaning. These are wellbeing, liquidity, enhancement, gainfulness, reasonableness, respectability, unwavering quality and so forth. The administrator can get data from Branch Records, Credit Data Department (CIB) of Bangladesh Bank, Individual

meetings with the customer, Credit Report, Market Data, Money related Articulations (Accounting report, pay proclamation) and so forth.

- ✓ **Management:** Management is the core of the business concern. So a cautious judgment must be made about it. It is looked for if there are sufficient specialists and specialized know how in the administration of the firm. Administration's trustworthiness is additionally should be assessed.
- ✓ **Money:** On the off chance that management is heart of the business concern, cash is blood, which is another imperative factor to endure. A credit supervisor needs to break down the obligation value proportion of the firm. S/he additionally should make certain if there are adequate resources for recuperate the development.

3.4.3 Financial Data Analysis: Secondly, the credit manager needs to look at monetary articulations of something like three years. For this s/he takes help of various proportions, for example, liquidity proportion, dissolvability proportion, productivity proportion and action proportion. S/he additionally needs to look at financial balance articulation of the candidate acutely. Notwithstanding investigation, the director should visit the business worry to get a genuine picture of it.

a. Industry Analysis: In this part, the manager is required to study the business behavior, which includes market demand, competitors and government barriers.

b. Lending Risk Analysis: It is an orderly and basic approach to evaluate loaning hazard, which covers every one of the elements depicted previously. Here a frame must be finished by the loaning officer. On the off chance that loaning hazard is observed to be low, financing should be possible and the other way around. On the off chance that the candidate is observed to be alright in the wake of experiencing all the above procedure, the branch director sends it with other fundamental papers to the credit division of the Head Office with his/her own suggestion. The credit division after evaluation, sends it to the Board (on account of sum in excess of 10 lac) or to the credit panel. The credit advisory group comprises of Overseeing Chief, one General Supervisor and one Appointee General Director from Global Division. In the event that the Board/Credit Advisory group concur, the proposition is acknowledged and is sent back to the

credit division. The credit division educates it the branch administrator. Following this the branch director, keeping up other law and control sends an authorizing letter to the candidate.

3.4.4 Security & Facility Offer Letter (FOL)

1. Readiness of office offer letter.
2. Handling security offer letter.
3. Planning and dispatch of security records.
4. Charge production of recorder of business entities.
5. Production of lawful impartial home loan of credit.
6. Co-ordinate legitimate issues with legal counselors.
7. Going to client inquiries with respect to FOL.
8. Issuance of Bank testament.
9. Organize inquiry and investigation report.
10. Reacting to reviewers of clients.
11. Restoration of hold letters.
12. Crossing out of offices.
13. Course security following rundown to senior administration on a month to month premise subsequent to having RM s remarks.
14. Refresh and screen one off offices of exchange administrations.

3.4.5 Preparation and Dispatch of Facility Offer Letter:

1. Get endorsement for CARM (Credit and Risk Management) application through lotus notes.
2. Survey the endorsement terms of CRM.
3. Check whether the offices are in accordance with Bangladesh Bank and saving money organizations act mandates.
4. Check the CIB (Credit Information Bureau) report from Bangladesh Bank, Notice of articles and affiliation and pursuit report.

5. Get ready FOL in standard configuration according to service level agreement (SLA).
6. Hand over the draft FOL to the individual RM (Relationship Director) for checking correction and adaptation.
7. Examine with RM in regards to various issues of the FOL.
8. Conclude the FOL.
9. Mail the FOL alongside security papers to the customer for their marking.
10. Get the copy FOL properly marked by the as a sign of the acknowledgment of the letter.
11. Refresh SLA following, security - tracking list.
12. Audit charges will be concluded by the FOL expressions.

3.5) CREDIT PROPOSAL AND SANCTION PROCESS OF JBL:

The aggregate procedure of proposition and authorize is a ceaseless procedure. In a specific stage the portray advance is authorized or dismissed by the specialist. The aggregate procedure comprise most extreme of 6 stages:

Step-1: The customer applies for a specific measure of advance in a recommended frame which is accessible in the branch office. He needs to specify the sum; the reason, the home loan property that he can guarantee and the time when he wish to appreciate the sum.

Step-2: The branch chief and the clerk at that point assume the liability to visit and assess the worry. They need to set up a credit report making reference to the current condition, resources and liabilities proportion, and notoriety alongside the source of the worry. He ought to be some suggestion about the reliance of the firm.

Step-3: Then the credit report is sent to the first office for endorsement. In the local office two managing officer under the immediate supervision of AGM made some different proposals by considering the credit report and direct examination. At that point they will legitimize the total assets of the worry and its financial position. Here if the sum is with the capacity of the provincial head (AGM) he can endorse the credit. Generally the proposition document will be sent to the vital office. On the off chance that the managing officers discovered something disappointed they can dismiss the proposition.

Step-4: The leader of the corporate branch (DGM) can endorse a specific level of sum more noteworthy than the local office. Here the document is entirely seen by the managing officers under the immediate supervision of DGM. He may endorse the made reference to sum or reject for the intelligent reason or send to the GM office or Head office for the further thought.

Step-5: In the wake of looking into each part of the advance proposition the GM can affirm the proposition up to certain level. He may dismiss or send the document to the overseeing chief for the executives' endorsement. Here it might be authorized or dismissed.

Step-6: After the endorsement of the proposition in any of the stage locale to the top managerial staff. Bank send the proposition record alongside the essential papers of the home loan and to confirm the legitimacy of the responsibility for property for a little disappointment of the specialist the proposition might be rejected. Else he will ask for the bank to dispense the sum.

3.6) 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 –

3.6.1 Liquidity: Liquidity implies enchasing capacity of security i.e. securities that are all the more effectively cashable are more fluid. So while JBL is loaning cash to any extend or industry, sufficient consideration must be taken with the goal that the liquidity isn't endangered. That is the reason janata bank picks such securities which have adequate liquidity.

3.6.2 Safety: While loaning contributors' cash, there ought to be assurance of restoring the assets. Janata Bank practices the loaning capacity just when it is sheltered and that the hazard factors are sufficiently alleviated and secured. Security relies on

3.6.3 Diversity: There is a precept "Don't put every one of the eggs in a bin". Remembering the saying, Janata bank puts its assets in various sorts of securities of various enterprises arranged in various locales of the nation.

3.6.4 Viability: Money related help is conceded just to those elements whose activities have been assessed as in fact, industrially and monetarily noticeable. For this reason, the Bank requires the utilization of screening forms with strict pass-fall flat criteria, and additionally a scoring

framework to decide relative dangers to price and consequent direction in the administration of advance records.

3.6.5 Creditworthiness: what's more, applications for monetary help are conceded just when the substances and their essential defenders/administration groups are considered credit-commendable (shown by past reimbursement execution with the Bank or other budgetary foundations, ability to ingest obligation reimbursements from sources outside to the fundamental business being connected for, and general credit cognizance and duty.

3.6.6 Sufficiency: No subsidized or non-supported credit exposures might be conceded except if it is adequate, together with the proprietors' value, to completely fund the proposed undertaking or business necessities.

3.7.7 Yield: With the end goal to endure and build up, each bank needs to make benefit. From the business perspective, Janata bank thinks about adequate yield or return while financing a venture. We frequently utilize credits and advances as an option in contrast to one another. Be that as it may, scholastically this idea is erroneous. Scholastically advance is the blend of such things where credit is a piece of development as it were. For this credit area of the bank is known as development segment. Scholastically advance is the consolidated type of the accompanying things:

- ✓ Types of advances give by the branch.
- ✓ Types of security charged and their valuation.
- ✓ Procedures of credit examination.
- ✓ Documentation.
- ✓ Classification of credit.
- ✓ Analysis of auxiliary information.
- ✓ Follow up and detailing.

3.7) CREDIT WORTHINESS OF THE LOAN APPLICANT OF JBL:To choose great borrowers JBL analyzes some particular criteria of those borrowers. The Bank examinations client's character, limit, capital, guarantee, and condition (5 C's) to legitimize credit value and qualification for a bank venture, those are described below:

Character: The bank examinations past reputation of advance exchanges of borrowers in JBL and in different banks. Additionally, the precision of the data gave in the credit application is

inspected. In addition, the client's nature of respectability, duty, dependability, and industry altruism and credit character is investigated.

Capacity: The client's credit reimbursement limit and capacity is defended before endorsing advance. The Bank analyzes money inflows, surges, net benefit, and liquidity from client's monetary proclamations. Likewise, the Bank estimates about clients acquiring and soundness of the money related condition.

Capital: The bank examinations current money related position of the potential client's association. The aggregate sum of net resource, obligation value proportion and capital are inspected by the Bank. In the event that capital structure demonstrates that the firm is very turned, at that point the Bank marks it adversely

Collateral: Attractiveness of insurance is essential to bank; if clients progressed toward becoming defaulter the bank can offer rapidly that guarantee which is effectively attractive. The Bank legitimizes whether the guarantee is sheltered, anchored and adequate or not.

Condition: Separate officer gauges the monetary and business conditions amid the advance time frame. And furthermore breaks down the strength of the guage wellspring of pay of the advance candidate.

3.8) CREDIT PROPOSAL PROCEDURE IN JBL:

Clients go to the Credit Division of the Bank to take advances. Knowing the class of the advances and the prerequisites they supply the vital papers and data. Credit board assumes that data shape praise office and arranges it to the Head office credit advisory group. The official advisory group takes the choice by the earlier choice of the governing body whether the heap will be authorized or not. The choice exchanged to the branch office with the outcomes. JBL pursues a particular authorizing process. Those are:

3.8.1 Preconditions of Credit Approval Process:

1. Proposal Origination: Any credit proposition and additionally Pre-endorse Review Report must be begun by the Relationship Officer of the Credit Advertising Group or Relationship Supervisor of the Branch.

2. Identification Number: Every borrower would have an exceptional recognizable proof number. The Branch starting a Credit Proposition will allot this number in the wake of getting authorize letter.

3. Time frame for decision: Any necessity for additional data in regards to a specific credit proposition will must be conveyed in keeping in touch with the client inside seven days from the date of accommodation of the credit application.

4. Reporting approvals: An Official having credit endorsement expert will give an account of month to month premise an abridged position of all credit offices authorized by him/her amid the month in the recommended frame.

5. Review of Approval: The Head of Credit will audit at any rate 10% of aggregate endorsement of an individual official on month to month premise in regard of consistence with the Credit Hazard Administration Arrangement.

6. Revision of Credit Decision: Any credit proposition declined by an official of the Administration might be set before next higher expert for reassessment/survey of the choice.

7. Compliance to regulation: Any credit endorsement/authorize will be liable to the keeping money controls in power or to be forced by the administrative body every once in a while and to the adjustments in the Bank's approach. This is to be particularly made reference to in the authorize letter issued to the client.

3.8.2 Steps in Credit Approval Process:

Step-1:

A potential client gathers endorsed Credit Application Shape (Annexure - 1) from the Relationship Officer of Branch/Territorial Corporate Managing an account Office/Corporate Keeping money Division, Head Office/Web address of the Bank. Afterward, he/she presents the filled in Acknowledge Application Shape along for vital papers and records.

Step-2:

The Relationship Officer examines the Credit Application Frame (Annexure - 1) and different archives put together by the client and make a starter appraisal on reliability of the potential borrower.

Step-3:

The Relationship Director, separately or mutually with Relationship Officer, visit the client's business start and attempt to secure legitimate comprehension about the business position, real credit necessity, reimbursement limit and so on.

Step-4:

The Relationship Chief sends the Pre-authorize Review Report (Annexure-3) to the Corporate Keeping money Division, Head Office or to the Local Corporate Managing an account Office, assuming any. The Head of Corporate Keeping money Division/Local Corporate Managing an account Office surveys the credit proposition.

Step-5:

If the Head of Corporate Saving money Division/Local Corporate Saving money Office can't, the Relationship Chief sends a refusal letter to the client. On the off chance that he/she is certain, the Relationship Officer gathers properly filled in CIB Request Frame from the client and submits it to the Credit Data Agency of Bangladesh Bank for most recent CIB Report through Credit Organization Division, Head Office. Everything may stop here if CIB report demonstrates that the client has ordered obligation in its name and additionally for the sake of its sister concern(s). All things considered, the client is lamented as needs be.

Step-6:

Then, the Relationship Officer rates the client according to Hazard Reviewing Arrangement of the Bank. At long last, the Relationship Director begins a formal Credit Proposition in which the Head of Corporate Managing an account Division attaches his/her suggestion in regards to the proposition.

Step-7:

The Head of Corporate Saving money Division, Head Office then advances the proposition to the Credit Hazard Administration Office, Acknowledge Division along for vital papers. The concerned Credit Officer directs top to bottom Credit Investigation (Due Perseverance) and attaches his/her remarks/perceptions/discoveries.

Step-8:

The Credit Officer puts the proposition alongside his/her remarks/perceptions/discoveries before the Head of Credit/Head Office Credit Board of trustees. The Head of Acknowledge may contact for the Head of Corporate Managing an account for his/her questions. He/she may likewise express his/her reservation on a specific issue/chance and solicit the Head from Corporate Keeping money to illuminate his/her position or allude to overseeing executive.

Step-9:

The M.D may decay the proposition in the event that he/she isn't fulfilled about the proposition. On the off chance that he/she is fulfilled and in the event that it is inside his/her designated power, he/she supports the proposition.

Step-10:

If the office is affirmed (whoever is the endorsement specialist), the Credit Hazard Administration Bureau of Credit Division issues authorize letter to the Corporate Managing an account Division/Branch alongside a Documentation Check Rundown which unmistakably illuminates what are the documentation conventions required to be finished before payment.

Step-11:

The Corporate Saving money Division/Branch at that point issues authorize letter to the client in accordance with the letter of Credit Hazard Administration Office and solicitations the client to finish documentation conventions.

3.9) CREDIT ADMINISTRATIONS OF JBL:

The governing body being at the most abnormal amount of association structure assumes an imperative job on the credit organization. The top managerial staff isn't straightforwardly worried about the everyday activity of the bank. The board has assigned the specialist to the overseeing executive. The Head Office credit board of trustees and other doled out credit officers under the direction of the overseeing chief support, direct, screen and audit loaning activities all through the bank and guarantee that the credit approaches are clung to and the credit task is led in a powerful way. With the end goal to guarantee the compelling credit portfolio, the board, thusly, screens the credit division and guarantees arrangement of qualified authorities who have the correct bent, formal preparing in back, chance examination, bank acknowledge methodology and required involvement.

Credit administration departments should be ensure that:

- ✓ Ensure the credit documents are legitimately brightened. Cross-listed and reestablishment of the preview isn't permitted.
- ✓ The borrower performing precise reimbursement methodology of intrigue, arrangements and standard and a few charge and commission.
- ✓ Borrower enlisted the protection premium strategy in help of the bank and other money related delegate.
- ✓ Founded arrangements and standards are accidental low and control.
- ✓ One – site analysis of borrower business nature is by and large gotten and appraisals record.

3.10 Disbursements:

When the credit is endorsed, the client ought to be informed with respect to the terms and states of the credit by method for a letter of offer. The copy of this letter ought to be appropriately marked and come back to the foundation by the client. By no means will reserves be discharged preceding consistence with pre-dispensing conditions and endorsement by the important experts in the money related foundation.

3.11 Monitoring and Controlling of Individual Credit:

To defend budgetary establishments against potential misfortunes, issue offices should be distinguished early. A legitimate credit observing framework will give the premise to taking brief restorative activities when cautioning signs point to disintegration in the money related well being of the borrower. Precedents of such cautioning signs incorporate unapproved illustrations, unpaid debts in capital and intrigue and weakening in the borrower's working condition Monetary establishments must have a framework set up to formally audit the status of the credit and the money related well being of the borrower at any rate once every year. More incessant audits (e.g. in any event quarterly) ought to be completed of extensive credits, issue credits or when the working condition of the client is experiencing huge changes.

In broad terms, the monitoring activity of the institution will ensure that:

- ✓ Funds progressed are utilized just for the reason expressed in the client's credit application;

- ✓ Financial state of a borrower is routinely followed and administration exhorted in a opportune form;
- ✓ Collateral inclusion is frequently surveyed and identified with the borrower's monetary wellbeing;
- ✓ The establishment's inner hazard evaluations mirror the current state of the client.

3.12 Credit Risk Managements:

Credit chance is the danger of misfortune emerging from the disappointment of a borrower, backer, partner or client to meet its monetary commitments to the Bank. The Bank's credit chance arrangements characterize distinctive level hazard parameters under which credit chance is checked and controlled.

This framework applies to all credit exposures, remote trade settlement exposures and exposures emerging from settling securities exchanges for clients.

Credit chance is overseen by guaranteeing that exposures are at some point completely collateralized with proper higher edge. Every single such introduction are observed all the time and extra edge is called as required.

3.13 Objectives of Credit Risk Management:

- ✓ Strengthen credit administration framework
- ✓ Reducing Misfortune
- ✓ Optimum Benefit
- ✓ Formation of ICT based credit administration
- ✓ Risk Administration and Hazard reviewing of borrowers having limit 50.00 lac and above.
- ✓ Formation of credit Administration thinking about Globalization, Free market economy.
- ✓ Formation of solid credit strategy.
- ✓ Develop hazard Administration culture .

3.14 Loan Default in Janata Bank Limited:

Alongside this specific bank, Janata Bank, being the greatest state possessed planned bank of Bangladesh, shown hard and fast inability to recoup back payments

In 2017, spending more 820 core taka contrasted with 2016, the administration cost of Janata Bank was 1 thousand 902 core in 2017, separating the foundation of the bank, in spite of the fact that it shut 11 branches, some contends it is a disgrace to the bank administration.

3.15 Reason of Loan Default in JBL:

A borrower can default for some deliberate and accidental reasons. There has been a mal routine with regards to credit defaulting since the mid80s. This makes an extraordinary risk to the monetary foundations.

Location of Main Risk Elements and Reasons of Loan Default in JBL:

There may be hundreds of reasons for loan default of JBL out of which following are the prominent causes-

Sick Management: Tired Administration implies absence of respectability, co-task, money related/promoting learning and experience, continuance and judgment

Sick Marketing: It implies absence of opportunity, no confinement, receptiveness (no imposing business model), profundity, development and strength.

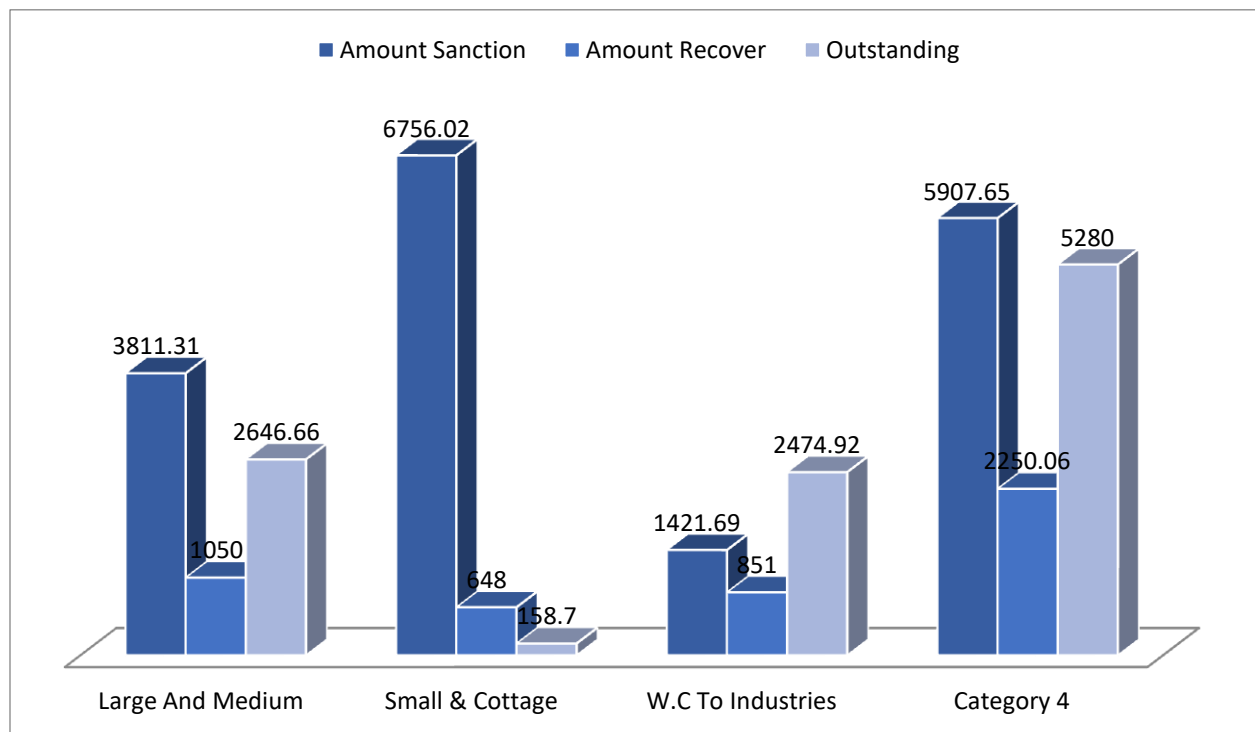
Sick Product: Tired item implies absence of value, intensity, request and strength.

Sick Operation: It demonstrates absence of productive hardware, talented work, great work connection, utilities, crude materials, access to transport and so forth.

Sick Finance: It is absence of store, reimbursement period, adaptable rate of enthusiasm, coordinating to resources, security, effective capital market and so forth.

3.16 Overall Industrial Credit Position of Janata Bank Limited:

SL No.	Nature Of Loan	Units	Amount Sanction	Amount Recovered	Outstanding
1.	Large & medium	698	3811.31	1050	2646.66
2.	Small & Cottage	21152	675.02	648	158.70
3.	W.C To Industries	1298	1421	851	2474.92
	Total	23148	5907.65	2550.66	5280.28



3.17 Allocation of Loan Fund :

Particulars	Percentage %
Trade & Working Capital	42
Industries	28
Small Industries & Various Sector Wise Finance	12
Real Estate & Civil Construction	8
Agro-Based Financing	5
Lease Financing	3
Consumer Financing	2

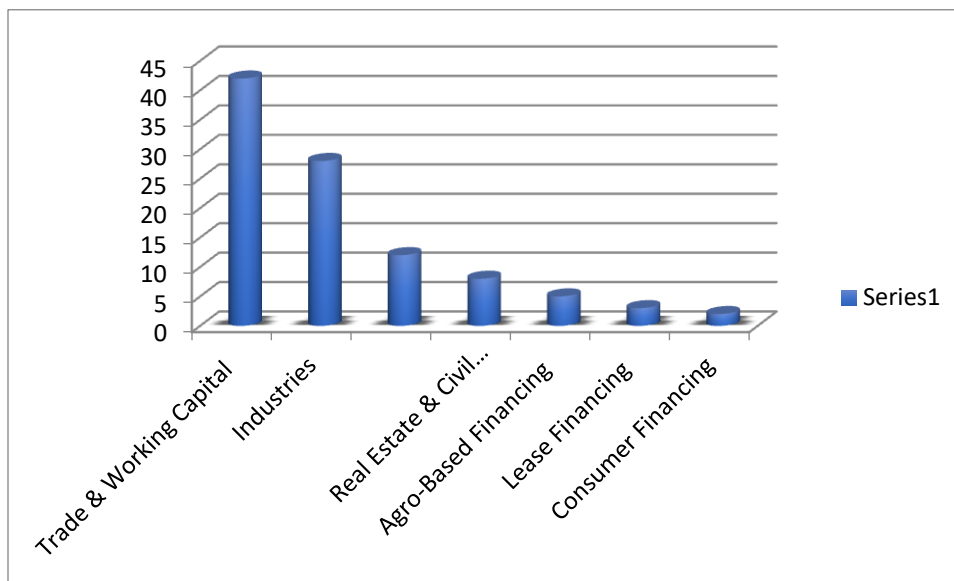


Table & Graph-1: Allocation of Loan able Funds:

Explanation: Janata Bank Ltd. assigns its credit capable assets to the exchange and working capital, industry parts, little enterprises, and land and common developments works. What's more, it is recognizable that it assigns its 45% to the exchange and working capital, this is the biggest measure of allotment among the others. The most minimal portion of its credit is 2% for its purchaser financing.

3.18 Total Advanced Distribution:

Year	Loan Distribution (Tk in Lac)
2013	45854.58
2014	41895.25
2015	45709.25
2016	43580.30
2017	49330.56

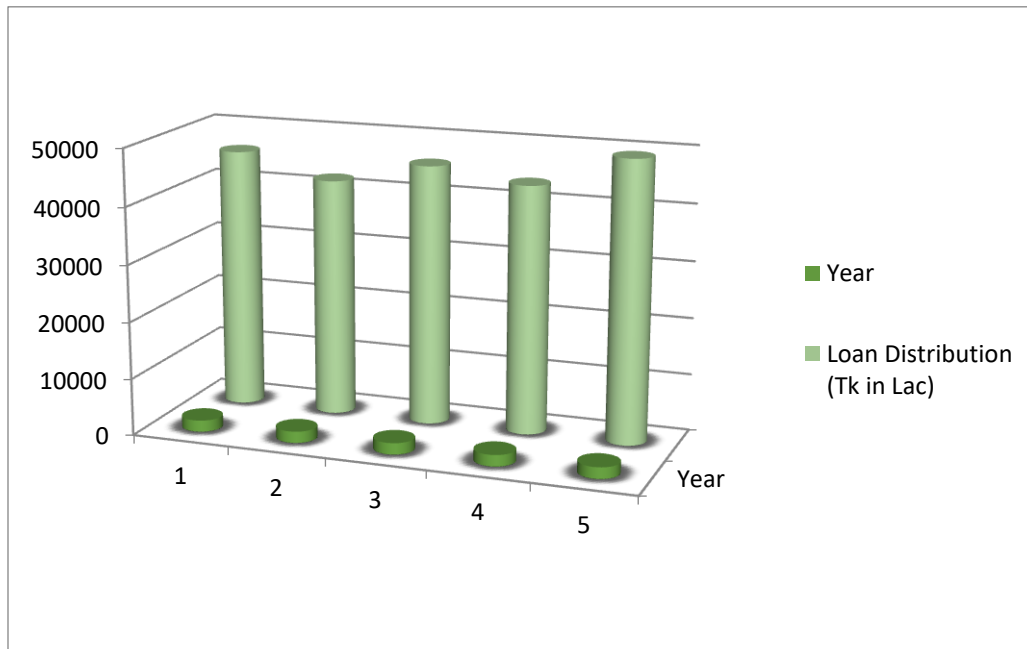


Table & Graph-2: Total Advance Disbursed:

From the above representation we discovered that in 2013 aggregate development dispensed tk.45854.58 lac, and in 2014 it was tk.46895.25 lac which more than earlier year. In 2015 the credit payment was 45709.50 and in 2016 was tk.47580.30 and in 2017 it is expanded to tk.49330.56. so it is observable that the credit dispensing of JBL is expanding a seemingly endless amount of time.

3.19 Un-Classified loan Of Janata Bank Ltd During 20013-2017:

The whole Un-ordered advance is incorporated here. I have outfitted beneath the advance and advance position of Janata Bank Limited to correlation its encouraging for most recent five years.

(Tk in Core)

Year	2013	2014	2015	2016	2017
Unclassified loan	458	639	806	481	987

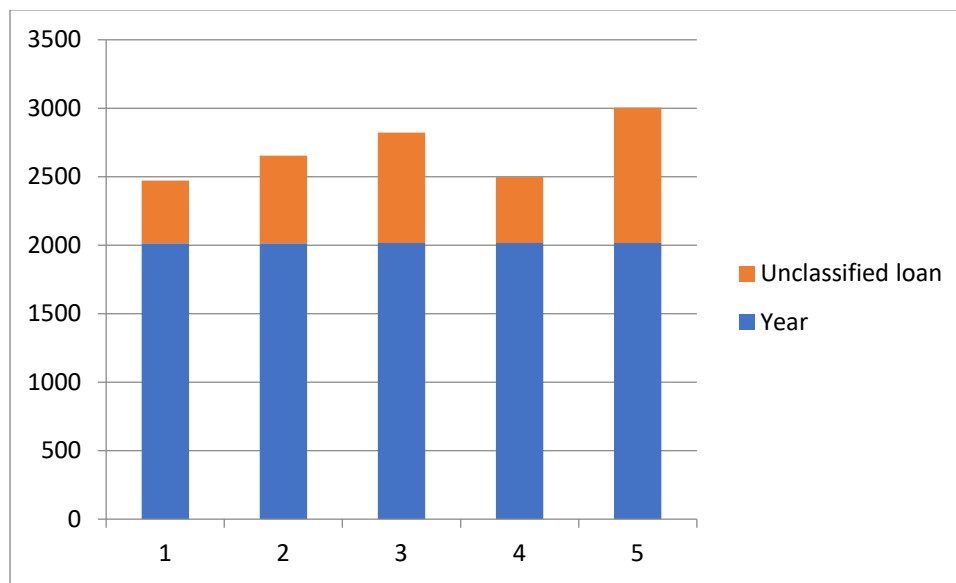


Table & Graph-3: Un-classified loan of Janata Bank Limited 2013-2017:

Explanation: Here it very well may be seen from the diagram that the Un-grouped advances and advances have been expanded step by step and it recorded TK. 987 in the year 2017.

3.20 Classified Loan of Janata Bank Ltd During 2013-2017:

The whole arranged advance is incorporated here. I have outfitted beneath the arranged credit position of Janata Bank Limited to correlation its encouraging for most recent five years.

(Tk In Core)

Year	2013	2014	2015	2016	2017
Classified Loan	467	458	620	1645	1692

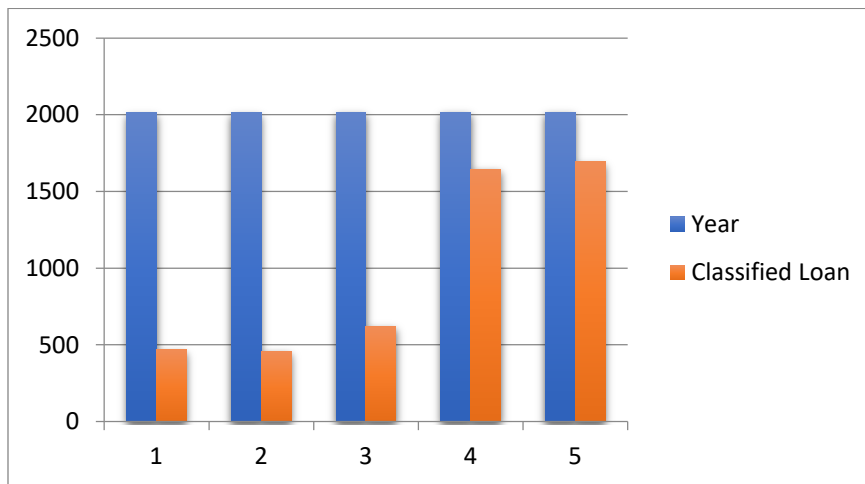


Table & Graph-4: Classified loan of Janata Bank Limited 2013-2017Explanation:

Explanation: Here it tends to be seen from the graph that the characterized advance has been expanded step by step and it recorded TK. 1698 in the year 2017.

3.21 Statement of Change Loan and Advanced:

(Tk In Lack)

Loan & Advanced	Year			
	2014	2015	2016	2017
Loan & Advanced	11871742690	14246564951	19124070288	23038761590
Loan, Cash Credit ,Over Draft	1639594703	1409058841	964587274	979109797
Bill Purchased & Discounted	1639594703	1409058841	915916032	687566839
Payable In Bangladesh	1511922523	1269354527	915916032	687566839
Payable Outside In Bangladesh	127672180	139704314	48671242	291542958

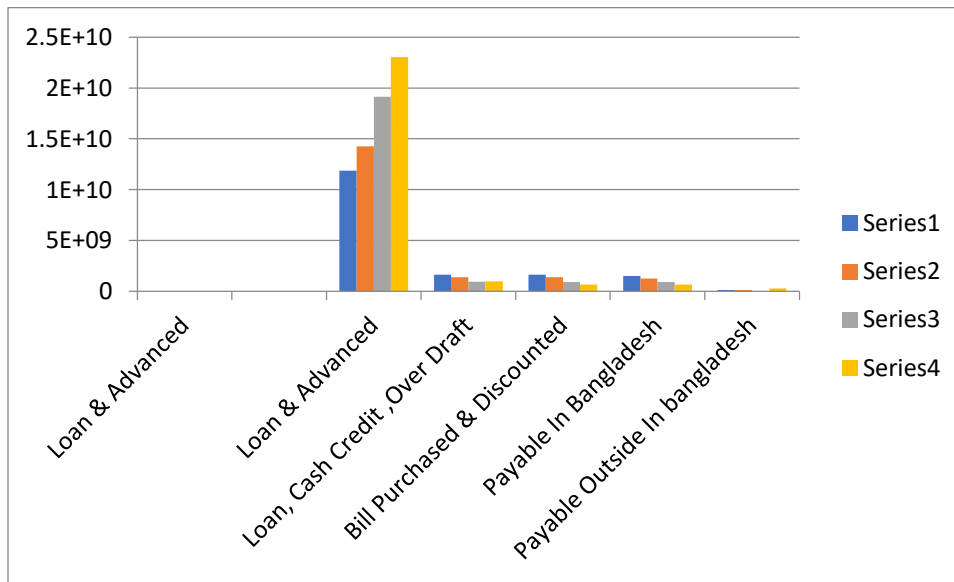


Table -01: Statement of Changes in Loans & Advances:

Explanation: Proclamation of changes in advances and advances demonstrates that Loan, money, credit and OD holds about half of the aggregate advance and advances, and Bills bought and reduced holds about 30% of aggregate advance and advances. Additionally advance payable in Bangladesh holds about 20% of aggregate advance and advances. Furthermore, the rest is for the advance payable outside Bangladesh which is about 10% of aggregate credit and advances.

3.22 Maturity Grouping of Loan And Advanced :

(Tk In Lack)

<i>Maturity Grouping Of Loans & Advances:</i>	Year			
	2014	2015	2016	2017
Payable on demand	908065455	3405548876	1747959213	1687721001
Less than 3 months	3862127737	3559081157	5096323787	6606757999
More than 3 months but less than 1 Year	4807291869	3005957959	5096323787	7321575000
More than 1 year but less than 5 year	2632993000	4056616000	5422031129	6125833000
More than 5 years	640374426	1183948223	2088744000	2936469293
Total	12850852487	1521115225	20533129129	24678356293

Table-02: Maturity Grouping of Loans & Advances:

Explanation: Development Grouping of Loans and Advances demonstrates that in year 2013 to 2017 is around exemplary. Since credit payable on interest and advance which were under 3 months and advance which were over 3 months and advance which were over 1 year and advance which were over multiyear are developed in opportune way.

3.24 Sector Wise Segregation of Loan and Advanced:

(Tk In Lack)

Sector	Year			
	2014	2015	2016	2017
Agriculture	62403000	133266000	420243000	202103000
Industry	3615288000	5459206000	8285250000	8935153000
Construction	225422000	140298000	1119639000	2185413000
Water Work	000	9877000	2548000	000
Transportation	355308000	339415000	342292000	831059000
Storage	68315000	4561000	4554000	7000
Business	6657270000	6728603000	7987439000	8529257000
Others	1866846487	2395926225	2371164129	3995364293
Total	12850852	1521115222	20533129129	24678356293

Table -03: Sector Wise Segregation of Loans & Advances:

Explanation: Statement of part shrewd isolation of advances and advances demonstrates that the advance given to the business area was particularly excellent additionally in the capacity division it was palatable. In the year 2017 in business division JBL gave tk.8, 529,257,000 and in year 2014 away part JBL gave tk.4, 561,000 for the capacity area.

Likewise JBL contributed in the vehicle and correspondence part, water segment and horticulture division for the improvement of the nation.

3.24 Location Wise Loan and Advanced

(Tk In Lack)

Division	Year			
	2014	2015	2016	2017
Dhaka Division	8305987752	9934042076	13253009063	16852103972
Rajshahi Division	177624413	243454426	364349847	481603156
Chottogram Division	3826397284	4355211533	6097568419	6476015501
Sylhet Division	90021374	162539309	201795586	207996522
Khulna Division	450821664	515904881	6164066214	660637142
Total	12850852487	15211152225	20533129129	24678356293

Table-04: Location Wise Loans & Advances:

Explanation: Proclamation of geological area astute advances and advances delineates that from the earliest starting point of 2013 Dhaka division is wanted to different divisions. Also, bit by bit it was diminishing quite a long time. Sylhet, Khulna and Rajshahi divisions are not given adequately credit and advances for their appropriate improvement. What's more, it shows that JBL did not keep up an appropriate dispersion of credit and advances to every one of the divisions of this Bangladesh.

3.25 Recovery Performance of Janata Bank Ltd:

The recuperation execution of Janata Bank Ltd isn't in an agreeable level at all and the situation of those in that regard disintegrated vigorously amid last two stages. The recuperation execution in horticulture is more regrettable than in different divisions. Then again, as private division banks disseminate more credits on here and now premise and moderately superior to open part. However, in the event that we think about it from the effectiveness point, at that point obviously they are not as yet productive in acknowledge administration as they can't recoup half of their appropriated advance in various segments.

3.25.1 Program for Loan Recovery:

At the point when JBL authorizing advance to their clients. JBL decently express the reimbursement system when the advance assertion is direct. Now and again, some client don't legitimately played out their reimbursement system due date of the advance.

State claimed business bank and Private business Bank handle this kind of issue for the most part. To dispose of this kind of exercises/issue. Bank need to make a move on particular advance recuperation issue.

3.25.2 Recovery Programs To Be Taken By Janata bank Ltd:

- ✓ To set up the new time of credit observing and supervision cell In JBL.
- ✓ To re-frame the credit endorse and circulation technique of the JBL.
- ✓ To authorize credit contrary to sufficient security however much as could be expected.
- ✓ To give more power and appropriate to the chief of the branch to better execution in credit administration basic leadership process.
- ✓ To load constraint for endorsing advance and progressed for ineffectively performed enterprises.
- ✓ To make rapidly lawful move against the borrower, who are not play out their advance.

reimbursement strategy on due time, to make rapidly lawful move however much as could be expected, In understanding to the low of confinements.

3.25.3 Recovery Patterns of Loan and Recovery:

Janata bank Limited authorizing credit and progressed to the every last single area of the economy. we must be noted to a few terms and states of advance recuperation execution.

- **Disbursement:** Maximum conspicuous equalization in any date of amid the revealing time frame short unmistakable parity toward the finish of the credit recuperation period.
- **Demand For Loan Recovery:** Remiss toward the finish of advance detailing time short noticeable credit balance end of the recuperation season.
- **Recovery:** Most extreme remarkable parity over the time of any announcing season less noticeable parity end of the advance recuperation time.

- **Outstanding:** Extraordinary credit balance figure in the record toward the finish of the advance revealing time frame.
- **Overdue:** Total demand for loan recovery minus recovery.

3.26 Problem For Loan Recovery of JBL:

3.26.1 Problem Create Economic Environment:

- ✓ **Change in Management Pattern:** Changing in the example of administration may likewise cause the deferral of advance recuperation.
- ✓ **Change in industrial Pattern:** Nationalized business bank in as unique cases endorsing the advance to the misfortune venture for the improvement of the division, however in the greater part of the cases, they neglect to achieve the advancement.
- ✓ **Performance of open market economy:** In our nation ventures basically moved toward becoming misery and close their business active of open market based economy. creation cost is high however nature of good isn't standard. Thus they move toward becoming hurting concern and the terrible credit sum increment step by step.
- ✓ **Rapid expansion of business:** In our nation there are numerous ventures which spread their business activity quickly. Yet, in a large portion of the cases development for the most part dependent on short run. In long run, the figure of arranged advance sum expanded.

3.26.2 Problem Create by The Government:

External pressure: JBL needs to confront this kind of issue towards the procedure of advance recuperation. As a piece of irregular weight from various intrigued gathering.

Sanctioning loan to the government organization: JBL is additionally attached to authorize credit to the administration association. This kind of advance are essentially losing worry for JBL. Therefore, banks need to confronted issue in advance recuperation

Legal problems: JBL principles and direction are lacking to cover the legitimate strategy of credit recuperation. Hence, defaulter may get free effortlessly from all charge forced against them.

3.26.3 Problem Create by The Banks:

Lack of analysis of business risk: Before endorsing any credit JBL does not precisely assess the business danger of the borrowers and JBL can't estimate whether the advance sum put resources into the business will upwards slanting or downwards inclining.

Lack of proper evaluation of pledge or mortgage property: In the greater part of the cases, bank can't forced condition to the genuine estimation of the security against the advance. Subsequently, if the bank credit ends up ordered, the bank can't recoup its advance sum through offers of home loan.

CHAPTER – FOUR

Findings, Recommendations and Conclusions

4.1 Findings of the Report:

Janata Bank Limited has its own advance/credit techniques. JBL s enable a cutting edge credit arrangement. As target of my report is to comment on the credit administration method of Janata Bank restricted.

In this report I endeavor to do my best to assemble data for the report and make sense of the truth of credit administration of JBL.

As various kind of information assemble amid my general temporary position period I have make sense of my discoveries here and trust this discoveries will assist me with acquiring my destinations

- ✓ JBL guarantee by and large credit administration and hazard grade strategy, In understanding to the principles and control of Bangladesh Bank any plans.
- ✓ To actualizing rules direction of Central bank, Janata Bank is hold down its situation in spreading credit office to the administration bodies, both corporate and privet segment.
- ✓ In some particular case JBL give out advance without keeping up satisfactory security. This kind of exercises damage the Bangladesh Bank Order.
- ✓ Sometime JBL authorized the advance without appropriately confirmed to the security Document.
- ✓ In JBL there is shortage of gifted labor and legitimate representatives preparing of credit division.
- ✓ Credit security record assessment methodology is moderate in JBL, consequently, presumed clients aren't consent to managing JBL.
- ✓ JBL isn't perform capably their legitimate activity methodology against their defaulter for their delinquency of credit and advance.
- ✓ To investigate the year wises advance and propelled circulation technique, it guarantee that JBL expanding their propelled appropriation field unexpectedly.
- ✓ Approving of the Classified and Un-Classified credit of JBL have expanded throughout the year and year.

4.2 Recommendation:

Janata Bank Limited need to take up some rumored businesses as best practice to build up the general credit administration method.

These are :

- ✓ Interminable checking and seeing of their customer should be keep up, on the grounds that the credit and advance can't be arranged.
- ✓ JBL need to drive more on advance separation, known as endorsing credit to a few confident segment and recently chosen promising segment of the economy.
- ✓ Political impedance should be turn aside while affirming credit.
- ✓ Security of the credit record need to keep up appropriately. Bank should concentrate more on genuine or authoritative archive of each and every kind of advance and advance.
- ✓ Actual or authoritative report maintaining the security against the credit and the advance security archive should be confirmed precisely by the officer of the bank before affirming the advance.
- ✓ JBL should be a recuperation unit that handle straightforwardly the record to constant corruption. To creating Recovery unit, rousing system should be direct.
- ✓ JBL must be give recently developed diverse kind of here and now advance known as small scale credit for the penniless individuals.
- ✓ JBL must be established individual credit recuperation office, on the off chance that it frames then their ordered measure of advance will be deducted.
- ✓ JBL should offer aggressive rate important to favoring distinctive kind of advance,

4.3 Conclusions:

In conclusions, the credit administration arrangement of Janata Bank Limited is as yet beneficial. JBL can gain more credit benefit by bringing change their credit financing cost level. Credit administration frameworks assume more urgent job in any business banks. In business banks credit framework is the imperative parts for creating credit arrangement and legitimate credit strategy outfit the monetary status of a nation.

In another words, credit is the stock, credit changes the generally speaking financial portions of the nation.

Commendable usage of credit and advance are unpredictable to satisfy the interest necessity of account holder. JBL isn't authorize any kind of advance and advance for useless reason. In this extent, JBL carefully guarantee the general advancement of credit and advance and the system the borrower exploit the acquired reserve. The credit administration frameworks likewise bear understood hazard.

The general credit branches of JBL is dictated by mechanical credit area and credit regulatory part. The credit administration system of JBL is more doable to all the more likely perform to recuperation level of ordered and unclassified advance, to watching the general advance status, it has been discover that grouped advance is lessening gradually throughout the year.

Jnanta Bank Limited dependably endeavor to build up their general credit administrations frameworks. To gain the level of limit the misfortune and amplify the benefit of the bank. JBL started to a few credit arrangement manual to blossoming the general credit administrations frameworks.

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