



Daffodil
International
University

Internship Report
On

Credit Management System of Janata Bank Limited

Prepared For

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Date of Submission: 25th October 2018

Part- One

Prefatory Part

Preface

As a student of MBA, I have completed my internship report in Janata Bank Limited on Credit Management System. During my internship program, I have tried my best to collect the information related to the topic and prepared the report within a short time. I regret my mistake in this report.

The report is a requirement of the internship program for my MBA degree. I express my heart felt thanks to my internship supervisor professor M. Mokarrom Hossain, Department of Business Administration, Faculty of Business & Economics, Daffodil International University, Who give me necessary information and excellent guidance to prepare this internship report. His valuable advice has helped me a lot in writing this report. I am immensely thankful to him for the support.

Acknowledgement

As an student of MBA Program, Internship is a standout amongst the most imperative halfway necessities of the aggregate courses MBA program. In such manner I might want to thank every one of the resources of Daffodil International University who causes me to complete my courses.

This is a summation of my ongoing investigation on "Credit Management System of Janata Bank Limited" as a piece of the internship program. Toward the starting I need to recollect All-powerful Allah for giving me the chance, quality to do this work easily and favors for our prosperity.

I might want to thank my respectable supervisor “**M.Mokarrom Hossian**” Faculty of Business & Economics, Daffodil International University, for helping me to set up the report. I will stay obligated to him for the profitable proposals and the time he has given in managing my work on report.

I was set in Shaymoli Corporate Branch of Janata Bank to fill in as an assistant. The individuals from Janata Bank administration were exceptionally co-agent and accommodating. They helped me through giving different information, direction and course. I am appreciative to **Md. Anisul Karim Khan** Assistant General Manager of Laboratory Road Branch of Pubali Bank for his participation and important help.

I am additionally thankful to every single other worker of the branch for their help and help. I unassumingly valued the persistence of the whole individual at Pubali Bank who invested their energy in influencing me to adjust rapidly to the earth of the bank.

LETTER OF TRANSMITTAL

25th October, 2018

M. Mokarrom Hossain

Professor

Department of Business Administration

Faculty of Business & Economics

Daffodil International University

Subject: Submission of Internship Report on “Credit Management System of Janata Bank Limited: A Study of Shamoli Corporate Branch.”

Dear Sir,

This is my pleasure to submit this report of my internship Program on “**Credit Management System of Janata Bank Limited: A study of Shaymoli Corporate Branch.**” to you.

This Temporary job program has allowed me to have the sensible experience concerning my MBA program by working with delegates of different workplaces in Janata Bank, Shaymoli Corporate Branch. I endeavored my best to consider relationship by watching its activities. It gave me productive bits of information to the master life in an affiliation remarkably about setting aside extra cash structure.

I, thus pass on my appreciation to you for your co – movement, supervision and direction in coordinating and setting up this report. I have endeavored my dimension best to set up this report, which I should need to submit to you for your evaluation, is a discussion of my observation. In like manner I require your caring thought with respect to assess my report pondering the obstructions of the examination. Your thoughtful suggestion will instigate me to perform better research work in future.

Sincerely,

Afsana Arobi

ID – 161-14-1988

Master of Business Administration

Department of Business Administration

Daffodil International University

Letter of Acceptance

I have the pleasure to certify that Afsana Arobi,161-14-1990 is the student of MBA program, Department of Business Administration has completed her internship program entitled Credit Management System from Janata Bank Limited, Shamoli Corporate Branch, under my supervision as the partial fulfillment for the award of MBA degree,

She has prepared her report according to my instructions and guidance. I also certify that I have gone through the draft report thoroughly and it is satisfactory to serve the stated purpose.

She was found sincere, honest, hardworking and energetic during the program. I wish her prosperity and best of luck.

M. Mocarrom Hossain
Professor
Department of Business Administration
Faculty of Business & Economics
Daffodil International University

Declaration

I hereby declare that the report of internship named “ Credit Management System of Janata Bank Limited” is prepared by me after the completion of 3 (three) months of internship with Janata Bank Limited.

I also declare that this paper is my original work and it has not been submitted anywhere for any purpose. The report is prepared for solely academic purpose which is a partial requirement for the completion of Master of Business Administration.

Afsana Arobi
ID – 161-14-1990
Master of Business Administration
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Acronyms and Elaborations

Acronyms	Elaborations
CRG	Credit Risk Grading
FSS	Financial Spread Sheet
SOD	Secured over draft
CIB	Credit information Bureau
CC	Cash Credit
JBL	Janata Bank Limited
SA	Spread Sheet Analysis
FDR	Fixed Deposit receipt
STD	Short Term Deposit
CRGS	Credit Risk Grading Score
CD	Current Deposit
CAR	Capital Adequacy Ratio
ADR	Asset Deposit Ratio
BL	Bad And Loss
KYC	Know Your Customer

Executive Summary

Advance is the primary item by which a bank make benefits. There are such a large number of different items in bank to win however the income from that items are just a piece of the gaining advances. Bank gathers stores and contributes these stores as credit. Bank Pay enthusiasm on stores and gain enthusiasm on advance. Also, the contrast between their advantage income from advance and premium consumption on stores is bank benefits. Credit administration of the bank manages all exercises with respect to the advance. Credit administration of bank at first structures the result of advance and advances.

Janata Bank Restricted serves diverse administrations the client in various segments. Credit or advance is a standout amongst the most essential administrations of Janata Bank Constrained. Janata Bank offer credit administration to the borrowers through various items like anchored over draft, staff PC advance, official auto advance, independent company advance and so forth. Janata Bank constrained has 912 branches including 4 abroad branches and its satisfactory capital and colossal number of capable workforce innovation.

Administration chose what might be financing costs for advances and advances. Bank does not offer credit to anybody connected for advance. Based on a few criteria bank chose whether the candidate will get the advance or not .This is known as credit framework .The credit framework is performed to decide if the advance will be legitimately used by the borrower and whether the bank would ready to understand the advance back if there should be an occurrence of any default .The credit framework discovers the credit value of borrower, the motivation behind advance is reliable with appropriate principles and direction, business status of borrower and so forth. To know the hazard related with a credit offering to a specific item credit chance evaluating model is utilized. The credit is made a decision based on five criteria .they are money related hazard, Business chance, Administration chance, security hazard and relationship chance. This model is given by Bangladesh bank. Each bank needs to pursue this model to review the hazard related with any credit.

Banks group the advance and advances and give a status to each credit and advance. Banks fundamentally do it to have an arrangement of terrible obligation or misfortune against benefit. In the event that bank has arrangement terrible obligation then it can anchor contributors reserves. There are a few criteria given by Bangladesh bank to group advance and advances .Bangladesh bank additionally given the framework for keeping arrangement against benefit.

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Part –Two

Report Body



Chapter -1

Introductory Part



1.1 Introduction

Janata Bank Constrained is the biggest bank and in addition the biggest business in both people in general and private parts in Bangladesh. The bank is assuming a critical job in the financial advancement through the improvement of modern segments by giving all the traditional keeping money benefits and some specific financing exercises .The target of my examination is to survey the credit administration arrangement of Janata Bank Restricted with the utilization of both essential and optional information. To energize the customers, bank offers advances in various classifications .Each part of each bank has a credit administration office to give advance to the clients as indicated by individuals r needs. Banks are the one of key supporters of the Bangladesh economy. The procedure of monetary improvement requires the saving money segment to work proficiently and disseminate the capital assets to the best possible advancement organizations, Individuals and the administration itself are especially subject to the administrations given by these banks in the budgetary market.



1.2 Background Of The Study

After fulfillment of 36 credit of MBA program requests a write about viable experience. Entry level position program is an absolute necessity standard for Ace of Business Organization (MBA) understudies, considered to place them in a testing situation of the significant field, where the understudies get test chance to apply their hypothetical information into handy applications. Amid the temporary job preparing, understudies have the chance to embrace themselves into the specific condition of the association. It gives a remarkable chance to see the truth of business amid understudy life, which empowers them to building certainty and working learning ahead of time of the beginning of their profession.

As a component of the entry level position program of Ace of Business Organization course prerequisite, I was allocated for doing my temporary job in Janata bank Ltd, (Shamoli Corporate Branch) for the time of three months. Amid my temporary job period in the Janata Bank Ltd, I have worked under Credit administration Division, Issuing Check, and Helping Client to Open Ledger, Bill Area.



1.3 Objectives Of The Study

- >To identify the credit products of Janata Bank Limited.
- >To explain credit approval and sanctioning process of Janata Bank Limited.
- >To explain recovery Process of Janata Bank Limited.
- >To identify problems related to credit management system of Janata Bank Limited.
- > To make some recommendations based on findings.



1.4 Scope Of The Study

Janata Bank Constrained is the second biggest business Bank in Bangladesh. Janata Bank Restricted works through 912 branches including 4 abroad branches at Joined Middle Easterner Emirates. It is connected with 12,939 outside journalists everywhere throughout the world. I am appointed to take in commonsense information from Janata Bank Constrained, at Shamoli Corporate Branch. In this examination I would endeavor to focus on the hypothetical part of credit administration, that is, the meaning of credit administration, standards of credit, I would investigate the credit items and authorize process, procedure of advance recuperation, at long last I would close with the imperative assessment of the acknowledge administration for a few discoveries and suggestions.

1.5 Methodology

1.5.1 Sources of data:

Primary Sources of Data

- >Officers
- >Clients

Secondary Sources Data

- >Different books
- > Annual reports
- >Official website
- >Officials files and document
- > Unpublished data
- >Different journals and publications

Target Population

Officers and Clients of Janata Bank Limited

Sampling Size

The sampling size 15 clients and 12 Officers

Sampling Methods

Convenience sampling

1.5.2 Method of data collection

Face to face conversation with the clients and officers.

Practical desk work.

Informal conversation with clients.



1.6 Limitations Of The Study

To set up a give an account of the point like this in a brief length isn't simple assignment. From the earliest starting point to end, the investigation has been led with the expectation of making it as a total and honest one. In setting up this report a few issues and restrictions have experienced which are as per the following:

- >The primary limitation of the examination was inadequacy of data, which was required for the investigation. There are different data the bank worker can't give because of security and other corporate commitments.
- >As the information, as a rule, are not in composed way, the bank neglected to give all data.
- >Due to time impediment, a large number of the angles couldn't be talked about in the present report.
- >Since the bank faculty were extremely occupied, they couldn't pay enough time.
- >Lack of chance to access to inward information.
- >I needed to base on auxiliary information for setting up this report.
- >Legal activity related data was not accessible.



Chapter -2

Profile of Janata Bank Limited



2.1 Overview of Janata Bank Limited

Janata suggests people. This is a dynamic Bank. In a split second after the ascent of Bangladesh in 1971, the past Joined Bank Compelled and Affiliation Bank Limited were nationalized and renamed as Janata Bank. It has been working since its initiation in 1972 both in Bangladesh and abroad. Janata Bank Ltd. has been accepting a basic employment in the financial enhancement of the country by gathering venture reserves and appropriating resources into different productive territories. It is similarly an imperative player in the fields of little scale credit and programming enhancement. Including 4 abroad branches Joined Bedouin Emirates Janata Bank keeps up its business with 912 branches the country over having a noteworthy gathering of around 13,768 (As on 31.03.2017) agents with its head office arranged at Janata Bhaban at Motijheel C/A, the center of the capital city, Dhaka. The Bank agent's more than 16(sixteen) thousand individuals. The Directorate is made out of 13 (Thirteen) people headed by an Overseer. The Boss are delegates from both open and private divisions. The Bank is passing by the President and Administering Boss, who is an assumed specialist. The corporate head office is arranged at Dhaka with 11 (eleven) Divisions containing 45 Workplaces.

Toward the finish of 2016 the Bank held Store BDT 641,819.15 million, Advance BDT 403,037.41 million with Approved capital BDT 30,000 million and Paid-up Capital BDT 19,140 million.

Janata Bank Compelled, a corporate body trusted consistently, the second greatest (in respect of Stores/Assets) business bank in Bangladesh, has been expecting basic employment when all is said in done cash related activities of the country and is having a long heritage of discharging excellent organizations to the overall population since her dam rapidly after the improvement of this verdant rich alluvial soil as a sovereign, free state.

The responsibility of the Bank to the national economy and social change has set standard bar so high that others in this business can't help long reaching the benchmark of achievement earned by JBL. Even more so a matter of huge benefit is that the responsibility, obligation and accomplishment of the Bank have been seen with different grandiose distinctions by national and worldwide relationship of reputation.



Mission of Janata Bank Limited

The mission of the bank is to effectively take part in the financial improvement of the country by working an industrially stable keeping money association, giving credit to feasible borrowers, productively conveyed and aggressively estimated, at the same time ensuring contributor's assets and giving a palatable profit for value to the proprietors.

Vision of Janata Bank Limited

To wind up the successful biggest business bank in Bangladesh to help financial improvement of the nation and to be a main bank of South Asia.

Awards of Janata Bank Limited

> Janata Bank awarded the award of ICMAB Best Corporate Award - 2014 by the Institute of Cost and Management Accountants, Bangladesh (ICMAB). Hon'ble Finance Minister Abul Maal Abdul Muhit handed over the award to Md. Abdus Salam CEO and MD of Janata Bank Limited on 20 th January 2015 at pan pacific sonargaon hotel, Dhaka.

> Janata Bank awarded the award of ICMAB Best Corporate Award - 2015 by The Institute of Cost and Management Accountants, Bangladesh (ICMAB).

> Janata Bank awarded best tax payer award 2015-2016. CEO & MD of the bank Md. Abdus Salam receives certificate from Hon'able Finance Minister Abul Mal Abdul Muhit.



2.2 Services Provided By Janata Bank Limited

Janata Bank Ltd. offers all the real saving money offices and administrations to its clients. The Save money with its system spreading all through the nation has a one of a kind component of tormenting back reserve funds from those spots and after that putting them into various credit portfolios.

Janata Bank Ltd. with its far reaching branch organize and gifted work force gives fast and customized administrations like issuing:

- a. DD
- b. TT
- c. MT
- d. PO
- e. FCA

The Bank provides the following internet facilities

- .Current/Savings/STD account status
- .FDR account status
- .Advance account status
- .Loan account status

Remittance administrations are accessible at all branches and outside settlements might be sent to any branch by the remitters supporting their recipients. Settlements are credited to the record of recipients in a flash or inside most limited conceivable time.



2.3 General Credit Line Of Janata Bank Limited

- >The principle focal point of Janata Bank Restricted Credit Line/Program Is financing business, exchange and mechanical exercises through a powerful conveyance framework.
- >Credit is likewise offered to 15 (fifteen) push segments, as reserved by the Administration, at a lessened financing cost to create boondocks ventures.
- >Credit offices are offered to people, businesspeople, little and enormous business houses, brokers, makes, corporate bodies, and so on.
- >Loan is given to the provincial individuals to horticultural generation and other off-cultivate exercises.
- >Prime clients appreciate prime rate in loaning and different administrations.
- >>Credit offices are stretched out according to rules of Bangladesh Bank (National Bank of Bangladesh) and operational systems of the Bank.



Chapter -3

Credit Management System of Janata Bank Limited



3.1 Credit Management

Credit Management

Advances or credits include the most essential resource and additionally the essential wellspring of winning for the keeping money establishments. Then again, advance/credit is additionally the significant wellspring of hazard for the bank administration. A judicious bank administration ought to dependably attempt to make a suitable harmony between its arrival and hazard required with the advance portfolio. Credit examination process is the instrument, which causes the bank to anticipate the hazard and profit for the proposed venture for credit dispensing. To get a reasonable thought regarding credit evaluation process we have to know the key components of credit examination systems.

Credit

The word credit is gotten from the Latin word "philosophy" which signifies "I accept" and is typically characterized as the capacity to purchase with a guarantee to pay. It comprises of real exchange and conveyance of merchandise and ventures in return for a guarantee to pay in future. It is essentially the inverse of obligation. Enhancement of managing an account benefit has quickened the utilization of credit in the extension of business task. It is a crucial statute of saving money wherever that advances are made to clients in dependence on his guarantee to pay as opposed to the security held by the investor.

Background, Character and ability of the borrowers

A person or company that has received money from another party with the agreement that the money will be repaid. Most borrowers borrow at interest, meaning they pay a certain percentage of the principal amount to the lender as compensation for borrowing. Borrower refers to a person, company or institution who obtains money or some other asset (for example machinery, property) in the form of a loan, mortgage or leasing arrangement from a lender in order to finance consumption and investment.



Characteristics and ability of a borrower:

- Credit-worthiness
- Keen money management skills
- A sense of integrity
- A sense of prudence
- Purposeful spending.

Purpose of the facility

Credit facility used by the company was because the company was interested in debt as they noticed the economy was supported by debt. The credit facility accepted by the corporation to open its doors had become a very heavy noose around the necks of the higher executives and there seemed no end in sight. The facility may apply to different projects or departments in a business and be distributed at the company's discretion.

Term of facility

A credit office assention purposes of intrigue the borrower's obligations, advance ensures, advancing wholes, financing costs, advance length, default disciplines, and repayment terms and conditions. The understanding opens with the key contact information for all of the get-togethers included, trailed by a rundown and significance of the credit office itself. The summation fuses a brief trade of the workplace's root, the explanation behind the credit and the conduct by which holds are scattered.

Safety

A business may use a credit office as opposed to reapplying for a development each time it needs money. The association may accept out an affirmation office subject to ensure that may be sold or substituted without adjusting the terms of the main contract. Certification based credit is more tied down than others to the extent risk. The workplace may apply to different undertakings or workplaces in a business and be passed on at the association's politeness. The day and age for repaying the credit is versatile.



Profitability

Profitability refers to the state or condition of yielding a financial profit or gain. It is often measured by price to earnings ratio.

$$\text{Profit} = \text{Revenue} - \text{Expense}$$

Where:

Expense = Bad Debt + Capital Cost + Fixed Costs + Variable Costs &

Revenue = Fee Income + Interest Income + Merchant Swipe Fee

Detailed above is a highly simplified version of the profit equation, understanding the levers should help understand how various origination strategies and account management strategies impact the profitability of the overall credit business.

Source of payment

The terms of interest portions, repayments and advance improvement are bare essential. They fuse the financing expenses and date for repayment, if a term credit, or the base portion entirety and rehashing portion dates, if a turning advance. The understanding unobtrusive components in the case of financing expenses may change and decides the date on which the credit creates, if material.

Diversity

Tolerable assortment of credit is the route toward distributing capital in a way that diminishes the prologue to any one particular asset or risk. A run of the mill path towards widening is to diminish peril or eccentrics by placing assets into a variety of advantages. If advantage costs don't change in impeccable synchrony, an improved portfolio will have less variance than the weighted ordinary distinction of its constituent assets, and routinely less unsteadiness than negligible precarious of its constituents.



Cash Credit (CC) Loan

A cash credit is a transient cash advance to an association. Janata bank obliged, Shamoli Corporate branch gives this kind of financing, anyway basically after the required security is given to grapple the credit. At the point when a security for repayment has been given, the business that gets the development can relentlessly draw from the bank up to a particular decided aggregate.

Characteristics of CC loan:

- > Bank Provide Hypothecation Cash Credit to its customer for day to day need of business.
- > We offer Hypothecation Cash Credit to the customer by Bank's hypothecation on stock.
- > Hypothecation Cash Credit renew every year by the Bank.
- > The purpose for availing cash credit should retain.
- > We design our cash credit scheme suitable for wholesalers, stockiest, Manufacturers, retailers, traders etc.
- > Enough Insurance is required in favor of Bank
- > Interest will be debited on monthly basis on all Cash Credit accounts.
- > In terms of Hypothecation Cash Credit against stock, customers have to submit the stock statement monthly before 10th date of month.
- > Two guarantors are required for this cash credit.
- > Monthly drawing power is decided on the basis of monthly stock statement provided by the customer.
- > Customers have to provide necessary documents as per Bank's requirements.



Green Financing

Green items are for the most part business items and have the highlights of private products. The items that don't hurt the earth yet have neither positive nor negative externality; in any case, green items that assistance make great effects on nature have positive externalities. By and large a segment of the general public specifically and, overall, the whole society in a roundabout way, is the recipient of the 'outside advantages' offered by banks.

Now a days Janata Bank Limited financing in green banking sectors. Sectors include:

- Solar Energy
- Bio-gas
- Effluent treatment plant

Personal loan for salaried person

This advance is given to settled salaried people in different associations to meet any crisis money needs at different occasions treatment/activities of basic infection, wedding, maternity consumption and so on. Loan fee is 10% p.a. what's more, greatest credit roof is Tk1, 00,000.

Micro Enterprize and Special Credit

Janata Bank Limited, Shamoli Corporate Branch has distinctive miniaturized scale credit projects of its own and in a joint effort with different offices. For fruitful usage of these credit programs particularly neediness decrease credit programs it requires close supervision and observing. To make the miniaturized scale credit programs time and practical bank has started linkage program utilizing middle people/working together offices (GOs and NGOs). Teaming up offices are in charge of sorting out the objective gatherings (leading overview, arrangement of gatherings, giving preparing and so forth.) including supervision and recuperation of credit.

The main features of different micro-credit programs are narrated below:-

- | | |
|------------|--|
| Objectives | : For creation of self employment & poverty reduction. |
| Approach | : Individual. |
| Term | : Short Term & Medium Term. |

- Security : (a) Up to Tk.50, 000/-, no collateral is required
 (b) Personal guarantee in favor of loan from an acceptable person.
 (c) Hypothecation of goods (If applicable).
- Disbursement : Disbursement is made in cash by installments. Purchase receipts/documents to be kept in respective loan file.
- Repayment : Repayable by weekly/fortnightly/monthly installment. Repayment period and mode of repayment is fixed depending on the nature of activities & generation of income

House building loan

This loan is provided against 100% cash collateral, besides; the land & building are also mortgaged with the bank. Interest rate is 15% p.a.

Executive car loan

This development is only the official means Partner General Executive to General Administrator and one Right hand General Chief of Shamoli Corporate branch would this be able to credit office. The credit entirety is 23lac for Associate General Boss and Agent General Overseer and 25lac for general executive .the bank in like manner give tk 40000 as the compensation of driver, fuel oil and keep up explanation behind Colleague General Boss and 42000 for Appointee General Administrator and 45000 for general boss.

Loan General (Big Industries)

Janata Bank obliged considers the advances which are supported for more than one year as credit (g).Under this office, an endeavor of cash related from the communicating to its finishing, i.e. from part to its creation, so as shown by this janata bank limited offering bit to its age. So as demonstrated by this janata bank confined giving development for tremendous organizations.

Rural Credit

This plan is presented by the bank for changing the financial improvement of the country individuals. Janata Bank Constrained offering advance to provincial individuals against of home loan arrive. Presently loan cost is 10 %.

Staff motorcycle loan

This loan is sanctioned only for the employees of Shamoli Corporate branch for purchasing a motorcycle. Maximum sanctioned amount is tk 300,000. The nature of this loan is term loan.

3.3 Credit Approval and Sanctioning Process of Janata Bank Limited (Shamoli Corporate Branch)

Getting Credit Information

Janata Bank Restricted gathers credit data about the candidate to decide the credit value of the borrower. The bank gathers the data about the borrower from the accompanying sources:

- > Personal investigation.
- > Confidential report from other bank Head Office/Branch/Chamber of Commerce.
- > CIB Report from Central Bank.

Breaking down these data:

Janata Bank Limited then starts examination whether the credit associated for, is following its advancing course of action. In the occasion that assent, by then it takes a gander at the reports submitted and the credit esteem. Credit esteem examination, i.e. examination cash related conditions of the credit hopeful is crucial. In the occasion that advance whole is more than 50,00,000, by then bank goes for credit chance assessing system (CRGS) and Spreadsheet Examination (SA) which are starting late introduced by Bangladesh Bank. As shown by Bangladesh Bank Gauges, CRGS and SA are a verifiable prerequisite for the development outperform of one focus. If these two examinations reflect great condition and record submitted for the credit had every one of the reserves of being pleasing, by then bank goes for further movement.

Meaning of credit risk grading (CRG)

> The Credit Hazard Reviewing (CRG) is an aggregate definition dependent on the pre-indicated scale and mirrors the basic credit-chance for a given introduction.

> A Credit Hazard Evaluating conveys a number/letter set/image as an essential synopsis pointer of dangers related with a credit introduction.

> Credit Hazard Reviewing is the fundamental module for building up a Credit Hazard Administration framework.

Elements of credit risk grading (CRG)

Especially administered credit chance looking into structures advance bank security and soundness by empowering instructed essential initiative. Auditing systems measure credit possibility and separate individual credits and social occasions of credits by the peril they present. This licenses bank organization and examiners to screen changes and examples in risk levels. The methodology moreover allows bank organization to regulate peril to redesign returns.

Number and short name of grades used in the CRG

The proposed CRG scale consists of 8 categories with short names and numbers are provided as follows

:

Grading	Short Name	Number
Superior	SUP	1
Good	GD	2
Acceptable	ACCPT	3

Marginal/ Watch list	MG/ WL	4
Special Mention	SM	5
Sub Standard	SS	6
Doubtful	DF	7
Bad and Loss	BL	8



Financial spread sheet in credit management system

1. Financial Spread Sheet provides a quick method of assessing business trends and efficiency
 - > Assess the borrower's ability to repay
 - > Realistically show business trends
 - > Allow comparisons to be made within industry
2. Borrowers that provide Financial Spread Sheets are more likely to be good borrowers
3. A Financial Spread Sheet is an important tool in a discipline of organized approach to credit analysis.

Proposal analysis

The Endeavor Suggestion is penniless down and decision about the endeavor is taken. The advances and advance division is accountable for the examination. After groundwork examination of the development errand the last underwriting is get from the boss. If the credit entirety crosses a particular total, chiefs send the development undertaking to the imperative office for definitive support. The masters in essential office find unmistakable foreseen extents and made and understanding about the likelihood of the errand. Bank surveys a development suggestion by considering, few decstined variables. These are:

>Safety

All governmental procedures are followed with regard to matters such as civil rights compliance and protection of human subjects.

>Liquidity

The proposal speaks to the readers, helping them understand the problems and the project. Summarized statements and headings are used to lead the reader. The writing style is clear and concise.

>Profitability

The budget explanations provide an adequate basis for the figures used in building the budget. If appropriate, a clear statement of commitment to continue the project after external funding is including.



>Security

All of the major matters indicated in the proposal guidelines and directions are followed carefully and addressed clearly in the proposal. The length is also consistent with the funding agency's proposal guidelines and expectations.

>Purpose of the loans

The purpose of the loan is used by the lender to make decisions on the risk and may even impact the interest rate that is offered.

>Sources of repayment

It is an important factor to properly identify the main source of repayment when underwriting credits as well as on an ongoing basis, when performing annual reviews, to ensure repayment capacity remains adequate and are in compliance with the Bank's loan policy.etc.

Proper supervision of the project

In the event that such arrangement is kept in the authorize gets, the Janata Bank Ltd. authorities go to the venture zone to see how the advance is used. In the event that no such statement to administer the credit is included, and still, at the end of the day the bank can see the execution of the venture.



3.4 Recovery Process Of Janata Bank Limited (Shamoli Corporate Branch)

An authorized money related establishment will lead a subjective evaluation of its advance portfolio containing all advances, over drafts, receivables and different augmentations of credit finally twice yearly. The audit will incorporate the credit arrangement of the trust division of an authorized money related foundations approved to take part in trust business.

There are some possibilities or inherent threats of non – recovery of fund named as loans and advances engaged in different corporate house or business entity.

Every bank and financial institutions have their own strategic plan for the recovery of loans. There has been engaged a statutory body for this purpose and some selected and innovative tasks have been followed.

Recovery programs have been followed under the supervision of recovery department. Recovery department -1 has been centrally operating the programs. The accounts of loans and advances those have been classified as sub standard has under gone for recovery program. Respective department instruct to the related branches or controlling offices (as AREA Office/Divisional Office) for operating the recovery programs and sent statement after a regular frequency of interval. The progress of recovery should be reflected through the statement and the state of the real scenario has been analyzed and necessary courses of action would be taken.

The Shamoli Corporate Branch has applied following process for recovery of its credit

Debt Collection unit

This unit head is branch incharge and chief development is the part secretary through this unit all the extraordinary advance and lapsed advance screen and recorded

Team program

Recuperation division of head office frame or change a few recuperation units and send them to various domains of the nation with the task of recuperation of advance.

Bank offices which having the standard classifications as Shamoli corporate branch additionally have teams under uncommon resources administration cell approved by focal workplaces particular unit. Team works while extraordinary recuperation programs have been pursued. Team recuperation program is a remarkable thought for recuperation of awful obligations.

Meeting of credit defaulters

Bank performs meetings to assemble the clients having defaulted credit. Focal office expert proclaims to organize gathering in various regions under neighborhood specialists of the bank. This is as like an inspiration procedure to build up the psychological condition of the defaulters for reimbursement bank advance. Money recuperation likewise performed nonpayer meeting.



Loan recovery fair

Bank performs advance recuperation reasonable inside the separate region to accumulate their defaulters as per the directions given by the focal office recuperation unit. In execution of the advance recuperation reasonable defaulters and bank authorities trade their assessment for advance recuperation process less demanding to them. Money recuperation is exceptionally energized amid the reasonable. be that as it may, if there should arise an occurrence of disappointment , rescheduling, or intrigue exclusion process, and so forth has been encouraged to the defaulters as reimbursement, strategy .advance recuperation reasonable have successful job in recuperation process.

Applying early alarm process

Some viable jobs have been encouraged to the janata bank authorities for aversion of advance default. There are some standing guidelines to the authorities for powerful administration of credit port folio. Early alarm process is the critical undertaking exhorted by the focal office to keep up the execution of credit account holders. The officers are told to issue letters or notification to the clients prior before installment according to reimbursement plan. On the off chance that the advance holder progresses toward becoming fall flat, notice ought to be issued in various interims to ensure the advance not to wind up ordered.

Legitimate methodology

Legitimate methodology has been educated to meanderer the default advance regarding issues accounts under cash court law-2003.

The officers of the Jaanta bank restricted are told to issue notice to the particular clients previously making lawful strides. Bank likewise has been told to offer the sold property under the area 12(a) of cash advance court law-2003 preceding documenting suit. In the wake of exchanging the property or move toward becoming bomb through liquidation process, banks should document suit against the defaulter to recoup whatever remains of cash.

Disclose all the options for repayment

Another important and useful process of loan recovery that is very familiar now a days. First decide the options internally that may be given to the customer for repayment of the money and explain all the options to the said customer so that he may apprise the said options during the recovery process and take decision immediately.



Newly innovative recovery techniques

Janta bank constrained is utilizing distinctive creative process for recuperation advance. Issuance of open letter on post cards to the defaulters, social net working through neighborhood regulatory unit, i.e. association porisad , police headquarters , and so on may cause successful outcomes for advance recuperation. Meeting with the aforementioned specialists after a specific interim may make social weight over the defaulters

Long term view

Janata bank restricted utilizing a compelling long haul plan for the recuperation of terrible credits. The vital arrangement, objectives and the accomplishment against them ought to be assessed through a standard recurrence of interim. Janta bank restricted refreshed this arrangement according to appraisal.

First come First Go

Any advance officer need to maintain consistent contact with the customer and always remain available whenever customer calls you for collection of amounts due. The human tendency is that if creditor is in continuous contact for the collection of amounts due and maintaining relations with the customer, the said creditor shall always get first preference in the list of creditors of the customer for the refund of the amount due. One may come to know availability of the funds with the customer only when he/she is in continuous touch with the customer. So if you are reaching to the customer for the recovery when he has money well before any other financier/creditor you will be able to recover your amounts due from such customer without much pain.

Reminding the penalties, loan amount and terms of the Loan / debt to the customer

Always reminding the customer about the terms of loan, business agreement and the charges which he will have to pay if he fails to pay or does not pay the loan amounts due. The customer understands his business well and he can anticipate the effect of the penal interest, charges and penalties on his balance sheet and may pay the amounts immediately on availability of funds with him.

Compliance with Bangladesh Bank Requirement

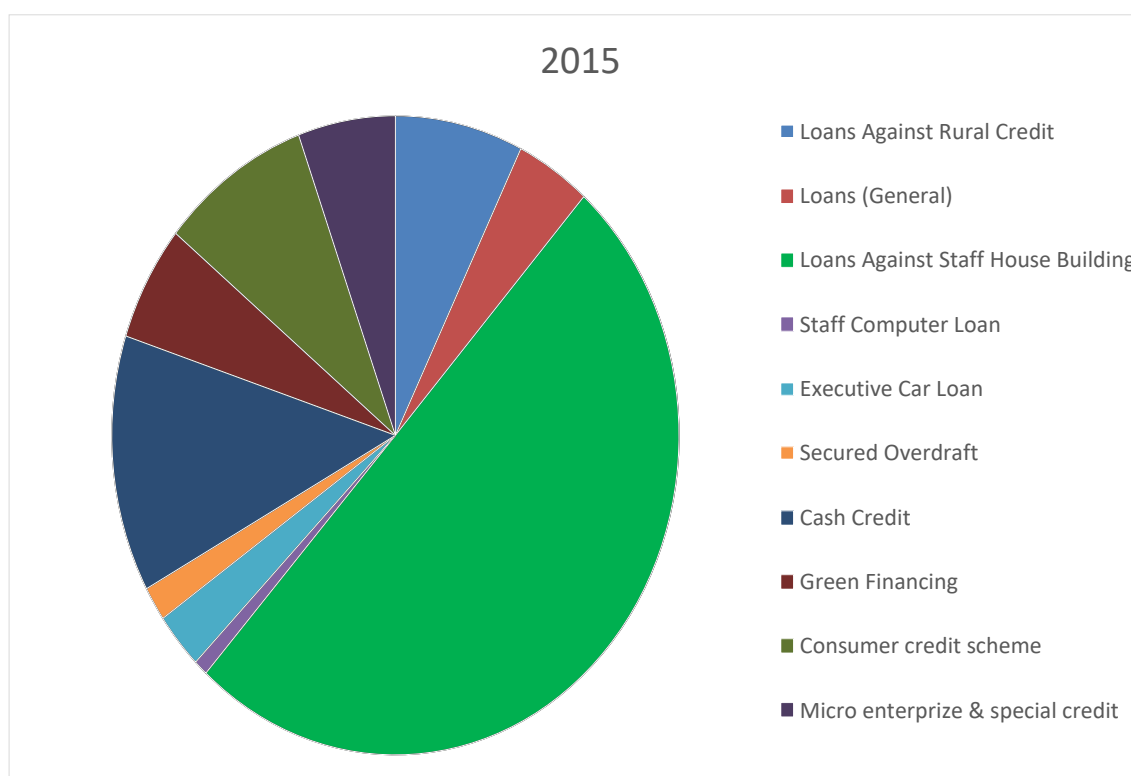
Always follow the mandate given by regulatory bodies; i.e. Bangladesh Bank for the recovery of amounts due and ensure documentation as may be suggested. The said documentation will help in recovery of amounts due during legal action.

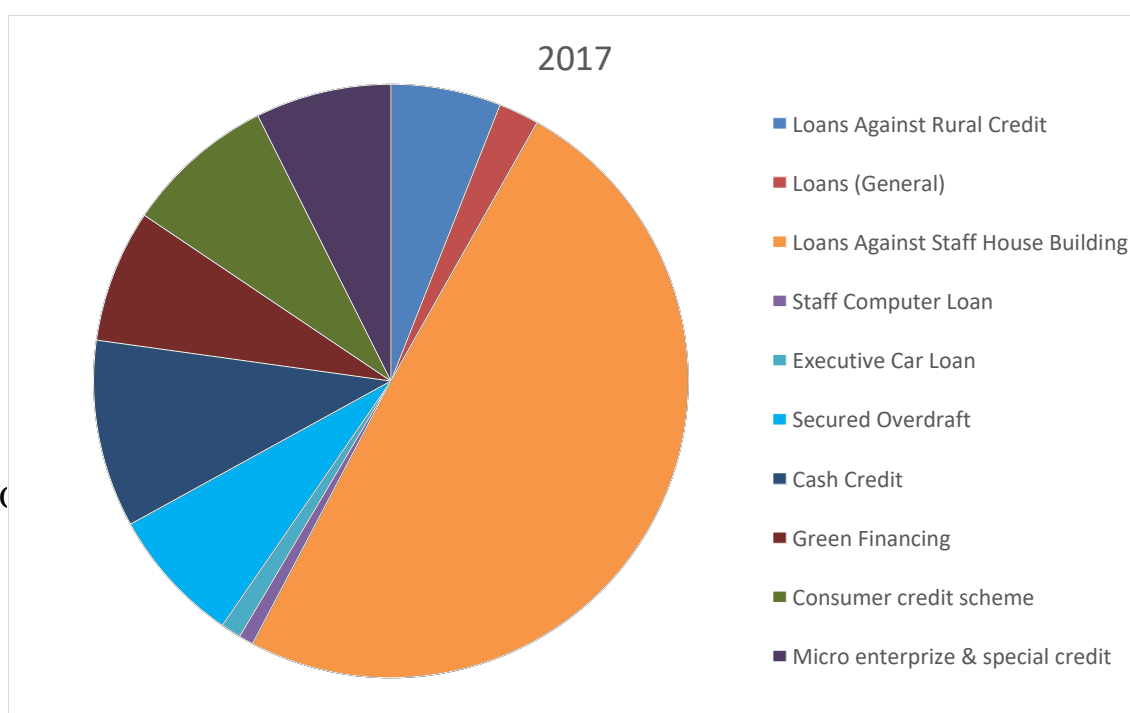
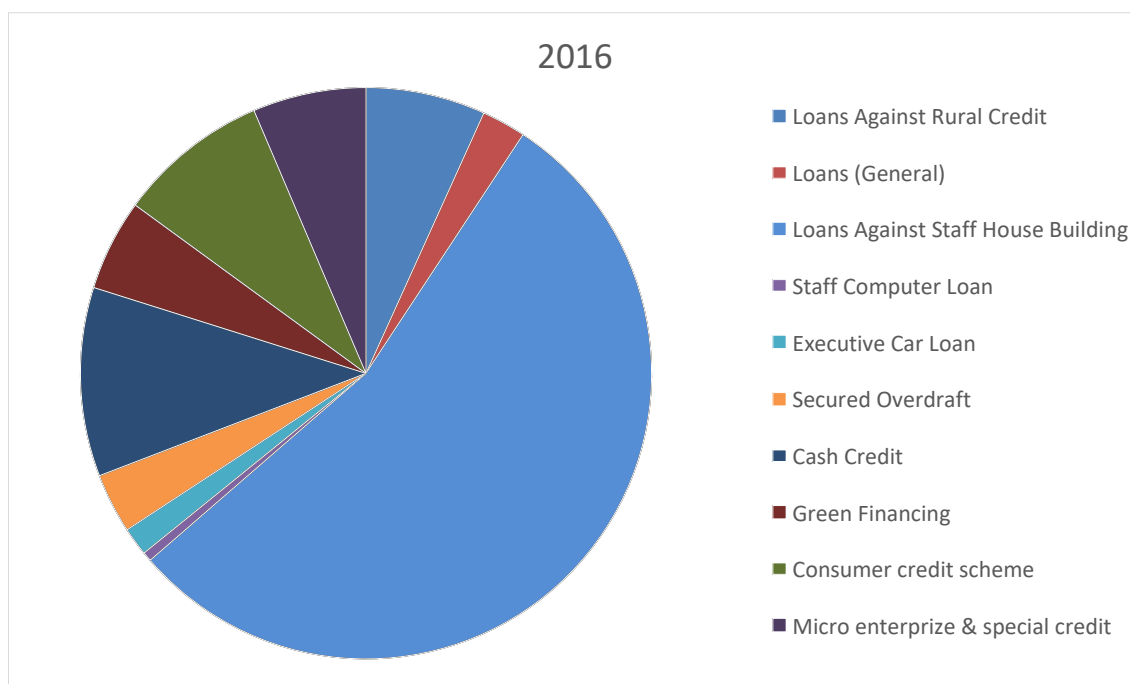
3.5 Overall Credit Position of Janata Bank Limited Shamoli Corporate Branch

Year Wise distribution of different categories of Loans & Advance:

(Figure in core)

	2015	2016	2017
Loan against rural credit	0.46	0.38	0.38
Loan General	0.27	0.14	0.14
Loan against Staff House Building	3.36	3.05	3.15
Staff Computer Loan	0.05	0.03	0.05
Executive Car Loan	0.18	0.09	0.07
Secured Overdraft	0.11	0.19	0.47
Cash Credit	0.62	0.60	0.65
Green Financing	0.37	0.29	0.46
Consumer credit scheme	0.54	0.48	0.52
Micro enterprize & special credit	0.35	0.36	0.47
	6.31	5.61	6.36





Year	Loans & Advance/ Credit	Nonperforming Loan (NPL)	Rate of NPL (%)	Cash recovery of CL	Recovery from write- off	Total Recovery
2013	5.17	0.118	2.28	-	-	-
2014	5.54	0.025	0.45	0.016	0.078	0.09
2015	6.31	0.013	0.21	0.013	0.017	0.03
2016	5.62	0.025	0.44	0.002	0.008	0.01
2017	6.36	0.004	0.06	0.024	-	0.02

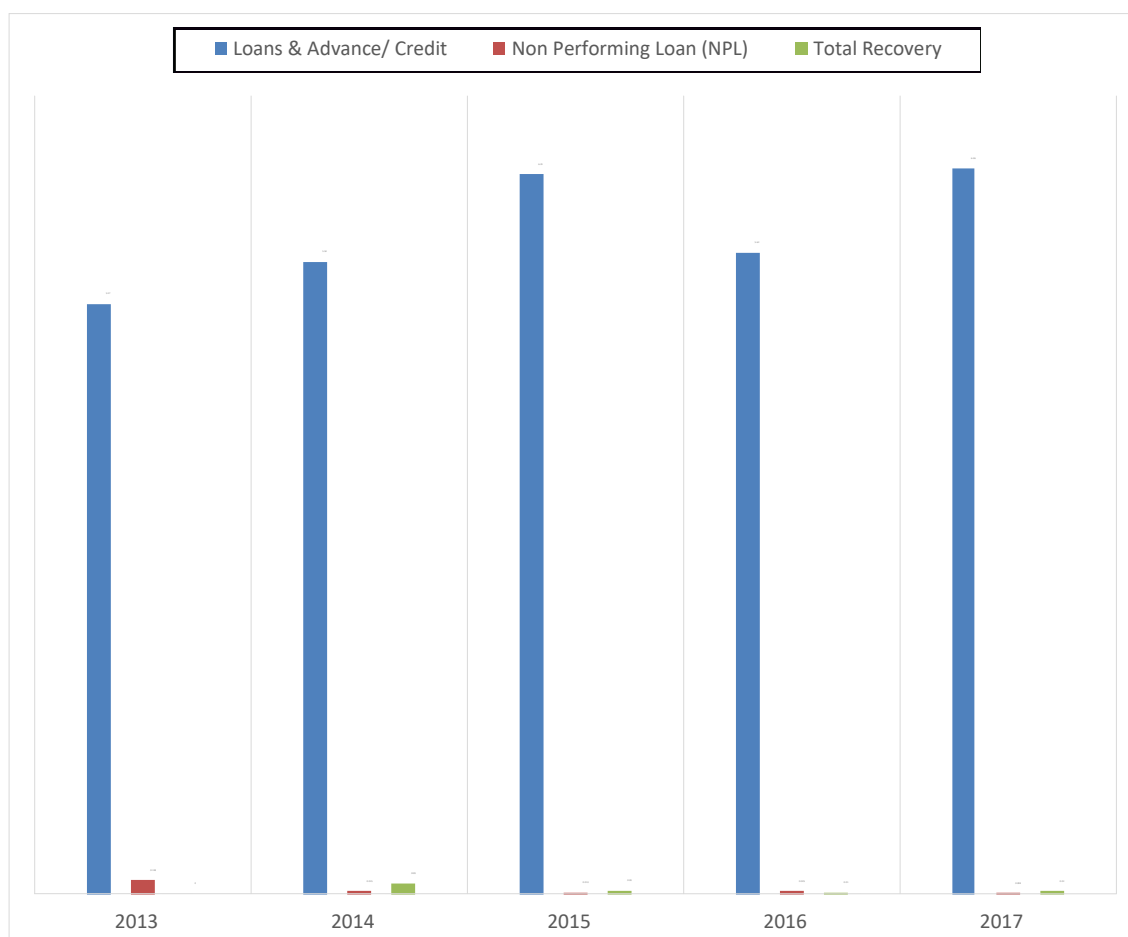
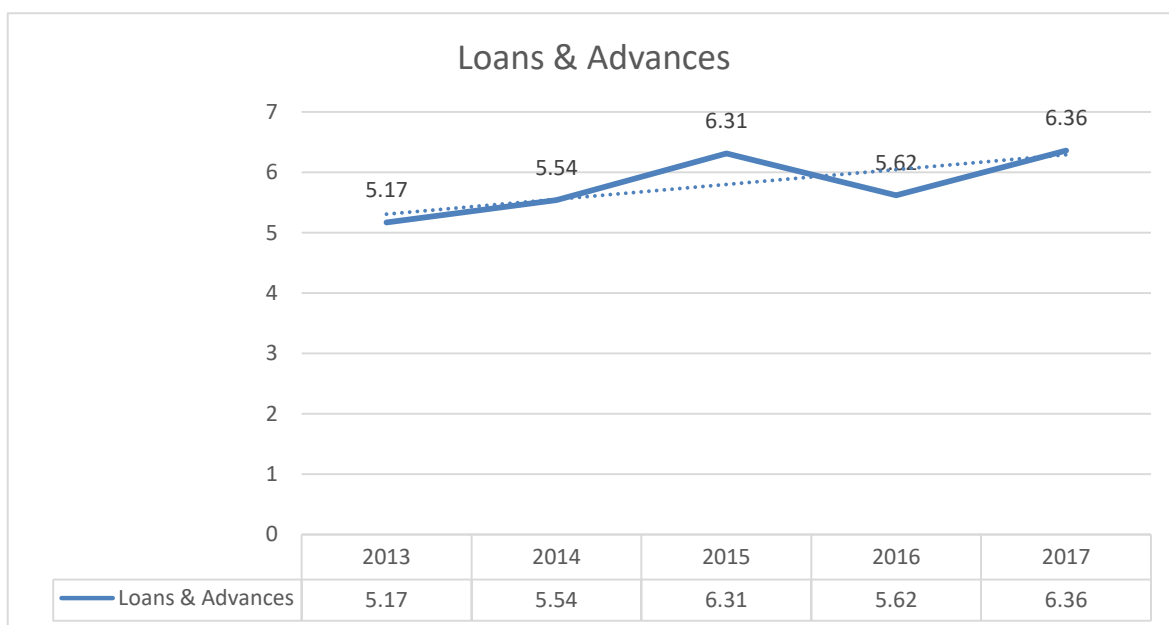


Chart: Year wise outstanding position Loans & Advance, Recovery

Trend Analysis of Loans & Advances for year 2013-2017

The graph shows that year 2016 shows downward trends while rest other years like 2013, 2014, 2015 and 2017 shows upward trends. This means that loan disburse tendency of that period looks positive. This could indicate that Shamoli Corporate Branch is developing its strategy for increasing ADR ratio.





Chapter- 4

Findings, Recommendations And Conclusion

4.1 Findings

Each bank has its own credit methodology. Bank under examination has a standard for keep up the credit program. Targets of the investigation have been intended to make a remark on the credit administration arrangement of Janata Bank Restricted, with a point of view examine on one of its branch as Shamoli Corporate. I have attempted my level best to gather the information for the examination to investigate the best outcome which mirrors the genuine situation. In view of the information have been dissected amid the examination certainties have been investigated and expressed as beneath:

1. As per the standard and bank's credit technique, credit task has been begun from the contact purpose of a branch while a client drops an application for the endorse of advance. Now and again, clients have been prompted or alluded to the separate branch with the suggestion from head office expert. Such episodes have been happened if there should be an occurrence of specific venture or extensive credit. In these cases, appropriate evaluation isn't conceivable as chiefs the most ground-breaking people and bank administration must give need towards the choice of the executives. This marvel is extremely normal in the bank which hampers the unconstrained system of credit evaluation.

2. Bangladesh Bank screens every one of the strategies of all the private and nationalized banks of the nation. As indicated by the Bangladesh Bank's methodology, all bank must has the standard approaches which are structured by the national bank. Janata Bank Ltd. likewise has a standard credit proposition shape. In that frame all important data are required to top off. Be that as it may, by and by credit officers don't top off the proposition frame appropriately. The greater part of the cases, they utilize supposition as opposed to correct figure. This training may wind up with terrible or arranged one.

3. A standard strategy begins from the client's immediate application for the advance in the branch office. In any case, it's a typical marvel that the majority of the clients specifically contact with Head office and Head office pick the branch workplaces to dispense the credit. It hampers the typical methodology. Branches dependably remain under strain when they get arrange for payment



from head office. At the point when branches get arrange from the head office, at that point evaluation framework misfortunes its formal track.

4. In spite of the fact that bank required both quantitative and subjective investigation however for enormous advances bank stresses on the Credit chance Reviewing Score (CRGS). In any case, for giving CRGS specialists in our general public are typically enticed to take resort of window-dressing that implies accounts are manipulated to the point that the indispensable certainties are covered and actualities exhibited are shallow.

5. As a rule bank faces the issue due to credit officers inability to assess guarantee property which causes the danger of non – covering the advance while transforms into terrible or misfortune. Legitimate valuation implies insurance will precisely cover the danger of terrible advance.

6. Janata Bank Constrained does not keep enough arrangements against characterized advances and advance .

7. The site of Janata Bank Constrained isn't refresh time to time. There isn't so much data accessible on that site. So hence client can not get appropriate data through the site.

8. Janata Bank Restricted as of now has 912 branches including local and abroad branches. In any case, there has lack of adequate workforces in credit discipline. Consequently branch authorities can't convey their clients legitimately and neglects to stress on the supervision after credit dispensing.

4.2 Recommendations

Based on My experience in working Janata Bank Ltd. (Shamoli Corporate Branch) as an intern, I would like to put some of my Suggestions such as-

1. Outside Weight or negative impacts blackmailed by borrowers are likewise an incredible hindrance in smooth working of advance endorsement and recuperation process. The job of government for this situation is most essential factor required to take care of these sort issues. It is seen that the defaulters by and large get different sorts of exceptions as pronounced by the administration now and again. Government must not demonstrate any sort of benevolence to the defaulters in any capacity which may empower the default culture. This sort of activity may talk the borrowers to end up determined defaulters.

2. Bank experts could be encouraged to create and upgrade their credit strategy inside a recurrence of interim not more than two as required by Bangladesh Bank. Expert ought to likewise take activities to build up their representatives' aptitudes to give better client administrations.

3. Credit activities ought to be smooth and quicker and the branch, and also the bank expert should guarantee to their representatives to furnish their administration with poise to the end clients. The endeavor to urge banks to require borrowers conform to Managing an account laws and directions and clear up modern properties before conceding credit.

4. An outlined and very much planned financials and business data ought to be produced for the clients. Janata Bank Constrained ought to likewise expand their credit observing exercises. Authorize money related investigator ought to present a standard arrangement of advance application shape which will cover all important data consent to contemporary credit approach and rules presented by Bangladesh bank.



5. Adequate proficient staff must be enlisted to decrease the shortcoming of credit administration framework. Skillful administrators will guarantee the decrease of wrong examination and assessment of ventures.

6. Performing resource order and provisioning against non-performing resource ought to be kept with legitimate consideration and direction and the separate guideline presented by the national bank ought to be kept up entirely. Specialist must have need on the improvement of separate representatives.

7. Bank ought to build up their own all around adjusted site to make their data's to the needful clients. Enhancement of credit administration framework relies upon the advancement of significant, satisfactory, appropriate and dependable database at the keeping money part banks in Bangladesh.

8. Bank ought to build up their gifted labor and there ought to be a continuous store network on improvement of HR. Adequate workforce is required to dispense a standard hazard assessment time.



4.3 Conclusion

The center piece of Bank administration is Credit management framework .The presence of a bank relies upon the credit administration framework. Provided that credit administration framework neglects to have an all around expanded advance portfolio than the bank may lose all its venture which are the reserve funds of the investors and proprietors value. The Credit administration does a wide range of the exercises in regards to the advances and advances.

Janata Bank Limited accept a fundamental employment in the dealing with a record division and furthermore in our economy. The achievement of a bank depends, as it were, on the viable credit organization system. A productive credit organization structure isn't prerequisite for a bank's own special execution yet moreover it is required for the smooth progression of an economy. In any philosophy of money related progression, thusly, it is basic to underline the appraisal of a sound and particularly consolidated credit organization system from the view motivation behind the two resources arrangement and viable assignment of advantages.

Janata Bank Limited is an eminent open bank in our nation. Janata Bank restricted doing its business effectively over 40 years which shows their well execution in credit administration framework. In view of their well performing credit administration framework the bank could pay off its terrible obligation consistently.



Part – Three

Appended Part

- A. Bibliography
- B. References



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