



Daffodil
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University

**An Evaluation of the Credit Products Marketing in Bangladesh:
A Study on Sonali Bank Limited, Ramna Corporate Branch.**

Submitted To

Professor Mohammed Masum Iqbal, PhD

Department of Business Administration
Faculty of Business & Entrepreneurship
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ID No.: 181-14-2669

Program: MBA

Major: Marketing

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Letter of Transmittal

Date: 21st August 2019

To

Professor Mohammed Masum Iqbal, PhD

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report On an Evaluation of the Credit Products Marketing in Bangladesh: A Study on Sonali Bank Limited, Ramna Corporate Branch.

Dear sir;

With due respect, I would like to state that it is a matter of great pleasure and honor for me to submit my Internship report on “**An Evaluation of the Credit Products Marketing in Bangladesh: A Study on Sonali Bank Limited, Ramna Corporate Branch**” to fulfill the requirements for the M.B.A. program. It was both a delight and a challenge as well for me to work under your direct supervision and I can never repay my indebtedness to you. I would like to convey my heartfelt thanks and sincere appreciation in recognizing your valuable contribution for allowing me to successfully preparing the report by providing thoughtful selection, guidance, and inspiration, despite your busy schedules. I shall be glad to answer any queries that you may have in this regard.

I would like to request you to accept my internship report for further assessment.

Sincerely Yours,

Sakir

Shah Md. Nazmus Sakir

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Student Declaration

I, Shah Md. Nazmus Sakir, a student Master of Business Administration, Daffodil International University, hereby state that the report Titled “**An Evaluation of the Credit Products Marketing in Bangladesh: A Study on Sonali Bank Limited, Ramna Corporate Branch**” Dhaka, has been prepared and carried by me under the supervision of professor **Mohammed Masum Iqbal**, Faculty of Business &Entrepreneurship, Daffodil International University.

I also state that no part of this report has been or is being submitted elsewhere for the award of any degree recognition.

Sakir

Shah Md. Nazmus Sakir

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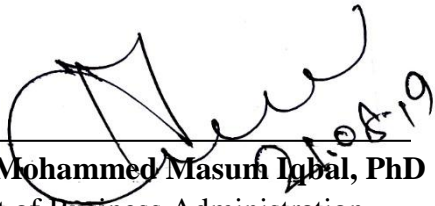
Faculty Of Business &Entrepreneurship

Daffodil International University

Letter of Endorsement by the Supervisor

The report entitled “**An Evaluation of the Credit Products Marketing in Bangladesh: A Study on Sonali Bank Limited, Ramna Corporate Branch**” is submitted as partial fulfillment of the requirement of MBA program and prepared by **Shah Md. Nazmus Sakir**, ID No.: 181-14-2669, Major: Marketing, Department of Business Administration, Daffodil International University

I wish him every success in life.

A handwritten signature in black ink, appearing to read 'Masum Iqbal', with the date '08-19' written to its right. The signature is written over a horizontal line.

Professor Mohammed Masum Iqbal, PhD
Department of Business Administration
Faculty of Business & Entrepreneurship
Daffodil International University

Acknowledgment

First & foremost of all, I would like to convey my heartiest gratitude and total devotion to Almighty Allah for blessings me with the ability, strength, patience as well as keeping me active in performing my research paper tasks successfully.

A special debt is due to my respectable sir, **Mohammed Masum Iqbal, PhD**, professor, Department of Business Administration, Daffodil International University, who has been my academic supervisor for the course of MBA. She was kind enough to allocate his valuable time to provide me with his humble guidance, motivation thoughts, ample & applicable directions for the successful preparation of this report.

I would also like to thanks to the entire respondent who unconditionally helped me and supported me throughout the survey. In the process of preparing this Report, I received genuine cooperation from a number of individuals whose names are not possible to mention in this Report but I would remember them with my heartfelt appreciation and gratitude that gave me guideline, knowledge support and helps to collect materials that I needed to complete this report. Without their help and contribution, it was impossible to complete this report.

And last but not least, I would finish off with the extension of appreciation to my family & friends-namely my parents, whose moral support worked as the main driving force and also worthy of mention are my friends for motivating me with their tips & suggestions on preparing my report.

Sakir

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Executive Summary

The bank has been converted to a public Limited Company with 100% ownership of the government and started functioning as Sonali Bank Limited from November 15, 2007 taking over all assets, liabilities and business of Sonali Bank Limited. After corporatization, the management of the bank has been given required autonomy to make the bank competitive & to run its business effectively.

This report is prepared as requirement of MBA program. This report focus three months working experiences in Ramna Corporate Branch, Sonali Bank Limited. This report will give a clear idea about Credit Product Marketing System of Sonali Bank Limited.

The main object of this report to know about the marketing policies Bank Limited. This Bank tries to provide higher quality services which leads to higher customer satisfaction. The information of the report has collected from secondary sources like books, published reports and website of the Sonali Bank Limited. It include source of existing/published data, such as: Operational manual, official website, banking journals. Research papers and account statement.

From data analysis, I found that customer have chosen Sonali Bank Limited for its goodwill and security, effective loan & advance system as will. Its most satisfied service is providing credits to the customers.

Sonali Bank Limited should give more effort to make well establish market in the context of Bangladesh. Sonali Bank Limited should be more flexible to disburse loan & advance. The bank should be increased cash counter. Sonali Bank Limited provide loan in different sector.

The Sonali Bank Limited is offering different loan and advances products to the client for financing diverse purposes that fulfill the requirements of the Bank and have good return on the investment as well satisfy clients.

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CHAPTER ONE

Introduction



1.0 Introduction:

Sonali Bank Limited, the biggest business bank in Bangladesh, is possessed by Bangladesh. As indicated by the Bangladesh Bank (Nationalization) Order 1972, President's Ordinance No. 26, 1972, 'Sonali Bank' was built up with National Bank of Pakistan, Bank of Bahawalpur and Premier Bank. With respect to enlistment of aggregate capital organizations and firms for enrolling the financial exercises through improved administration aptitudes and administrations, on 03 June 2007, the organization named "Sonali Bank Limited" and on the fifth of June, 2007, in the wake of issuing the financial permit to Bangladesh Bank by Sonali Bank Limited, in the wake of submitting "Merchant Agreement" by the Government of the People's Republic of Bangladesh and Sonali Bank Limited, on the fifteenth of November, 2007, Sonali Bank Limited began banking exercises as a constrained organization.

Sonali Bank Limited is administered by a Board of Directors of 13(thirteen) individuals. The Bank is going by the Chief Executive Officer and Managing Director, who is a notable Banker and a rumored proficient. The partnership head quarter of the bank is situated at Motijheel, Dhaka Bangladesh, the fundamental business focus of the capital.

Sonali Bank Limited has been chipping away at all parts of the financial state of Bangladesh. Different sorts of store items have been acquainted with urge people in general to spare. So as to accomplish monetary thriving by improving the nation's business exchange, agrarian and modern undertaking advances, import-trade advances, horticultural credit, private venture advances, SME advances, customer advances and different advance plans have been offering help to the general population of the city and rustic territories.

1.1 Background of the Study

Modern banking system plays a vital role for a nation's economic development. Over the last few years the banking world has been undergoing a lot of changes due to deregulation, technological innovations, globalization etc.' economy. Present world is changing rapidly to face the challenge

of competitive free market economy. It is well recognized that there is an urgent need for better-qualified Management and better-trained staff in the dynamic global financial market. Bangladesh is no exceptions of this trend. Banking Sector in Bangladesh is facing challenges from different angles though its prospect is bright now and in the future.

The objective of the MBA Program is to prepare individuals to develop the specific skills and judgment required for effective business operation. The MBA Program is designed to integrate the whole business knowledge and ideas to gather practical knowledge about actual business environment and activities.

The internship program is included with:

- 1) Orientation of the organization: to introduce to the structure, function and performance of the organization.
- 2) The study has covered the product of credit products offered by Sonali Bank Limited Ramna Corporate branch.

However, in this report, I did not cover all banking product of the Sonali Bank Limited.

1.2 Objective of the Study:

The objectives of the study are as follows:

- 1) To identify the credit products of Sonali Bank Ltd, Ramna Corporate branch;
- 2) To explain the marketing strategies of credit products of Sonali Bank Ltd, Ramna Corporate branch;
- 3) To identify problems related to the marketing activities of Sonali Bank Ltd, Ramna Corporate Branch;
- 4) To make recommendations to solve the problems of Sonali Bank Ltd, Ramna Corporate Branch;

1.3 Importance of the Study:

This study will provide the correct information of the credit product types, marketing from the customer's viewpoint to take the loan.

1.4 Scope of the Study:

The scope of the report is limited to facilities provided by Paltan Corporate Branch of Sonali Bank Limited. Sonali Bank provides a wide range of facilities to its customers. Employees are very much caring to their customers.

CHAPTER TWO

An Overview of the Organization



2.1 Vision

Socially committed leading banking institution with global presence.

2.2 Mission

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

2.3 Slogan

Your trusted partner in innovative banking

CHAPTER THREE

Review of the Literature



3.1 Credit Product:

Credit Products means any and all commitments or obligations under which the Bank agrees to make payments on behalf of or for the account of the Borrower, including letters of credit, guarantees or other arrangements intended to facilitate transactions between the Borrower and third parties, or under which the Bank enters into a credit or financial accommodation, agreement or other arrangement with the Borrower.

3.2 Types of Credit Products of the Bank:

Credit Scheme

House Building Loan

Customer Credit

Special Small Credit Scheme

IT Finance

Loan for Diagnostic Center

Overseas Employment Loan Scheme

Staff Loan

Small Loan Scheme

Loan against Trust Receipt (LTR)

Payment Against Documents (PAD)

Loan documentary Bill Purchase (LDBP)

1. House Building Loan

This loan is provided against 100% cash collateral, besides; the land & building are also mortgaged with the bank. Interest rate is 9%.

2. Consumer's Credit

With the steady development of the industrial and the service sectors in Bangladesh, the level of personal consumption has recorded progressive growth. To cater to the growing demand for consumer durables, Sonali Bank Limited has launched the "Consumers' Credit Scheme", with the following features:

Eligibility	:	Permanent employees with 5 years' service in Govt., Semi-Govt. organization and Autonomous & recognized bodies.
Loan Limit	:	Maximum Tk. 1.00 lac.
Debt-equity ratio	:	75:25
Interest rate(w.e.f. 01, September 2009)	:	14.00%
Mode of repayment	:	Monthly installment.
Period of loan	:	Maximum 3 years.
Security	:	a) Hypothecation of consumer goods to be purchased. b) Letter of guarantee from the employer. c) No objection certificate & salary certificate from employer. d) Lien on provident fund/gratuity.
Designated Branches	:	All district branches and the corporate branches.

3. Special Small Credit Scheme

Due to the limited income of public servants, their standard of living is normal. Sonali Bank Limited has launched the following special micro-credit programs to increase their ability to purchase essential consumer goods by providing financial support to the limited income professionals and to improve their living standard through loan assistance in various income generating activities.

Credit worthiness: Private / autonomous bodies / officers of the corporation and teachers of government / private sector (MPO colleges, madrasa and primary / secondary schools). Applicants must be a permanent employee and must have at least three years of employment to complete the data of departure at LPR.

Loan Limit: From Tk. 20, 4 to Tk.

Margin: 25% of the loan limit.

Term and Installment: The Period is from 12 months to 6 month. Monthly installment money will be determined based on the term.

Interest Rate: At a rate of 12 % (Simple Interest) Which is convertible.

4. IT Finance

IT Project Financing

For growing international markets for software and data processing this scheme provides long term and short term credit facilities on easier terms to set up and run IT based projects.

- Loan Limit : Maximum Tk. 1.50 million. In deserving cases, up to Tk.10.00 million may be considered.
- Debt-equity ratio : 80:20
- Period of loan : Maximum 6 years including 1 year grace period.
- Security: : In case of Rented premises collateral of immovable at least covering prayed loan is needed. in case of project with own land & building no collateral security other than the personal guarantee of the loaners is required. Entrepreneurs offering collateral security will be preferred. Or Loan may be consider with personal guaranty of worthy person(s) (Third party) and in such case original certificates on academic achievements of the sponsor are required.
- Interest rate(w.e.f. 01, September 2009): 11.00%

IT Export Financing

For export of software and processed data short term finance is extended to existing IT projects.

- Eligibility : Feasibly implemented and properly staffed IT projects with export L/C or firm contract in hand may apply. Export through setline, BTTB confirmation required.

Loan Limit : Tk. 1.00 million. For larger contract higher amount may be considered.

Debt-equity ratio : 90:10

Period of loan : L/C or Contract period plus 21 days but not exceeding 180 days from the date of disbursement.

Security : L/C or Contract period plus 21 days but not exceeding 180 days from the date of disbursement.

Interest rate (w.e.f. 01, September 2009) : 11.00%

5. Loan for Diagnostic Center

Sonali Bank Limited has launched a new loan scheme for "Diagnostic Center" to promote medical facilities. The salient features of the scheme are as follows:

Nature of loan : Cash Credit (Hypothecation).

Debt-equity ratio : 60:40

Interest rate(w.e.f. 01, September 2009) : 14.00%

Primary Security : Stock of Chemicals, X-ray papers, Injection Syringe, Medicine etc.

Collateral Security : Collateral security twice the value of the loan is required.

Period of Loan : One Year.

6. Overseas Employment Loan Scheme:

1. Nature of Loan: Overseas Employment Loan Project.

2. Loan limit: 5% of actual cost including actual airline rent, labor and manpower for departure for employment and commission, service charge and other charges paid by the Ministry of Expatriates' Welfare and Foreign Employment as per the rules of the Government, but a maximum of 1.5 (three). Up to lakhs.

3. Term of loan: 3 (three) months 24 (twenty-four) / 36 (thirty-six) months with grace period. The term of the loan will be determined according to the contract stated in the contract.

4. Interest Rate: Up to 12% simple interest rate and payable. But according to the principle of interest it is changeable. If no installment is defaulted, a 2% rebate will be given on the interest charged.

5. Eligibility for obtaining loan: Only Bangladeshi nationals who have been certified and visa eligible for final employment abroad are eligible for this loan. However, before the approval of the loan, the CIB report should be collected in the name of the concerned applicant. The recruiting agency through which to take a job abroad must also be acceptable and reputable in the export of manpower.

6. Loan application: The borrower will have to apply in the prescribed form of the bank and in writing. The following documents should be submitted along with the application form.

7. Staff Loan

Bank official from senior officer and above is eligible for this loan. The maximum amount disbursed is Tk. 50,000/- for a period of 2 years.

8. Small Loan Scheme

SBL introduced three new small loan scheme are:

- a) House Renovation Loan
- b) Personal Loan
- c) Small Business Loan

8.1. House Repairing/Renovation Loan Scheme

This loan is offered for renovation and modernization of the house/building/flat which are acquired by inheritably or purchasing and other ways to make the properties liable and durable.

Interest rate is 15.50%.

8.2. Personal Loan for Salaried Person

This loan is provided to fixed salaried persons in various organizations to meet any emergency cash needs at various events- treatment/operations of critical disease, matrimonial, maternity expenditure etc. Interest rate is 11% and maximum credit ceiling is Tk1, 00,000/-

8.3. Small Business Loan Scheme

This loan is offered to the small and promising entrepreneurs to meet their capital requirements and enable them to operate and expand the business purposely. Maximum credit ceiling is Tk 5.00 lac with interest rate is 10%.

9. Loan against Trust Receipt (LTR)

Investment allowed for retirement of shipping documents and release of goods imported through L/C fall under this head. The goods are handed over to the importer under trust with the arrangement that sale proceeds should be deposited to liquidate the investments within a given period. This is also a temporary investment connected with import and known as post-import finance and falls under the category “Commercial Lending”. Interest rate is 16%.

10. Payment Against Documents (PAD)

This facility originates payment of Import bills on lodgment of CLEAN shipping documents received from FOREIGN correspondent against Letter of Credit opened on behalf of the customers. This is an obligation which the bank shall extend strictly on the merit of shipping document and which must conform to the terms & conditions of LC.

11. Loan documentary Bill Purchase (LDBP)

Payment made against documents representing sell of goods to local export oriented industries,

Which are deemed as exports, and which are deemed as exports, and which are dominated in local currency/foreign currency falls under this head. The bill of exchange is held as the primary security. The client submits the stance bill and the bank discounts it. This temporarily liability is adjustable from the proceeds off the bill

3.3 Marketing of Credit Product of the Bank

Marketing Strategy:

Banking business is becoming competitive day by day. Each and every bank is having their own marketing strategies. Because an innovative and effective marketing may help an institution to have a firm position in the market. Now let's have a glance at the marketing strategy of Sonali Bank –

Market Segmentation

<u>Segments Of Sonali Bank</u>	<u>For Whoom</u>	<u>Segmentation Criteria</u>
Current Account	For Corporate Clients	Income level
Savings Account	For students and service holders	Occupation + Income Level
STD Accounts	For the corporate clients and others	Income level
Cheque	Who wants to get a cheque	Social Class
Deposit Scheme	For them who want to invest	Income level + Lifestyle + Benefits

Education Savings Scheme	For the Students	Occupation
Monthly Benefit Scheme	To get some money as per month	User Status
Fixed Deposit Scheme	To get a fixed amount after certain Period of time	Occupation + Family lifestyle
Lakhopati Deposit Scheme	To get one lakh tk after a certain period of time	Income level + Occupation
Double Benefit Deposit Scheme	To get the amount twice	Benefits
Remittance	To transfer money from one place to another	Lifestyle
Demand Draft (DD)	Transfer money from one branch to another	Income level
ATM	For the general clients	Usage Rate
Master card	Mainly For Corporate clients	Social Class + Lifestyle
Islamic Banking	For the Islamic minded people	Religion

Target Market:

In our country Bangladesh most of the people is mid and lower mid income level. Sonali Bank is targeted and designed their product for those two types of people.

Market Positioning:

Market positioning means the activity of making position or image in the mind of customer. Sonali Bank achieved that position from the other bank perspective. There have some reason that the bank created an image given below:

- 1) **Reliability:** Reliability is one of the vital element for the customer attention. Sonali bank trying their best service from the beginning. So all kind of people like old, young, mid age people have the belief in Sonali bank for consistency in the good service. Many old persons whose are taking service from many years ago. They are saying about satisfaction of the service of Sonali bank to their next generation. As a result reliability has been grown to this generation.

- 2) **Security:** All people knows as a government organization Sonali bank is more secure. So people feels deposit money is secured to them.

3.4 Marketing mix

Product

Product is anything that can be offered to a market for attention, acquisition, use or consumption and that must satisfy a want or need. Levels of product may be of following categories_

- Augmented Product.
- Actual Product.
- Core Product.

Today banks are diversifying their product to attract the customers and to cope with the changes of customer demand. But Sonali Bank is still offering ordinary and basic products. It has few numbers of products which are just not sufficient. Though sonali bank is having very few products , they are having large numbers of customers. To satisfy them Sonali Bank must try to diversify its products.

Price

Price is the amount charged for a product or a benefit. Though price is not a dominant factor in banking business, it may be an effective tool. Price variables of a bank are-

- Interest Rate.
- Transaction Cost.
- Processing fee.

Now let's have a glance at the initial amount of opening a bank account of Sonali Bank-

- FDR: For opening an FDR with Soanli bank a customer has to bear very few cost compared to other banks.
- Current Account: A customer is required TK.1000 to open a current account in Sonali bank.
- Savings Account: The initial amount required to open a savings account in Sonali bank is only TK.500. Which is very minute compared to other banks.

Service Charge: Service charge of private banks is a burden for a customer. But in this case, Sonali bank seems to be very customer friendly. It does not impose any service charge to the customer.

Interest Rate: For savings account interest rate of Sonali bank is 8%. It gives 10% interest in FDR. No interest is paid in current rate.

Place

The number of branch is comparatively higher rather than other private banks. Most of the bank provide service mainly in the urban area. But Sonali Bank providing service in the urban and rural area.

Promotion

They use different tools for promotional activities.

Advertising: They spend a lot for advertising compared to other banks. they broadcast different types of advertising in advertising in electronic media. their advertising campaign is based on social perspective.

Social Work: They contribute a lot in different types of social work. it is used as the most effective promotional tool. Such as assistance to the acid victim, smile brightening program.

Promotional activity: Sometimes they arrange some promotional activities inside or outside of the bank to promote their products. They do CSR program as part of promotional activities.

3.5 ANALYSE OF LOAN DISBURSEMENT AND RECOVERY SCENARIO:

It is the duty of the recovery department of the Bank to recover the landed fund within the stipulated time and if the borrower fails to repay the money within the said period Bank will

Declare him as a defaulter and recover the funds by selling the securities given by the borrower or by freezing his account or make a suit against him.

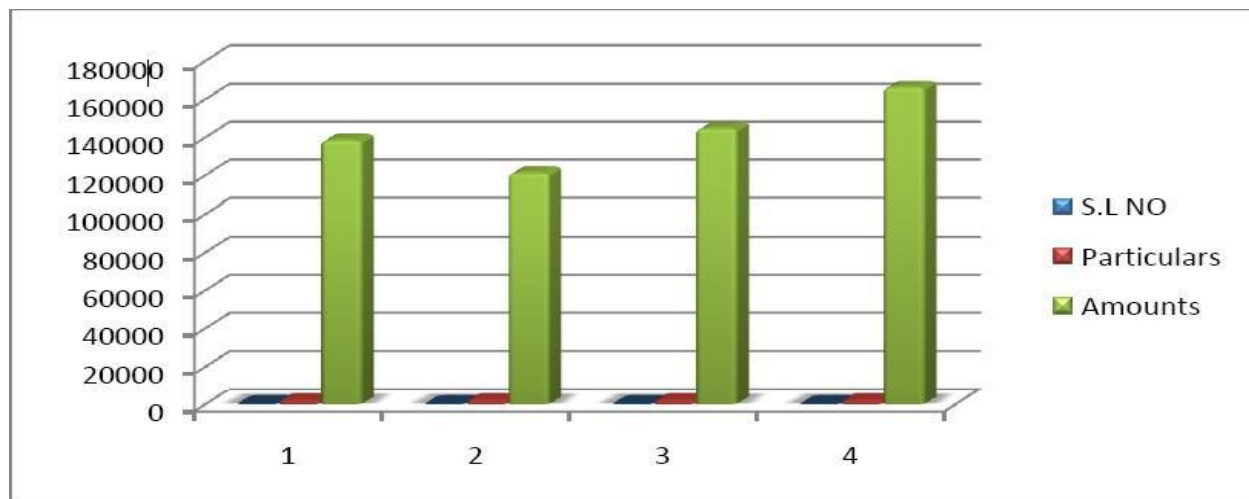
3.5.1 The total outstanding Loans and advances of Sonali Bank from 2010 to 2013 are given below:

(Tk in Millions)

SL. NO	1	2	3	4
Particulars	2010	2011	2012	2013
Amounts	138493	121200	144678	166359

.Source: Sonali Bank’s Annual Report

Graphical representation: 01



Comment: In the above figure we see that the total Loan & advances of Sonali Bank from 2010 to 2013 is increasing trend that indicates better performance in providing Loan & advances. In the total Loan & advances of Sonali 25% to 30% Loan is Industrial Sector Loan. Industrial sector of Sonali Bank consists of Jute industries, Tannery Industries, Textile Industries, Agro Industries and Industrial credit etc.

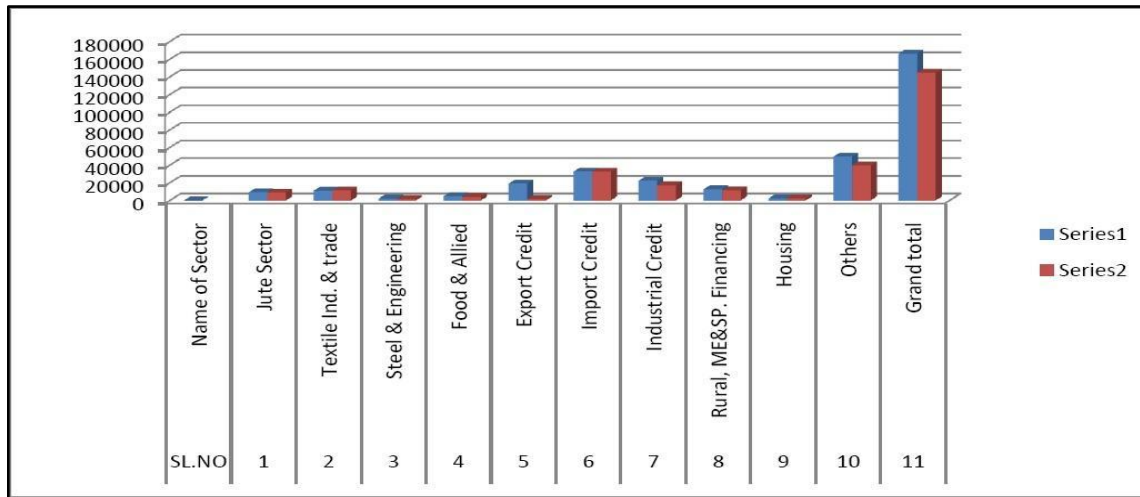
3.5.2 Sector wise Loans and Advances

(Tk in Millions)

SL.N O	Name of Sector	2013 2012	+ / (-) TK. %	+ (-)
1	Jute Sector	9368 8909	459	5.15
2	Textile Ind. & Trade	11076 11325	(249)	(2.20)
3	Steel & Engineering	2218 1515	703	46.40
4	Food & Allied	4692 3903	789	20.21
5	Export Credit	19083 15550	3533	22.72
6	Import Credit	32704 32510	194	.60
7	Industrial Credit	22372 17160	5212	30.37
8	Rural, ME & Financing	12855 11496	1359	11.82
9	Housing	2362 2490	(128)	5.14
10	Others	49629 39820	9809	24.63
11	Grand Total	166359 144678	21681	14.98

Source: Sonali Bank's head office document

Graphical Presentation: 02



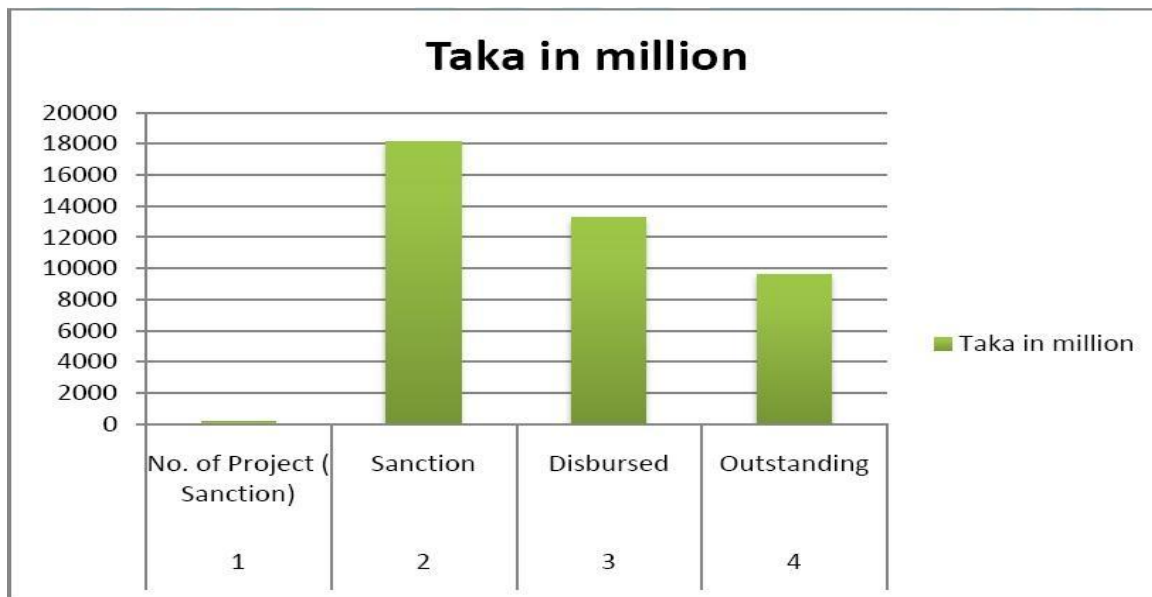
Comment: In the above figure and graph we see that the percentage of Loans in the Textile Ind. has decreased from 2%. Because of the high Interest rate. On the other hand, Sonali bank ltd loans process takes a long time. On the other hand, the flow of Loans and advances increased in case of import credit, Industrial Credit and Rural, ME &SP Financing sectors.

3.5.3 Performance of Industry Sector: 2013

SL. No	Items	Tk In Millions
1	No Of Project (Sanction)	173
2	Sanction	18123
3	Disburse	13239
4	Outstanding	9633

Source: SonaliBank's head office document.

Graphical representation: 03



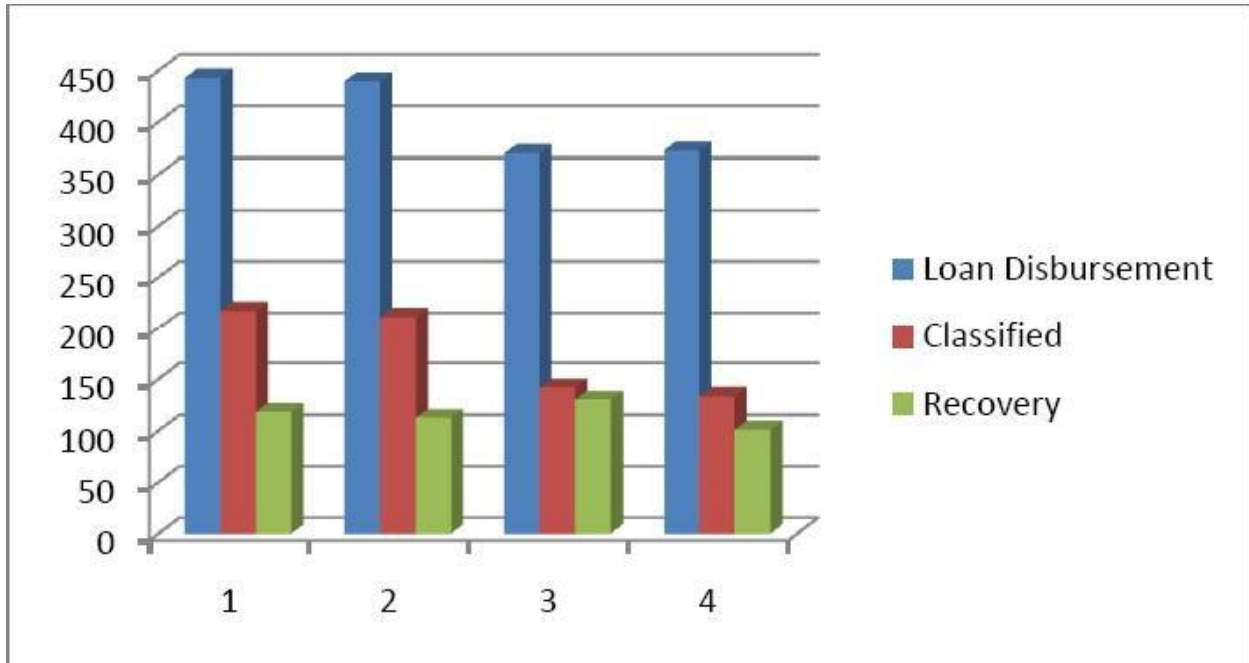
3.5.4 Loan Disbursement & Recovery of Textile Industry

(Figure in crore)

SL. No	Year	Loan Disbursement	Classified	Recovery
1	2013	443.21	217.17	118.51
2	2012	439.60	211.16	112.68
3	2011	369.95	141.78	130.15
4	2010	372.72	133.52	101.16

Source: SonaliBank's head office document

Graphical representation: 04



In the above figure we see that the Loan disbursement on industrial credit of Sonali bank is increasing at a decreasing rate from 2010 to 2013.

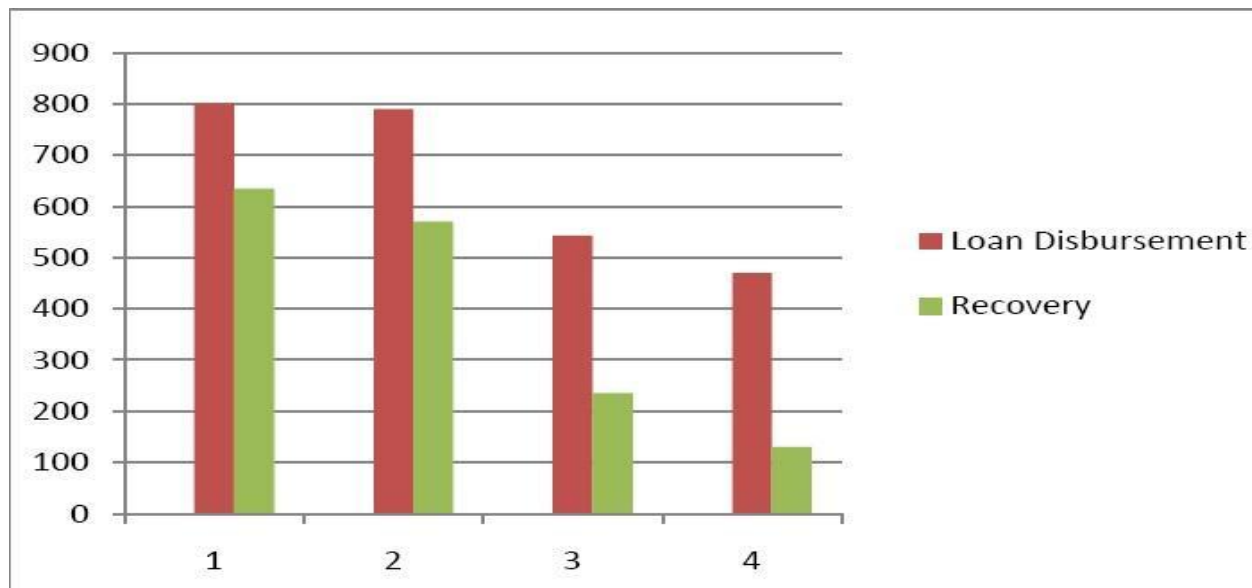
3.5.5 Loan Disbursement & Recovery of Jute Industry

(Figure in crore)

SL. No	Year	Loan Disbursement	Recovery
1	2013	801.02	634.43
2	2012	790.31	570.74
3	2011	543.35	235.19
4	2010	469.95	130.26

Source: Sonali Banks head office document

Graphical representation: 05



Comment: In the above figure we see that the Loan recovery on industrial credit of Sonali bank is upward increasing rate from 2010 to 2013, which indicates better performance in industrial Loan recovery. The main reason of this better performance of Sonali bank is that the bank uses LRA format before providing industrial Loan.

3.5 RECOVERY PERFORMANCE OF SONALI BANK LIMITED

Programs for Loan Recovery

When Sonali Bank sanctions loans and advances to its customers, they clearly state the repayment pattern in the loan agreement. But some credit holders do not pay their credit in due period. The nationalized and private sector commercial banks have to face this sort of problems. This situation is especially severe in Sonali Bank. To overcome the problem of overdue loan, the bank need take particular loan recovery program.

CHAPTER FOUR

Research Methodology

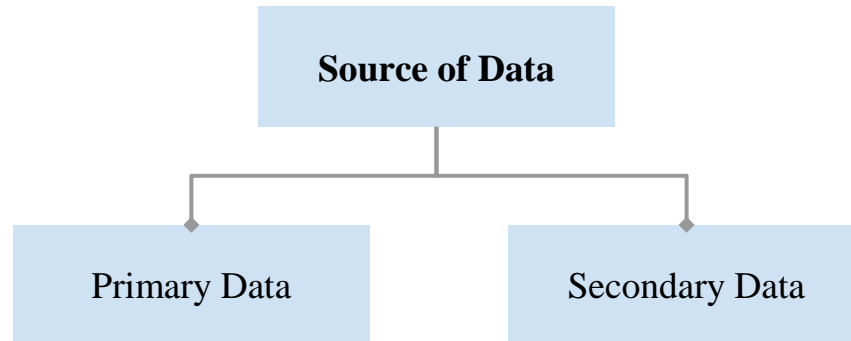


4.1 Methodology of the Study

I have got all the relevant information from my working experience with **Sonali Bank Limited**, their Annual report, some circular, web site of **Sonali Bank Limited** and such. Some information has been taken from some of my friends.

4.2 Sources of Data

For collecting the required data, I have used both primary and secondary sources of data. These are given below:



4.3 Primary Data Sources

- Face to face conversation with the officer
- Direct observation of daily activities
- Practical desk work

4.4 Secondary Data Sources

- Internet sources
- Annual report of Sonali Bank Limited
- Publications of Sonali Bank Limited
- Official records of SBL.

CHAPTER FIVE

Problems and Recommendations



5.0 Problems Identified.

- The presence of Sonali Bank is not prominent in social media platforms. For example, the number of followers of Sonali Bank is only close to 6,000 and the number of posts in the Face book Page of Sonali Bank is only 5.
- Sonali Bank don't have the household durable loan to buy house hold items such as television, refrigerator, air conditioner, washing machine etc.
- In rural area of Sonali bank customers can not transaction online properly because of network problem.
- There are some distrust positioned in the mind of customer because of corruption like Tanvirhossain of hallmark.
- Sonali Bank don't provide the education loan to the students. In here they said which student are in the education scheme he will get the loan amount of 90% of what he deposited at that moment. But who are not in the education scheme he will not get the loan from the bank.
- In many cases when any customer come to the bank to know information. Most of the employees don't talk properly with the customer. As a result there is creating some information gap. Many of the customers are losing their interest to the bank.
- To attract the customer internal and external decoration is important. But in Sonali Bank both sides decoration is not satisfied.

5.1 Recommendations

- The Bank should need to boost their facebook page to close the customer. They should upload their updated information properly in the page.
- The products of Sonali Bank should be made according to the target group of the Bank. For example, there are presence of House loan and Business loans but there is absence of products related to the students of Bangladesh. So, the Bank should make a map of each segment and research on it. And hence, design products that are relevant to them and solve specific pain points for the target group
- Sonali Bank should available the household product loan for the needy customers whose want to buy those products through loan.
- Sonali Bank should strong the network service in rural areas for smooth service to the customers.
- Sonali Bank have to be more transparent to the all types of customers.
- Sonali Bank should give the education loan to the needy students for continuing their study with lower interest rate.

5.2 Conclusion

Banking sector being a vital service sector of Bangladesh continues to contribute to a great deal in the economy of Bangladesh. The modern commercial banking is a challenging business. The banks are great monetary institutions that are important to the general welfare of the economy more than any other financial institutions. It has a vastly serious and exacting responsibility. I have discussed about the different aspects of Loan & Advance activities of Sonali Bank. The SBL is a nationalized bank in Bangladesh.

During the internship program I have gathered lots of practical knowledge and experience and finally agreed to this statement to be true. Working and getting involved in a reputed bank is really pleasure to me. The internship program is obviously helpful for further thinking about my career. I am thankful for every person who was involved in my internship program.

5.3 Bibliography

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5.4 ACRONYMS

SBL: Sonali Bank Limited

L/C: Letter of Credit

SOD: Salary over Draft

EPO: Export Policy Order

IMF: International Monetary Fund

MIS: Management Information System

CSR: Corporate Social Responsibility

CIB: Credit Information Bureau

CLP: Credit Line Proposal

BCC: Branch Credit Committee

ICD: Industrial Credit Division

SSI: Small-scale industries

HO: Head Office

HOCC: Head Office Credit Committee

Loan against Trust Receipt (LTR)

Payment Against Documents (PAD)

Loan documentary Bill Purchase (LDBP)