



Daffodil
International
University

**“An Analysis of the Credit Management of Sonali Bank Limited-
A Study on kallyanpur Branch”**

Submitted To

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

Submitted By

Md. Nakibul Hasan
ID:181-14-2629
Program: MBA
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Date : 28-11-2019

Acknowledgement

At first I would like to categorical my gratefulness to the Almighty Allah. This is my pleasure that I could effectively finish my internship report by the favor of Almighty Allah.

I want to convey my heartfelt respect and cordial thanks supervisor “**Professor Mohammed Masum Iqbal** Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University” for his support, inspiration, Guidance and valued suggestions during the period of this study, without which it would not take remained probable to submit this report on time.

This is the opportunity for me to complete my internship program at Sonali Bank Limited kallyanpur Branch. I am too very grateful to my branch manager, development manager and additional officers for their unlimited support.

I would like to range my-sincere respects and thankfulness to my honorable teachers whose kind’s leadership and assistance enable me to complete my MBA program and to grow my profession through their valuable teaching.

Letter of Transmittal

To

Professor Mohammed Masum Iqbal, PhD

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

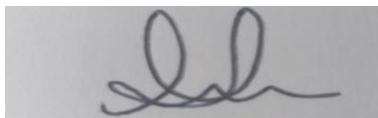
Subject: Submission of Internship Report on **“An Analysis of the Credit Management of Sonali Bank Limited: A Study on kallyanpur Branch.”**

Sir:

I have completed my three-month internship report at Sonali Bank Ltd. (kallyanpur branch), submit my internship report entitled “An Analysis of the Credit Management of Sonali Bank Limited: A Study on kallyanpur Branch”. making this report, I take tried nearly to contain all the important info and inquiry to type the report inclusive as well as practical one, and in liability therefore consume strained my greatest to live up to your values. I resolve actual greatly willing to hear from you for more explanation.

May I, therefore, wish and hope that you would be gracious enough to accept my effort and Oblige thereby.

Sincerely yours:



Md. Nakibul Hasan

ID: 181-14-2629

Major: Accounting

Program: MBA

Department of Business Administration

Faculty of Business and Entrepreneurship

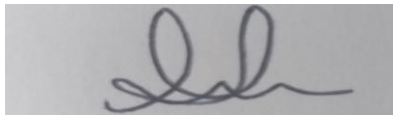
Daffodil International University

Declaration

My name is Md. Nakibul Hasan bearing ID: 181-14-2629, Student of the MBA program of Daffodil International University. I declare that the presented report of internship entitled “An Analysis of the Credit Management of Sonali Bank Limited: A Study on Kallyanpur Branch”, set by me after achievement of (3) months’ work in Sonali Bank Limited (Kallyanpur Branch).

Under the excellent direction of **Professor Mohammad Masum Iqbal**, Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University.

I sure the report ready my educational condition not aimed at some extra purpose. It influences not be used with the importance of the differing event in institute.

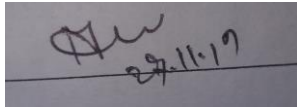


Md. Nakibul Hasan
ID: 181-14-2629
Major: Accounting
Program: MBA
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

Letter of Acceptance

This is to certify that, the internship report entitled “An Analysis of the Credit Management of Sonali Bank Limited: A Study on Kallyanpur Branch” is complete by Md. Nakibul Hasan, Batch: 47th, ID:181-14-2629 Program MBA in my direction. The records and definitions accessible in the report appear to be accurate. Now, it is recommended for presentation in the internship defense.

I hope him every achievement in his life.

A rectangular box containing a handwritten signature in black ink and the date '27.11.17' written below it.

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

Executive Summary

Sonali Bank Limited monitors the procedures and instruction arranged by the Bangladesh Bank. To manage credit Management activities, Bank put on credit restrictions to its clients and gets acceptable collaterals. Credit management in the Sonali Bank Ltd.'s portfolio is practical and investigated by the Credit Management Activities (CM). Sonali Bank Ltd. has recognized Liability Management Group to checker the extreme risk contact. Management guidelines of Bangladesh Bank and realized new money agreement.

Sonali Bank Ltd. regularly observers, reviews and evaluates its credit group to minimalize probable losses and ensure efficient credit process. To achieve the Non-Performing Finances (NPL), Sonali Bank Ltd. has an inclusive corrective management policy.

Credit management Activities assessment is done by analyzing borrower, industry, demand/buyer, ancient financial statements etc. Bank reviews documents like loan applications, financial statements, market status, to study credit risk. Manager has to enquiry about loan candidate. the basis of inquiry, the branch manager motivation makes a credit report as per preparation if by their head office.

Sonali Bank Ltd. Kallayanpur Branch is where I did my internship. Loan and advances are authorized according standard procedure. The specific branch purchaser loan and SHBL are most standard. Credit management Activities is rather low. Rescue rate is 100% in consumer loans and SHBL. Performance of other loans is also good. Such as maximum of its credits are linked only to two kinds of loans, its credits are not well expanded. So it faces credit attention risk. As it is a rural branch chance for authorizing large scale or industry loan is very limited. Record of the credits are added to Sonali Bank general account.

To know the effectiveness of CM practices, I considered some key aspects which include Process of credit management activities in Sonali Bank, Credit Management follows in Sonali Bank, the credit administration met by the bank and Methods used to mitigate credit risk. I found the Credit Management activities practice of Sonali Bank Ltd. is quite worthy. However, the credit sanctioning procedure is quite extended compared to today's business world. Regular and appropriate inspection and suitable certification are tried to be preserved. Scams like "Hall-Mark" exposed major softness in top management. The bank should stress on reducing the classified and non-performing credits by concerted efforts. Filing has to be dealt with meaning and Salary scale should be studied.

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Chapter - One

Introduction

(1.1) Introduction:

Sonali bank is the largest state-owned bank in Bangladesh. It was merged in Bangladesh on 02 June 2008 as a Public Limited Company under Companies Act 1994. Appropriately this bank remained combined as a nationalized commercial bank entitled as Sonali Bank recognized by The Bangladesh Bank Command 1972 (Executive Order no. 25 of 1972) and was fully reserved by the Government of the People's Democracy of Bangladesh. After appointment dated 15 November 2007, Sonali Bank Ltd. takes taken the responsibility and business of Sonali Bank. The Bank has total of 1203 branches during the country with 858 branches in rural, 343 branches in urban area and two overseas branches at Kolkata and Siliguri in India as on 13 November 2013. The functions of the bank covered a wide range of banking and efficient activities to individual, firms, commercial bodies. The bank offers other than 21 categories of free services on behalf of the government of Bangladesh over its countryside and city divisions as part of their ability to culture.

(1.2) Objectives of the Study:

The study has been carried out with the following objectives:

- 1-To explain credit Management;
- 2-To explain credit approval, disbursement and recovery system of Sonali Bank Limited;
- 3-To identify problems related to the Credit Management Sonali Bank Limited, kallyanpur Branch;
- 4-To make recommendations to solve the problems;

(1.3) Origin of the Study:

Banks are important financial organizations in the economy. They play a main role in the development of a country. So the current financial state of Bangladesh strains instant development of the financial institutions. To size up possible upcoming of a banker, practical placement platform on banks is compulsory. This information is needed the practical orientation record.

Internship program part of our academic arrangement and it implies practical knowledge about some things. I takings tried my best to be oriented with the exercise of banking popular actual lifetime.

(1.4) Methodology of the Study:

Equally major and secondary bases of remained in creation the report. The information numbers this report are mainly collected from minor sources.

Bases of Data:

To perform the study data sources are to be known and composed, the data are to classified, investigated, took and presented in a systematic manner.

Main Sources:

- Face to face discussion with the official employees.
- Useful desk work.
- Guileless Depth interview system was recycled by asking quantity open-ended.
- Enquiries to accumulate the material.

The Secondary sources are:

- Annual Report and catalog of Sonali Bank Limited
- Dissimilar books concerning the general banking activities.
- Review publications by Bangladesh bank.
- Different publications about general banking activities.
- Evidence providing in internet around overall banking of Sonali Bank Limited.

(1.5) Scope of the Study:

I take allotted “Kallayanpur Branch of Sonali Bank Limited” and thus protected the way to acquire adapted with the banking situation for the first time. Certainly, I have had an opportunity to gather experience by working in the different divisions of the Branch. The zone of attentiveness of this report is limited to exploring the banking transactions a problems and views and the activities of bank by this way a power is made to give supports for profit out the problems.

(1.6) Limitations of the Study:

Knowledge all the banking meanings in just 90 days remained actually strong.

- Alternative restriction of this report releasing exactly documents and material for observable motivation, which can actual greatly suitable.
- Bank consultant was very eventful, so they could not give me enough time for discussion about many difficulties.
- In case of performance inquiry secondary data are used.
- These studies completely be dependent on official record and annual reports.
- To prepare an analytical report need financial support. The financial assistance provided by the department is lacking. In perception of lack sufficient money, many types of analysis did not become probable.
- This is my first practice on job, so there may arise some faults yet I have tried my level best.

Chapter : Two

“Overview of Sonali Bank Limited”

(2.1) Historical Background of “Sonali Bank Limited”

Sonali Bank, the principal profitable bank in the country, it recognized under Bangladesh Bank (Nationalization) Instruction 1972 (position Order No.27 of 1972). Through attractive above branches of the former National Bank of Pakistan. The bank takes been transformed Public Limited Company with (100%) title of the administration and underway operational as a Sonali Bank Limited from December 16 2008 taking overall moneys, liabilities and business of Sonali Bank Limited.

The bank is headed by Chief executive Officers and Managing Director who is well- known banker and a reputed professional. The corporate head quarter of the bank is located at Motijheel Dhaka. Bangladesh and the main commercial center of the capital.

(2.2) Features of Sonali Bank Limited:

Sonali Bank sincerely enjoy the prestige of being the agent of the central bank of Bangladesh in such places where the guardian of the money market has been chosen not to act by its self.

Some notable features of Sonali bank:

Rank : 1

Authorized Capital : Tk. 6000.0 crore

Branches & Subsidiaries:

Whole Quantity of Divisions	- 1215
Quantity of Rural Divisions	- 467
Quantity of Urban Divisions	- 745
Overseas Branches	- 2
Subsidiaries Branches	- 3
Correspondent	- 581

(2.3) Vision & Mission of Sonali Bank Limited:

Vision :

- Informally dedicated top banking organization with worldwide company.
- The best moneymaking bank in Bangladesh in term of adeptness, capital adequacy, asset feature, complete managing and effectiveness taking heavy-duty liquidness.

Mission :

- Faithful to spread a total collection of quality goods that support different wants of people pointing at inspirational them exists, generating value for the shareholders and backing towards socio-economic improvement the country.
- Cost decrease throw addition of knowledge at all level.

Our Slogan :

- Your trusted partner in innovating banking.

(2.4) Core Value of SBL

Core value are the fundamental belief of a person or an organization. These guiding principles dictate the behavior and can help an organization understand the right and wrong for the organization. Core value also help organization to set goals and determine the appropriate steps for achieving the specified goals.

Sectors of Sonali Bank Limited:

- Account Operational Division.
- Overall Banking Sectors.
- Mortgage and Advance.
- Deposit Department.
- Cash Section.
- Accounts Division.

Corporate Profile

Name of the Corporation	: Sonali Bank Limited
Chairman	: Mr. Ziaul Hasan Siddiqi
CEO& Management Director	: Mr. Md. Ataur Rahman Prodhar
Company Administrator	: Md. Hasanul Banna
Acceptable Status	: Public Limited Company
Genesis	: Emerged as Nationalised Commercial Bank in 1972, Under Bangladesh Bank order nationalization (PO No. 27 of 1972)
Time of Integration	: 02 June, 2008
Time of Vendor's Agreement	: 16 November, 2009
Noted Office	: Bangladesh
Official Money	: Taka 6000.1 core
Paid-up Asset	: Taka 4130 core
Quantity of Retainer	: 18,167
Quantity of Divisions	: 1215
Phone-PABX	: 9550426-31, 33, 34, 9552924
Website	: www.sonalibank1.com.bd
E-mail	: itd@sonalibank.com.bd.info

Chapter - Three
**“Credit Management of Sonali Bank
Limited”**

(3.1) Credit Risk Assessment:

A finished credit risk assessment must be accompanied previous to the authorizing of recognition abilities. The necessity ways essential part on the customer and money make legal procedures must be monitored.

Credit policy of Sonali Bank Ltd

- A constant economy is probable deprived of acceptable monetary backup sets are compliant credits from the investors in form of if attention to them as well as nonviolent care their importance.
- To gross awareness from the mortgagors and provide the credits interest back.
- To increase speed financial growth by in case changed business plus agricultural progresses.
- To build service by if manufacturing credits.
- To salary the workers as glowing as assembly the helpfulness sets.
- Recognition is continuous process. Loss of one credit gives to alternative credit.
- Method of rotating of assets, bank receives income in the system of interest.
- A bank can capitalize funds in lots of ways. Bank makes loans and advances to traders, factory owner, and producers.
- Additionally, nature of credit may contrast in terms of safety check, spending providing, expressions and backgrounds.

Products and service Sonali Bank Limited:

General service:

- ❖ Savings Acc.
- ❖ Current Acc.
- ❖ Short-term deposit.

Credit Service:

Fixed deposit in Sonali bank is 3% to 9% interest in during time, in this period the amount paid in the bank

(3.2) Loan processing system:

The whole procedure of pitch and support is an endless route. In a particular stage the define loan is official or rejected by the authority. The total process consists next steps:

- Customer applies of loan in an arranged form which is loan is process in the branch office.
- The loan creator that he assures the time when he wishes to appreciate the amount.
- The office executive too assistant then takes the obligation and assess the distress.
- They have to organize a credit report declaring the current situation, credit, liabilities, fraction, and standing with the basis of the concern. He should be around support about the requisite of the firm.
- Formerly the glory report is promoted to the head workplace for sensation.
- The area workplace two industry officer below the through direction supports by allowing for the report and through analysis.
- The head office (DGM) sanction a confident equal of quantity larger than the head office.
- The production manager below the direction of GM. He sanctions the quantity or discard for the logical reason or send to the head office.
- The loan paper they can accepted the application up to sure equal.
- He might cancel or send the organizer to the managing administrator for the director's contact.
- Subsequently the sanction of the proposal in any of the stage region to the board of directors.
- Bank send the proposal file along with the necessary papers of the mortgage and to confirm the rationality for a little displeasure of the advocate the file may be rejected or sanctions.

Collection of amount in Sonali Bank Limited:

- ❖ Suspension bill.
- ❖ Power bill.
- ❖ Phone notices.
- ❖ H2O bills.
- ❖ Source due and VAT.
- ❖ Hajj deposit.

(3.3) Lending Principles:

Sonali bank follows the step:

Liquidity:

Liquidity is enhancing the ability of security. that are more simply capable are extra fluid. So though money to project or industry, adequate be taken so that the liquidness does a deal. Sonali bank chooses such safe haven which owns necessary solidity.

Safety:

The providing investor's cash should be security of recurring the assets. Sonali Bank movements the lending purpose is success and covered. The reliant up security available by the solvent and the paying capability of the broke to pay back the credit.

Diversity:

Agreement the aphorism in mind, Sonali bank finances its resources in dissimilar categories of sanctuaries of dissimilar productions sited in diverse areas of the nation.

Yield:

Now suggestion near subsist and growth, to each bank has to type yield. After the profitable topic of vision, Sonali bank reflects satisfactory or arrival though backing a plan. We regularly usage loans and deteriorations as an another to separately extra. Then emotionally this idea is unseemly.

- ❖ Types of advances afford by the Branch
- ❖ Types of security charged and their estimate
- ❖ Procedures of loan appraisal. Documentation
- ❖ Classification of loan
- ❖ Analysis of secondary record Follow up and reporting

3.4 Classifications of Loans & advances:

Sonali bank offer the kinds of loans and advances:

SOD	Protected Over draft
CC	Cash – Credit (CC)
MTL	Middle- term loan
DL	Demand loan
SL	Slight loan
PL	Personal loan
IL	Industrialized loan
BPDSL	Bills purchased & discounted Staff loan.
HBL	Household building loan
TL	Transport loan

Secured Overdraft (SOD):

The overdraft is a constant progressive skill. Customs are acceptable after his recent story up to his glory restrictions authorized the panel. Certified TURF in contradiction of dissimilar safety. Founded on dissimilar types of safekeeping.

SOD (Over-all): This kind of finished draft is acceptable to the persons touching. Economic commitments of FDR or security investments certificate.

SOD (Others): The brand of is allowed compared to project of loan is normally acceptable for an exact resolve. It's not a constant mortgage.

SOD (Distributes): This is permissible to buying external money to type expenditure beside L/Cs wherever the exporter cannot look earlier the time of reputation disbursement.

SOD (Process of approving):

1. The organization must take a secure deposit in the branch.
2. The event resolve submit tender to the fretful general in the set form with account Statement.
3. The pledger will get 80% loan in contradiction of his deposit.
4. The finish limit of the loan is one year.
5. The interest rate will be 3% more than the interest of their deposit a/c.

Cash Credit (CC): The Cash Credit is procedure through an investor permits customer to appropriate limit for consultation the employed principal supplies of remaining productions. The defaulter withdraws cash from account in Sonali Bank.

Cash credit (Hypo cation): Hypo cation is legal operation whereby goods are made available providing sponsor as safety for a debt lacking transporting control of properties. the goods in the physical possess soon of the nonpayer.

Cash Recognition (recruit): Recruit is the personal property as security for imbursement of a responsibility of a possibility. the borrower (pledge) need supply the imports guaranteed to the essentially or beneficially.

The charge papers mandatory for primary CC account remain as follows:

- ❖ Note delivery letter
- ❖ Revival Letter
- ❖ Original deed of the property
- ❖ Duplicate carbon recites and transformation
- ❖ Clearance of land tax
- ❖ Mortgage deed
- ❖ Power of barrister
- ❖ Balance confirmation
- ❖ Agreement of cash credit hypothecation of goods

(3.5) Types of loan offered by Sonali bank:

- Mid-term loan.
- Demand loan.
- Small loans.
- Staff Loan.
- Staff House building loans.
- House building loans (General).
- Purchase & discount of bills.
- Personal loans.
- Liquidness.

Bank Guarantee:

If any customer failed to meet their agreement, when this person or organization payment against this, that payment is the called Bank Guarantee. In banking word, the person who gives the guarantee is called the security. The party in admiration of who's defaulting the guarantee is specified is called the main debtor and the person to the safeties given is called the creditor Now case of bank guarantee, the bank is assured tying client is major defaulter.

There are many kinds of liability for the certain event such as: -

- ❖ Offer promise Agreement
- ❖ Earnest money Agreement
- ❖ Advanced payment money Agreement
- ❖ Counter Agreement
- ❖ Security Agreement

Offer promise Guarantee:

This guarantee is a guaranty from third party such as any bank, insurance and financial organization submitted to major by a worker with a bid.

Earnest money Bid Bond Guarantee:

If the buyer fails to perform the promised job, the banker requires that it resolve pay a confident sum of cash.

APG (Advanced payment guarantee):

This system called work order, when a person or organization take advanced before. Example: Bangladesh Government take loan from world bank for making jamuna bridge, and payment system was monthly a percent amount submitted when work finished, and Bank payment must be depending on working process, that time only Bangladesh Government insure the loan amount that is called by APG.

Counter Guarantee:

This one kind of importance agreement is issue other Bank security.

Security guarantee:

This system is bank security is very hard and the other procedure are very highly tight.

Formal plan of guarantee:

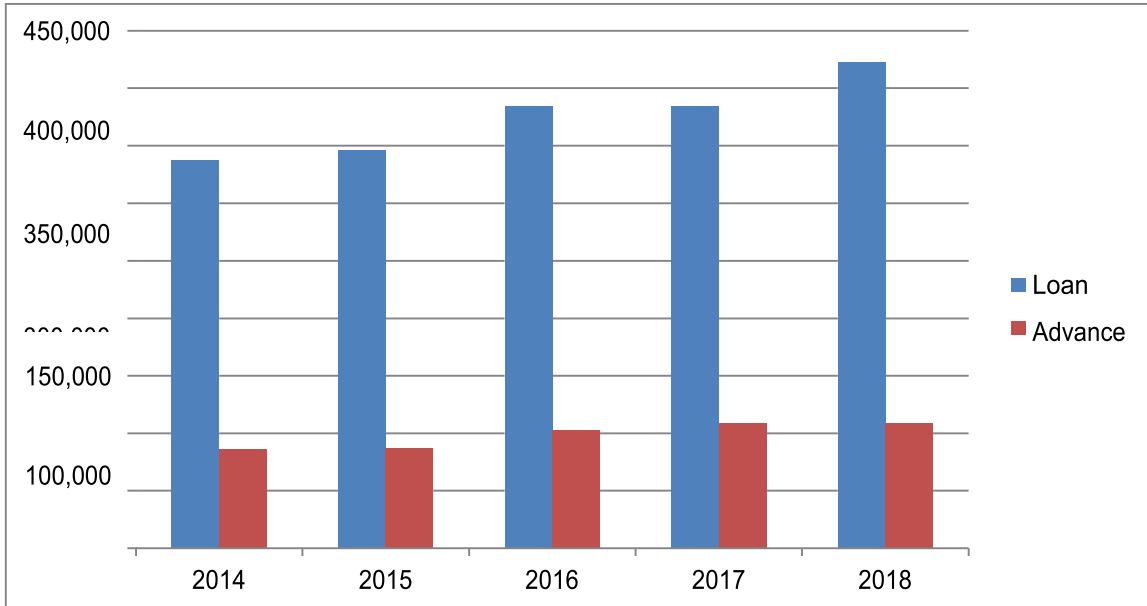
Sonali Bank agreement is a prescribed association between the account the benefactor. Planned aimed at bank Agreement, a client takes to apply to Bank in his or her individual. Generally, the bank organizes setup other agreement. An agreement subject Record remains retained to subsequent material near Security:

- Designation of the client.
- Explanation no.
- Security no.
- Delivering time.
- Period of endorsement.
- Recipient of the agreement.
- Quantity of agreement.

3.6 Analyze Loan and advance:

Particulars	2014	2015	2016	2017	2018
Loan	337,554	346,346	384,315	384,538	423,768
Advance	86,437	86,850	102,475	109,115	111,637

Classified Loan and Advances (Tk in Millions)

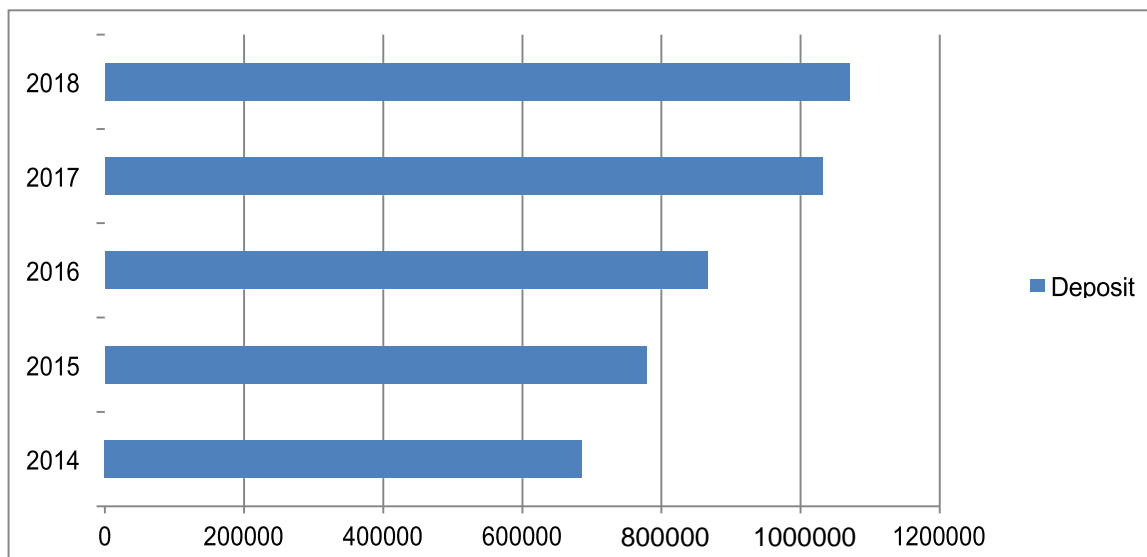


Graphical Presentation of Classified loans (Tk in Million)

3.7 Deposit of Sonali Bank Limited (Tk in Million):

Deposit	2014	2015	2016	2017	2018
Amount	685895	778043	866012	1031608	1070611

Graphical Presentation of Deposit of Sonali Bank Limited (Tk in Millions)



3.8 Rate of Classified Loan in Sonali Bank Limited.

Loan Year	2018	2017	2016	2015	2014
Rate	32.64%	28.37%	25.08%	25.61%	30.21%

Loans and advances and its provision:

Loans and fees are specified at uncultured amount. Overall Eatables on confused loans and Off-Balance Sheet Items, specific provisions for confidential loans and interest uncertainty version there on are shown under other responsibilities.

Interest on loans and advances:

- ❖ Interest premeditated on categorized credits and advances as per Bangladesh Bank Circulars is reserved in interest uncertainty account and qualified to revenue on understanding;
- ❖ Total equilibrium of loans and advances as on 27 December 2016 contains bad/loss loan Taka 112,356 million on which the Bank did not ensue any attention because of descent of value of loans and advances single-minded by the administration and on the foundation of directions controlled in Bangladesh Bank.
- ❖ Uncertainty any premeditated on categorized loans and advances are reserved addicted to income popular the of its acceptance after the nonpayment debtors.

Social Service of Sonali Bank Limited:

- Old age allowance.
- Freedom fighter allowances.
- Savings certificates.
- Prize bonds.
- Wages earners development bond.
- Exchange of soiled torn notes.

Providing for loans and advances:

Provision castoff for loans and advances are whole on sector center as fine as year-end review by organization after directions controlled in BRPD circulars allotted by Bangladesh Bank. Over-all Provision on disordered loans and advances and detailed providing on confidential loans and advances are certain under.

3.9 Rate of provision:

Details		Small term Agri-credit	Consumer Financing			SM.E F	Credito Bhs/MB s/SDs	All extra credit
			Extra than HF and LP	HF	L.P			
Random	Standard	2.20%	6%	2%	1%	2.25%	3.2%	1.1%
	S.M.A	2%	7%	3.3%	1.2%	1.25%	2.3%	1.2%
Classified	SS	6%	18%	17%	18%	19%	21%	12%

provision for restructured loan is calculated @ 2%

Arrangement of loans and advances:

Loans and advances are exposed at unrefined amount as properties while interest suspense and loan loss provision against confidential advances are shown as obligations in the account of economic situation.

Inscribe off loans and advances:

Loans and fees are printed off as per recommendation of Bangladesh Bank. These printed off however will not affect the claim amount in contradiction of the borrower. Thorough communication registers for all such printed off accounts are accurately preserved and monitored up.

Safeties against Loan:

Project loan: Land-living and manufacture remain taken as harmless keeping in the form of remortgage and houseplant and equipment are reserved in the form of hypothecation.

Employed capital and exchange loan: Properties are taken as safety in the form of initiate and also goods are taken as danger in the form of hypothecation endways with land and structure as loan in the method of safety safekeeping.

Household building loan: Land-living then house stay engaged as safekeeping now the system of loan.

Overdraft: FDRs are taken in pledge. The balance in DPS/JBSPS/SDPD A/C“s is taken “lien”

Community part Loan: Guarantee is reserved and no safety is taken aimed at administration loan and Groups loans in farming sector.

3.10. Loans and advances are repayable: (Tk in Millions):

Particulars	2018	2017	2016	2015	2014
Additional than 3 months but not additional than 1 year	160,289	277,278	90,392	154,196	70,532
More than 5 years	320,120	90,534	266,700	185,570	191,562
Total Amount	480,409	367,812	357,092	339,766	262,094

“Loan and Advances (In and outdoor Bangladesh) with bills bought and reduced;

3.11 Loan and Advances (In and outside Bangladesh) including bills purchased and discounted:

Particulars	2018	2017	2016	2015	2014
In Bangladesh	478,784	383,502	335,774	352,832	311,555
Outside Bangladesh	1,500	1,325	235	326	197
Total Amount	480,284	384,827	336,009	353,158	311,752

3.12 Head-wise loans, Money Credits and Overdrafts: Secret Bangladesh: (Tk in millions)

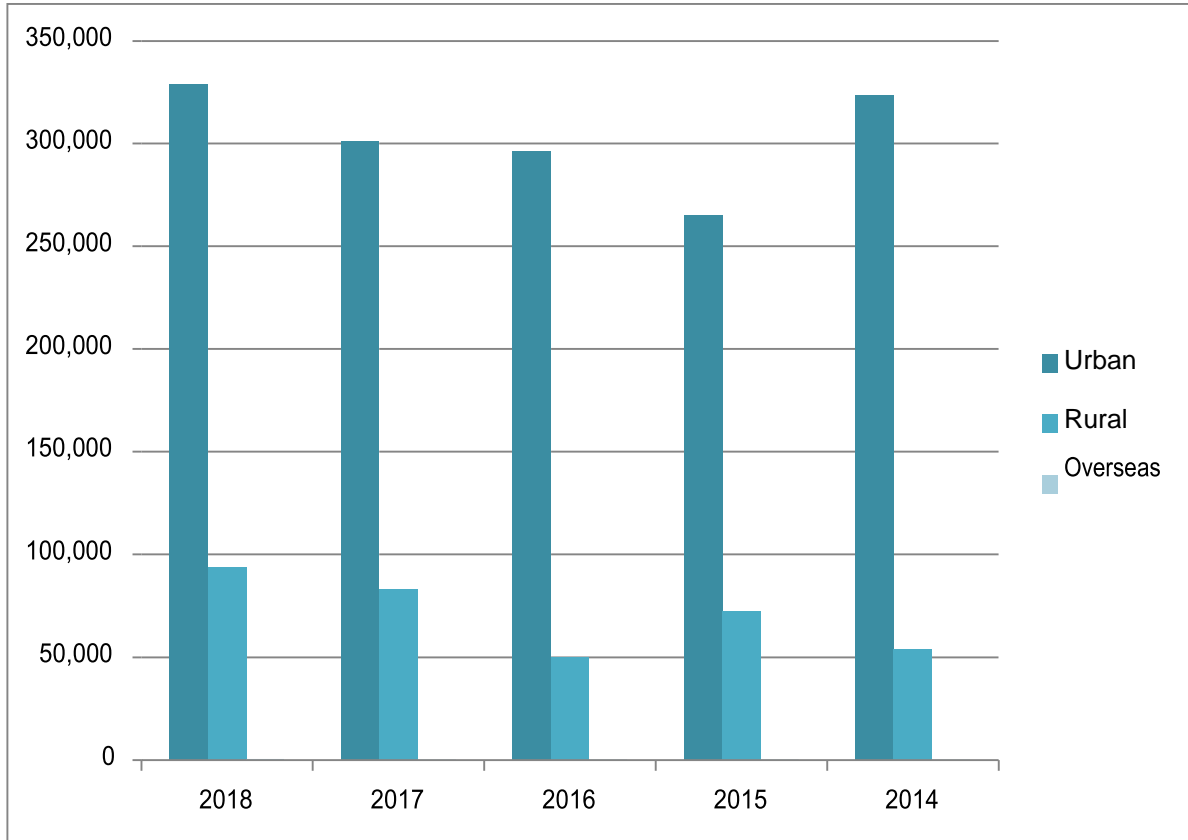
Loan	2018	2017	2016	2015	2014
Demand Loan	40,412	35,210	23,652	17,383	8,789
Small Loan	--	--	--	--	60
House Building Loan	26,288	22,567	18,113	8,564	8,567
Total Loans	66,700	67,777	41,765	25,947	17,416

3.13 Summary of Group Borrower and Single Mortgagor are show under:

Title of the Borrower	Unresolved amount				
	2018	2017	2016	2015	2014
Mexico Group	13,317	13,431	14,766	1,222	1,212
Hall Mark Group	25,123	25,085	18,222	1,344	2,321
T & Brothers Group	7,089	6,991	7,053	--	789
Thermex Group	7,888	9,228	7,387	--	476
Biman Bangladesh Air Lines	4,934	--	--	--	--
Bangladesh Petroleum Corporation	6,623	--	--	6,213	432
Rural Electrification	10,616	11,433	6,923	--	1,967
Bangladesh Sugar and Food Ind. Cor. Bafic	12,681	5,154	10,650	870	1,855
Directorate General Defense	13,923	43,389	21,233	--	--
Bangladesh Chemical Industries	15,619	9,444	57,333	1,512	2,978
B.A.D.C	16,421	10,777	13,139	1,009	888
Director General	21,284	--	--	--	766
Bangladesh Power Development	43,559	41,289	41,876	--	2,122
Total	154,356	199,668	198,582	12,170	15,806

3.14 Geographical Area-wise Loan and Advances, (Taka in Millions)

Particulars	No. of Branches	2018	2017	2016	2015	2014
Urban	743	329,765	301,133	295,974	265,069	323,478
Rural	460	93,002	83,181	50,457	72,193	53,651
Overseas	8	450	222	32	292	276
Total	1211	423,218	384,538	346,346	337,554	343,450



3.15 In Bangladesh and outside Bangladesh GM's office and district wise Loans and advances:

Particulars	No. of Branches	2018	2017	2016	2015	2014
Dhaka-1	119	184,247	158,504	145,996	154,303	212,829
Dhaka-2	96	42,813	41,919	47,916	42,920	
Barisal	75	6,777	9,210	7,298	6,737	14,856
Chittagong	107	23,478	21,321	19,480	19,380	10,568
Cumilla	136	13,899	15,896	13,888	12,896	20,122
Faridpur	105	11,987	14,727	13,999	10,876	9,876
Khulna	123	43,903	36,890	29,786	29,897	14,674
Mymensing	114	24,684	21,956	19,774	19,844	28,564
Rajshahi	142	29,333	25,772	18,745	18,503	4,175
Rangpur	113	34,122	31,209	22,389	21,897	6,872
Sylhet	79	6,999	5,289	3,987	3,198	18,432
Kolkata & Siliguri	2	213	272	349	272	432
Total	1211	422,455	382,965	343,607	340,723	128,571

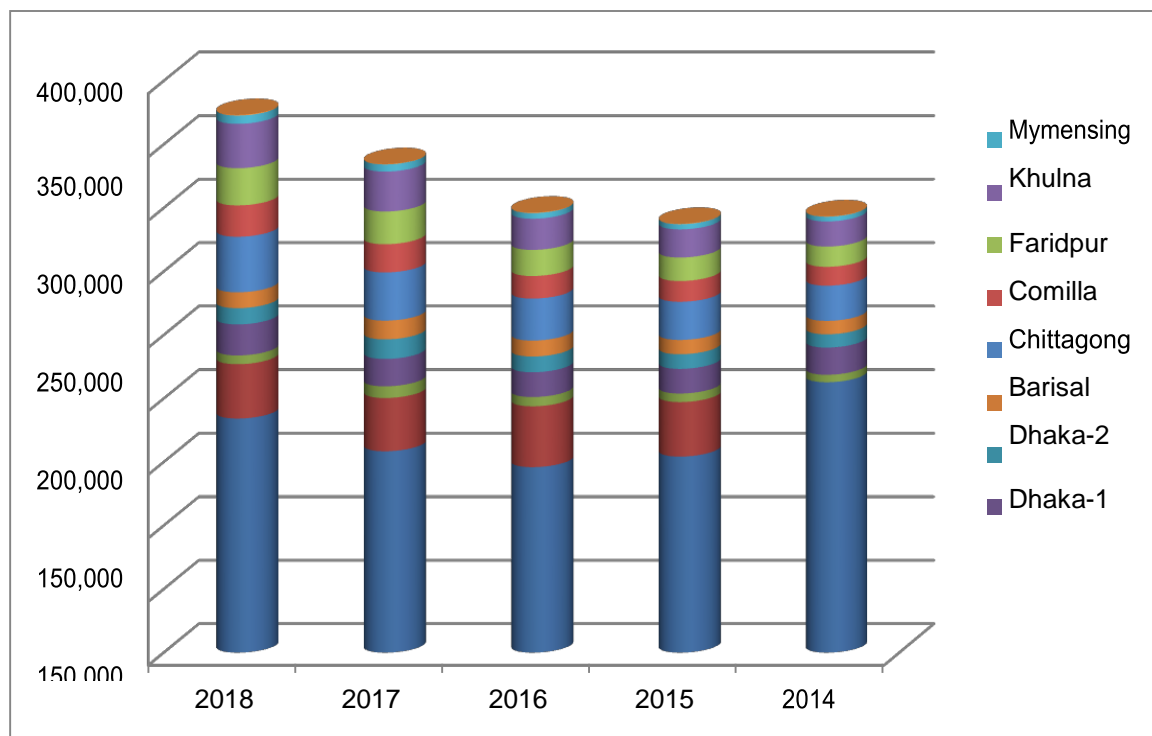


Figure: In Bangladesh and outside Bangladesh GM's office and area wise Loans and advances.

3.16 Segment wise Loans and Advances. (Taka in Millions)

Particulars	2018	2017	2016	2015	2014
Government	5,767	2,957	4,257	2,754	3,788
Other Public (Semi-Government)	62,848	54,578	51,800	61,543	40,345
Private	351,686	320,678	289,357	223,184	255,961
Overseas Branches	450	222	321	282	262
Total	420,751	378,435	345,735	287,763	300,356

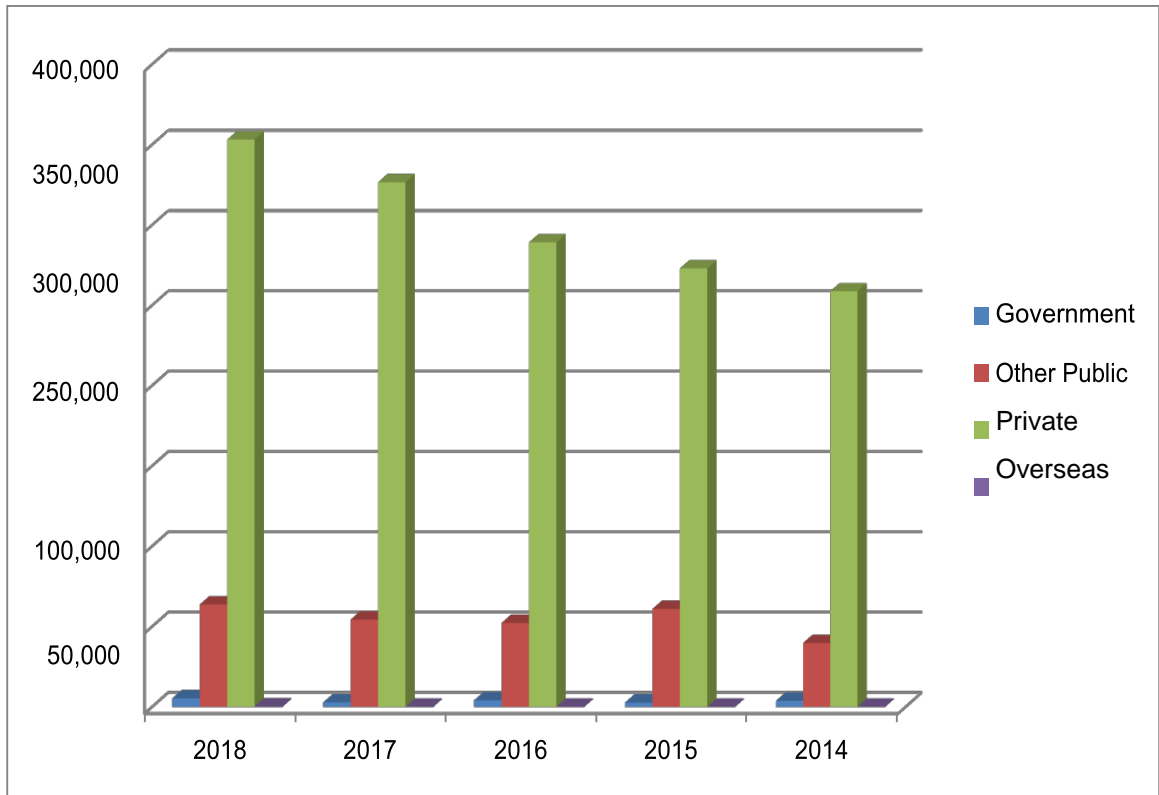


Figure: Sector wise Loans and Advances

(3.17) Recovery of Loans and Advances:

The set mentions the after reasons for confidential loan/poor rescue of loans:

1. Loan fraught scarcely by natural disasters like overflow, shaking, windstorm, etc. or manmade difficult like by another.
2. In several times Management excused loan. For this the loan develops very disposed to refund in this sense that in future he will set loan exempt. Subsequent loan ordering and reduced rescue.
3. The expiry of guarantor. This is exact tough to improve.
4. Individually or group take to meet with the mortgagor and motivate him to pay at least two days in a week.
5. The mortgagor approaches to fee usually before must revenue the support of resident management.
6. Set necessity try to recognize the mortgagor of the instruction of rule. the debtor might pay to guard morality.
7. He must be termed to the mortgagor around the instruction of lends attention. By this the mortgagor will identify that if we do not refund then it resolves consume increased geometrically.
8. The credits which take no proprietor then are confidential through time-consuming time take to be desolated aimed at stability.
9. The bank may improve with the benefit of attention excusing.

Problems of deposit collection:

1. **Shortage of manufacture created business:** A very few records of industrial items is positioned. Maximum of the businessman contracts by exchange. that branch cannot gather the credits of manufacturing assembly.
2. **Board location policy:** Here singular aim venue plan of any branch. Follow-on hesitant outlook of the member for payment collecting.
 - A. **Secure level of interest:** Bangladesh Bank limits a array of interest rate, which is paid on deposit and the head office of Sonali Bank monitors top depressed distribution policy in setting of objective, which is improbable. For example, calculation 21% extra with the recent year's payment, the expected payment of ensuing resolute
 - B. **Deficiency of Islamic investment:** Maximum of the persons of Bangladesh stay Muslim. record of the persons of our country accept moralities of Islam in attention.
 - C. **Provide mass banking:** Most of the branch dose not functions of form banking. As a result, he is to be complex in several non-remunerative activities.

3. **Facility meant for the govt. organization:** Here is an establishment for the govt. organization to put 70% of this one credits in NCBs. Then this law is not tailed severely. In this good wishes govt. not taken any step yet consequently, persons organizations go to Reserved Banks in search of well revenue.
4. **Unlawful expenditures:** Secluded Banks is familiarized by unlawful expenditures. Sometimes, they guide valuable performance to top govt. of authorized and entrepreneur, which are impossible forces.
5. **Different profit:** Banks be able to offer different profit draw the investors.
6. **Directions and instruction:** it retained profitable bank it tracks severe procedures and guidelines. Happening the extra arrow, the plastic directions and instruction continue Secretive Banks.

(3.18) Difficulties of loan disbursement:

The subsequent difficulties are declared in bank executives associated zone:

- 1-Lack of proper security.
- 2-Lack of proper supervision of disbursed loan.
- 3-Illegal activities of CBA to sanction loan.
- 4-Influence of political leader to sanction loan.

Interest Rate Deposit Descriptions Sonali Bank Limited.

SI No.	Deposit Descriptions	ExistingRate	Rescheduled Rate
1	Saving Deposit	5.00%	4.00%
2	SND:		
	Less than 25 corer	4.00%	4.00%
	25 Corer To 100 Corer	4.50%	4.00%
	Above 100 Crore	5.00%	4.00%
3	Fixed Deposit		
	a. For 3Month to 6Month	7.00%	5.50%
	b. For 6Month to 1Year	7.25%	6.00%
	c. For 1Year to 3 Years	7.50%	6.25

Credit Division with percentage (%)

Micro-Credit Division	Existing Rate	Rescheduled Rate		
		Interest Rate	Rebate	Without Rebate
a. Raising Goats	12.00%	11.00%	0.00%	11.00%
b. Small Farm Loan	12.00%	11.00%	0.00%	11.00%
c. Village Small Business loan	12.00%	11.00%	0.00%	11.00%
d. Agriculture Tools	12.00%	11.00%	0.00%	11.00%

Employee Loan

(a)Employee Housing Loan:			
-Which are Gate loan before 4%		4%	4%
-For Others		-Bank Rate	(a) Bank Rate (Present5%) (b) Bank Rate (Present5%)
(b)Employee Motor-Cycle Loan		Bank Rate	(c) Bank Rate(Present5%)
(c) Employee By-Cycle Loan		Bank Rate	

Chapter – Four

SWOT Analysis



SWOT ANALYSIS:

Strengths:

- ❖ Divisions through the nation to serve its consumer.
- ❖ Careful heavy-duty family member with Bangladesh bank.
- ❖ They take agreed connection with additional banks offer Services of their customers.
- ❖ Durable resident handover managing organizations.

Weakness-

- ❖ The bank services are very low and then banks.
- ❖ Slow conversion due to its huge size.
- ❖ Loan giving out and recovery systems are very poor.
- ❖ ATM booth services are not available.

Opportunities-

- ❖ The bank knows how to proposal more advanced kinds of facilities then new banks.
- ❖ Subsequently Sonali Bank Ltd. takes so various divisions can simply guidance the Finance sector.
- ❖ Existence a huge Bank he can afford huge asset.

Threats-

- ❖ Growth in the opposition popular banking zone.
- ❖ Upsurge in the procedure of recent equipment and facilities similar operational investment, Transportable banking, internet banking etc.
- ❖ Around payment business these days several banks are viewing better challenging the payment professional.
- ❖ New proceedings like fakes and theft anywhere staffs were establishing complicated.

Chapter – Five

Concluding part



(5.1) Problems Identified:

The Results (outcomes) of this study are short below:

- ❖ The credit risk organization procedure of Sonali Bank Ltd. is relatively estimable. Organized and appropriate observing and correct certification to be retained.
- ❖ Consumer happiness equal is fairly good. Casual talk by around clients make known that they accept the credit estimation and organization procedure of Sonali Bank Ltd.
- ❖ Managements instructions comparable excuse original for 10 takas. surges cost. “SME” mortgages for agriculturalists short of security not single surges credit risk then also expensive for banks then again profit arranged these facilities are low.
- ❖ Hall-Mark cheat showing main softness in upper management.
- ❖ Particle process is not continued in a confident and perfect way. He remains tough to detect the papers in a consecutive also progressive method. A certain exercise, still stated in the recognition rule is not continuously continued by the credit administrators.
- ❖ The credit approval and expenditure process is rather extensive.

(5.2) Recommendations:

The disappointment of creditable banks happens mostly due to immoral credits, which happens payable to incompetent organization of the loans and credits portfolio. In the bright of the overhead outcomes, next approvals are offered: -

- ❖ The credit approval process would stay finished earlier then opposition is actual durable in today's qualified world. Persons ensure not need to delay for 3-4 weeks on regular to become a loan which is level secure through safety.
- ❖ Resolution building procedure can be complete more transferred.
- ❖ The bank must pressure on decreasing the categorized and non-performing credits by resolute determinations.
- ❖ In the credit sector, authoritarian supervision is essential to avoid loan defaulters. Bank authorized should do systematic visit to the operations.
- ❖ Filing is a very important component of proper certification. It has to be dealt with importance.
- ❖ Income rule should be improved to inspire particularly disappointed staffs and to decrease misbehavior. Cellars safe keeping must be improved.
- ❖ To attract more clients should have sought new marketing strategy.
- ❖ Politically subjective Advancing or mission finance must remain check.

(5.3) Conclusion:

Sonali Bank Ltd. remains considerable diverse in any positions. Its actions exist huge and in circumstances single to any additional bank. This unique credits and credits are large associated to additional banks. The situation investments control plans, proposals exclusive facilities to publics in want, smooth in spaces it workings as principal bank. This Bank frequently make judgment aimed at the good of overall municipal in spite of safety of recognition experience.

The usual takes recognized a complete tribute safety organization and acknowledgement possibility justification strategy. Obedience with Basel II types supports the Bank to recover their productivity complete improved recognition safety administration structures.

From the discussion popular this information, it takes become strong that credit danger organization is a difficult and constant procedure and so Banks or at all financial founding essential income a thoughtful process in talk to these topics.

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