

**An Internship Report on
Loan and Advance Analysis of Janata Bank Limited.**



Prepared By

Zinnat

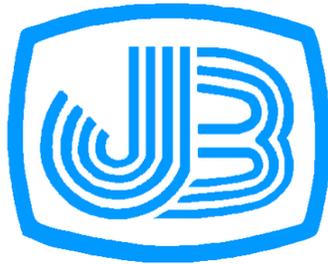
ID: 161-11-4939

Program: BBA (Major Finance)

Department of Business Administration

Daffodil International University

An Internship Report on Loan and Advance Analysis of Janata Bank Limited.



Submitted to:

Mr. Md. Kamruzzaman Didar

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Program: BBA (Major Finance)

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Date of submission: November 24, 2019

Letter of Transmittal

November 24, 2019

Md. Kamruzzaman Didar

Senior Lecturer,

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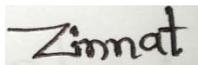
Subject: Submission of internship report titled Loan and Advance Analysis of Janata Bank Ltd.

Dear Sir,

It gives me great pleasure to submit this report on “Loan and Advance of **Janata Bank Limited**” that has been attributed to me. It is a wonderful opportunity for me that I could have learned practical experience from here. I have worked on Loan and Advance department that will help me to accent the topic with practical situation.

I would be very grateful for any reclamation when needed and therefore, I shall be highly thankful if you are kind enough to approve my internship report.

Sincerely,



ID: 161-11-4939

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Daffodil International University

Certificate of Approval

This is to certify that the internship report on “Loan and Advance of Janata Bank Limited” is prepared by Zinnat, ID # 161-11-4939, BBA (Finance), is a regular student of Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. Moreover the report on “Loan and Advance of Janata Bank Limited” has not been acknowledged for any degree, diploma before.

The report has been done under my guidance and supervision.



Md. Kamruzzaman Didar

Senior Lecturer,

Department of Business Administration

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Daffodil International University

Acknowledgement

As a student of BBA Program of Daffodil International University, Internship Program is one of the most vital requirements for completing graduation from the department. I would like to thank all the faculties of Daffodil International University who help to finish my academic courses.

I would like to also thank my honorable teacher Md. Kamruzzaman Didar, Senior Lecturer and Head, Faculty of Business & Entrepreneurship, Daffodil International University. I am so thankful to him for his valuable suggestion and right direction as well as the time he has given in supervising my task on report.

I was posted in Abdul Gani Road Corporate branch of Janata Bank Limited for my internship. I am thankful to Md. Maksudul Hossain, AGM and Janata Bank limited all Officers for their cooperation and necessary support.

I'm so grateful to the amazing people of Daffodil International University (my teachers, my classmates and others) for their support and love. It would be impossible without their support help and love.

Executive Summary

This report is a biased requirement for the Bachelor of Business Administration. As a part of the internship program, I was settled at the Abdul Gani Road, Corporate branch of Janata Bank Limited. During this internship program, I have gained a knowledge about banking and financial activities to individual, corporate bodies, firms, agencies are offered to product and services by the bank to its customer in order to maintain their quality of service. My topic is –‘Loan and Advance analysis of Janata Bank Limited. Loan and Advance is the important part of the Janata bank Limited because of interest on Loans is the major source of income of the bank.

This is a great opportunity which helps me to learn about the practical life scenario of financial institution. And also learned about six major parts. The main part is the introductions, Second part gives a profile of Janata Bank Limited, the third part speech about the “Loan and Advance” grounding and what I learned a short measurement, the fourth part is to analysis the process of “Loan and Advance” of Janata Bank Limited, the fifth part is to analysis the performance of “Loan and Advance” of Janata Bank Limited. And last one is some findings and problems and some recommendation and conclusion of Janata Bank Limited.

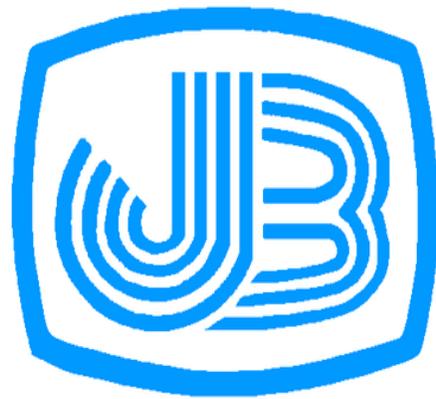
Basically, I express my particular experience of the bank I made essential recommendation to be stable to sustain the company journey to according my viewpoint. Finally, I would like to say that the whole situation of Janata Bank Limited is try to their best efforts of their banking system.

Basically, my Internship report covered by the basic and functional activities about the topic of Loan and Advance of Janata Bank Limited.

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CHAPTER-01
INTRODUCTION

1.1: Introduction

The Intern Report based on the Loans and advances analysis of Janata Bank Limited. The vast range job activities like financial, firms, multinational agencies, corporate bodies as well as service and product can be offered by the Janata bank Limited to their customer for maintaining quality of service.

The most vital part of a bank is bank loans, in order to the sanction of loan developed by their extension. Basically, the interest create from this loans is the main part of income of the bank. This is the most vital to the economy because the continuation and position for the bank Loan get into the level of business work by their effect on the race of money supply.

I have gathered practical experience and my observation from the Janata Bank Limited I made essential recommendation to adjust and sustain the company going to the excellence due to my view point. I can abbreviate total condition, this company try their best and give a lots of attempt to improving their banking system as my intellection. The bank will absolutely improve with the development of business policy and environment as time progression.

Basically, the report focus on how a bank branch take up a part in Loan and Advance analysis of Janata Bank Limited.

1.2: Background of the Study

Janata Bank Limited is the important financial activities because of their economic development and employment generation. It has been playing a vital role for all banking activities. Banking interceptions make the monetary system and sound banking system may be termed as a barometer of economic progress in our country. Without the participation of bank a modern economic functions are meaningless. In progress aims to ensure socially and economically responsible banking service is trusted and tested by the Janata Bank Limited .In 2018 Janata Bank Limited completed the automation of all branches and make their slogan of “Digital Bangladesh” and the branches will under a centralized network with online banking system.

1.3: Objectives of the Report

Objectives of the report are as follows-

- To analyze the theoretical background of Loan and Advance of Janata Bank Limited.
- To learn about Loan and Advance activities of Janata Bank Limited.
- To evaluate the performance of Loan and Advance of Janata Bank Limited.
- To find out some problems of Loan and Advance activities of Janata Bank Limited.
- To make recommendations to improve Loan and Advance performance of Janata Bank limited.

1.4: Methodology of the reports

All report are following few Principals and method. The internship report is only based on Primary data and Secondary data.

Primary sources are:

- Supervisor and
- Officer.

Methods of Collecting Primary Data:

- Real life knowledge and work experience on their branch.
- Conversation with office employee.
- Face to Face conversation with branch visited customer.
- Directly communication between the customer and employee.
- By working practically in the Branch.

Secondary sources are:

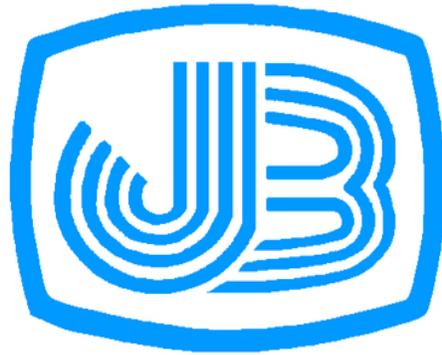
I have discussed various types of secondary data and information in my internship report.

- Financial report and Research report of Janata Bank Ltd.
- Annual report of Janata Bank Ltd.
- Manual report of Janata Bank Ltd.
- Periodicals and several books are connected with the banking sector.
- Newspaper and Internet.

1.5 Limitations of the Study

This report has few limitations in fulfil the report with resources. Some limitations are:-

- To maintain conceal of Janata Bank Ltd and considered some data in this report.
- To collect all the information was very difficult because of their job constraint.
- Time frame of research to data collect was very limited.
- Getting connected with documents and papers were strictly disagreed.
- Janata Bank Ltd website was not sufficient up-to-date to easily collect essential data and information.



CHAPTER-02

Organizational Profile

2.1 Bank Profile

Bank is the important Financial Economy in Bangladesh. It is the commercial bank among the foreign and local bank. Credit Loan able fund is the principal sources for millions of families, corporate bodies, individuals and for many units of government. Banks are often major sources of credit to fill a dealer's showroom with new car or stock the shelves with merchandise because of small business ranging from grocery stores to automobiles dealers. When the customers purchase goods and services they not use checks, debit or credit card connected to a computer network. And the Banker is to whom they turn frequently for counsel that they needed financial planning or financial information.

There is so much confusion about what a bank is, when the local communities and a whole economy is as important as blanks. Banks can be identify the functions of economy performance. Functions of bank change not a problem but change a function of principal competitors as well. Many financial institutions try to include banks in their offer. They are-

- Insurance company.
- Mutual Funds.
- Brokerage firms.
- Security dealers.

Vision and Mission of JBL:-

Vision:

Janata Bank Limited vision is to become an efficient and largest commercial bank in Bangladesh. It is support to a sustainable socio-economic development as well as be a lending bank in South Asia.

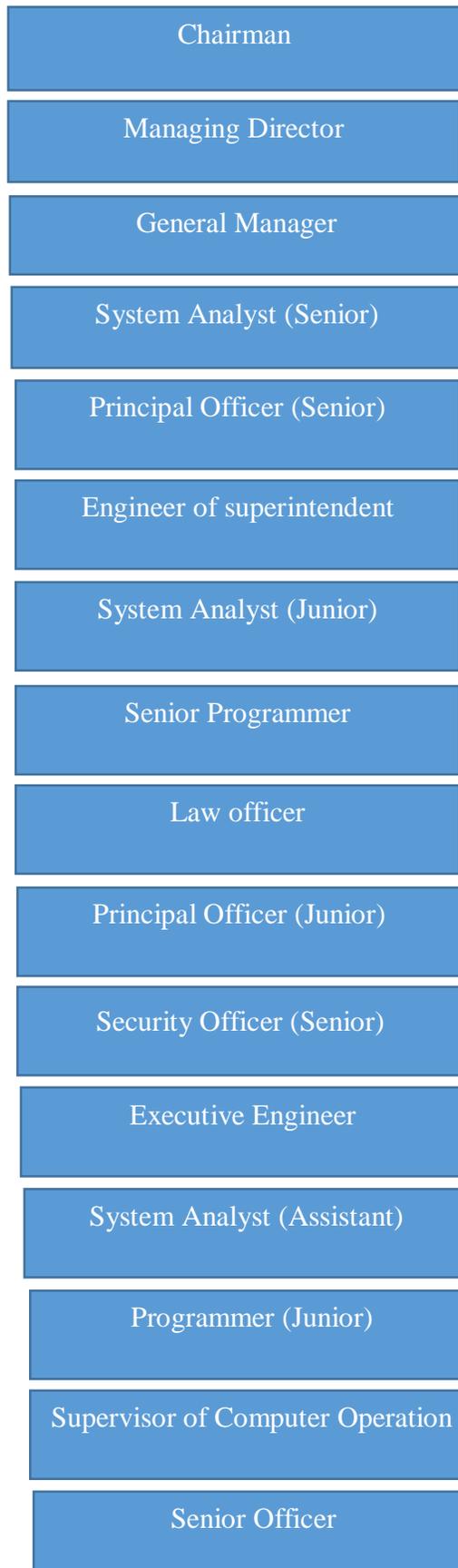
Mission:

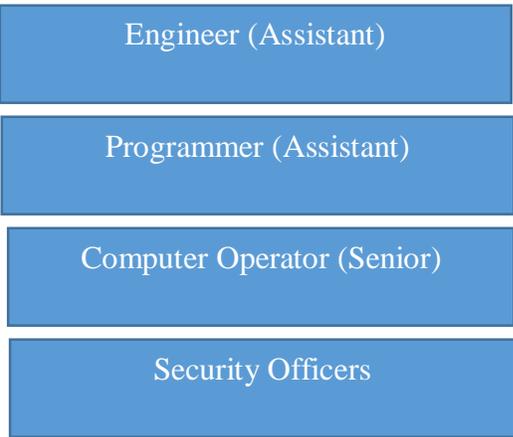
Janata Bank Limited mission is to take participation on economic development country by the maintaining a growth strategy and delivered to high quality financial products with provided their customer service by an experienced management team. Moreover, ensured that it will best corporate governance of banking network system.

2.2 Banking profile at A Glance:-

- Janata Bank Limited is the 2nd largest commercial Bank in Bangladesh. It plays a very important role in all financial banking system. In 1972 Janata Bank Limited is nationalized by the union bank and united bank. And In November, 2007 it was a restricted Limited company. The Bank has contributed to economic development and helped to financial ground of the country. This bank operates with 913 branches and including 4 overseas branches in United Arab Emirates (UAE).
- JBL registered address of Janata Bhaban, 110, Motijheel Commercial Area Dhaka- 1000, Bangladesh.
- It is a Public Limited Company.
- Md. Abdus Salam Azad (F.F.) is a Managing Director and CEO.
- Hussain Yeahyea Chowdhury is a Company Secretary.
- Date of Incorporation 21 May, 2007.
- Bank Deposit BDT 6, 75,548.46 million.
- Authorized Capital BDT 30000 million.
- Advance BDT 5, 33,707.17 million.
- Paid-up Capital BDT 23,140 million.
- Face value BDT 100 per share.
- 100% share holding pattern owned by the govt. of Bangladesh.
- Number of Employees are 11966 update on 2019.
- Bangladesh Bank Banking license obtained from 31 May, 2007.
- Electronic Fund Transfer (EFT) system started was 28th February, 2011.
- More than 28 ministries and govt. are used to EFT network.
- Phone: +88 02 9560027-30, 9556245-49, 9565041-45, 9560000, 9566020.
- Fax: +88 02 9553329, 9554460, 9552078.
- Website of JBL www.jb.com.bd, www.janatabank.com.
- Email of JBL md@janatabank.bd.com

2.3 Hierarchy of Janata Bank Limited:





2.4: Products and services of Janata Bank Limited

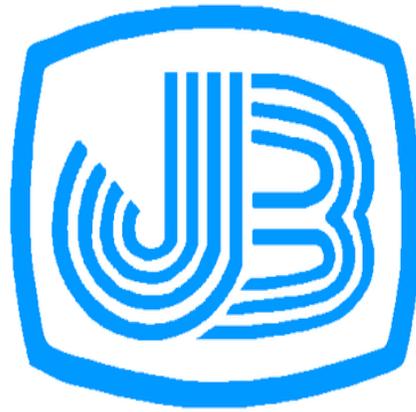
Janata Bank Limited provides a major products and services to customer. Janata Bank Limited is as govt. owned banking system.

The Bank offers Products as:-

- Current account,
- Savings account,
- STD account,
- SND account,
- FDR account and
- Loan Schemes account.

The Bank offers Services as:-

- Demand Draft (DD),
- Telegraphic Transfer (TT),
- Pay Order (PO),
- Automated Branch Banking (ABB),
- ATM and
- Special Arrangement of Fund Transfer.



CHAPTER-03

Theoretical Background of Loan and Advance

3.1: Loan and Advance of Janata bank Limited

Bank is collect money from company or organization to provide loan to them. Loan and money is to be acceptable to the nation. It is an advantage searching for some various mechanical affiliation and business. The main reason bank is create a loan to their customer, chartered by the federal establishment. Bank always support to their local society with supply of credit for all consumer needs and business. The bank credit reasonably with competitively constant interest rates. The financial function is to create a loan to use fund and spending investment by individuals, business and unit of a govt. Bank loan support their growth of new job and new business with promote their economic vitality because of function of Loan and banking performance has to be a great deal in the economic health. Business can benefit to concern their different habit by research like

- Floatation of Debenture.
- Bank Borrowing,
- Additional capital.
- Credit on purchase.

3.2: Different types of Loan in the Janata Bank Limited

Janata Bank Limited provides a two types of loan. Such as-

- Continuous loan (Short term loan).
- Term Loan (Long term loan).

Types of Loan in Janata Bank Limited

- Corporate loans.
- Business loans.
- Retail loans.

Corporate loans

Corporate loan provide a loan to large corporation. It considered a large company RM100 million is annual sales turnovers.

Objectives of Corporate loan

- Loan portfolio is high speed to expand.
- Large number of potential customer,
- Cross selling another products and services to their employees and organization.

Business loans

Business loan provide a loan to medium and small business.

Objectives of Business loan

- Provide working capital.
- Project financing and fixed loan.
- Financial construction of a project.

Retail Loans

Retail loan provide a small loan to individual.

Objectives of Retail loan

- Personal investment.
- Financial expenses.
- Consumption.

3.2.1: Short term loan

There are three types of loan in Janata bank Limited. Such as-

- Secured Overdraft (SOD)
 - Real Estate.
 - Financial obligation.

- Cash Credit (CC)
- Export Cash Credit (ECC)
 - Temporary
 - Clean

Types of term loan in Janata Bank Limited

- General House building loan
 - Commercial
 - Residential.

- Staff House building loan
- Staff loan
- Bi Cycle/ Motor loan
- Staff Bi cycle/ Motor loan
- Loan with rural credit
- Loan with rural credit upon salary
- Loan with provident fund
- Industrial credit loan
- Loan with import merchandise
- Loan with DPS
- Loan with trust receipt
- Loan with consumer credit
- Loan with packing credit

3.2.2: Loan and advance for provision

Loan and Advance for provision has create on the basis of instruction. Bangladesh Bank contained in -

15 November, 1989. BCD circular number 33.

28 December, 1994, BCD circular number 21.

September, 1995 BCD circular number 5

5 December, 1998 BRPD circular number 15.

13 may, 2001 BRPD circular number 10.

19 August 2005 BRPD circular number 10.

5 December, 2005 circular number 18.

As the period end and investigate by the management team. Loan and Advance for provision has been made prescribed below rate.

Provision for-

- Loan and Advance unclassified (2.00%)
- SME (3.00%)
- SMA (4.00%)
- Doubtful Loan and Advance (52.00%)
- Substandard Loan and Advance (22.00%)
- Bad/Loan and Advance (100.00%)

3.2.3: Loan and Advance of presentation

When interest rate is suspense and provision for loan loss, Advance are shown at gross amount of assets and classified advances are shown as liability in the balance sheet.

Staff loan allowed at confessional rate taka 8443.60 million.

3.2.4: Loan and Advance for interest rate

Interest rate charged and accounted for quarterly basis but unclassified interest on loan calculated the daily basis. Mainly some cases half yearly and yearly. Bad/loss Loans and Advances is without interest charge.

Classified interest on Loan and Advances calculated in interest suspense account to income on realization. SME is following the same procedure.

3.2.5: Securities with Loan

There are many types of securities with Loan. Such as-

- Overdraft
- House building Loan
- Project Loan
- Trading and Working capital loan
- Loan with gov.t guarantee and crop Loan.

3.2.6: Loan and Advance of Written off

Written of Loan used to individual borrowers. Witten of Loan will not be recover because of the banker is not collected the loan from their balance sheet. Without reducing the banks claim the written off loans are maintained.

Basically, the written off Loans is the amount from balance sheet with provision has been made.

3.3: Special or New products of Janata Bank Limited

- ❖ Financing IT sector.
- ❖ Financing of industries.
- ❖ Loan to Diagnostic centers.
- ❖ Loan to Travel Agencies.

- ❖ NRB gift Cheque.
- ❖ NRB Escrow Account.
- ❖ Ready Cash.

i. Financing IT sector

The importance of financing it sector and the role it can play in the economic development of a nation cannot be punctuate. The world has phenomenal growth in it sector over the last two decades which create a sensible decision to take advantage of unprecedented progress. Today we are living in the ICT world. To haste in the growth of IT and to attract energetic IT professional Janata bank Limited launched their credit scheme. Their Titled

“Financing Computer Software Development and Data Export”.

The debt to equity ratio being 80:20 with the maximum loan amount is taka 10 million. Exposure market can get benefit 7% interest rate 1% service charge but their interest rate is 11%.

The main function of this scheme is set up to industrial based. It project for improvement of software for data export. Janata Bank Limited issued guideline for facilitating IT sector.

IT related fixed experience

Software improvement and data export is specialized job requires skill and innovative traits of an individual.

VISION of the promoters

What the promoters wanted to the loan?

If we know that the interest of the sponsors their IT related expertise we may really help the potential clients in improving their positive support.

Eligibility to be a leaner

The Leaner should have a computer science related subject like EEE, Telecommunication engineering, applied physics or proven record of managing IT sector.

Sponsors and computer literate having a diploma in computer, qualified and energetic sponsors whom the bank consider of take loan.

Preferences

Companies or Sponsors having experiences in the related firm will be given priority.

Debt equity ratio and Loan limit

This Loan scheme provides maximum of taka 10 million (around US\$ 14400). For a loan up to taka 5 million (around US\$ 72000) debt equity ratio will be 80:20 and over taka 5 million (US\$72000) and the ratio will be 70:30.

Repayment Mode and Period

Including 6 to 12 months grace period in 5 years (Including construction period). Installment with interest compounding for term loan of half yearly repayment. Repayment of working capital loan and export cash is 1 year and construction period will be repayable in 3 yearly installments.

Rebate on Interest

The sponsor or company will be provide 5% rebate on total interest charged of regular repayment.

Security

If any loaner shows interest to given collateral security, they will be given priority. No collateral security is required.

Sanctioning Authority

Janata Bank Limited, Head office, Dhaka.

Submission of Loan Application

Loan Application has submitted to any one of Janata Bank Limited 118 designated branches using prescribed format available in those bank branches. Sponsors or company willing to apply loan above taka 10 million (around US\$144000) may apply to normal instead of the existing loan scheme.

ii. Financing of Industries

Introduction	entrusted with responsibility of improving industries with The frame work of industrial policy. Credit norms of the Bangladesh bank as well as by the Investment Board. If the project is technically, Financially, Commercially, And Managerial, then Janata Bank Limited Finance the Project.
Loan Application form	District Headquarters Branches and Corporate 1 and 2 With another nominated branches.
Experience	Companies or Sponsors having experience in related Firms are given priority.
Loan Limit	Janata Bank Limited taka 129.60 million (financed up) in a single Project a year.
Debt Equity Ratio	under syndication arrangement with another financial Instruments.

Rate of Interest	Debt equity ratio normally 50:50.
Repayment Mode and Period	project loan ranges 11%-13%, working capital ranges 12%-13.50% and export oriented ranges 7%-14% rate Of Interest rate (chargeable).
Security	The project land, building and other project assets are Considered as primary security with term loan.
Sanctioning Authority	Janata Bank limited Head office, Dhaka.
Submission of loan Application	Loan has to submit with any nominated branch.

iii. Loan to diagnostic centers

A business turnover should be good because of their diagnostic center should have been set up as per govt. health policy.

iv. Loan to Travel Agencies

Annual business turnover should be satisfactory

Loan sanction on a case to case basis

Purpose of loan for running Travel agency business

Interest rate 15%

Mode of repayment sale proceeds of ticket

Duration of the loan 1 year

v. NRB escrow Account

Janata Bank Limited has introduced a new foreign currency account. The non-residential account name is NRB escrow account.

The expatriate Bangladeshi require to expense their money sent to different purposes to repay dues to individual. But non availability of dependable persons are not served their purpose and their earned money is not utilized in proper way. The expatriate Bangladeshi complaint that due to absence of dependable representative and due to lack of sufficient knowledge of their official procedure. They cannot ensure proper utilization of their money and invest the every intention to do that.

Finally, they are not encouraged in remitting and investing money to the country.

Papers or information required for opening NRB Escrow Account

- Prescribed Account opening form duly filled in
- Signed by the Applicant
- Copies of Passport sized photograph
- Photocopy of visa, passport and work permit
- Copy of Appointment letter attested
- Contract or Declaration regarding source of income abroad.

vi. NRB gift cheque

Bangladeshi National residing abroad desire to offer gift on the occasion of their relative's marriage day, marriage ceremony, birthday etc. Janata Bank Limited has introduced their "NRB Gift Cheque" for their non-resident Bangladeshi for fulfillment of desire to their offer gift to any occasion of their dear ones. Expatriate Bangladesh desire to offer gift any occasion of their relatives may apply to purchase "NRB Gift Cheque". Janata bank Limited issued NRB Gift Cheque and arrange to send the same to the beneficiary on the time, date and place as desired by the applicant.

vii. Ready Cash

Janata Bank Limited has entered into an agreement with American International Investment to provide financial plastic card services.

viii. SME Sector

SME division has sanctioned term loan in small and medium industries sector in 455 projects of taka 941.36 cores. Which taka 948.69 cores has been disbursed with 4310 projects, outstanding as 31.12.2007 is taka 446.12 crore and recovery loan is 70% in Janata bank limited from the inception of Industrial credit Financing.

ix. Small and Medium Enterprise

Small and Medium enterprises with developing a balanced and dynamic industrial sector has been Janata bank Limited throughout the country. Financing special tailor-made programs under taken by the Janata bank Limited. And a credit line has been extended to MIDAS while other program.

3.4: Clean Loan and overdrafts under Limits Sanctions by the Officials Authorized

A clean loan or overdraft under delegated power on receiving application from the borrower. A Limit application along with a financial credit report of the borrower. Business power circulated under instruction circular No. 899. The branch manager is fully satisfied is fully with their party on the other following points. Such as-

- Party's name and address
- Allied concerns name
- Establishment of year
- Account opened date
- Turnover during last 6 months
- Dealings with bank
- Present balance maintain in the main account

- Average balance during the last 6 months
- Balance maintain in the allied account
- Scope of business and nature
- Name of Partner, proprietor and Directors
- Liquid resource
- Annual report
- Personal Asset of partners or directors
- Trade license with trading account
- Credit lines availed with other banks by the applicant
- Business passed on the bank during the last 6 months
- paid income tax
- Business expected
- Advance required
- Rate of interest
- Repayment arrangement
- Guarantor's name, business and address
- Other facilities enjoy by the party
- Opinion of other bank
- Regarding the financial position
- Reputation of the party
- Advanced required by the borrower
- Balance sheet of the party
- Assets and liabilities of the firm

There are many documents are needed from the party. Such as-

- Demand promissory note
- Letter of partnership
- Letter of arrangement
- Partnership account

- Letter of guarantee signed by the partners
- Letter of disbursement
- Letter of continuity

3.5: Advances (loans, overdraft, and cash credit) with pledge of stocks or goods.

There are many advances against pledge of stocks or goods. To take following the consideration to restrictions imposed from time to time-

- Facility to allow only trustworthy and prudent customers
- Having a constant and effective demand in the market
- Goods are not subject to rapid deterioration due to storage
- Absolute title in goods from borrower
- The security is not encumbered
- The prices of goods are steady
- The prices of goods offered as security
- The goods are insured against all risk
- The insurance policy bears bank mortgage clause
- The borrower properly signed by the stock report

Following the Advance after obtaining, the charge documents are properly stamped-

- Demand promissory note
- Letter of pledge
- Letter of arrangement
- Letter of partnership
- Personal guarantee of the directors
- Letter of disbursement
- Letter of continuity

3.6: Loan strategies of bank

There are different type of risk are exposed to Janata bank limited. Such as-

- Liquidity risk
- Operational risk
- Credit risk
- Reputational risk
- Exchange rate risk
- Internal risk

3.7: Risk Analysis of Loan in Janata Bank Limited

Risk analysis of loan is an important activities that has been minimizing the risk in funds in a business of local banks. It was identified by the experts. The main reason for failing to recover the bank money is to a particular borrower providing loan in involved high risk. The main factors in determining the investment in terms of recovery as one of the issue of risk analysis. The risk analysis of loan is a risk that the bank does not recover an Investment. It is the systematic way of assessing loan risk.

3.8: Principles of sound Lending in Janata Bank Limited

Borrower is one of the most important function of commercial bank because of their lending of money. There are some principles sound lending is important consideration is kept in mind by the banker. This are given billow-

- Safety
- Security
- Portfolio
- Liquidity
- Profitability
- Purpose
- Diversification
- National interest



CHAPTER-04

Analysis the process of Loan and Advance

4.1: Process of Loan and Advance of Janata Bank Limited

Maximum bank loans from persons amount a straight desire to a bank who access a part of the banks workers and inquire to complete external loan petition business loan desire. Regarding that mostly amount to company the bank's loan payment and sales regulation make as like they appeal new accounts to firms manage in the bank's market. On time loan manager desire call on the similar bank for the month in the past the bank at last accord to offer the bank try to through fulfillment external loan application. Most of the bank complete their rank to their external customer same report show in the table. So that they look over a powerful business. The report is update then visit every next and donating the after loan payment severe information about an expected client before anybody made by different personal contact. Sometimes, they fixed to desire usually with a loan offer.

4.2: Total Loan and Advance of Janata Bank Limited

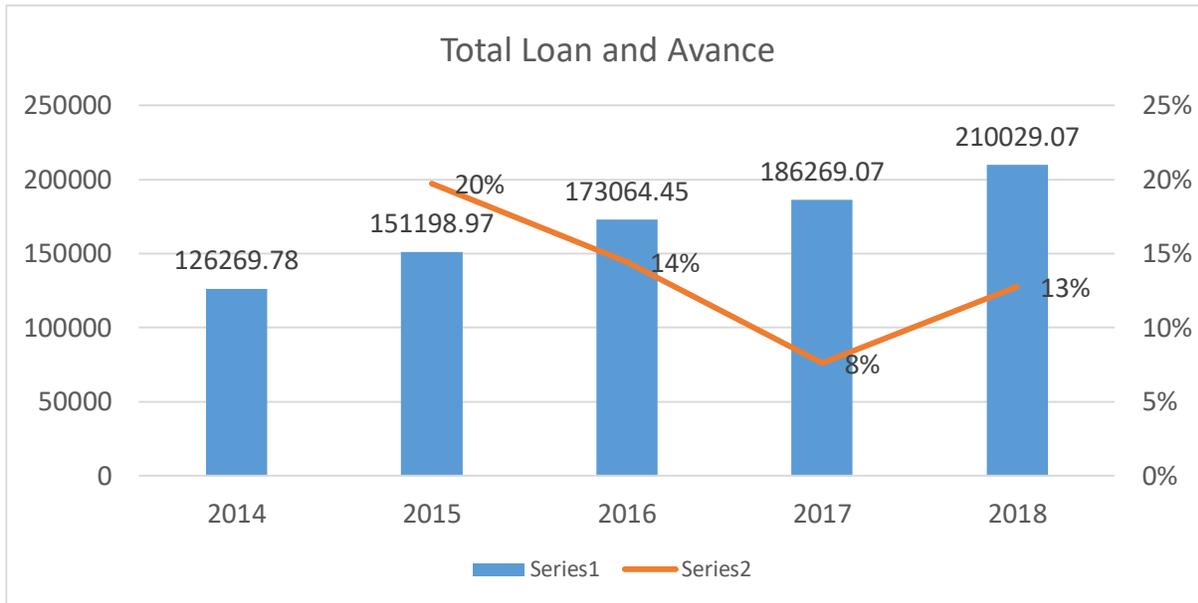
Loan and Advance is very essential part of the Janata bank Limited. Janata Bank Limited extend to their Loan and Advance given ability to following the control of Bangladesh Bank. If the Janata Bank Limited providing their Loan and Advance is increase their cost co-operator and cost is also increase.

Janata bank Limited Last five years Total Loans and Advance are given below-

Total Loan and Advance Table

Year (take in crore)	2014	2015	2016	2017	2018
Amount	126269.8	151199	173064.5	186269.1	210029.1
Growth rate		20%	14%	8%	13%

Total Loan and Advance (annual Report)



Interpretation

We can see that in 2018, Janata bank Limited increasing their Loan and Advance. Because of in 2018, the total loan and advance is 210029.07. Janata Bank Limited always analysis their previous report because of they are providing loan and advance as of low interest rate as other organization. They always try to believing and simple understanding of loan conditions.

So, In 2018 Janata Bank Limited is providing their loan is very much appreciate in other years.

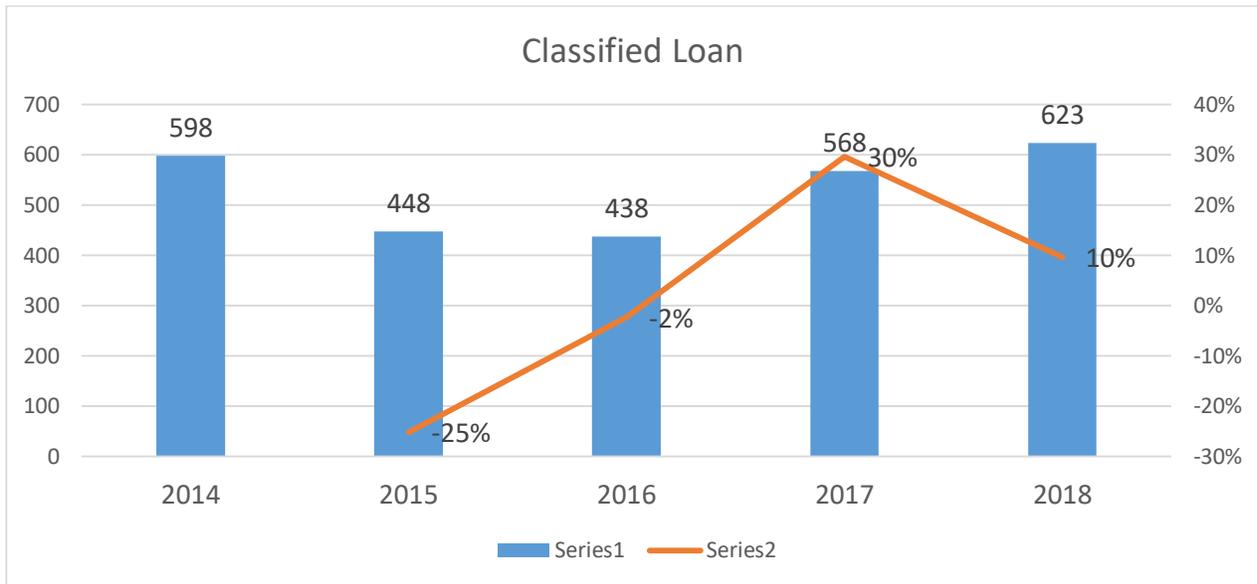
4.3: Total Classified Loan and Advance of Janata Bank Limited

Classified loan is a bank loan that has been risk of incapability. Classified Loan have not paid interest that's why bank will be capable to compensate the loan proceeds.

Table of Total Classified Loan

Year (taka in crore)	2014	2015	2016	2017	2018
Amount	598	448	438	568	623
Growth rate		-25%	-2%	30%	10%

Total Classified Annual Report



Interpretation

In 2018, the classified loan is 623 million BDT. Classified loan of Janata bank Limited is increasing since 2016.

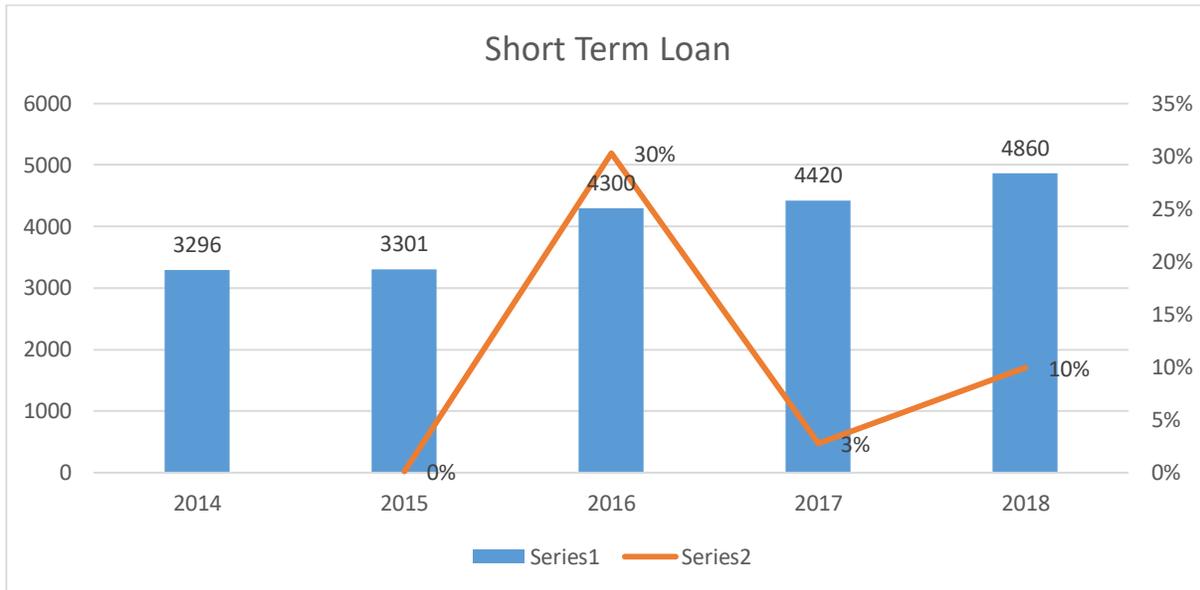
4.4: Short term Loan

Short term Loan is a personal loan that can be provides solution the debtor responsibly.

Table of Short term loan

Year (taka in million)	2014	2015	2016	2017	2018
Amount	3296	3301	4300	4420	4860
Growth rate		0%	30%	3%	10%

Short term Annual Report



Interpretation

In 2018, Janata Bank Limited short term loan is BDT 4860 million and growth rate is 10%. Janata Bank Limited short term loan is increasing year to year. So, their short term loan is satisfactory.

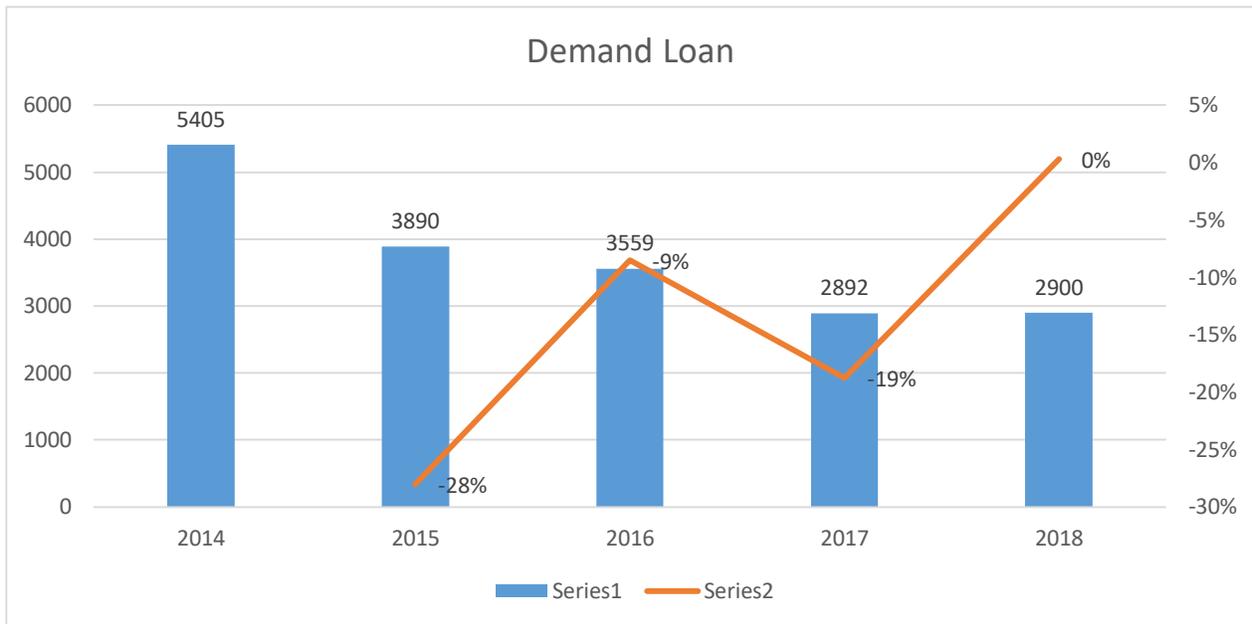
4.4.1: Demand Loan

Demand loan is a loan that has been paid of demand from the banker (lender).

Table of demand Loan

Year (taka in million)	2014	2015	2016	2017	2018
Amount	5405	3890	3559	2892	2900
Growth rate		-28%	-9%	-19%	0%

Demand Loan Annual Report



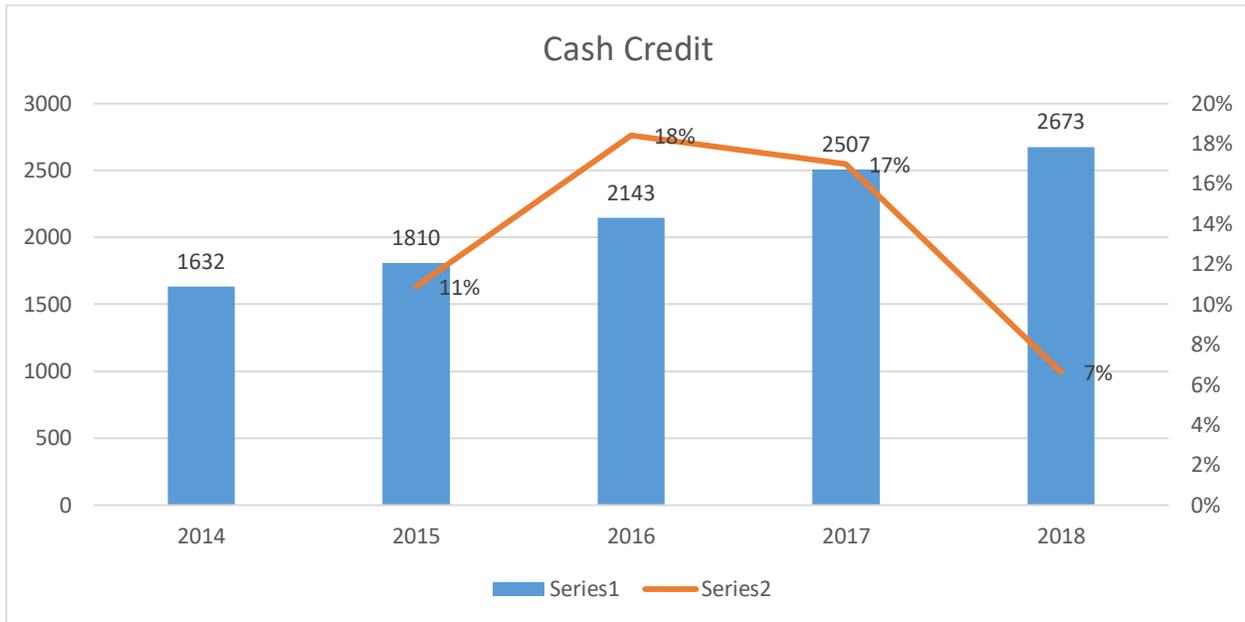
Interpretation

In 2018, Janata Bank Limited Demand Loan is 2900 and growth rate is 0%. Janata Bank Limited Demand Loan is decrease previous five years. So, their Demand loan and Growth rate is dissatisfactory.

4.4.2 Export Cash Credit

Year (taka in million)	2014	2015	2016	2017	2018
Amount	1632	1810	2143	2507	2673
Growth rate		11%	18%	17%	7%

Cash Credit Annual Report



Interpretation

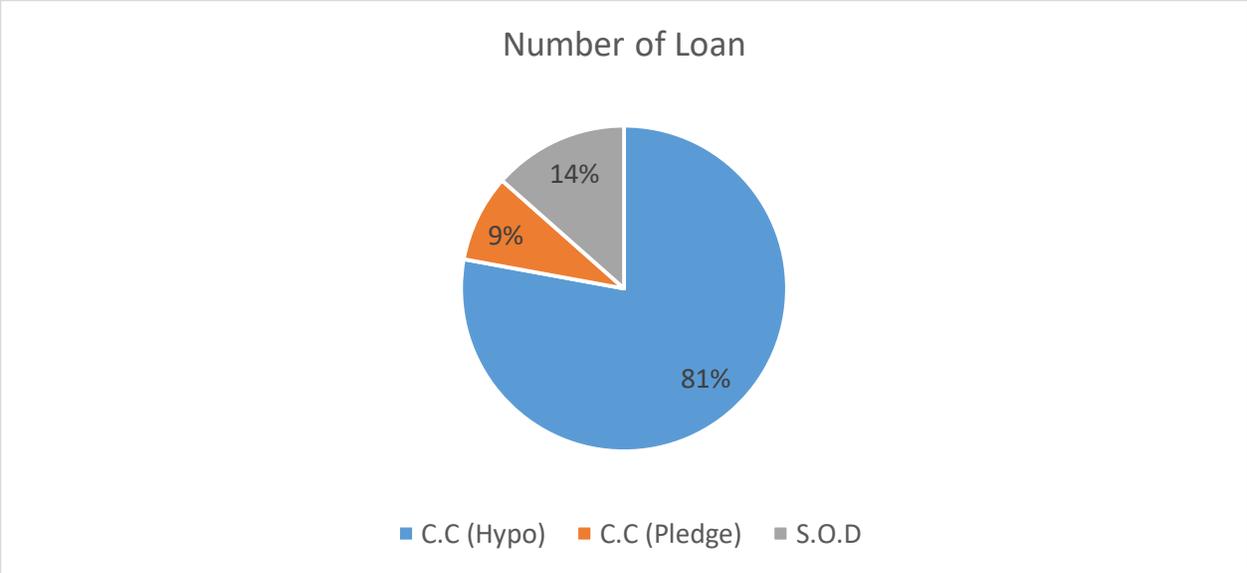
In 2018, The Janata Bank Limited Export Cash Credit is BDT 2673 million and growth rate is 7%. Janata Bank Limited Cash credit is increase year to year but Growth rate is fluctuations year to year.

So, Their Cash Credit and Growth rate is satisfactory in other organization.

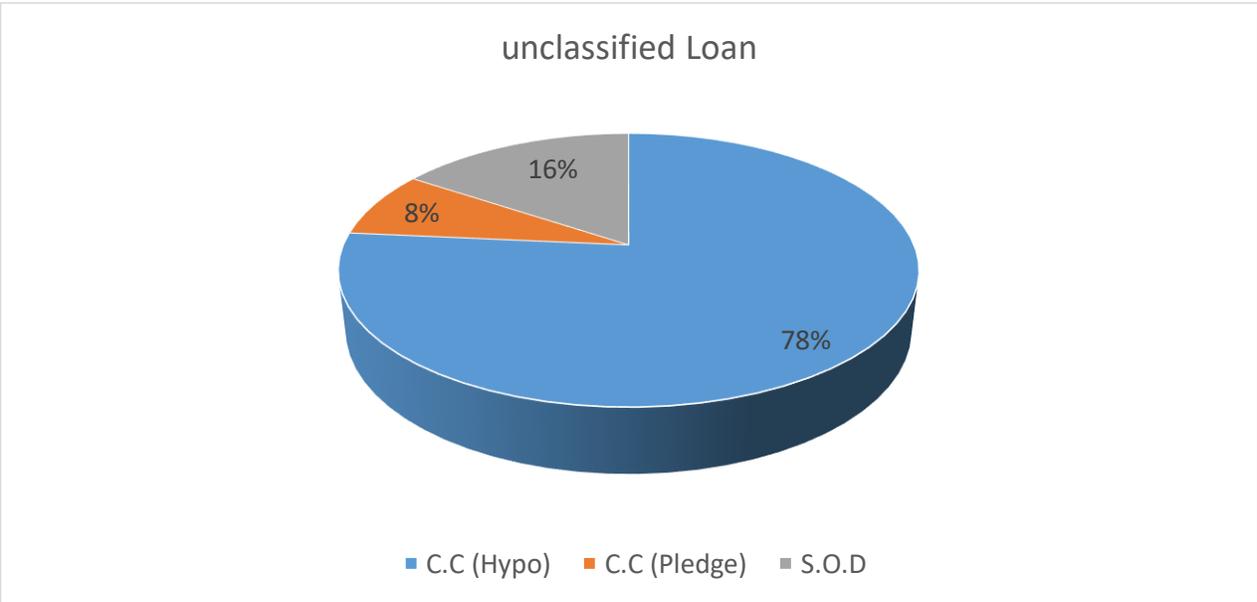
4.4.3: Classification of short Term Loan

Name of Loan	C.C (Hypo)	C.C (Pledge)	S.O.D
Bad Loan	3	1	0
Number of Loan	28	4	6
unclassified Loan	26	4	6
Doubtful Loan	2	1	0

Source: Statement of Abdul Gani Road Corporate Branch of Janata Bank Limited (December 2018).



The Janata Bank Limited number of cash credit (Hypo) is 29 and the short term loan is 81%. Cash credit (Hypo) is largest whereas the Cash credit (pledge) is 9% and S.O.D is 14%.



The Janata Bank Limited Unclassified Loan (Hypo) is 78% that is the largest part of unclassified loan of Janata Bank Limited.

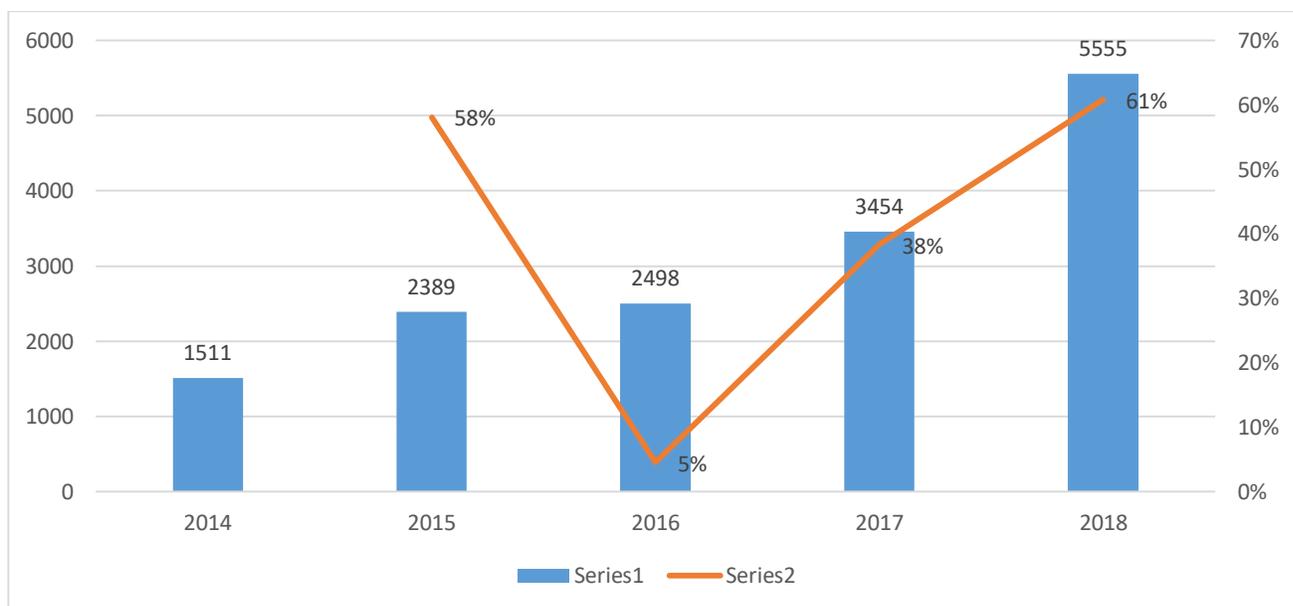
4.5: Long Term Loan

Long term loan is a loan that has been provide a loan more than one year. Mainly Long Term Loan use to purchase Assets, Inventory or Equipment.

Table of Long Term Loan

Year (taka in million)	2014	2015	2016	2017	2018
Amount	1511	2389	2498	3454	5555
Growth rate		58%	5%	38%	61%

Long Term Loan Annual Report



Interpretation

In 2018, The Janata Bank Limited Long Term Loan is BDT 5555 million and growth rate is 61%.

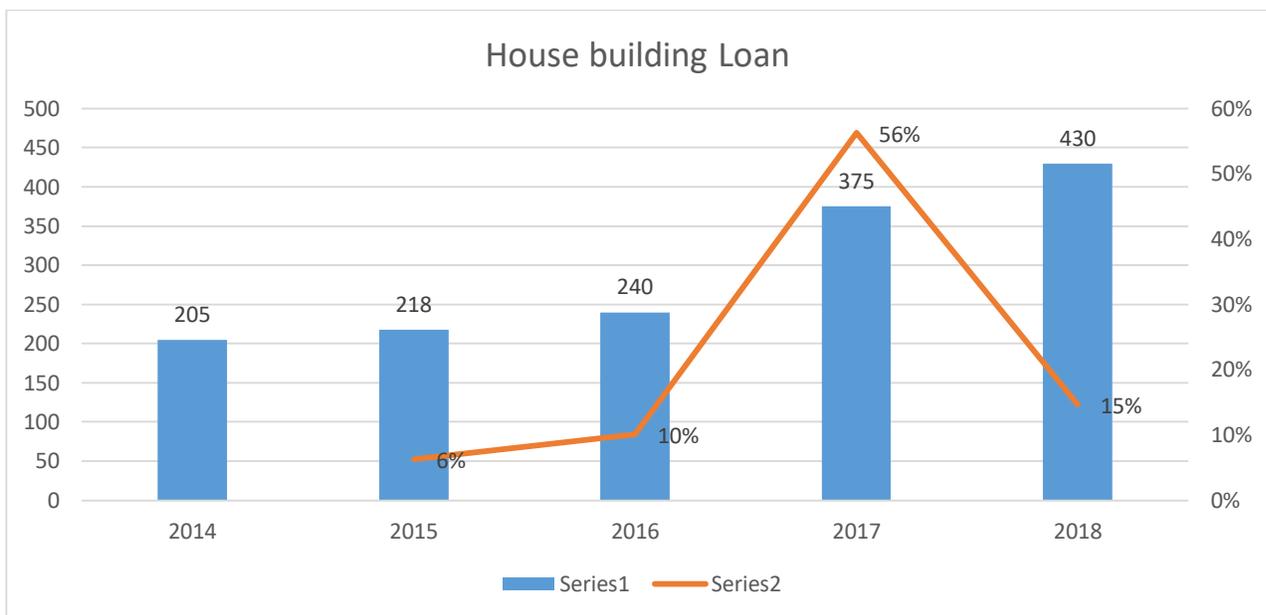
Janata Bank Limited Long Term Loan and growth rate is increasing year to year.

So, Their Long Term Loan and Growth rate is satisfactory in other organization.

4.5.1: House Building Loan

Year (taka in million)	2014	2015	2016	2017	2018
Amount	205	218	240	375	430
Growth rate		6%	10%	56%	15%

House Building Loan Annual Report



Interpretation

In 2018, The Janata Bank Limited house building Loan BDT 430 million and Growth rate is 15%. Janata Bank Limited House Building Loan is increasing year to year but Growth rate is fluctuations year to year.

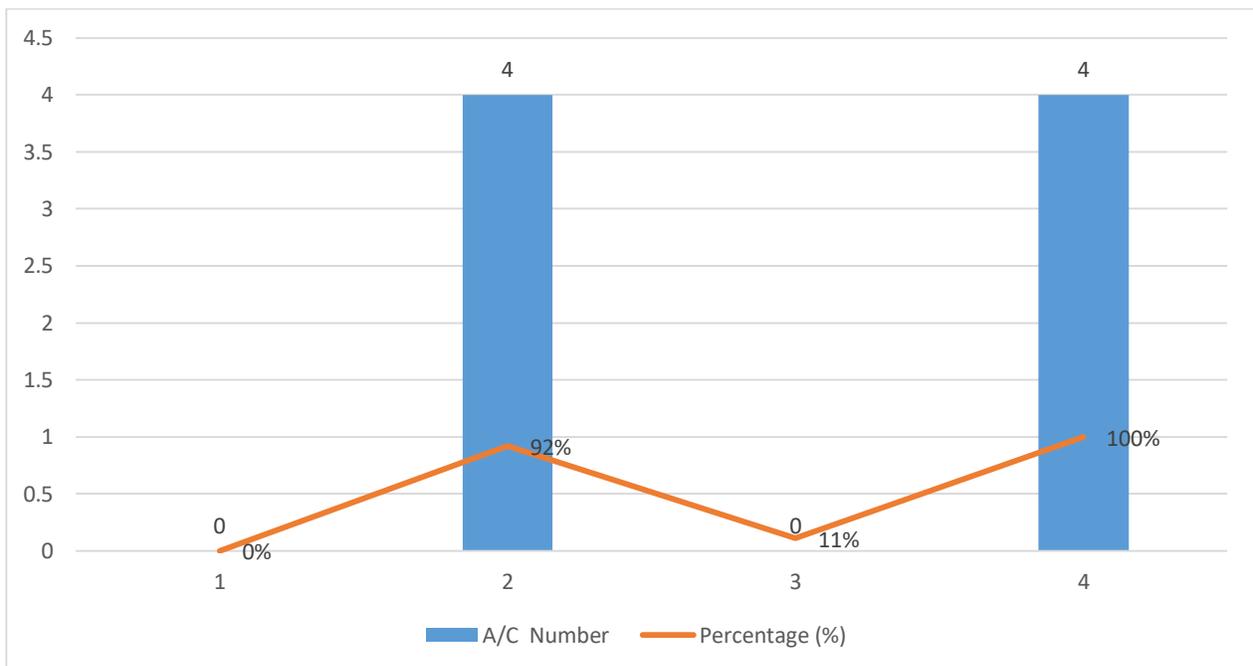
So, the Janata Bank Limited is satisfactory.

4.6: Loan with construction Period

Permanent statement	A/C Number	Percentage (%)
Income Producing	0	0%
Suspended	4	92%
Cash revocation restricted	0	11%
Total	4	100%

Source: Statement of Abdul Gani Road Corporate Branch of Janata Bank Limited (December 2018).

Janata Bank Limited Permanent statement 2018



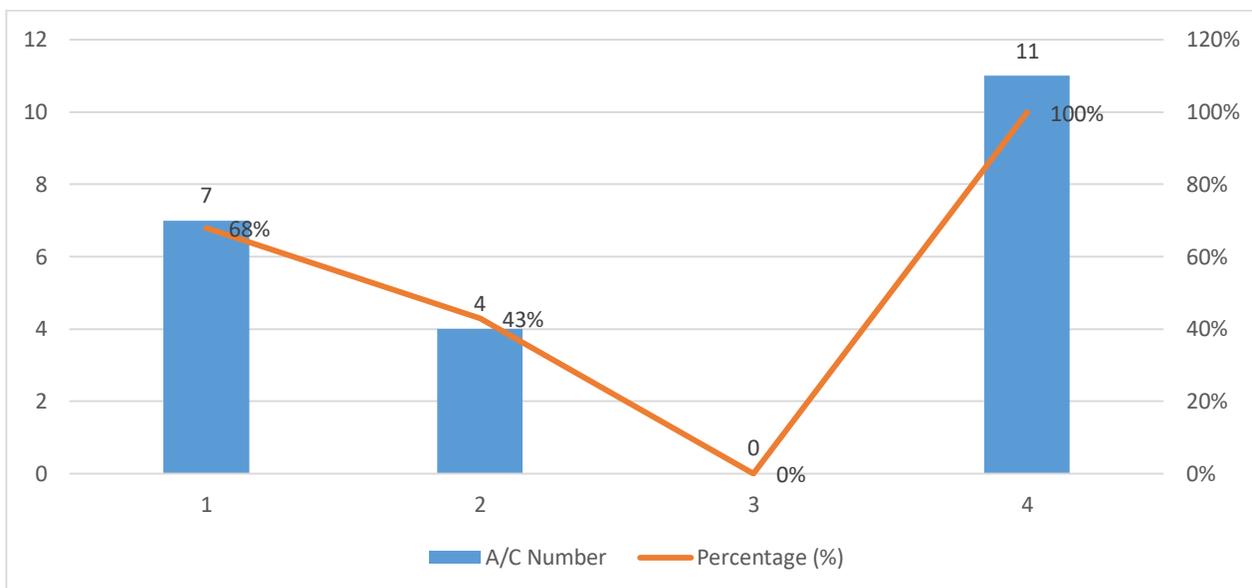
Janata bank Limited Loan with construction period 100% is under suspended.

4.7: Organizational Credit Loan

Permanent statement	A/C Number	Percentage (%)
Income Producing	7	68%
Suspended	4	43%
Cash revocation restricted	0	0%
Total	11	100%

Source: Statement of Abdul Gani Road Corporate Branch of Janata Bank Limited (December 2018).

Janata Bank Limited Permanent Statement 2018



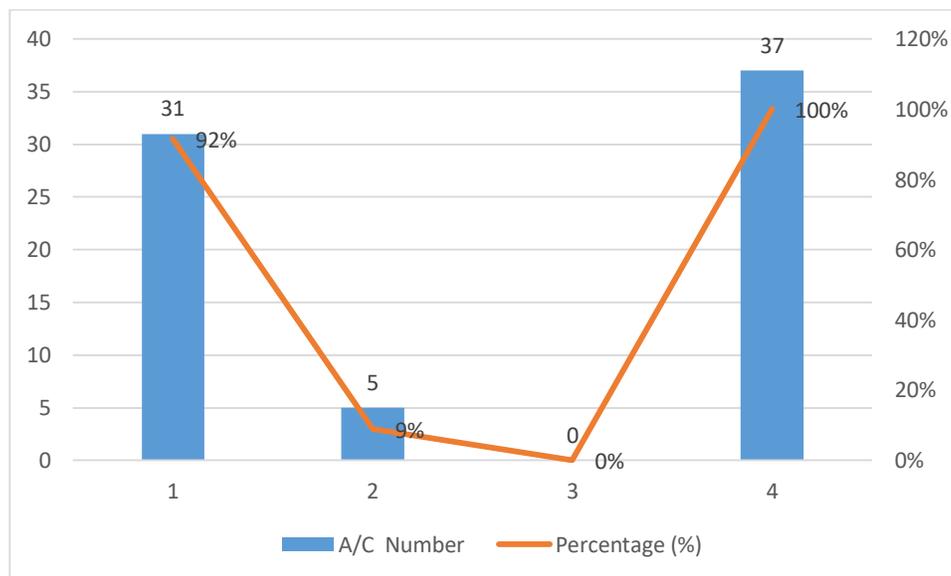
Janata Bank Limited income producing part of organizational credit loan is 68% and suspended loan is 43%. That is the largest part of Janata Bank Limited.

4.8: Loan with Rustic Credit

Permanent statement	A/C Number	Percentage (%)
Income Producing	31	92%
Suspended	5	9%
Cash revocation restricted	0	0%
Total	37	100%

Source: Statement of Abdul Gani Road Corporate Branch of Janata Bank Limited (December 2018).

Permanent Statement of Janata Bank Limited

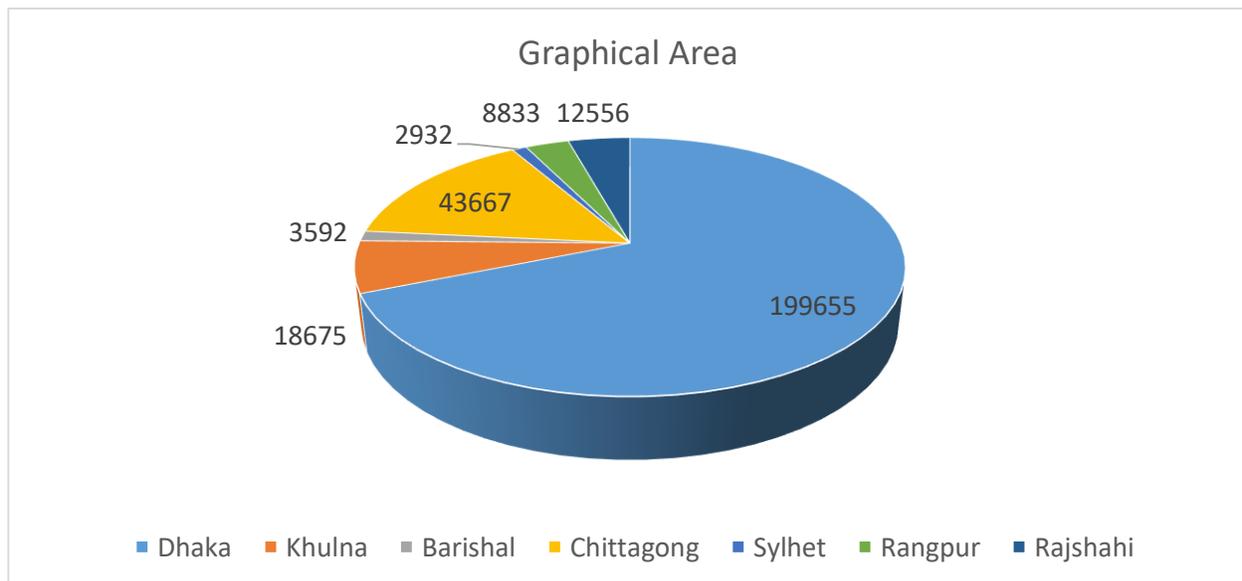


Janata Bank Limited income producing part of organizational credit loan is 92% and suspended loan is 9%. That is the largest part of Janata Bank Limited.

4.9: Loan and Advance of Graphical Area

Name of division	Amount (taka in million)
Dhaka	199655
Khulna	18675
Barisal	3592
Chittagong	43667
Sylhet	2932
Rangpur	8833
Rajshahi	12556

Graphical chart of Loan and Advance



Interpretation

Dhaka division is better than Khulna, Barisal, Chittagong, Sylhet, and Rangpur all division. Because of Dhaka division Loan disbursement (71%) is the highest of other divisions.



CHAPTER-05

Performance Analysis of Loan and Advance

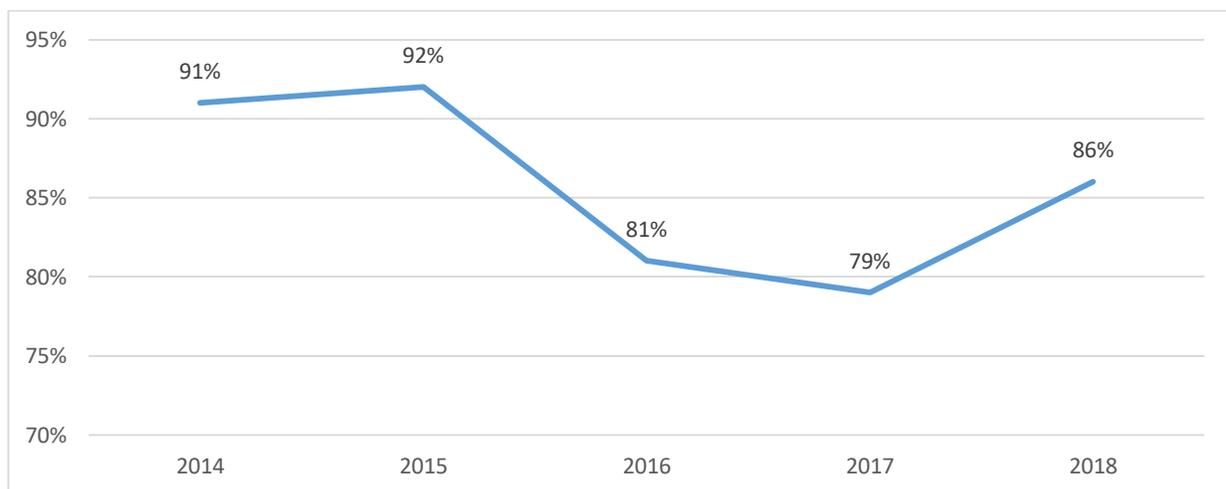
5.1: Loans to Total Deposit Ratio

Loans to deposit ratio is the important part of total loan and total deposit of the Bank ratio. Loan to total Deposit ratio is calculated to obsessive liquidity ratio. When Bank may not be income an optimal return in that time their ratio is too low. When the ratio is high the banks have been not sufficient balance in their fund.

$$\text{Loans to Total deposit Ratio} = \text{Total Loans} / \text{Total Deposit}$$

Year	2014	2015	2016	2017	2018
Loans to Deposit	91%	92%	81%	79%	86%

Loans to Deposit Ratio



Interpretation

We can see that in 2015, Loans to Deposit rate is better than 2014. But 2016, 2017 and 2018 is decreased in 2015. If Janata Bank Limited Loans to Deposit ratio is too high, it expose which the bank not have been sufficient fund to cover unexpected prerequisites.

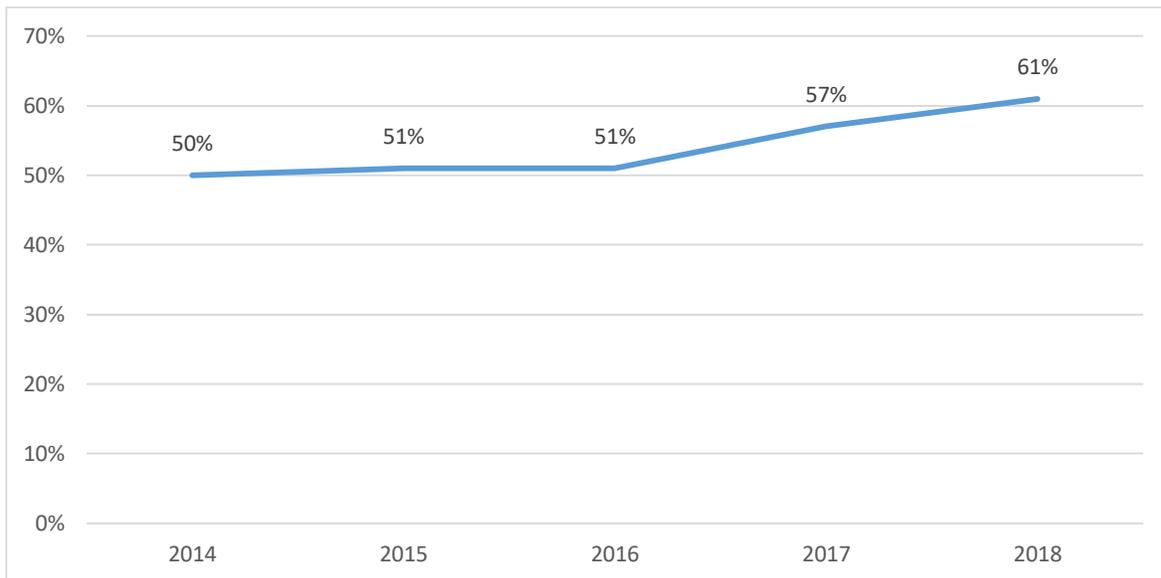
Whereas the ratio is exceedingly low, The Bank not have been procuring as like it might be. So, the compounding necessity for this ratio.

5.2: Loans to Total Asset

Loans to Total Asset= Loans / Total Asset

Year	2014	2015	2016	2017	2018
Loans to Total Asset	50%	51%	51%	57%	61%

Loans to Total Asset Ratio



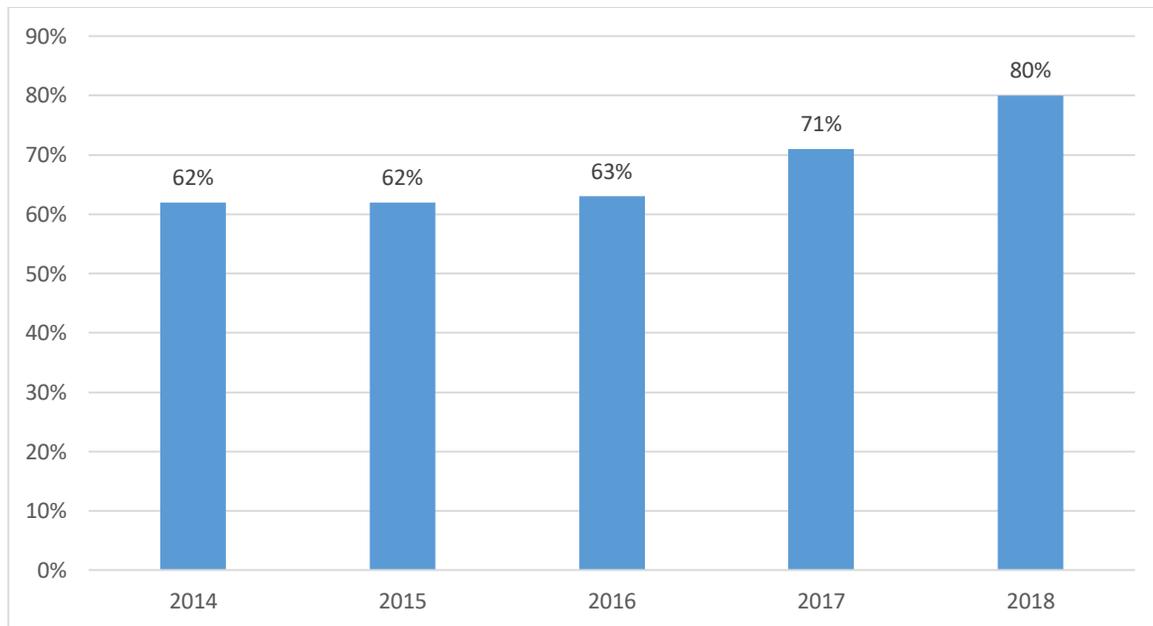
Interpretation

We can see that 2015 and 2016 is better than 2014. And 2017 is also better than 2015 and 2016. In 2018, the Janata Bank Limited Loans to Total Asset are increasing to another year. In 2018, Janata Bank Limited Loans to Total Asset is 61%. Basically it's increasing to year to year.

5.3: Credit Deposit Ratio

Year	2014	2015	2016	2017	2018
Credit Deposit	62%	62%	63%	71%	80%

Credit Deposit Ratio



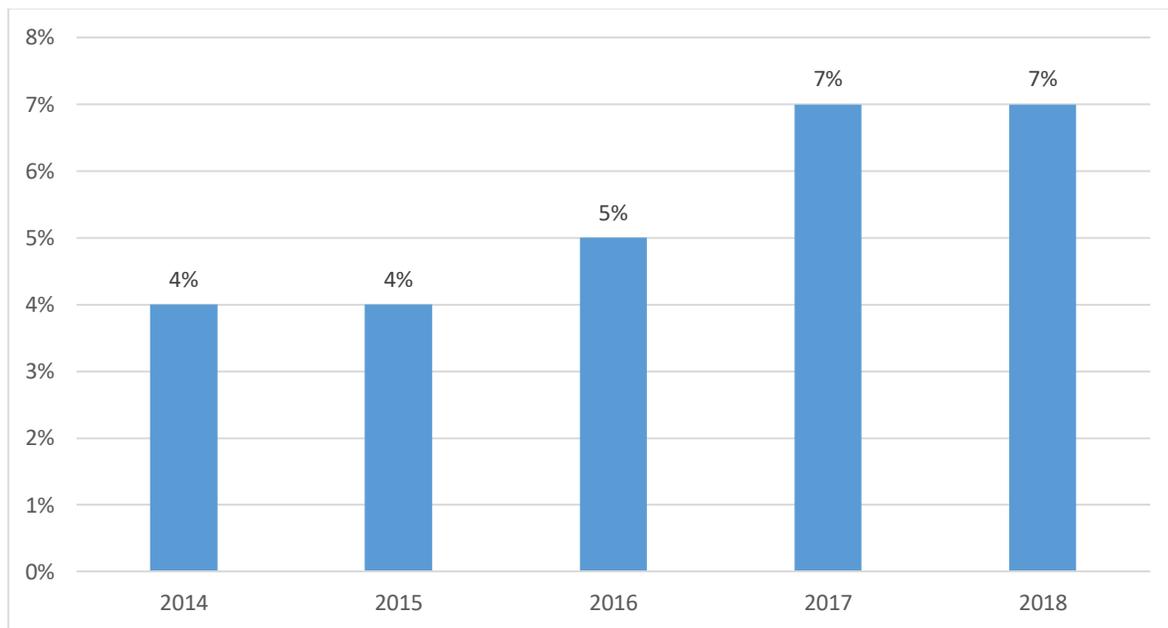
Interpretation

We can see that 2016 is better than 2014 and 2015. And 2017 is also better than 2016. In 2018, the Janata Bank Limited Credit Deposit Ratio is increasing to another year. In 2018, Janata Bank Limited Credit Deposit Ratio is 80%. Basically it's increasing to year to year.

5.4: Cost of Deposit Ratio

Year	2014	2015	2016	2017	2018
Cost of Deposit	4%	4%	5%	7%	7%

Cost of Deposit Ratio



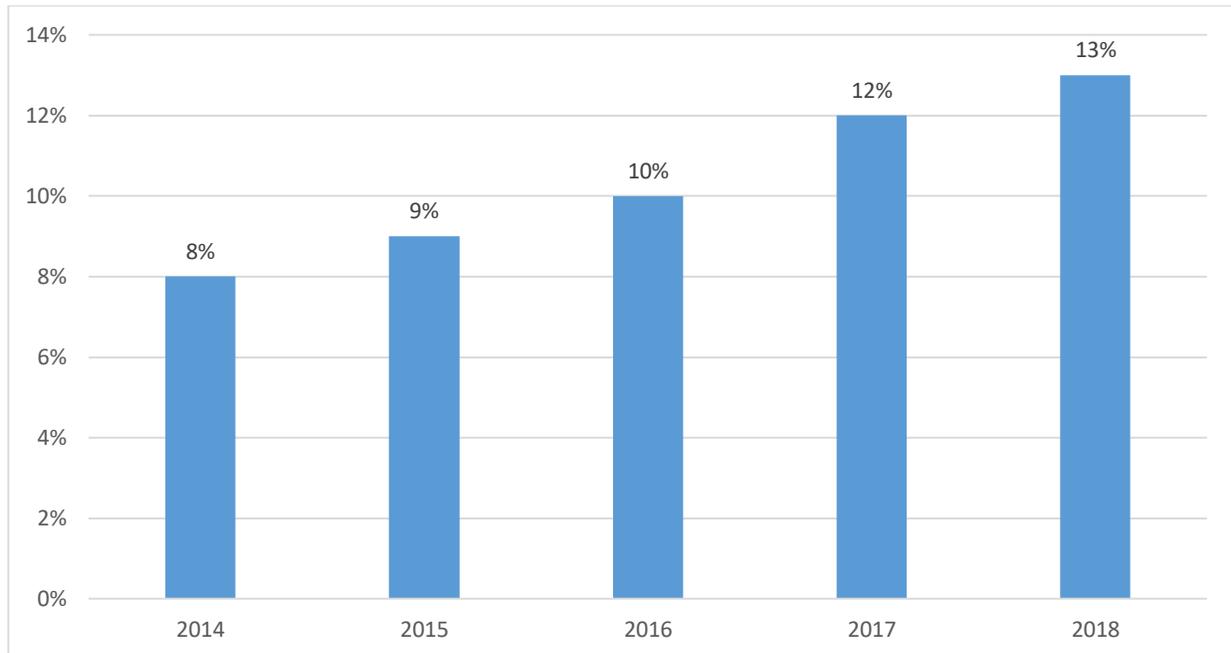
Interpretation

We can see that 2016 is better than 2014 and 2015. In 2014 and 2015 Cost of Deposit are same. And 2017 is also better than 2016. In 2017 and 2018, the Janata Bank Limited Cost of Deposit Ratio are both (7%) and that is increasing to another year. Basically it's increasing to year to year.

5.5: Average Return on Loans and Advances Ratio

Year	2014	2015	2016	2017	2018
Amount of Return	8%	9%	10%	12%	13%

Return on Loan and Advance



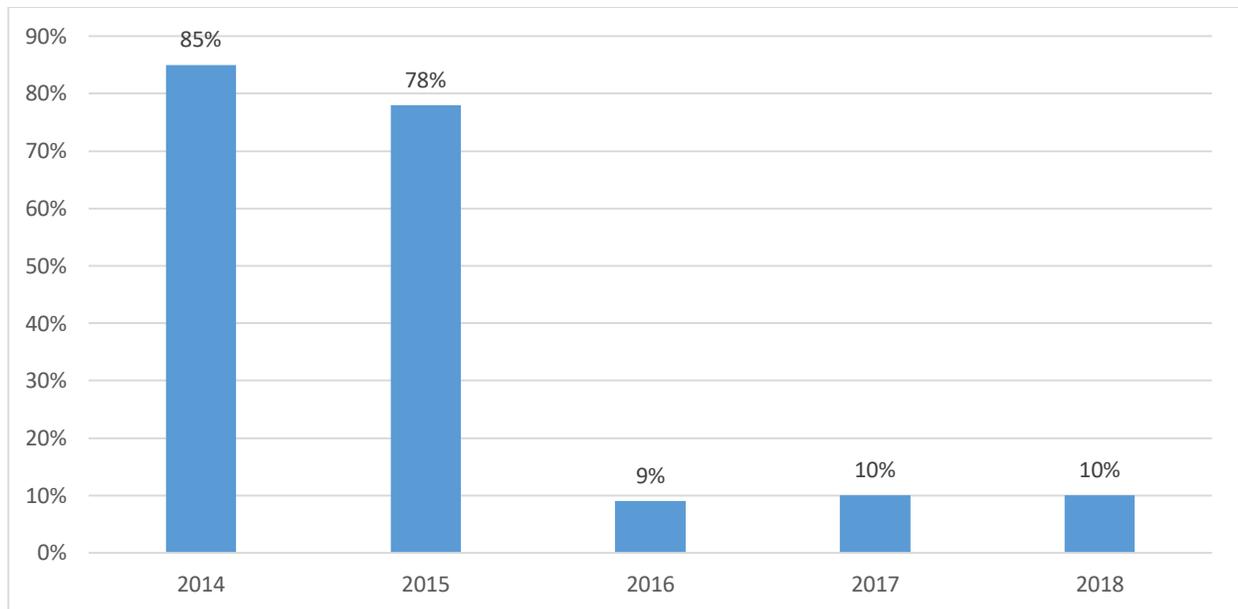
Interpretation

We can see that the Janata Bank Limited Average Return on Loans and Advances are increasing to year to year. So, that is the plus sign for the Janata bank Limited.

5.6: Loans Saving Ratio

Year	2014	2015	2016	2017	2018
Loans Saving ratio	85%	78%	9%	10%	10%

Loan Saving Ratio



Interpretation

In 2014 and 2015, The Janata Bank Limited Loans Saving was most equivalent. But In 2016 Janata Bank Limited Loan saving was large difference between 2014 and 2015. In 2017 and 2018 Loans Saving was same and this are the effectual mode of Janata Bank Limited.



CHAPTER-06

Findings, Recommendations and Conclusion

6.1: Findings

- 1.** Total Loan and Advance of Janata Bank Limited is increasing year to year but the growth rate was fluctuating in year to year. Because of in 2016 the growth rate is 14%, in 2017 the growth rate is 8% and in 2018 the growth rate is 13%.
- 2.** Classified Loan and Advances of Janata Bank Limited was increasing year to year which is a big concern of the bank.
- 3.** JBL's Short Term Loan was increasing year to year but their growth rate is fluctuations year to year.
- 4.** Demand Loan of the bank was decreasing last five years.
- 5.** Long Term Loan and House Building Loan of Janata bank Limited are increasing year to year but their growth rate is fluctuating in year to year.
- 6.** Janata Bank Limited gave more concentration in Dhaka division and which is correct in terms of business sense but the bank may enhance its business by diversification in other division.
- 7.** In 2017 is better than 2014, 2015 and 2016 of loans to total deposit. Because of in 2017 the Loans to total deposit is 79%. But in 2018 loans to total deposit is again increasing the previous year.
- 8.** Loans to total asset is increasing in year to year which is a big concern for the bank.
- 9.** Cost of deposit is increasing year to year. So, Janata Bank Limited should concern about it.

6.2: Recommendations

1. Total Loan and Advance of Janata Bank Limited is increasing year to year but the growth rate was fluctuating in year to year. So, the Janata Bank Limited should be taken actions to increase the growth of Loan and Advance in coming years.
2. Classified Loan and Advances of Janata Bank Limited was increasing year to year and it's a big concern for the bank. Bank should take steps to reduce its classified loans and advances.
3. JBL should be increase their Demand Loan. Since demand Loan is decreasing year to year.
4. JBL must be focused their house building loan. Because of their house building growth rate is fluctuations year to year.
5. Janata Bank Limited gave more focus on other divisional cities to enhance its business by diversification.
6. JBL of cost of deposit rate is high. So, JBL must be taken action to reduce cost of deposit rate otherwise bank will face problem. .
7. JBL should be improve their Loans to total deposit.
8. JBL must be focused that their Loans to total asset is improve year to year.

6.3: Conclusion

To Internship program, I have choose Janata Bank Limited, Corporate branch of Abdul Gani Road. I have practice about the Loan and Advance analysis. All kinds of Loan and Advance department are systematic their term and continuous loan income. This is developed by the other subordinate and efficient management team. The branch is increasing their skill of their staff and officer for special service and they should give extra care to their business. The bank will more benefit to improve their Loan and Advance Management team. This branch provide the special service of financial activities to the economy of the country. Loan and Advance department is an important part in this bank branch. This department provides a various types of loan and helps the economy of our country to develop. In this discussion part it can be present customer dealing procedure.

6.4: References

Annual Reports:

- Annual Report of JBL 2014
- Annual Report of JBL 2015
- Annual Report of JBL 2016
- Annual Report of JBL 2017
- Annual Report of JBL 2018

Website:

1. <https://www.janatabank.com>
2. https://www.jb.com.bd/about_us/history
3. [https://www.jb.com.bd/about_us/bank at a glance](https://www.jb.com.bd/about_us/bank%20at%20a%20glance)
4. https://www.jb.com.bd/contact_us/contact_info
5. <https://www.bangladeshbank-bd.org>