

Internship Report

Loan Disbursement and Recovery System of Sonali Bank Limited

Submitted To:

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Letter of Transmittal

..... December, 2019

Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

Daffodil International University (DIU)

Subject: Submission of Internship Report on **“Loan Disbursement and Recovery System of Sonali Bank Limited.”**

Dear Sir,

I am very pleased to submit my internship report on **“Loan Disbursement and Recovery System of Sonali Bank Limited.”** I have gathered what I consider to be the most detailed available information. This research gave me the prospect of a brief understanding of the Loan Disbursement and Recovery program of Sonali Bank Limited. It is a great achievement to work under your direct supervision, care and direction. During the internship, I tried my best to incorporate all the information I learned. I want the report to fulfill your expectations and standards. I must point out here that I am extremely grateful to you in preparing this report for your valuable monitoring, your tireless commitment and your continued commitment.

I sincerely hope you will be satisfied with this report. If you have any questions, I'm happy to answer that. I hope and pray that you will be sufficiently generous to accept this study.

Thanking you for your kind supervision.

Sincerely yours

Sakibul Hasan Rakin

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Certificate of Approval

This is to certify that, under my guidance, **Sakibul Hasan Rakin**, ID NO: 162-11-345, Major in Finance, BBA, Faculty of Business & Entrepreneurship, Daffodil International University (DIU) has successfully completed his internship program.

His internship report on “**Loan Disbursement and Recovery System of Sonali Bank Ltd.**” is approved for consideration.

I wish him every success in life with very best of luck.

Dr. Md. Abdur Rouf

Associate Professor

Department of Business Administration

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Daffodil International University (DIU)

Student Declaration

I, **Sakibul Hasan Rakin**, hereby declare that after three months of work at the Tangail Branch, Tangail of Sonali Bank Limited, I have prepared the report of the internship program entitled '**Loan Disbursement and Recovery system of Sonali Bank Ltd.**'

I agree that the study is prepared only for my academic requirement and not for any other reason. It could be with the interest of the corporation's opposite party. I also assure you that this report will not be presented before me anywhere in Bangladesh.

Sakibul Hasan Rakin

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Acknowledgement

Firstly, I wish to express my gratitude to Almighty Allah for giving me the strength to complete the report within the prescribed time.

I am deeply grateful to my honorable supervisor, **Dr. Md. Abdur Rouf**, Associate Professor, Department of Business Administration, and Daffodil International University to allocate the study to me and to accomplish it with all his kind support. His helpful advice and encouragement helped me a lot in the very well-organized way of preparing the study. I want to thank all of our Business Administration Department for making it easier for me to do internships and prepare this report.

I would also like to thank and pay due respect to my family and friends for their support and assistance throughout the entire reporting process. Ultimately, my deepest appreciation goes to **Mr. Aminul Islam Khan**, **MD. Mahbubul Alam** (Senior Officer), **MD. Selim Reza** (Senior Officer Cash) and each Sonali Bank Tangail Branch staff member for their enthusiasm for providing me with training and valuable information, which was very useful to complete my internship report.

Abstract

In general, theoretical debate has discrepancies with the practical world, so everyone wants a realistic working experience to understand the real from a distance. The internship program is one of the most tried and tested approaches to overcome the gaps of experience. Probably the most effective program yet designed to combine education and experience is this form of curriculum.

BBA program is aimed at developing qualified "Business Manager / Executive" with an absolute professional perspective in the practical field. So this discipline's students should be programmatic and have an exceptional understanding of the business environment of real life. The internship program's primary goal is to produce learners with a responsive organizational environment so that they can settle for the jobs in the future and get a chance to reconcile theoretical knowledge with real-life scenario, so internship is considered an essential part of the BBA program.

While completing the theoretical part of the BBA program, I was put in the Sonali Bank Limited Tangail Branch, Tangail for my internship program elsewhere I worked with a Loan & Advances Department team as well as a similar alternative department such as foreign exchange, but here I tried my best to concentrate on my specific department where I was assigned as an intern.

This report describes primarily what was the departments ' operating procedure and what I actually learned from my work. This report also advises everyone on an outbound department with a straightforward conception of its operating procedure and operations, as not only but also Sonali Bank Ltd is the organization that provides service information and its customer course of action after its services have been made available.

Executive Summary

The Bank plays a vital role in the economic development of a nation. Due to deregulation, technological innovation, globalization, etc., the banking world has undergone a lot of change over the past few years. These changes have also brought about revolutionary changes in the economy of a country.

For its net asset or interest, Sonali Bank Limited (SBL) is Bangladesh's largest commercial bank and has 1218 branches. Sonali Bank Limited's goal is to broaden a range of quality products that serve people's divergent needs to enrich their lives, create value for stakeholders and contribute to the country's socio-economic development.

This report is prepared mainly on the basis of my Sonali Bank Limited, Tangail, 3-month practical work. This internship period helps me to understand a lot more about a financial institution's practical situation and environment as well. Loans or credits are included because the banking institutions have the most important quality and also the primary source of earnings. On the other hand, as the major source of risk to bank management, loan / credit is also considered. Bank management is always trying to create an appropriate balance between the loan portfolio's return and risk. I actually learned from this report how Sonali Bank distributes loan to its customer and how it is recovered. In fact, I have also learned about their system of credit policy applying for disbursement and recovery of distributed loans. The data has been gathered from each of the primary sources and secondary sources to supplement this article. I took most of the data from secondary sources from primary and secondary sources. Some info or information is used based on secondary data collected from entirely different databases, Sonali Bank's official website, SBL manual, the relevant section or department's desk report sheet as well as training sheets.

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CHAPTER-I : INTRODUCTION

1.1 Background of the Study

Getting some idea about the banking and banking procedure has become important for each individual. As our mainly text-based instructional system, the inclusion of practical orientation program is an exception to the norm. We will be ready to understand real-world situations from sensible information and start a career with some sensible experience. A professional course is a Bachelor of Business Administration (BBA). The course is intended with an excellent blend of critical and theoretical aspects. Several periods are retained for internship when BBA is over.

As a BBA student, internship is a prerequisite for employment. -student is required to work in an excessively defined institution to strengthen their practical information and experiences for internship. I was assigned to Sonali Bank Limited (SBL), Tangail Branch for my internship for the requirement of my course. I was assigned during this situation to prepare a report on **"Loan Disbursement and Recovery System of Sonali Bank Limited."** This report is basically highlighted on the Bank's Loan Disbursement and Recovery System, Structure, Analysis, Current Status, SBL Performance, Own Expertise, Recommendation and Conclusion.

1.2 Objectives of the Report:

General objective

- The general objective of this report is to know about loan disbursement and recovery system of Sonali Bank Limited.

Specific objective

- To get enough knowledge about Loan Disbursement and Recovery System of SBL
- To find out the problems related to Loan Disbursement and Recovery System.
- To spot the recovery performance of the bank.

1.3 Methodology:

Primary Sources:

- Discussing with experienced officers of the branch
- Discussion with clients
- Personal observation

Secondary Sources:

- Annual Reports of the SBL
- Periodicals published by Sonali Bank Limited.
- From different Books, articles, compilations etc. relating to general banking functions
- The basic idea about SBL was taken from its website.

1.4 Scopes of the Study:

Sonali Bank Limited is one of Bangladesh's leading banks, with 1218 branches working extensively in Bangladesh and many other countries around the world. During my internship at Tangail Branch, Tangail, the report is created on the observation and studies. According to the study I will concentrate on the background of the company, management style, present standing etc. then product & completely different practical areas such as general banking, accounts, exchange and card division while special emphasis on Loan disbursement and recovery area considering my subjects.

1.5 Limitations of the Report:

The Bank was reluctant to provide some sensitive information because of some legal obligation and corporate confidentiality. This research therefore restricts only the published information available and some degree of formal and informal interview and restricted survey. Although the actual study is intensive in nature, there has been an arduous effort to create worthy and significant study even then there is some restriction. Inside the bank, the internship period was not entirely free of limitations. Throughout the analysis, I have faced some problems that are listed below:

1. Large-scale research was not possible because the banking authority declared limitations and restrictions.
2. This report is restricted to the Loans & Advance Department only, it generally does not cover Sonali Bank Ltd's overall banking part.

3. Up-to-date information has not been revealed in several cases.
4. Access to relevant papers and documents has been strictly prohibited in several cases up to in some cases.
5. In other cases, procedural matters directly conducted by the highest management within the operations of the loans & advance department were denied access..
6. There is no disclosure of legal documentation.
7. Lack of complete information on the topic.

CHAPTER-II
AN OVERVIEW OF SONALI BANK LTD.

2.1 History of the Sonali Bank Limited:

Soon after the country's independence, Sonali Bank emerged as the largest and leading nationalized bank by announcing the Bank's 1972 Nationalization Order (presidential order-twenty-six) to liquidate Pakistan's then-national bank, Premier Bank, and Bhowalpur Bank. As a fully state-owned entity, the bank had fulfilled its nation-building obligations by undertaking government in addition to entrusting entirely different socio-economic schemes as money-market operations of its own volition, spanning all economic spheres.

The bank was reborn to a limited public corporation with a govt stake of 100 percent. And began to operate as Sonali Bank limited from November 15, 2007 to take over all Sonali Bank's assets, liabilities and business. After company, the bank's management was granted repaired autonomy to form the competitive bank in order to effectively run its business.

A board of administrators consisting of 13(thirteen) members is regulated by Sonali Bank Limited. The Bank is headed by the managing director and chief executive, who is a well-known banker and a respectable professional. The bank's corporate headquarters is located at the capital's main commercial hub, Motijheel, Dhaka, Bangladesh.

2.2 Bank's Core Business:

Corporate Banking

Project Banking

SME Finance

Consumer finance

International Trade

Loan Syndication

Foreign Exchange Dealing

NGO Linking Loan

Investment

Government Treasury Function

Money Market Operation

Capital Market Operation

Remittance

2.3 Vision of SBL:

Socially committed leading banking institution with global presence

2.4 Mission of SBL:

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.

2.5 Slogan:

Your trusted partner in innovating banking.

2.6 Corporate Profile of SBL

Name of the Company	Sonali Bank Limited
Chairman	Mr. Ziaul Hasan Siddiqui
CEO & Managing Director	Mr. Md. Ataur Rahman Prodhan
Company Secretary	Mr. Md. Hasanul Banna
Legal Status	Public Limited Company
Genesis	Emerged as Nationalised Commercial Bank in 1972, following the Bangladesh Bank (Nationalisation) Order No. 1972 (PO No.26 of 1972)
Date of Incorporation	03 June, 2007
Date of Vendor's Agreement	15 November, 2007
Registered Office	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorised Capital	Taka 6000.00 Crore
Paid-up Capital	Taka 4530.00 Crore
Number of Employee	17,965
Number of Branches	1218
Phone-PABX	9550426-31, 33, 34, 9552924
FAX	88-02-9561410, 9552007
SWIFT	BSONBDDH
Website	www.sonalibank.com.bd
E-mail	itd@sonalibank.com.bd

2.7 Some notable features of the Bank are as follows:

Capital Structure:

Authorised Capital : Tk. 6000.00 Crore

Paid up Capital : Tk. 4530.00 Crore

Branches & Subsidiaries:

1. Total No of Branches	1218
a. No of Foreign branches	2
b. No of Local branches	1216
i) No of Rural Branches	749
ii) No of Urban Branches	467
2. No of Regional Offices	16
3. No of Principal Offices	46
4. No of G.M. Offices	11

Subsidiaries:

Sonali Exchange Company Incorporated (SECI) having 10 (Ten) branches in USA.

Sonali Investment Limited (Merchant Banking) having 4 (Four) branches at Motijheel, Paltan, Uttara, Mirpur in Dhaka and 1 (One) branch in Khulna, Bangladesh.

Associates:

1. Sonali Bank (UK) Limited having 2 (Two) branches in UK.

2. Sonali Polaris FT Limited

Representative Offices : 3 : 1(One) in Jeddah, KSA; 1 (One) in Riyadh, KSA
and 1 (One) in Kuwait.

Correspondence : 639

2.8 Ancillary Services:

Sonali Bank Limited offers multiple special services with its network of branches throughout the country in addition to its normal banking operations.

Collection:

- Gas bills.
- Electricity bills.
- Telephone bills.
- Water/Sewerage bills.
- Municipal holding Tax.
- Passport fees, visa fees and Travel tax.
- Customs & Excise duties.
- Source tax and VAT.
- Zakat fund.
- Hajj deposit.
- Land development tax

Payment:

- Pension of employees of Government and other Corporate Bodies.
- Bangladesh Bank employees' pension.
- Army pension
- British pension.
- Students' stipend/scholarship
- Govt. & Non-Govt. Teachers' salary.
- Food procurement bill on behalf of the Govt.

Social Services:

- Old age allowances.
- Widows, divorcees and destitute women allowances.
- Freedom Fighters' allowances
- Maternal allowances for poor women

- Disability allowances.

Sale & Encashment/Purchase:

- Savings Certificates.
- ICB Unit Certificates.
- Prize Bonds.
- Wage Earner's Development Bonds.
- US Dollar Premium & Investment Bond.
- Lottery tickets of different Semi-Govt. and Autonomous Bodies.
- Sanchaypatra.
- Public Service Commission's application form

Misc. Services:

- Bank a/c information of tax payee client according to demand of NBR.
- Local Governance Support Project.
- Enlist of Non-Government Insurance Company.

CHAPTER- III
DISBURSEMENT OF LOAN AND RECOVERY SYSTEM

3.1 Introduction to Credit

The word ' CREDIT' comes from the Latin word ' credo' meaning' I Trust.' Credit is a system by which the bank performs on a consumer's request and pointing. Here, every banking company's most important duty is to provide its customers with credit facility as per demand it defends the interests of its depositors. Normally credit means that a creditor gives a debtor a period of time.

3.2 Credit Policy

Policy means the planned course of action. A sound credit policy covers the protection of the fund invested among various things. Encouraging the majority of small loans is healthier than specific advance varieties that ensure liquidity with the lowest incidence of bad debts.

3.3 Objectives Of Credit Policy

There are some objectives behind a credit policy of SBL as follows:

- To provide a loan recommendation
- Prompt response to the needs of customers.
- Reduce amount of work from management at the highest level.

3.4 Policy Guidelines:

Guidelines for loans:

Guidelines for loans includes:

- Industry and business segment
- Types of lending facilities
- Lending Caps

As a minimum, the followings are discouraged:

- Highly leveraged loans
- Speculative investment finance
- Loans to companies listed on the CIB Black list of known companies

Credit assessment and risk grading:

Credit and risk assessment would be conducted for all facilities before loans are issued and at least annually thereafter. Applications for credit should summarize the risk assessment findings and include them as a minimum:

- Environmental or social risk inputs
- Amount and types of loans
- Purpose of loans
- Loan Structure

3.5 Credit Principles

- The Bank shall provide the required credit services and market products.
- Usually, loans and advances are funded from the investment of the customer.
- Credit facilities shall be approved in such a way as to ensure the quality of spared credit.
- All credit extensions shall comply with the Bank's Memorandum of Understanding and Articles of Association, Bank Companies Act.
- Credit facilities will be provided to companies or individuals that can make the best use of capacity.
- Remunerative: When transactional or one-off credit facilities are issued, the facility's yield should be matched with the risk.

3.6 Loan Disbursement Process:

Loan Disbursement process needs some pre-requisites. They are following:

3.6.1. Principles Lending of Sound

A sound loan theory and new lending methods need to be established to validate the bank's credit efficiency. Credit is highly dependent on the authority's judgment. The willingness of the banker to take proper early action to reduce the risk is very critical. To order to do this, a bank will obey the "Sound Lending Guidelines," which include:

Principle of Safety:

The first sound lending concept is safety. A bank's very existence depends on its advances being secured. For competitiveness, health should not be compromised. Therefore, the utmost care should be taken to ensure that the funds transfer to the correct type of borrower, are used in such a way that they remain safe and that the repayment always falls within the usual course of action.

Principle of Purpose:

For any reason for which the borrowers demand loan, the Bank should not lend cash, the purpose should be profitable. Thus another important reason to be addressed before lending by a credit officer is that the purpose for which the loan is required, as well as the means by which the borrower is supposed to repay.

Principle of Liquidity:

While the banker should ensure that the money lent is not locked up for a prolonged period as a result of creating advance, most of the liabilities of the bank are payable either on demand or on short notice. The banker should therefore guarantee that the loans are sufficiently liquid to meet the condition of liability of the banks. Liquidity ensures that bank funds are available or ready on short notice. The advance liquidity means its on-demand payout on or after a short notice. Under repayment schedule, the loan should have equal chances of repayment. Otherwise, there is also a hazard to a bank's liquidity role.

Principle of Security:

Insurance for the lender is the insurance provided by a borrower for an advance. It is the importance of security in an unexpected emergency. Thus the stability of lending is another concept of sound lending. The protection that a banker agrees to cover a bank advance should be sufficient, marketable immediately, easy to handle and free of any burden.

Principle of Profitability:

Commercial banks receive funds from shareholders and, if dividends are to be paid on such shares, only income will be charged. Even in the case of public sector banks, they even have to justify their existence by earning income, while they operate on service motives. This is often not possible without profitable use of funds. The fund should therefore be used in reliable and profitable sources, except for the sake of profit, it is not possible to sacrifice the other two principles of security and liquidity.

Principle of Diversification:

Most of the advance should be as broad as possible and should be in keeping with the layout of the deposit. The advances must not be in one direction / sector / activity or one or a few lenders because the difficulty of that particular industry can have serious adverse effects on the bank.

Principle of National Interest:

Banking development has reached a stage wherever a banker is required for national policies to spot his company. The banking industry has an important role to play in a country's economic development. Therefore, the savings of citizens mobilized by banks should be allocated to those sectors that need development within the planning program of the country.

Others -**Creditworthiness of a borrower:****✓ Character:**

- To assess whether the creditor has an accountable outlook for borrowed funds and whether he can make every effort to pay back what is due.
- The borrower's characters are accountability, honesty, serious purpose, and serious intent to repay loans.

✓ Capacity:

- Whether a person applying for a loan has the right to apply for a loan and has the legal status to sign a loan agreement and documents.

- ✓ **Economic Condition/ Assets:**
 - Whether the borrower has sufficient assets to pay back the loan.
 - Other loans and liabilities of the borrower.

- ✓ **Credit history/Credit habit:**
 - Whether loans previously borrowed from customers and how those previous loans were handled.
 - Whether earlier there is any default loan.
 - Whether legal action for recovery of default loan has ever been taken against him.

3.6.2. Credit Risk Assessment:

A credit risk evaluation should be conducted before credit facilities are approved. Then for every partnership it should be done annually. Within the credit request emanating from the partnership manager (currently branch) the findings of this assessment will be conferred.

The Relationship Manager (Branch Head) should be the owner of the customer relationship and should be responsible for ensuring the integrity of the entire credit application submitted for approval. Relationship Director should be acquainted with the loan terms of the Bank and be able to conduct due diligence on the borrower, lender and guarantor. We will carry out the necessary part of KYC (Know Your Customer) on the customer and adhere to the requirements for money laundering.

Following risk areas within the credit proposal should be addressed and assessed before sending to head office.

i. Borrower Analysis:

- a. Share holding
- b. Reputation
- c. Education
- d. Experience – success history
- e. Net worth
- f. Age etc.

ii. Industry Analysis:

- a. Industry Position/Threat/Prospect.
- b. Risk factors pertaining to the industry.

- c. Borrower's position / share in the industry.
- d. Strength, weakness of the borrower compared to the competitors.

iii. Supplier/ Buyer Risk Analysis

- a. Concentration on single/few buyer/supplier is addressed.

iv. Debt-Equity Ratio

v. Historical financial analysis:

- a. An analysis of 3 years historical financial statements.
- b. Earning – its sustainability.
- c. Cash flow
- d. Leverage
- e. Profitability
- f. Strength and reliability of Balance Sheet etc.

vi. Projected Financials:

- a. Sufficiency of cash flows to service debt repayment.
- b. Debt Service Coverage Ratio.

vii. Trade Checking

viii. Account conduct:

a. The repayment history, credit turnover, account statement analysis for existing customers

b. If the customer is suggested to move from another bank, account statement from this banker is needed:

- a) Allied deposit with our Bank.
- b) Other business with our Bank.

ix. Security:

a. A current evaluation of collateral protection is obtained with photograph and site map by the professional enlisted surveyor. Collaterals within the branch location's command area are most common. Property and vacant land of third parties should be discouraged.

b. Loans should not be considered based on collateral for the most part.

c. It is necessary to assess the adequacy and extent of insurance coverage. Insurance policy from an approved insurance company should be obtained. Premium should be paid by bank, cash receipt duly sealed should be obtained. Insurance policy is the bank's control. Over time, the program will be updated. Letter of authority from the customer to debit account to pay premium for policy renewal / enhancement.

x. Succession issue:

Margin, business volatility, high debt (Leverage / Gearing), over-stock, large assets with long aging, rapid growth, new business lines, change in management, lack of transparency.

xi. Adherence to credit guidelines:

a. It should be assessed whether the client is willing to follow guidelines regarding the restrictive criteria and the policy requirement of the bank.

b. Clearly identify and sustain every deviation.

xii. Mitigating Factors:

Risk factors should be listed and mitigating factors of these risks side by side to justify the proposed facility should also be stated.

3.7 Loan offered by SBL

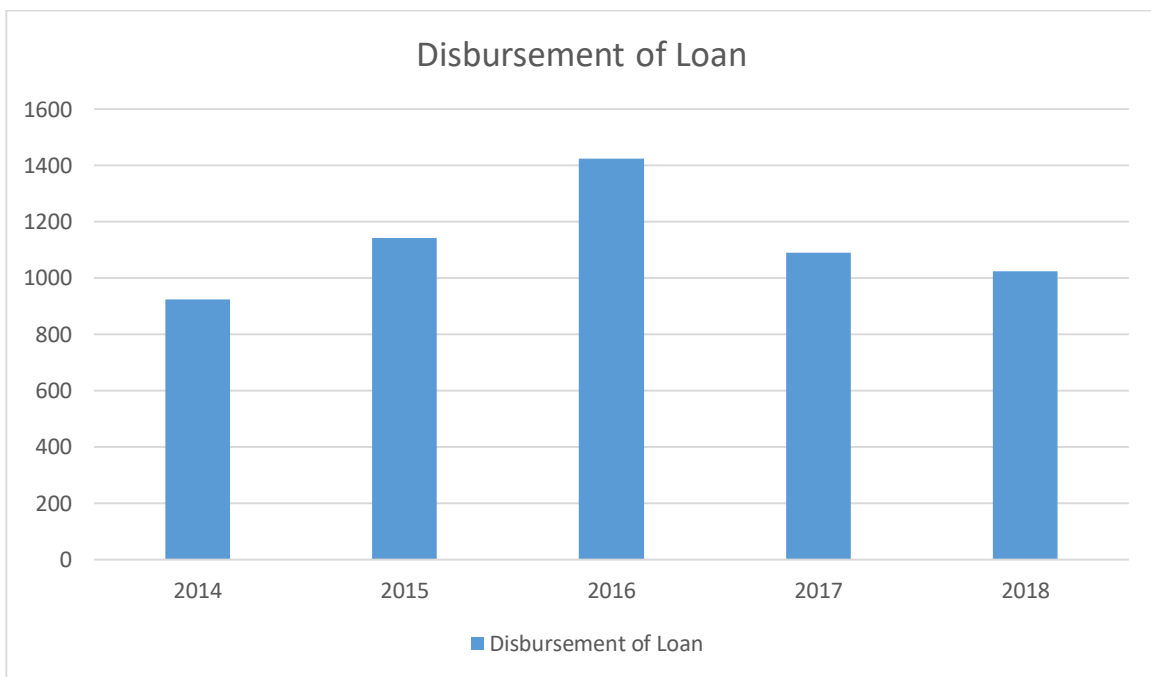
SBL offers different Types of Loan for the client. They try to serve superior service to its client. Different Loans are:

Types Of Loan	Target Customer	Interest Rate	Tenure
Cash Credit (Hypo)	Individual/Wholesaler	9%	1 to 2 years
Cash Credit (Pledge)	Individual/Wholesaler	9%	1 to 2 years
Working capital Credit	Businessman	9%	1 year
Staff Loan	Bank Official	5%	2 years
House Building Loan	Individual	9%	15 years
Personal Lone	Service Holder	9%	1 to 3 years
SME Loan	Businessman	10%	1 to 3 years
Car Loan	Individual/Businessman	9%	5 years
Tannery Trading	Businessman	12%	1 years
Education Loan	Individual	9%	5 years
Rural Loan	Farmers/Business	9%	1 to 2 years
Import Loan	Businessman	7%	
Export Loan	Businessman	7%	
Doctor Loan	Doctor	9%	
Industrial Loan	Businessman	9%	1 to 5 years
SOD(F/O)	Individual	11%	1 to 3 years
Work Order Loan	Businessman	9%	1 year
General Loan (F/O)	Individual	9%	1 to 3 years
Specialized Loan	Individual/Businessman/ Freedom Fighter	9% to 30%	1 to 5 years
Consumer Credit	Individual/ Businessman	9%	1 to 5 years

3.8 Year wise Loan Disbursement of SBL

Particulars	2014	2015	2016	2017	2018
Disbursement Of Loan	925	1142	1425	1091	1025

Graphical Presentation of Loan Disbursement of SBL (TK in million)

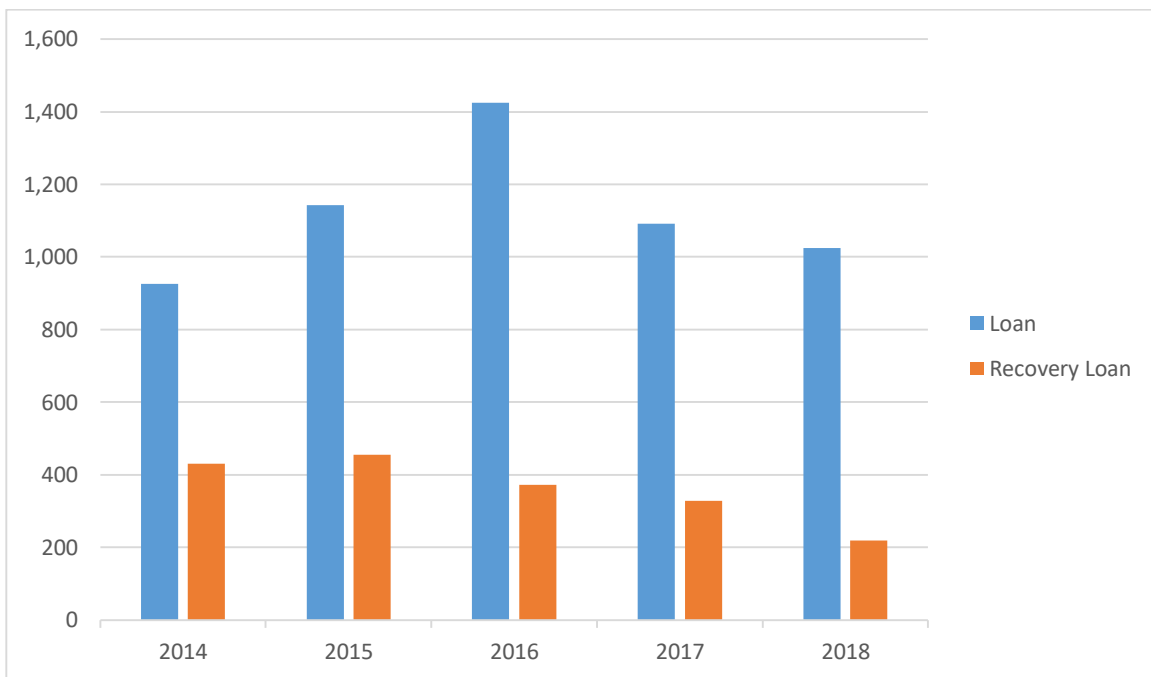


From the above information, it is clearly seen that Loan disbursement of SBL increases in 2016 but in last 2 years it is decreasing.

3.9 Year wise Loan Recovery of SBL (TK in million)

Particulars	2014	2015	2016	2017	2018
Loan	925	1142	1425	1091	1025
Loan Recovery	431.2	454.3	372.63	328	219.12

Graphical Presentation of Year wise Loan Recovery of SBL (TK in million)



The chart shows that the Recovery of Loan amount of SBL is increase in 2015 but after that it is decreasing gradually.

3.10 Recovery Systems of Loan

3.10.1 Pre-disbursement Securities:

1. Mortgage: It's most important to get the loan back. Memorandum of Title Deed Deposit.

2. Deposits: Loan regain by his deposit's quantity varied percents if whenever he not give your loan at that time.

3. Savings: Corporate savings account to its client in each branch. This rate on the deposit amount is 6% and therefore the minimum balance requirement is Tk.5000. The loan recovered by the savings.

4. Credit: Different credit schemas are on the offer that received quite well response from clients and should facilitate the bank to expand its customer base. The bank also participating in syndication with different banks for permitting large loans converging Bangladesh Bank's rules and regulation.

5. Security:

- ✓ Licensed land financial gain mortgage and building / flat(s) with sufficient land
- ✓ Personal guarantee acceptable to the bank
- ✓ Contract for lease

Recovery Procedure:

SBL Credit Recovery & Legal Department can track the credit & take action when and when necessary using various methods such as the following for the overdue credit collection.

Reminder Notices:

The Bank sends these notices to tell the client that payment has been due. Typically, follow-up notices and letters are pre-printed and mailed sequentially, with each subsequent correspondence noting the increasing severity of the delinquency and the growing monetary consequences of failure to repay the debt.

Telephone Calls:

It is one amongst the helpful tools for recovery. Continuous telephonic pressure is kept on the defaulters for subsiding their dues.

Physical Visit:

Some defaulters don't have any phone number. Then, the collector should instantly visit the borrowers and also convince him to pay. A Task Force is also built in this regard.

Social Pressures:

Social pressure is generated on the customer by the referred people, while the bank's account is opened or the seminar is revealed to other audiences.

Legal Notice:

It should be given to the defaulters as and when all the tries mentioned earlier are exhausted. Sometimes the defaulters make their payment through a Bank cheque. If the cheque is dishonored then we will serve a legal notice through Bank attorney to pay off the cheque amount considering severe delinquency beneath negotiable instruments Act 138.

Legal Action:

The final and last stage of the recovery procedure is that it is made easier by the court. SBL is genuinely trying to avoid this kind of situation for its noble customers but can not make it easier for them to do so for their own survival. Strict legal criteria should be adhered to because if the case goes to the court, a bank will incur substantial legal costs, while "Artha Rin Adalat Ain-2003" plays a vital role in the collection of the loan.

3.10.2 Process of Loan Recovery in short:

Another part of the success plan is a recovery plan. It is a forward-looking rehabilitation move. In other words, the attempt to collect all existing dues and unpaid loans is aware and deliberate.

Days past Due	Collection Action
1 to 14	Soft call requesting payment.
15 to 29	Letter of 1st Remembrance
30 to 44	Second Letter of Remembrance + Personal visit

45 to 59	<ul style="list-style-type: none"> • Letter of 3rd Recall • The team member's group visit • Monitor over the phone • The above impact is accompanied by letters to the Guarantor, Employer. • In the next 15 days, notice of legal action.
60 to 89	<ul style="list-style-type: none"> • Call up loan • Full recall & Legal notice to represent. • Beginning of legal proceedings • Start of repossession
90 and more	<ul style="list-style-type: none"> • Telephone calls / Continue legal proceedings. • Officer & agent collection work continues • Letter to various banks / associations.

CHAPTER-IV

DISCUSSION

4.1 Trade Analysis:

Trade analysis demand for following schemes are increasing:

- Housing loan
- Loan to renovate the House
- Lending for small businesses
- Lease finance

Following schemes are stable:

- Secured Over Draft Against Financial Obligation
- Secured work order / real estate draft
- Cash Credit (Hypothecation)
- Cash Credit (Pledge)

These are decreasing or does not have demand:

- Loan Against Trust Receipt
- Demand loan Against Ship Breaking

4.2 Monitoring Process:

- Regular physical contact via telephone with default customers and guarantors.
- Letter sent to consumers shortly after the check has been dishonored.
- Issuance of legal notice before the classification of loans to default customers and guarantors.
- Issuance of a letter of appreciation or greeting to regular clients.

4.3 SWOT Analysis:

SWOT analysis is the analysis of a corporation's strengths, weaknesses, opportunities and threats. It makes it easier for the company to make its future performance higher than its rivals. Use SWOT analysis, a company can also analyze its current position. SWOT analysis is regarded as a vital tool for all of these to make improvements within a corporation's strategic management.



Via direct observation and conversation with SBL officials, I can highlight some big strengths and weaknesses as well as some threats and opportunities relevant to the Bank's different issues.

Strength:

- SBL offers loan for different sector to meet specific needs of the Loan borrowers.
- Corresponding partnership with other banks: they have a relationship with different banks that the bank will provide their customer's services.
- The Pricing of the Loan is comparatively lower than other financial institution.
- Each team interlink: they have a strong relationship among each team.
- Wide network: the total number of SBL branches is 1218.
- Constructive in nature: SBL endured tremendous ups and downs in the banking sector so that they can be constructive and not reactive.
- Great banker-client: SBL has a close relationship with clients.

Weakness:

- These days the best way to earn for the bank is through online banking. SBL therefore has to benefit more from expanding its online banking network by automation for most of its branches.
- Absence of strong marketing activities: SBL currently has no strong marketing efforts across mass media, such as television. TV ads play a very important role in creating awareness. SBL does not have such a TV ad campaign, although they do a lot of CSR activities compared to other banks.

- Product difference: Not enough innovative product to be more competitive in the market, more appealing and innovative new product should be produced by SBL.
- The bank is so slow modernization.

Opportunities:

- In rural areas there are many businesses which are not facilitated by the financial institute though having great potentiality. So the bank has an opportunity to enlarge their business and utilizing with their flexible loan proposals.
- The bank offers the various kind of loan then others Bank in Bangladesh.
- Workshop and trainings for the Loan officers
- Offering lower interest rate than other bank can give.

Threats:

- Political unrest: the country faces lot of unrests and turmoil within the recent times, therefore the banking operation is in the hassle position.
- Increase the competition of the banking sector.
- Another bank technological update day by day

CHAPTER-V
FINDINGS, RECOMMENDATION &
CONCLUSION

5.1 Findings:

- The main focus of SBL Bank is to explore new line of products at the same time ensures quality.
- The number of woman entrepreneur is low. There is no interest rate opportunity for woman entrepreneur.
- Loan system of SBL is customer friendly.
- Loan department focuses on diversification according to their size, area, mode purpose to minimize the risk.
- Sometimes loan sanction takes time more than 1 month

5.2 Recommendations:

For achieving the best possible targets, the bank should take following some steps. These are given below

- It is necessary to develop the branches.
- The technology of the branch should be developed as customers change.
- Customer hospitality and decoration of the branches should soon be established.
- The Bank will reduce the loan sanctioning period.
- The rules and conditions of the bank are very strict, because the customer pays his loan to face a lot of problems.
- Number of ATM booth should be increased by the bank authority

5.3 Conclusion:

Sonali Bank Limited, the country's largest and largest commercial bank, emerged in 1972 shortly after Bangladesh emerged as an independent state. A fully state-owned company, the bank has discharged its nation-building duty by conducting entirely different socio-economic schemes entrusted to the government as well as self-willed money market operations spanning all economic spheres. Sonali Bank Limited enjoys the privilege of being the Central Bank's representative in Bangladesh wherever the cash marker's guardian has opted not to operate on its own.

All of SBL's branches provide funding for small businesses. In the context of a small enterprise and company finance the various kinds of loan facilities offered are as follows: loan from the diagnostic centre, Micro-credit, Term Loan, loan from the SME, deposit scheme from the Sonali Bank, Rural loans facility, Micro-credit, industrial financing Trade financing etc.

The Bank plays a key role in the growth of the Bangladesh economy by supplying the Country with its many forms of loans. It offers its services to all categories of persons. SBL's branch across the country, making service easy for people. Through my preparation I have tried to learn the practical banking practices alongside my theoretical knowledge, which I have learned from many courses on my BBA programme.

I think this three-month internship program at Sonali Bank Ltd. will definitely help me understand my new job market.

References

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