

Internship Report

On

“Loan and Advance Management: A study on IFIC Bank Limited” Nrayanganj Branch.



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Submitted To

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Letter of Transmittal

Date:

Dr. Md. Abdur Rouf
Associate Professor
Department of Business Administration
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Daffodil International University

Subject: Submission of Internship report on “Loan and Advance Management: A study of IFIC Bank Limited” Nayanganj Branch.

Dear Sir,

It makes me very joy to submit a report about “Loan and Advance Management: A study on IFIC Bank Limited” Nayanganj Branch. This report has given me the scope to learn about several prospect of this organization before entering the corporate world. It was prepared as a part of the BBA program of Daffodil International University. I have try to collect all the possible information which was needed to fulfilled this report. By making this report I have learned lot of think about the loan process and activities about IFIC bank

It is an extraordinary accomplishment to work with your dynamic supervision and direction. This report has developed my level of learning. I might want to thank for your profitable direction and kind participation at each progression of my exertion on this report.

Sincerely Yours

Mohammad Anisur Rahman Rakib
ID: 171-11-419
Program: BBA
Major: Finance
Department of Business Administration.
Daffodil International University.

Letter of Declaration

I am Mohammad Anisur Rahman Rakib, ID: 171-11-419 under study of BBA program, Daffodil International University. This is my truthful declaration that the report on “**Loan and advance Management of IFIC Bank Limited” Narayanganj Branch**. I have prepared on the basis of actual data collection from IFIC Bank Limited Narayanganj Branch and website of IFIC Bank Limited, under the intensive supervision and guidance of Dr. Md. Abdur Rouf Associate Professor, Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University.

I additionally pronounced that the report is set up for scholastic reason as it were. Any part of this report is not a copy of any internship report previously prepared by any other student.

Yours truly,

Mohammad Anisur Rahman RAKib
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Acknowledgement

First of all, I want to thank Almighty Allah for enabling me to prepare the report Successfully in schedule time period. There is no reason to thank everyone who contributed to the work that should be achieved and to make this custom change. Preparing this reports related to "Loan and advance management of IFIC Bank Limited" is very difficult task where the data should not be resolved properly and few information will not yet be published. The result of my work experience with IFIC Bank Limited (Narayanganj Branch) is the descriptive paper. For the significant completion of this report, I am very lucky to get support and encourage many people. Many of them have played a decisive role in helping to create this report, although I have taken full responsibility for all mistakes. Those who contribute to managing my reports, who have provided information and who have read, reviewed and gave moral support and encouragement

Then I am very grateful to my respected supervisor Dr. Md. Abdur Rouf, Assistant Professor Daffodil International University, who always provides guidelines and suggestions when completing my report. Without his dynamic supervision and guidelines, it was totally impossible to complete this report.

I also express my warm gratitude and cordial thanks to Foyzal Emam (Sales Associate, IFIC Bank Limited, Narayanganj Branch), Kamal Hossain (Senior Officer, IFIC Bank Limited, Narayanganj Branch) and also thanks to the management and officials of IFIC Bank Limited, Narayanganj Branch who have provide me the advantage to work with them and helped a lot by giving the information and qualifying me to ready this report. I have accepted great help and support from them.

Executive Summary

The International Finance Investment and Commerce (IFIC) Bank Limited is a private commercial bank in Bangladesh. The majority of the shares are owned by the Government of Bangladesh. IFIC Bank Limited is one of the best commercial bank in Bangladesh. It has a good fame and face value in the financial market. Customers are very satisfied in the various products and services given by IFIC Bank Limited.

This Report is a Partial requirement for the Bachelor of Business Administration (BBA) as part of the internship program, I was kept in the Narayanganj branch of IFIC Bank Limited. During making this report I learned a lot about commercial banking operations. I mainly focused on the loan and advance system of IFIC Bank Limited in this report. In this report I try to show there are a various kind of loan which will be provided by IFIC Bank for their customers and they always try to introduce many new banking activities for there customers

Firstly, I ready a brief of the loan department of IFIC Bank Limited. Here I tried to focus on bank history, its mission, ownership, structure, management structure, corporate objectives, risk management joint ventures, technology, Then the next part of this report describes the loan and advance activity and loan and advance performance analysis.

In this report I tried to show how IFIC bank activities are implemented their action. They have the strength, weakness, opportunity, threat which will be a problem identification of the specially in loan and advance section, and in my recommendation section some recommendations related to faces and overcome from that problem.

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Chapter- 1.0

Introduction

1.1 Introduction

International Finance Investment and Commerce Bank Limited (IFIC Bank) is a banking company incorporated in the People's Republic of Bangladesh with limited liability. It was set up at the instance of the Government in 1976 as a joint venture between the Government of Bangladesh and Sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector,

1.2 Origin of the Report:

Although total BBA The program combines an excellent blend of theoretical and classroom knowledge but on one hand this report helps bring a light to their theoretical knowledge to apply this to a student on a real basis. Dr. Md. Abdur Rouf, Associate Professor, Department of Business Administration, Daffodil International University. has assigned me to prepare a report on “Loan and advance Management of IFIC Bank Ltd., Narayanganj Branch” As per his direction and under his dynamic supervision I have done this report on the Quantitative data of IFIC Bank Ltd. & my consciousness with the professionals while I made this report. This report has been planned to provide basic understanding of the corporate environment of IFIC Bank Ltd., Narayanganj Branch, and Comparable activities of the specific branch for several years. IFIC Bank provide many types loan and services to their customers, I try to discuss here about their loan process and activities.

1.3 Objective of the study:

The main objectives of the report will be to provide an overview of the “Loan and Advance management of IFIC Bank Limited. In addition, the study seeks to achieve the following objectives:

- To analyze the loan and advance activities of the bank.
- To have thought different types of Loan and Advances of IFIC Bank
- To know the actual loan and advance performance of IFIC Bank Limited.

1.4 Study of opportunities:

This study would have concerned on the following areas of IFIC Bank Limited.

- Actual loan and advance performance of IFIC Bank Limited.
- Generally, the current procedure of loan and advance management.
- Organizational structures and responsibilities of management.

To determine the appropriate skills of IFIC Bank's loan and advance Management System, each of the above areas will be critically analyzed.

1.5 Methodology of the study:

In this report, qualitative and quantitative methods were used for making this report. Data Analysis and Presented by Microsoft office: EXCEL and shows percentages, graphical representations and charts. Best efforts are given to analyze numerical results. I have been focused mainly on numerical data prepared to report. I also used the theoretical part as the claims were made. A bank's loan and advance management analysis, both theoretical and technical know-how is necessary for execution. Then everything with accuracy, I have created analysis and conclusions.

Sources of Data collection:

For this pandemic it is not possible to collect primary data. In this situation it is very risky to contract with IFIC Bank customers and employees. All of the branch are not open in this time. Some of branch are open with highly safety and maintain distance and most of the branch are close for the pandemic. In this time, I try to collect data secondary sources though it is very though to making a report only using secondary sources because all of the information are not provide on their website that's why I have use may online sources to collect data.

a) Secondary Sources:

- Annual Reports of IFIC Bank Limited.
- Periodicals published by Bangladesh Bank
- Various books, articles, compilations etc. Regarding general banking department, and loan and advance operations.
- Monthly Statement of IFIC bank limited
- Web site of IFIC bank limited

1.6 Limitation of the Study:

I have faced some limitations when I was preparing this report which is mentioned below.

- Time constraints: It is one of the main hurdles affecting all covered Research direction
- Lack of secondary data: information is not Available on the net. Information was not enough for the secondary source for Finishing the report.
- Scope of opportunity: Many confidential information is not disclosed by the respective staff of the department.
- For pandemic situation our campus is totally off and I cannot meet face to face with my supervisor.

Chapter - 02
An overview of IFIC Bank Limited

2.1 The Historical Background of IFIC Bank Ltd.

The banking industry in Bangladesh is totally managed by the central bank, which is the Bangladesh Bank. However, different banks have different management, management strategies and different guidelines. The Bangladesh Banking System is formed in the form of national commercial banks, private banks, foreign banks and development banks.

International Finance Investment and Commerce Bank Limited (IFIC Bank) is banking company established in the People's Republic of Bangladesh with limited liability. As I said before that, it was set up in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector. The main objective was working as a finance company within the country and helping to set up joint venture banks/financial organization abroad. In 1983 when the Government allowed banks in the private sector, IFIC was transformed into a complete commercial bank. The Government of the People's Republic of Bangladesh now holds 32.75% of the share capital of the Bank.

2.2 Composition of Board and its Committees

Board of Directors	
Chairman/Chairperson	Salman F Rahman MP
Vice Chairman/Vice Chairperson	Ahmed Shayan Fazlur Rahman
Directors	Anwaruzzaman Chowdhury
Independent Director	Rabeya Jamali
Govt. Nominated Director	Jalal Ahmed
Govt. Nominated Director	A. R. M. Nazmus Sakib
Govt. Nominated Director	Quamrun Naher Ahmed
Govt. Nominated Director	Md. Zafar Iqbal, ndc
Managing Director & CEO	M Shah Alam Sarwar
Company Secretary	Md. Mokammel Hoque
Executive Committee of the Board	
Chairman	A. R. M. Nazmus Sakib
Member	Quamrun Naher Ahmed
Secretary to the Committee	Md. Mokammel Hoque
Audit Committee of the Board	
Chairman/Chairperson	Rabeya Jamali
Members	Anwaruzzaman Chowdhury
Members	Jalal Ahmed
Members	Md. Zafar Iqbal, ndc
Secretary to the Committee	Md. Mokammel Hoque

2.3 Corporate Profile

Name of the Company	International Finance Investment and Commerce Bank Limited (IFIC)
Legal Form	IFIC Bank Limited was incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies & Firms as a public company limited by shares
Company Registration Number	C-4967, Dated: 08 October 1976
Authorized Capital	BDT 40,000.00 million
Paid up Capital	BDT 14,726.13 million
Listing Status	Listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in 1986 and 1997 respectively
Market Category	'A' Category
Tax Payer Identification Number (TIN)	135055865054
VAT Registration Number	19081167140
Business Identification Number (BIN)	000136288
Subsidiary Companies	IFIC Securities Limited IFIC Money Transfer (UK) Limited
Registered Office	IFIC Tower, 61 Purana Paltan GPO Box: 2229, Dhaka-1000 IP Phone No.: 09666716250 (Hunting) Fax: 880-2-9554102, Swift: IFIC BD DH E-mail: info@ificbankbd.com Website: www.ificbank.com.bd
Auditors	Howladar Yunus & Co., Chartered Accountants
Legal Adviser	Ahsanul Karim
Tax Consultants	Adil & Associates
Credit Rating Agency	Credit Rating Agency of Bangladesh (CRAB) Limited
Chairman	Salman F Rahman
Vice Chairman	Ahmed Shayyan Fazlur Rahman
Managing Director & CEO	M Shah Alam Sarwar
Head of ICC	Ashim Chowdhury
Chief Financial Officer	Dilip Kumar Mandal, FCA
Company Secretary	Md. Mokammel Hoque, FCS
No. of Employees	2,556
No. of Branches	148
No. of Shareholders	41,721
Investors' Relation	IFIC Tower (17th Floor) 61 Purana Paltan, Dhaka-1000 Hotline: 09666716250

2.4 Mission of IFIC Bank Ltd:

In this bank Mission is to provide service for their clients with the help of a skilled and dedicated workforce who have the creative talents, innovative actions and competitive edge make their position unique in giving quality service to all institutions and individuals that they care for. They are committed to the welfare and economic prosperity of the people and the community, for they derive from their inspiration and drive for onward progress to prosperity. In an intensely competitive and complex financial and business environment, they particularly focus on growth and profitability of all concerned.

2.5 Vision of IFIC Bank Ltd:

IFIC Bank wants to be a preferred financial service provider through innovative, sustainable and inclusive growth, and wants to provide the best value for the class value for all stakeholders.

2.6 Core values:

Absolute: We always, everywhere, the integrity of all that

Justify: Trying to offer the best offer to our customers with transparency.

Innovation: Encouraging creativity and nurturing.

Commitment: Most committed to the quality of stakeholders through excellence and teamwork

In customer service.

2.7 Strategic Priority

- Ensure customer satisfaction through timely services and customer satisfaction for sound business growth.
- For ensuring achievement of goals to manage and operate the bank in the efficient manner.
- For supporting further growth and maintain adequate capital flow
- To sustainable business growth for ensuring effective and efficient risk management.
- To diversify loan portfolio through structured finance and expansion of Corporate, SME, Agri and Retail businesses
- For financial inclusion to mount state-of-the-art technologies and adopt innovative ideas
- For serving customers efficiently to groom human resources
- To increase brand visibility by creating positive image of the Bank S to be a trend-setter in serving the society and remain responsive to the environment S To ensure sound corporate governance practices
- To facilitate mobility in banking by up-gradation of Internet and Mobile Banking S To add value for all stakeholders.

2.8 Nature of Business:

IFIC Bank Ltd offers full range of banking services

that include: -

- Deposit banking
- Loans & advances facilities
- Export and Import facilities
- International remittance facilities
- Foreign Exchange transactions
- Locker Service
- NRB Accounts
- Students Files
- SMS Banking

2.9 Milestone in the Development of IFIC Bank Ltd:

- 1976 -Established as an Investment & Finance Company under arrangement of joint venture with the Govt. of Bangladesh.
- 1980 -Commenced operation in Foreign Exchange Business in a limited scale.
- 1982 -Obtained permission from the Govt. to operate as a commercial Bank, Set up its first overseas joint venture (Bank of Maldives Limited) in the Republic of Maldives (IFIC's share in Bank of Maldives limited was subsequently sold to Maldives Govt. in 1992)
- 1983 -Commenced operation as a full-fledged commercial bank in Bangladesh.
- 1985 -Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (Subsequently renamed as Oman International Exchange, LLC)
- 1987 -Set up its first overseas branch in Pakistan at Karachi
- 1993 -Set up its second overseas branch in Pakistan at Lahore
- 1994 -Set up its first joint venture in Nepal for banking operation, titled Nepal Bangladesh Bank Ltd.
- 1999 -Set up its second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (Which was merged with NBBL in 2007)
- 2003 -Set up a new Bank in Pakistan, NDLC-IFIC Bank Ltd. (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it.

2005 -Acquired MISYS solution for real time online banking application
-Core Risk Management implemented

2007 -Launched VISA branded Credit Card (completed full range of Cards i.e. Debit, Credit & Prepaid by 2010)

2010 -Set up Offshore Banking Unit (OBU)

2011 -Established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd.

2012 -Inauguration of 100th Branch at Tejgaon-Gulshan Link Road in Dhaka

2013 -Achieved the landmark of Tk 10,000 Crore deposit

2014 -Launching of IFIC Mobile Bank

2015 -Crossed the landmark of Tk 20,000 crore in Foreign Trade business

2016 -Inauguration of IFIC Tower at 61 Purana Paltan, Dhaka.

2017 -Launched an innovative product IFIC Amar Account, combining benefits of current & saving accounts, FDR, credit cards etc.

Chapter 3

Loan and Advance Management

3.1 Loan Management

I started to make my report in Nrayanganj Branch of IFIC Bank Ltd. at Loan and Advance Management department. This division deals with Loans, Bank Guarantee, Locker, L/C (Letter of Credit), and LTR etc. But, my report is limited to Loan section, Bank Guarantee and L/C section. For making this I have performed numerous activities.

Loan and Advance management is the most significant unit of the bank because until and the prosperity of this section the continued existence is a question to every bank. If this section is not performing exactly the bank may become bankrupt. This is important because this is the income unit of the bank. Banks are receiving deposits from the depositors in condition of giving interest to them as well as safe keeping their deposits. Each and every banks revenue depends on this loan section. Bank are providing loan against the interest. If they fail to provide loan properly or fail to collect installment in time, it is impossible to make profit or running continue a Bank. So each and every loan are important to bank if they fail its make a big loss for them.

3.2 Types of Loan

According to the borrower need bank provide different types of loan. But the total loan is divided into these categories. These are –

- Aamar A/C OD
- Personal loan
- IFIC Aamar Bari
- Salary Loan
- Auto Loan
- Secured Loan

3.2.1 Aamar A/C OD

It's a unique overdraft facility for Aamar Account Holder. For the first time in Bangladesh banking system IFIC bank introduce the IFIC Aamar Account which is very exclusive and update banking system in Bangladesh. In this account customers get some extra facility. I

Features:

- Alternative of credit card.
- Three times of disbursed monthly salary or BDT 0.50 million whichever is lower.
- 100% Cash withdrawal facility.
- Acceptable in all VISA logo POS/ ATMs.
- Cash withdrawal from IFIC & Q-Cash ATMs/POS is free of charge.
- Interest is applicable only on used debit balance.
- No Early settlement fee.

Required Documents:

- Photocopy of National ID Card.
- 2 copy Photographs of the customer.
- Salary certificate
- TIN Certificate copy
- Guarantor: National ID card copy, 1 copy photo, visiting card

3.2.2 Personal Loan

To Meet any personal financial requirement of yours IFIC Bank is here with Personal loan. Whatever your requirement Personal Loan is the solution.

Features

- To meet any personal requirement
- Competitive interest rate
- Loan processing fee minimum
- No Hidden Charge

Required Document

- 2 copy passport size photograph of intending borrower and guarantor
- Letter of Introduction from Employer (for salaried customer) Bank Statement (For last 6 months)
- Salary Certificate/Trade License
- TIN Certificate copy
- Copy of municipal tax receipt or rent receipt

3.2.3 IFIC Amar Bari

Are you dream of having your own house? then IFIC AAMAR BARI is the perfect financial solution for you. This is an attractive loan facility for all credit worthy individuals of Bangladesh who wish to having a new or used the apartment/flat, mortgage their existing house/flat/apartment or construct/ renovate/ extend their existing flat/house, want to Purchase/Construct/Renovate semi-pacca house etc

- Loan amount up toTk 2 Crore
- Tenure: Salaried 25 years, Professional 20 years Maximum
- Lowest Interest Rate
- No processing fee for loan takeover
- Facility of premium overdraft up to 1.5 crore
- Processing fee 1% of loan amount.

Types of loan

- Home loan: to build or purchase new/used residential property (House/ apartment/Flat/ Duplex/condominium)
- Home credit: to re-construct /extension/renovation /modification within the existing approved plan of existing residential property
- Semi- Pucca: maximum 35,00,000 (Purchase /construction/renovation)
- Take over: HBL takeover from other banks /NBFL

3.2.4 Salary loan

IFIC Bank cares about your financial needs. We offer salary loan against your monthly salary on easy terms and competitive rates. Whatever is your plan, IFIC Salary Loan will help you to accomplish it. Let us be your partner in the journey towards success.

Features:

- Minimum BDT 50,000 Maximum loan amount BDT 1,000,000.
- Flexible repayment Equal Monthly Installments (EMIs) over a period of 12 months to 60 months.
- Competitive interest rate
- Early Full and partial settlement allowed.

Required Documents

- Photocopy of National ID Card.
- 2 copy Photographs of the customer.
- Salary certificate
- TIN Certificate copy
- Guarantor: National ID card copy, 1 copy photo, visiting card

3.2.5 Auto Loan

Having a car means freedom of advantage for moving out, affords punctuality, shelter from rain and heat during traveling and above all guarantees the much needed safety. Buying a car is a

dream for lot people. To actualize your dream, now the Auto Loan with more flexible, affordable and convenient package option.

Features

- Loan amount up to BDT 2000000
- Tenor 12-month Maximum 60 month
- Competitive Interest Rate
- Processing fee BDT 2000
- No hidden charge

Required Documents

- 2 copy passport size photograph of intending borrower and guarantor
- Letter of Introduction from Employer (for salaried customer) Bank Statement (For last 6 months)
- Salary Certificate/Trade License
- TIN Certificate copy
- Registration of the vehicle in the name of the owner with HP clause as per Hire Purchase agreement
- Cost of insurance and proportionate registration fees to be deposited along with equity portion at the time of application

3.2.6 Secured loan (Cash Collateral)

IFIC Secured Overdraft offers a flexible, fast and hassle-free solution to your quick cash requirements.

Features

- Credit facility amount maximum 90% of Fixed Deposits/ Other Cash Securities
- 100% cash secured loan
- Competitive interest rate
- Option of renewal / increase limit/ decrease limit at your request
- Quick loan processing

Required Documents

- Photocopy of National ID Card.
- 2 copy Photographs of the customer.
- Salary certificate
- TIN Certificate copy
- Documents necessary for lien

3.3 IFIC GREEN EARTH

For the first time in IFIC Bank introduce such the new loan system is called the IFIC Green earth where they try to provide loan in rural area to increase their business and make a good profit for their business. This is very helpful for the village people to increase their capital

3.3.1 DOMESTIC BIO GAS PLANT

In the rural areas of Bangladesh are very dependent on buffer fuels such as Diesel, Kerosene etc. and firewood, dried dung for their energy consumption. It occurs many problems such as deforestation, health hazards and cause of climate change. To increase the production and use of bio-gas, IFIC Bank offered credit facility for “Domestic BIO Gas Plant.

Purpose

- For Integrated cow (Hybrid) rearing & setting up of Bio-Gas Plant (Maximum 4.80 Cubic Meter).
- For setting up of Bio-Gas Plant in existing Cattle /Poultry Farm (Maximum 5.00 Cubic Meter).

Type of facility

Term Loan

Loan Limit

- For Integrated cow (Hybrid) rearing and setting up of Bio-Gas Plant :
- Maximum - Tk.4,50,000/- (four lac fifty thousand)
- Maximum - Tk.50,000/- (Taka fifty thousand)

Loan Tenor

Maximum - 48 Months

Interest Rate

- 9.00% (max) p.a. if it is financed directly through our branch.
- 11.00% (max) p.a. if it is financed through intermediary/agent etc.
- (Subject to availability of refinance from Bangladesh Bank)

Repayment Method

- Equal Monthly Installment (EMI)

3.3.2 COMMERCIAL BIO GAS PLANT

In view of the energy crisis, there is need for developing new as well as renewable sources of energy. To overcome energy crisis IFIC Bank has introduced the above titled scheme being an alternative energy producing resource through gas generator.

Eligibility

- At least 02 years' successful experience in livestock /Agro based farming.
- Substantial cash flow to repay loans (existing & projected cash flow).
- Premises /Land of the project may be owned by the applicant or registered lease land.

Type of facility

Term Loan

Loan Limit

Maximum - Tk.15,00,000/- (Taka fifteen lac)

(Collateral backed)

Loan Tenor

Maximum - 60 Months

Interest Rate

9.00% (max) p.a. if it is financed directly through our branch.

11.00% (max) p.a. if it is financed through intermediary/agent etc.

(Subject to availability of refinance from Bangladesh Bank)

Repayment Method

Equal Monthly Installment (EMI)

3.3.3 VERMINCOMPOST

Using of chemical fertilizers that's are badly affects the structure and texture of the soil fertility, to reduces organic matter content and decreases microbial activities of soil. For this reason, apply the vermin compost and conventional compost to soil is the prime need for the soil fertility and crop productivity. IFIC Bank is investing in these area.

Purpose

For purchasing of 2 cows, Vermin, construction of shade and for other expenses they need financial needs for the own use business purpose

Type of facility

Term loan

Loan Limit

- Tk.2,90,000/- (Including purchase of 2 cows + cost of shade + cost of 3 KG vermin + cost of crock + misc. expenses)
 - Tk.90,000/- (cost of shade + cost of 3 KG vermin + cost of crock + misc. expenses)
- (Collateral free)

Loan Tenor

Maximum -48 months

Loan Tenor

- 9.00% (max) p.a. if it is financed directly through our branch.
- 11.00% (max) p.a. if it is financed through intermediary/agent etc.

(Subject to availability of refinance from Bangladesh Bank)

Repayment Method

Equal Monthly Installment (EMI)

3.3.4 Finance for Brick Kiln Efficiency Improvement Projects

IFIC Bank will provide financial support to establish brick kilns having modern technologies like -HHK, Improved Zigzag or equivalent technology, which are energy efficient & less carbon emitter.

Type of Facility

- Term Loan
- Working capital

Loan Limit

- For Setting up new HHK or equivalent technology plant:
Up to Tk.15,00,00,000/
- Conversion of Traditional/Fixed Chimney Kiln (FCK) into Improved Zig Zag Brick Kiln
Up to Tk.10,00,00,000/
- Conversion of Traditional/Fixed Chimney Kiln (FCK) into local Zig Zag Brick Kiln:
Up to Tk.70,00,000/

Maximum

- 84 months (excluding maximum 18 months' grace period) for setting up HHK & Improved Zig Zag Brick Kiln (Term Loan).
- 60 months (including maximum 6 months' grace period) for conversion of FCK to local zig zag brick kiln.

Maximum

- 12 months for W/C

Interest Rate

9.00% (max) p.a. if refinance facility is available.

Repayment method

Equal Monthly Installment (EMI) effective from completion of grace period in Term Loan OD to be adjusted within the validity.

3.3.5 Policy Guidelines for Fire Fighting & Safety Equipment Loan

IFIC Bank has introduced “Fire Fighting & Safety Equipment loan” in Garments, Knitting, Textiles, Garments Accessories, Packaging, Terry Towel & Linen manufacturing Industries under Green Financing Scheme.

Purpose

- Purchase the fire safety defense equipment.
- Fire Extinguishers along Refill (gas and/ or powder type), Masks, Blankets, Fire Hoses, Fire Beaters, Fire Alarm, Smoke detector,
- Heat Sensor, Lock Cutters, Stretches, Ropes etc.
- To repair and reconstructed fire equipment

- Overhead and Underground Water reservoir/ Tanks.
- To purchase/ install: Water pumps, Sprinkler etc. to protect fire incidents.

Eligibility to avail the loan

- Eligible to get the loan which have their own factory or industry
- Must be a member of Bangladesh Garment Manufactures & Exporters Association (BGMEA), Bangladesh Knitwear Manufactures & Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA), Bangladesh Garments Accessories & Packaging Manufactures & Exporters Association (BGAPMEA), Bangladesh Terry Towel & Linen Manufactures & Exporters Association (BTTLMEA), Bangladesh Plastic Goods Manufactures & Exporters Association (BPGMEA) & Leather goods & Footwear Manufactures & Exporters Association of Bangladesh (LFMEA)
- Should have at least two (02) years of experience.

Loan Limit

Maximum BDT 10.00 Million for individual borrower.

Type of Facility

Term Loan (Industrial).

Loan Tenor

60 (sixty months)

Interest Rate

9.00% (max) p.a. if refinance facility is available.

Repayment Method

Equal Monthly Installment (EMI) effective from completion of grace period in Term Loan.

3.4 Key loan Products of SME

Product Name	Remarks
IFIC-Krishi Shilpo	Loan for Agro-based Industry
IFIC-Shilpo Sohay	Loan for Cottage & Micro Industry
IFIC-Shilpo Shongjog	Loan for Manufacturing & Service Industry
IFIC Protyasha	Loan for Women Entrepreneurs
IFICPrantonari	Loan for Grassroots Women Entrepreneurs

3.5 IFIC Agri. Credit

At the end of 2019, total Agricultural Credit stood at BDT 3,249 million through disbursement in the following Agri. Loan products:

Name	Remarks
IFIC-Suborno Gram	Loan for crops, fisheries & livestock
IFIC-Sech Soronjam	Loan for irrigation equipment
IFIC-Krishi Soronjam	Loan for cultivation instrument

3.6 Rate of Interest

Rate of Interest on Lending		With Effect From: 01.04.2020
Sl.	Categories & Sub Categories (SC) of Lending	RATES (per annum)
1	Agriculture	
	SC-1. Agriculture Loan-Primary Customer (Maximum Rate)	9.00%
	SC-2. Agriculture Loan-MFI Linkage (Maximum Rate)	9.00%
2	Term Loan (Large & Medium Scale Industry)	
	SC-1. Term Loan (Large & Medium Scale Industry)-Manufacturing	9.00%
	SC-2. Term Loan (Large & Medium Scale Industry)-Non Manufacturing	9.00%
3	Term Loan (Small Scale Industry)	9.00%
4	Working Capital (Large & Medium Scale Industry)	
	SC-1. Working Capital (Large & Medium Scale Industry)-Manufacturing	9.00%
	SC-2. Working Capital (Large & Medium Scale Industry)-Non Manufacturing	9.00%
5	Working Capital (Small Scale Industry)	9.00%
6	Export (Maximum Rate)	7.00%
7	Trade Financing (Commercial)	
	SC-1. Trade Financing (Large & Medium Scale Industry)	9.00%
	SC-2. Trade Financing (Small Scale Industry)	9.00%
	SC-3. Bills Purchased & Discounted	9.00%
8	Housing Loan	
	SC-1. Commercial House Building Loan	9.00%
	SC-2. Residential House Building Loan	9.00%

9	Consumer Credit	
	SC-1. Auto Loan	9.00%
	SC-2. Other Consumer Credit	9.00%
10	Credit Card	
11	Credit to Non-Bank Financial Institution (NBFI)	9.00%
12	Others: Lease Finance	9.00%
	Lending against Financial Obligation	
	SC-1. Lending against Fixed Deposit (FD)/Deposit Scheme (DS) of IFIC Bank	FD/DS Rate + 2.00%
	SC-2. Lending against Other Financial Obligation (FO) (Govt. Approved FO Rate + 3.00% Securities/ICB Unit Certificate/ WEDB)	FO Rate + 3.00%

3.7 Financial Performance of IFIC Bank Limited

BDT in million

Particular	2019	2018	Change
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Cash & Bank Balance	245,500	28,077	-12.4%
Investments	4,582	31,304	45.3%
Loans and Advances	228,589	206,930	10.5%
Fixed Assets	6,384	5,438	17.4%
NBA & Other assets	11,896	11,325	5.0%
Total Assets	316,950	283,073	12.0%
Borrowing	8,216	9,969	-17.6%
Subordinated debt	2,800	3,500	-20.0%
Deposits	258,368	226,364	14.1%
Other Liabilities	22,969	21,124	8.7%
Shareholders' Equity	24,597	22,116	11.2%
Liabilities & Equity	316,950	283,073	12.0%
Contingent Liability	51,095	60,436	-15.5%

3.8 Total gross credit risk exposures broken down by major types of credit exposure

Particular	BDT in million
Term loan industrial	16,679.24
Term loan consumer finance	217.49
Agricultural loan	3,230.15
Term loan women entrepreneur	30.38
Term loan-others	64,320.14
House building loans	35,878.06
Staff loan	1,445.24
Transport loan	35.25
Loan general	3,273.90
Demand loan	9,479.24
Overdrafts	51,569.60
Cash credit	23,146.11
Credit card finance	162.58
Loan against trust receipt (LTR)	5,529.99
Lease Finance	294.52
Margin Loan	3,934.94
Bills purchased and discounted	10,653.69
Off-shore banking unit	2,642.92
Total	232,523.44

3.9 Credit Risk Management

Credit risk is one of the major risks that is faced by the Bank. The Credit Risk Management Policy of the Bank addresses the following:

- Definition of Credit Risk, Types of loan facilities, facilities offered to corporate clients, discouraged business types/sectors.
- Detailed and formalized credit approval process.
- Risk identification, measurement, mitigation strategies, monitoring and control and acceptance criteria.
- Managing credit risk in the administration process.
- Management Information System for managing Credit Risk.

Chapter 4.0

Finding and Recommendation

4.1 Findings

When I making the report on International Finance Investment & Commerce Bank Limited, I have attained a newer kind of experience. After collecting and analyzing data I have got some findings and recommendations. These findings are from the personal points of view, which are given below:

- Some of the borrower does not pay their payment timely.
- Digital banking system is available in IFIC Bank that is very important to complete to others in the electronic world.
- Changing government's rules and regulations such as loan cost change or confinements in remote trade edge is likewise a hindrance of banks.

4.3 Recommendations

Banking is a service –oriented marketing, the business profit depends on its service quality. That is why the authority always should be sincere about their service.

- Highly qualified employee should take responsibility for loan and advance section.
- Strict Supervision must be adapted in case of huge risk borrowers. Timely visit to the projects should be done by the bank officers
- Provide updated training facilities to credit officer for increasing efficiency in dealing all customers.

4.5 Reference

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Newspaper, Article, Blog, Documents.

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Personal conversation with:

Foyzal Emam (Sales Associate, IFIC Bank Limited, Narayanganj Branch),

Personal conversation with:

Kamal Hossain (Senior Officer, IFIC Bank Limited, Narayanganj Branch)