

**An Internship Report
on
An Analysis of Loans and Advances of Rupali Bank PLC**

This report is submitted to the Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the partial fulfillment of the degree of Masters of Business Administration (MBA) in Marketing



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May, 2024

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May, 2024

Acknowledgement

It is my great pleasure to express our gratitude to our creator almighty ALLAH for such great opportunity to be in touch with Rupali Bank PLC in completing my assigned report timely on the topic An Analysis of Loans and Advances of Rupali Bank PLC, HSTU Corporate Branch, Dinajpur.

In preparing the report I would like to express my gratitude to my honorable supervisor **Dr. Md. Jamal Uddin**, Professor, co-supervisor **Shekh Md. Sahiduj Jaman**, Assistant Professor, Rupali Bank Manager and Friends from the core of my heart for their kind support, guidance, supervision, instructions and advice and for motivating me to do this report.

I am also grateful to the employees of bank for their cordial information. They helped me a lot to collect the information correctly and also extended their helpful hand to me. It was a great opportunity to do internship in such an organization. The experience I have gathered will be a privilege for my future career planning.

.....
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Certificate from the organization where internship done



রূপালী ব্যাংক লিমিটেড
RUPALI BANK LIMITED



মুজিববর্ষের প্রতিশ্রুতি
আর্থিক খাতের অগ্রগতি

হাজী মোহাম্মদ দানেশ বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয় (হাবিথবি) কর্পোরেট শাখা, দিনাজপুর।

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Ref: HSTU cor/Intern/MBA/2024

Date: 28-04-2024

TO WHOM IT MAY CONCERN

This is to certify that, **S.M. Mehedi Hasan**, having student ID No. 1703028, MBA in Marketing, a Student of Hajee Mohammad Danesh Science & Technology University (HSTU), Dinajpur, has successfully completed his internship from 01/01/2024 to 18/04/2024 total 90 (Ninety) working days internship program at Rupali Bank Limited, HSTU Corporate Branch, Dinajpur. During his internship period found his good moral attitude and sound behavior.

We wish him every success in life.


MD. AMRAN HOSSAIN
Manager (SPO)
Rupali Bank Ltd.
Senior Principal Officer
& Manager
Rupali Bank Limited
HSTU Corporate Branch
Dinajpur-5200

জেনারেল অফিস: নরদীন গ্রাউন্ড (২য় তলা), চারুবাড় মোড়, গণেশতলা, দিনাজপুর-৫২০০। ফোন-০৫৩১৬৫১৭১, ৬৭৭১০; ই-মেইল: WS-dinajpur@rupalibank.org.
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Certificate of Supervisor

I hereby declare that the concerned report on “An Analysis of Loans and Advances of Rupali Bank PLC” is a work done by S.M. Mehedi Hasan, bearing Student ID: 1703028, MBA in Marketing, Department of Marketing/ Batch 14th, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200. He has performed his analyzing performance under my supervision and submitted this analysis report for the partial fulfillment of the requirement of the degree of Masters of Business Administration.

I wish him every success in life.

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Dr. Md. Jamal Uddin
Professor
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Certificate of Co-supervisor

I hereby declare that the concerned report on “An Analysis of Loans and Advances of Rupali Bank PLC” is a work done by S.M. Mehedi Hasan, bearing Student ID: 1703028, MBA in Marketing, Department of Marketing/ Batch 14th, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200. He has performed his analyzing performance under my supervision and submitted this analysis report for the partial fulfillment of the requirement of the degree of Masters of Business Administration.

I wish him every success in life.

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Student's declaration

I hereby declare that the thesis work entitled “An Analysis of Loans and Advances of Rupali Bank PLC” has prepared by me internship which is supervised by Dr. Md. Jamal Uddin, Professor, Department of Marketing, Faculty of Business Studies, HSTU, Dinajpur.

I further affirm that work and information presented in thesis work is original and part or whole has been submitted to, in any form, any other University or Institution for any degree or any other purpose.

.....
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Abstract

This report is prepared as requirement of MBA program. This report focuses three months working experiences in, Rupali Bank PLC, (HSTU Corporate Branch), Dinajpur. This report will give a clear idea about An Analysis of Loans and Advances of Rupali Bank PLC. The main object of the report is to know about the loan and advances and the procedure followed by the bank for sanctioning loan. This Bank tries to provide higher quality services in case of sanctioning the loans and advances. The information of the report has collected from secondary sources like books, published reports and website of the Rupali Bank PLC. It includes source of existing/published data, such as Operational manual, official website, Banking journals, Research papers and financial statement. After analyzing data, it was found that customers have chosen Rupali Bank PLC for its goodwill as state owned bank. But the loan sanctioning procedure is time consuming. That's why bank is losing its valuable customers in loan and advance department. Therefore, Rupali Bank PLC should give more effort to make well establish market in the context of Bangladesh and be more flexible to disburse loan and advance.

Keywords: Loans and advances, analysis, financial statement, quality services, data analysis.

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CHAPTER- 1

INTRODUCTION

1.1 Prelude

Loans refer to a debt provided by a financial institution for a particular period while Advances are the funds provided by the banks to the business to fulfill working capital requirement which are to be payable within one year. Loans are a source of long-term financing (typically more than a year), whereas the advances are a source of short-term financing, that is, to be repaid within less than a year. The monetary value of an advance is usually less than that compared to a loan. Rupali Bank PLC. was constituted with the merger of 3 (three) erstwhile commercial banks i.e. Muslim Commercial Bank Ltd., Australasia Bank Ltd. and Standard Bank Ltd. operated in the Pakistan on March 26, 1972 under the Bangladesh Banks (Nationalization) Order 1972 (P.O. No. 26 of 1972), with all their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations. Rupali Bank worked as a nationalized commercial bank till December 13, 1986.

The business world is getting dynamic and competitive. It is hard for an organization to run and even survive in a fast paced, growing and uncertain world if it cannot keep tracks with go of business dynamism. Business plays and links important roles in developing the economy of a country. So, as a business graduate, I think I need to be attached with any organization to get a handy and versatile experience about the business world before starting our career. Internship is the arrangement, which makes a bridge between our academic knowledge and practical world to have an acquaintance with the real business world as well as to gear me up to lead the future competitive business I have worked in Rupali Bank PLC, HSTU Corporate Branch. In this report, I will try to make an analysis of Loans and Advances of Rupali Bank PLC.

1.2 Background of the Study

The internship program is mandatory requirement for the students who are graduating from the Faculty of Business under the program Masters of Business Administration of Hajee Mohammad Danesh Science and Technology University.

Internship program has three months program for working in an organization for which there was an opportunity to engage in Rupali Bank PLC where learned a lot regarding loans and Advances provided by the Bank.

Consequently, it will help to relate the theoretical knowledge of bank to practical exposure. Thus, the knowledge and continued working experience gathered from the bank helped me to work selected topic “Analysis of Loans and Advances of Rupali Bank PLC: A study on HSTU Corporate Branch.”

1.3 Scope of the study

After completing in Hajee Mohammad Danesh Science and Technology University there were an opportunity to get appointment in one of the largest and renowned Rupali Bank PLC which explored a vast scope for the study. Scopes for the study depicted as follows:

- Loan and advance procedure followed by the Rupali Bank PLC.
- Background and prospective of Rupali Bank PLC.

1.4 Significance

This internship report is an important partial requirement of MBA graduation program. This is because knowledge and learning become perfect when it is associated with theory and practice. By this internship program students can establish contacts and networking. Contacts may help to get a job in practical life. That is, student can train and prepare themselves for the job market. A poor country like Bangladesh has an overwhelming number of unemployed educated graduates. As they have limited internship experience, they have not been able to gain normal professional experience of establish networking system, which is important in getting a job. Therefore, it is obvious that the significance of internship is clearly justified as the crucial requirement of MBA graduation.

1.5 Origin of the Report

Masters of Business Administration (MBA) course requires 90 days attachment with a bank (The Rupali Bank PLC) followed by a report assigned by the supervisor in the organization. I took the opportunity to do my internship in The Rupali Bank PLC. My topic of internship is authorized from the head office of Rupali Bank PLC. My faculty supervisor Professor Dr. Md. Jamal Uddin, Department of Marketing, Faculty of

Business Studies, Hajee Mohammad Danesh Science and Technology University (HSTU), also approved the topic and authorized me to prepare this report as part of the fulfillment of internship requirement. The report thus was titled as “Analysis of Loan and Advances management of Rupali Bank PLC”

1.6 Objectives of the Study

General Objective:

- The main objective of the study is to analyze the Loans and Advances of Rupali Bank PLC, HSTU Corporate Branch, Dinajpur.

Secondary/Specific Objectives:

- To discuss credit services offered by Rupali Bank PLC.
- To analyze loan operations system of the Rupali Bank PLC.
- To identify the problems related to loans and advances operations of Rupali Bank PLC.

1.7 Methodology of the Study

Methodology is the way to systematically solve the research problem. This job had been completed by following systematic and sequential steps. Firstly, the research problem was formulated. Secondly, an extensive survey had been taken place to gather relevant and required literature. Thirdly, a research design had been determined. In the fourth stage as sampling technique had been chosen which is called non probability judgment sampling. Sixthly, both the primary and secondary data were collected. At the final stage, collected data were analyzed and arranged as per the study demands. The study has been initiated to explore the insight of the critical issues of Loans and Advances. So the study is an exploratory research. To complete the study both primary and secondary data has

1.7.1 Secondary Data

On the other hand, the secondary data are those which have already been collected by someone else which have been collected through the statistical process. Secondary sources of data consist of all published and reported materials including books, journals, articles etc.

Secondary Data sources are

- (i) Collection of secondary from Annual report
- (ii) Secondary data also have been collected from the different publications of the Bank.
- (iii) Other information was obtained from various corresponding files of the Bank.
- (iv) Internet was one of the important sources for secondary data collection.

Secondary data has been used in the study. Secondary data were collected from bank executives and borrowers of different banks.

1.8 Literature Review

Rahman (2019) Loans and Advance section of a bank is very important because the success of this department helps to increase its business. If this section does not properly work, the bank itself may become bankrupt. Bank makes loans and advances mostly to traders, businessmen, and industrialists. Although the nature of credit may differ in terms of security requirement, disbursement provision terms and conditions etc. To ensure secured banking Rupali Bank PLC works closely with its clients, the regulatory authorities, the shareholders, other banks and financial institutions. This bank recently achieved lots of milestones rather than other banks. The credit administration of this bank works very efficiently where loan documentation is performed by the experienced bankers. Presently the management is focusing on reducing Non- performing loans (NPLs) which is a big step of loan recovery. Apart from these, Rupali Bank PLC provides other services and some kinds of value-added services for the welfare of the people. However, Loan and Advances is the most important asset as well as the primary sources of earning of a bank which help to improve financial health of a bank.

Goyal and Joshi (2011) have deduced in their study on Social and Ethical Aspects of Banking Industry that banks can extend themselves as a social and moral oriented association by just dispensing credits to those social, moral and ecological concern associations.

Naveen *et al.* (2009) studied the significance of microfinance in achieving money related incorporation. The paper concentrates on effect of the expanding hole sought after and supply of money related administrations in India which has prompted the expanding populace of the nation to be avoided from the formal budgetary credit framework on housing advance.

Talwar (1996) in an article on the present saving money situation and the requirement for an arrangement change, opines that a noteworthy concern tended to by managing an account segment change is the strengthening of the budgetary wellbeing of banks. The presentation at prudential standards is better money related order by guaranteeing that the banks are aware of the danger, benefit of their loan portfolios.

Boyd (1994) the study closes on rate of interest charged on advances, enthusiasm on bank accounts, notoriety. All these interests have played an essential part for customers and money related execution of a bank in business sector. However, customers likewise mind other criteria, for example, the amount of agreeableness of representatives, item, online offices, paper work and postliminary.

Leonard and Spencer (1991) pointed that the significance of bank picture as focused technique for expanding customer activity stream. Inclination for bank amongst understudies as supplier of money related administrations, more noteworthy trust in huge medium estimated banks, significance of customers by work force, focused store rates and credit accessibility were the key discoveries.

Vidhayavathi. K (2002) in her study evaluated the performance of housing finance institutions on certain selected business parameters as well as through an opinion survey over the home loan seekers and concluded that apart from interest rate advertisement, service quality, courtesy and speed of service are certain other important dimensions affecting the growth of housing finance industry.

Ali Ataullah *et al.* (2004) Concluded that there is still room for improvement in the efficiency of banks in both the countries. A step forward for the liberalization programmer, therefore, is not only to deregulate interest rates and enhance the level of competition but also to strengthen the institutional structure to support good practices in the banking industry .

Ghosh Saibal (2009) concluded that with international standards, Indian banks would need to improve their technological orientation and expand the possibilities for augmenting their financial activities in order to improve their profit efficiency in the near future.

Dr. Ibrahim Syed M (2011) concluded that this is diagnostic and exploratory in nature and makes use secondary data. The study finds and concludes that the scheduled commercial banks in India have significantly improved their operational performance.

Pardhan (2012) Concluded that-The study is based on primary data. The data has been analyzed by Percentage method. The tool used to collect data from the bank officials was a structured questionnaire. Responses obtained from the 50 Bank managers / senior officers.

Dr. Dhanabhakyam M and Kavitha M. (2012) studied that banks have to re-orient their strategies in the light of their own strength and the kind of market in which their likely to operate on. In the perspective of this domestic and international development, the banking sector has to chart perfect for development.

Gupta Shipra (2012) concluded that- Public and Private sector banks both are giving good service in India. Financial condition of any bank is measured by the help of financial ratio. A leverage ratio cannot do the job alone it needs to be complemented by other prudential tools or measures to ensure a comprehensive picture of the buildup of leverage in individual banks or banking groups as well as in the financial system.

Sharma Esha (2012) concluded that- The liberalized policy of the govt. of India permitted entry to the ICICI in the banking; the industry has witnessed a generation of private players. That's why the present paper special emphasis has been laid down on the financial analysis of the bank by using different research ant statistical tools.

1.9 Scopes of the Study

This report has prepared to gain a clear view of the liquidity, Loan and advance management of the Rupali Bank PLC which explored a vast cope for the study. Scopes for the study depicted as follows:

- a) Loan and advance procedure followed by the Rupali Bank PLC.
- b) Background and prospective of Rupali Bank PLC.

1.10 Limitations of the Study

The report will be prepared a very comprehensive and a well-organized format but it cannot claim that it is perfect and flawless. There are still some limitations present here.

- ❖ Some employees may not helpful to provide information.
- ❖ Lack of experience in preparing this sort of report.

- ❖ Some information's are confidential and not available in the market.
- ❖ All the necessary data cannot be found in published or any other form.
- ❖ Lack of continuity of information also put me in a troublesome situation.

CHAPTER 2

ANALYSIS AND INTERPRETATION

2.1 Specification of the Banking sector in Bangladesh

The banking system framework at autonomy comprised of two branch workplaces previous State Bank of Pakistan and seventy controlled by Bangladeshi premiums and There were fourteen littler business administrate. Bank of Pakistan and seventeen huge business banks, two of which were U by Bangladeshi premiums and three by nonnative's other than West Pakistanis were fourteen littler business banks. For all intents and purposes all keeping money stations were packed in urban regions. The recently autonomous government promptly assigned the Dhaka branch of the State Bank of Pakistan as the national bank and renamed it the Bangladesh Bank. The bank was in charge of managing cash, controlling credit and money related strategy, and directing trade control and the authority remote trade saves. The Bangladesh government at first nationalized the whole household keeping money framework and continued to revamp and rename the different banks. Outside claimed banks were allowed to keep working together in Bangladesh. The protection business was likewise nationalized and turned into a wellspring of potential venture stores. Agreeable credit frameworks and postal investment funds workplaces took care of administration to little individual and rustic records. The new keeping money framework prevailing with regards to building up sensibly effective methods for overseeing credit and remote trade. The essential capacity of the credit framework all through the 1970s was to fund exchange and people in general division, which together retained 75 percent of aggregate advances. The administration's support amid the late 1970s and mid 1980s of farming improvement and private industry got changes loaning techniques. Overseen by the Rupali Bank, a particular rural managing an account establishment, loaning to ranchers and anglers significantly extended. The quantity of rustic bank offices multiplied in the vicinity of 1977 and 1985, to more than 3,330. Denationalization and private modern development drove the Bangladesh Bank and the World Bank to concentrate their loaning on the rising private assembling segment. Planned bank advances to private horticulture, as a level of groups oral GDP, ascended from 2 percent in FY 1979 to 11 percent in FY 1987, while advances to private assembling ascended from 13 percent to 53 percent. The change of fund needs has carried with it issues in organization.

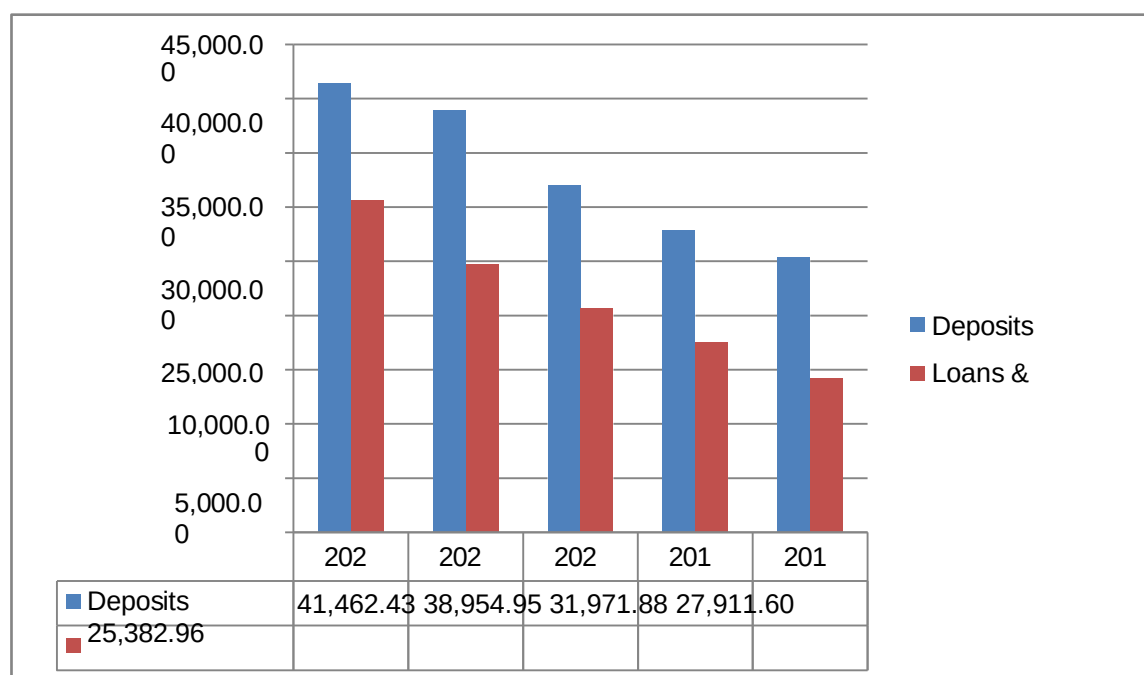
Table 1: Variable

Year	Deposit	Loan and Advance	Investment
2011	7120.8	4903	1254.57
2012	7391.28	5234.42	1430.3
2013	9112.38	6604.9	1571.72
2014	7380.34	7652.49	2361.12
2015	13659.88	9064.16	2657.23
2016	17795.64	10742.63	3925.31
2017	22165.68	12501.2	6822
2018	25382.96	14251.5	8265.42
2019	27911.6	17515.04	7965.12
2020	31948.76	20667.27	6840.02
2021	38954.95	24749.06	8233.65

a. Dependent Variable: Loan and Advance

2.2 Business Progress

Despite the incessant world economic recession and the country's large-scale instability in the previous especially in the second half, the Rupali Bank PLC. has achieved expected business success in 2022.

**Figure 1: Loan and Deposit**

2.3 Loans and Advances

The bank's loans and advances in the years 2018, 2019, 2020, 2021, 2022 are Tk 14,251.50 crore, Tk 17,515.04 crore, Tk 20,667.27 crore, Tk 24,749.06 crore, Tk 30,672.40 crore respectively.

2.4 Deposit

In the last five years, it was possible to achieve a stable deposit base in the bank. Its deposit in the years 2018, 2019, 2020, 2021, 2022 are Tk 25,382.96 crore, Tk 27,911.60 crore, Tk 31,971.88 crore, Tk 38,954.95 crore and Tk 41,462.43 crore respectively.

Therefore, the growth rate of loans and advances was lower than deposits in the year 2022 comparative to previous years. But started its journey in 2018 with only Tk 25,382.96 crore loan and advance, the bank's loan and advance became double (Tk 31,971.88 crore) in 2020.

2.5 Division wise Loan and Advances

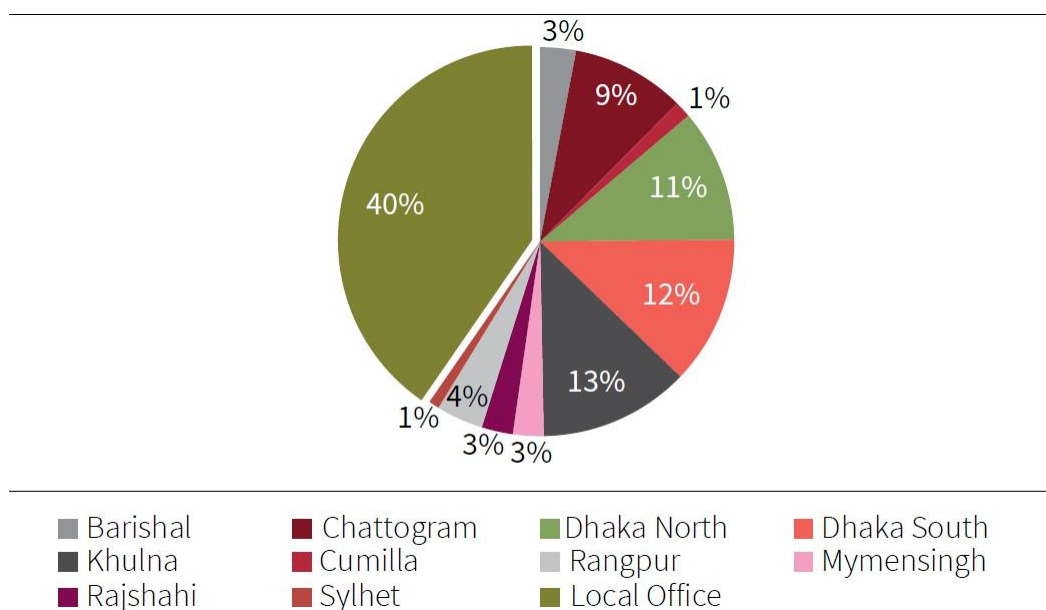


Figure 2: Division wise Loan and Advances

2.6 Loan and Advances

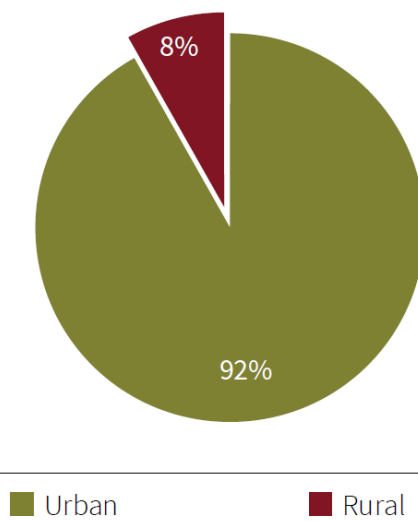


Figure 3: Loan and Advances

2.7 Classified Loan

Types of Loan	2022	2021	2020	2019	2018
Export	2,689.27	2,600.20	2,298.97	2,500.45	2,162.78
Import	15,401.83	11,402.15	13,210.01	10,801.36	11,987.70

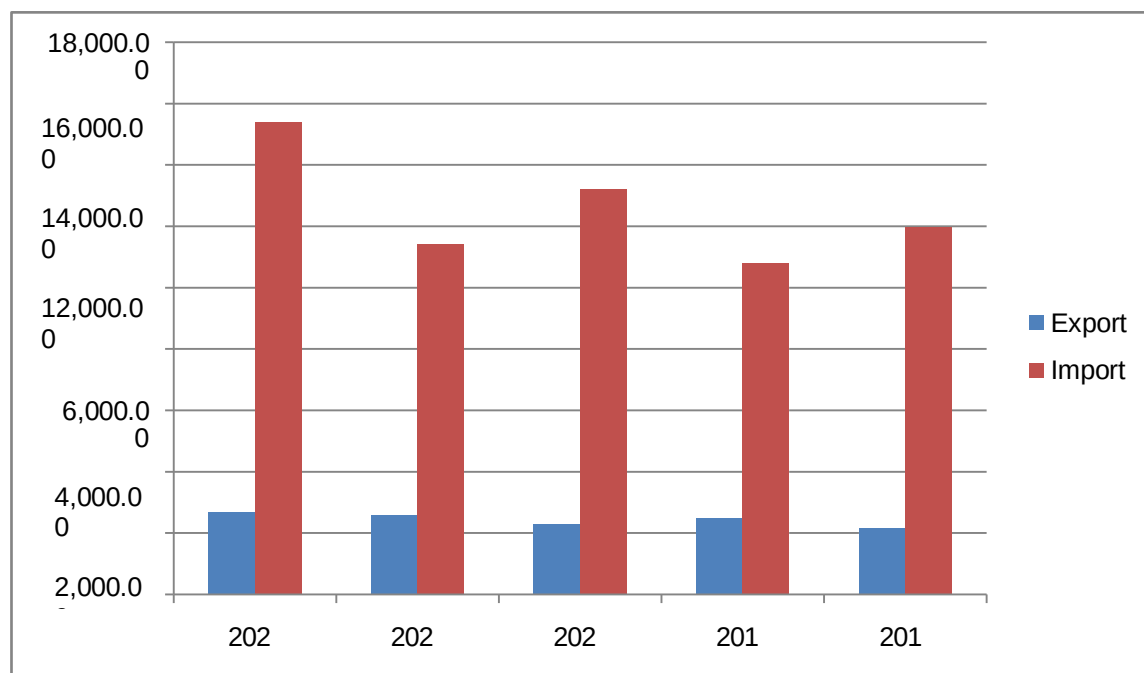


Figure 4: Export and Import

2.8 Export

The bank's export trade in 2018, 2019, 2020, 2021 and 2022 was worth Tk 2,162.78, Tk 2,500.45 crore, Tk 2,298.97 crore, Tk 2,600.20 crore and Tk 2,689.27 crore respectively.

2.9 Import

In the years, 2018, 2019, 2020, 2021 and 2022, the amount of the bank's import business was Tk 11,987.70 crore, Tk 10,801.36 crore, Tk 13,210.01 crore, Tk 11,402.15 crore and Tk 15,401.83 crore. Despite the exemption in 2016, bank's import trade has been increasing notably since 2018.

2.10 Investment

Investment the incessant world economic recession and the country's large-scale instability in the previous especially in the second half, the Rupali Bank PLC. has achieved expected business success in 2022.

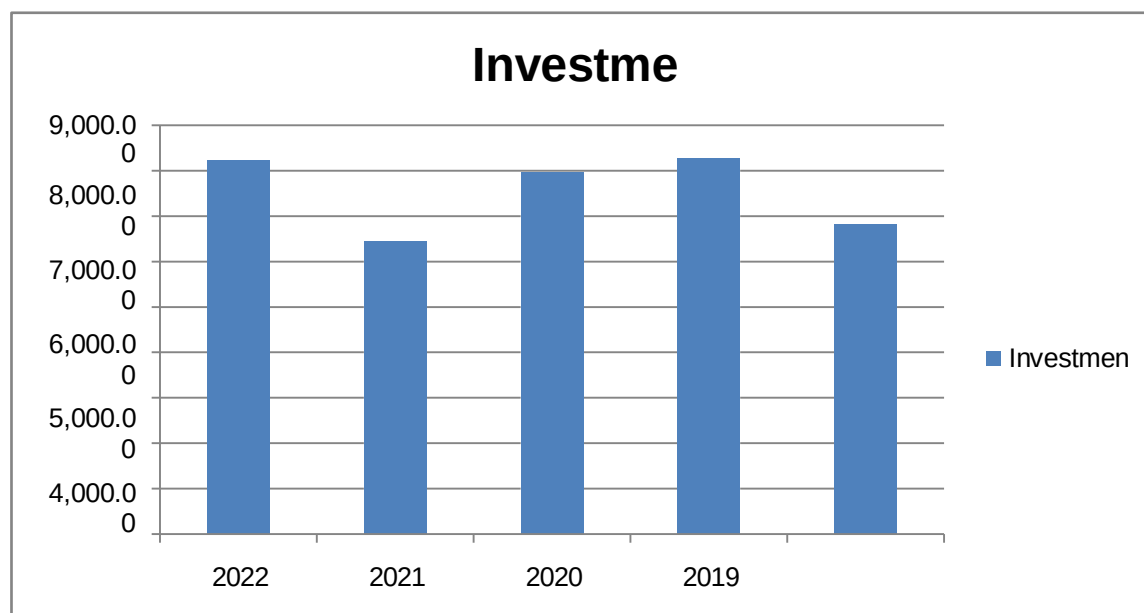


Figure 5: Investment

2.11 Loan and advances

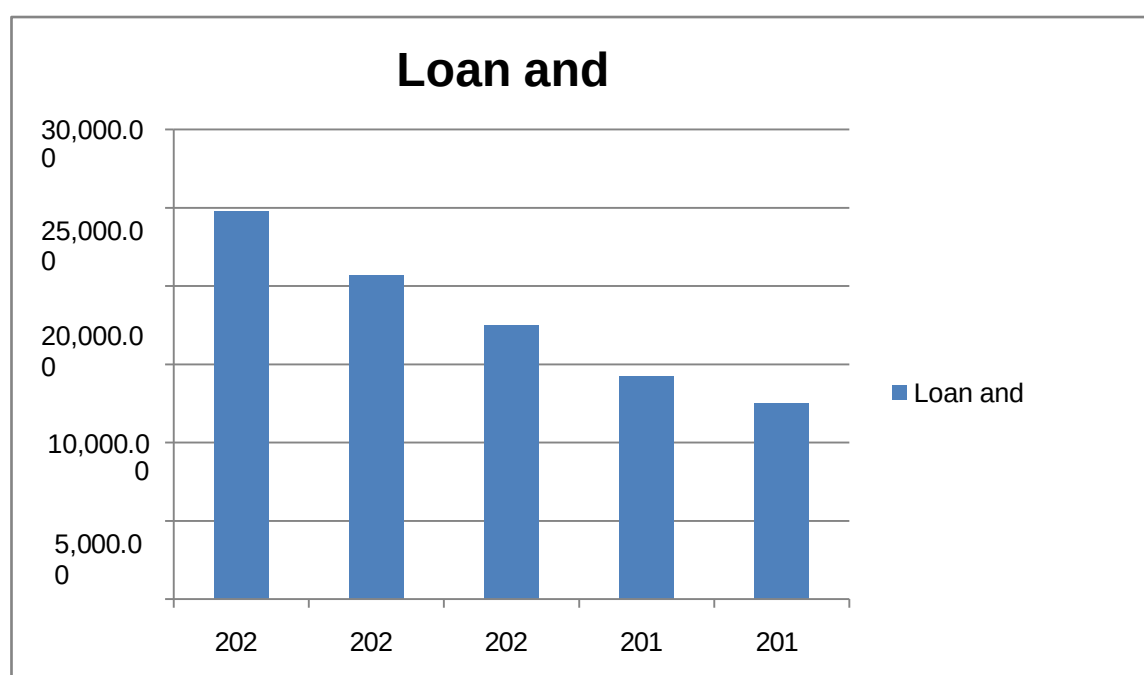


Figure 6: Loan and advances

2.12 Steps involved in Credit Processing

The credit process starts with building up relationship with customer through account opening. The preliminary screening of credit proposal and collection of information from different sources take places. Feasibility study and appraisal of loan proposal is the important part of the lending process. The stage of credit approval are done both at the branches and head office higher authority level. Sanction of credit is done by the sanctioning officer who has authority to sanction credit. After fulfilling the conditions the credit is disbursed Credit supervision and follow-up start at the end of the credit disbursement. Necessary steps should be taken to minimize the risk and increase the return of the bank.

Step 1: Application of Loan Proposal

A loan procedure formally stars with a loan application from client who must have an account with the bank. At first, it starts from the branch. Once a customer decides to request a loan, an interview with a loan officer usually

Follows right away, giving the customer the opportunity to explain his or her credit needs. After getting an application for a loan, A Rupali Bank official studies the past record of the client.

Generally, the study includes

- ❖ Account balances and the past transactions.
- ❖ Credit report from other banks
- ❖ Information of the industry by studying market feasibility.
- ❖ Financial statements (Balance sheet, Cash flow statement and Income statement)
- ❖ Report from credit information bureau of Bangladesh bank if the credit is proposed.

Interviewing the clients

Interview is particularly important because it provides an opportunity for the bank's loan officer to assess the customer's character and sincerity of purpose. The officer tries to find out the following process

- ❖ Borrower's identity, family background, character and capacity.
- ❖ Reputation of the borrower in business cycle.
- ❖ Educational qualification and experience in business.
- ❖ All sources of income, amount and length on time.
- ❖ Current loan mortgage information.
- ❖ Other stocks such as stocks, bonds etc.
- ❖ Liabilities
- ❖ Purpose of loan

Step 2: Preliminary screening of credit proposal

Borrower selection

Borrower selection is the most important part of lending process. Generally, anyone who is an employee of the Rupali Bank PLC can bring credit customer for the bank or present customer can get credit from the bank. While selecting borrower the loan officers are interested to take utmost care so that adverse selection is not made.

Borrower Analysis

The question that must be raised that customer has the ability to repay or not. This usually involves detailed study of 6 aspects of the loan application- Character, capacity, capital, collateral, conditions and control. All must be satisfactory for a loan application from lender's point of view.

Screening of the credit proposal

Bank officials of credit department screening credit proposal at the initial stage. Applicants formally applies for credit facility to the bank, the following documents are collected to screening the credit proposal.

- ❖ Profile of the business
- ❖ Copy of trade license, TIN certificate, Memorandum of association, Articles of Association.
- ❖ Certificate of incorporation, Resolution of Board of Directors.
- ❖ Deed, Valuation certificate, financial documents, NECF.
- ❖ Bank statements for the last 12 months from previous banks.

Step 3: Feasibility study and appraisal of loan proposal

Bank officials of the credit department will inspect the proposal for which the loan is applied. Any loan proposal needs to be evaluated on the basis of financial information provided by the loan applicant. If the credit is satisfied with his credit worthiness then second issue must be faced.

An element of risk is always present in every advance. Security is taken against loan and advance to reduce the risk of recovery of loan. Importance of charging security is □
Protection of interest

- ❖ Ensuring the recovery of credit.
- ❖ Provision against unexpected change
- ❖ Commitment of the borrower.

Collection of Borrower's Information

CIB (Credit Information Bureau of Bangladesh) report Rupali Bank credit administration department collects information on the borrower's liabilities to different banks from the CIB of Bangladesh bank. The information is sought by filling up the specific CIB inquiry form. The importance of CIB report to the loan provider is

- ❖ To ensure whether the borrowers have a sound economic situation.
- ❖ To ensure that borrower is not a loan defaulter.
- ❖ To ensure the repayment condition of the borrowers.

Search and Inspection report

Sources of other information are

- ❖ Physical information
- ❖ Customer financial statements
- ❖ Experience of other lenders with this customer
- ❖ Customer Annual report
- ❖ Local Newspapers
- ❖ Local Chamber of commerce

Risk Analysis

The risk involved with the project or business will determine the return from the business. For assessing the risk bank follows some factors such as Industry risk, Market risk, and Security risk.

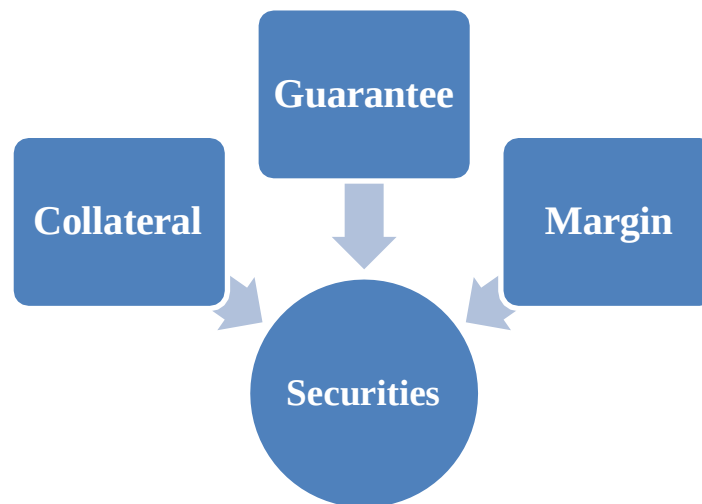


Figure 7: Types of security

Step 4: Feasibility study and appraisal of loan proposal

If the credit committee is satisfied with the loan application, and its financial information then bank will approval the credit for the customer. A document is a written statement of facts of proof or evidence arising out of particular transaction. The exaction of documents in proper form is the requirements of the law known as documentation. Documents are necessary for the acknowledgement of the debt by the borrower and charging of securities to the bank by him. Proper and correct documentation is essential not only for the safety of advances but also necessary foe taking legal action against the debtors is case of non-repayment of dues. Depending on the types of loans and advances different documents are required.

Documentation of Loan

- ❖ Demand of Promissory (D.P) Note
- ❖ Letter of partnership (in case of partnership concern) or resolution of the board of Directors (in case of limited concern).
- ❖ Letter of agreement
- ❖ Letter of Disbursement
- ❖ Letter of pledge (in case of pledge of goods)
- ❖ Letter of Hypothecation (in case of Hypothecation of goods)
- ❖ Trust receipt (in case of LTR facility)
- ❖ Letter of lien and Ownership (in case of advance against share)
- ❖ Letter of Lien for racking credits
- ❖ Legal documents for mortgage of the property

Step 5: Disbursement of Loan and Advances

After completely preparing the loan documents, the loan officer is ready to distribute the loan to the borrower's loan account. After disbursement, the loan needs to be organizing and maintaining to ensure whether the terms and conditions of the loan fulfilled by the bank or client or not.

Step 6: Supervision and Follow-up

Credit supervision and follow-up implies that the checking of the pattern of the use of the disbursed fund to ensure whether it is used for the right purpose or not. It includes a reporting system and communication arrangement between the borrower and the lending institution and within department, appraisal, recoveries, follow-up etc. Rupali bank officer checks on the following points.

- ❖ The borrower's behavior of the turnover.
- ❖ The information regarding the profitability, liquidity, cash flow situation and trend in sales in maintaining various ratios.
- ❖ The review and classification of credit facilities starts at credit department of the branch with the branch manager and finally the head office of credit division.

2.13 Process of Loan Recovery in short

Recovery plan is one of the components of performance plan. It is a future intended action in respect of recovery. In other words, it is a conscious and deliberate effort to recover all current dues and overdue loans.

Days past Due	Collection Action
1-14	Soft call requesting payment.
15-29	1st reminder letter
30-44	2 nd reminder letter + Single visit
45-59	➤ 3rd reminder letter ➤ Group visit by team member ➤ Follow up over phone ➤ Letters to Guarantor, Employer, and Reference all above effect follows. ➤ Warning on legal action by next 15 days.
60-89	➤ Call up loan ➤ Final reminder and Serve legal notice. ➤ Legal proceedings begin. ➤ Repossession starts.
90 and above	➤ Telephone calls/Legal proceedings continue. ➤ Collection effort continues by officer and agent ➤ Letter to different banks / Association.

CHAPTER 3

FINDINGS, SUGGESTIONS AND CONCLUSION

3.1 Findings

From the aforesaid study a number of findings can be disclosed. In this chapter major findings are being stated and in the immediate next chapter all the possible solutions of negative findings will be recommended.

- ❖ Loan disbursement procedure takes longer time than other banks that may cause losing clients.
- ❖ Limited authority of branch manager in case of sanctioning loans.
- ❖ Loans and advances are not widely disbursed.
- ❖ Due to third party intervention, loans are rarely recovered.
- ❖ Paper-based works are still existed in branch that takes longer times in case of processing loan application.
- ❖ Decrease in loan disbursement may lower the income of the bank.

3.2 Suggestions

In order to get competitive advantage and to deliver quality service, top management should try to modify the services.

- ❖ The credit proposal evaluation process and time should be shortened.
- ❖ Rupali Bank PLC. should increase its loan products to compete in the market.
- ❖ Rupali Bank should always monitor the performance of its competitors in the field of loan and advance.
- ❖ For customer's convenience in Rupali Bank PLC. should provide more credit officer to investigate the client financial position.
- ❖ Rupali Bank PLC. should continuously strive to monitor the loan sanctioning procedure to improve the current position.
- ❖ Rupali Bank PLC. should increase its finance on diversified projects to achieve more clients.
- ❖ Rupali Bank PLC. must develop electronic banking system to moderate the service.
- ❖ Time consumed at service level should be minimized at optimum level.

3.3 Conclusion

As a bank Rupali Bank PLC has to do a lot of things for the betterment of the country. The Bank is strongly positioned in the market and with its core strengths it can match shareholders' expectations and thus raise their wealth in future through ethical banking and best pricing. Thus, it has to take initiative so that it can fulfill the desire of the govt. as well as people. It will enhance more public services and build up working teams to provide the best services to its valuable customers. It must be run in organized way and discipline must be ensured in all sphere of its performance. Efficient export team, import team and remittance team must be formed and perform duties properly. More training, computerization, data collection, market analysis and swiftness in servicing are essentially required. To do these the recommended suggestions can be used. Although it is theoretical suggestions, it is not valueless. It has great impact on the banking business and other sectors of the economy. For this, govt. help is essential and it is expected that govt. will broaden its hand for implementing the recommendations for the welfare of the people of Bangladesh.

3.4 Policy Implications

there are several policy implications that may apply to loans and advances of commercial banks:

1. Prudential regulations: Commercial banks are subject to prudential regulations that require them to maintain certain levels of capital adequacy and liquidity. The regulatory framework sets limits on the amount of loans and advances a bank can extend to any single borrower or group of borrowers. These regulations aim to reduce the risk of loan defaults and protect depositors' funds.
2. Credit risk management: Banks must have effective credit risk management policies and procedures in place to ensure that loans and advances are extended to creditworthy borrowers. This involves assessing the borrower's creditworthiness, including their financial position, repayment capacity, and credit history.
3. Interest rates: Banks set interest rates on loans and advances based on several factors, including the cost of funds, risk of default, and market conditions. Banks must

balance the need to earn a reasonable return on their investments with the need to offer competitive rates to attract borrowers.

4. **Loan recovery:** When borrowers default on loans, banks must have effective loan recovery policies and procedures in place to recover the outstanding amount. These policies may include loan restructuring, asset seizure, legal action, and debt recovery through third-party agents.
5. **Consumer protection:** Banks must comply with consumer protection regulations that require them to provide clear and transparent information to borrowers about loan terms and conditions, interest rates, and fees. Banks must also ensure that borrowers are not subject to unfair or predatory lending practices.

In summary, Rupali Bank PLC is subject to a range of policy implications that aim to promote sound banking practices, protect depositors' funds, and ensure that loans and advances are extended to creditworthy borrowers.

3.5 Future Work

Rupali Bank may consider several potential future works related to loans and advances, such as:

1. **Expanding its loan portfolio:** Rupali Bank may look to expand its loan portfolio by offering new types of loans and advances to its customers. For example, it may introduce new loan products for small and medium enterprises (SMEs), agriculture, or renewable energy projects.
2. **Improving loan processing and disbursement:** Rupali Bank may consider investing in technology and automation to improve its loan processing and disbursement procedures. This can help reduce processing time and improve customer experience.
3. **Strengthening risk management practices:** As a financial institution, Rupali Bank needs to manage credit risk effectively. To achieve this, it may consider strengthening its risk management practices, such as improving credit assessment procedures and implementing better risk monitoring systems.
4. **Offering digital lending solutions:** With the rise of digital technologies, Rupali Bank may consider offering digital lending solutions to its customers. This can include online loan applications, digital document submission, and instant loan approvals.
5. **Collaborating with fin tech companies:** Rupali Bank may also consider collaborating with fin tech companies to offer innovative loan products and services. For example,

it may partner with a peer-to-peer lending platform or a digital lending marketplace to expand its customer base and reach.

These are just some potential future works related to loans and advances that Rupali Bank PLC may consider. Ultimately, the bank's future plans will depend on its business goals, market conditions, and customer needs.

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APPENDIX

DPS	Deposit Pension Scheme
FDR	Fixed Deposit Receipt
PSE	Protirakkha Sanchoy Patra
RBL	Rupali Bank PLC
IT	Information technology
BTTB	Bangladesh telephone and Telegraph Board
WASA	Water and Sewerage Authority
PDB	Power Development Board
REB	Rural Electrification Board
OD	Overdraft
EEF	Equity Entrepreneurship Fund
SME	Small and Medium enterprise Loan
NRIT	Non-Resident Investors Taka
ERQ	Exporters Retention Quota
PC	Packing Credit.