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“Loan Disbursement” A Case study on First Security Islami Bank Limited

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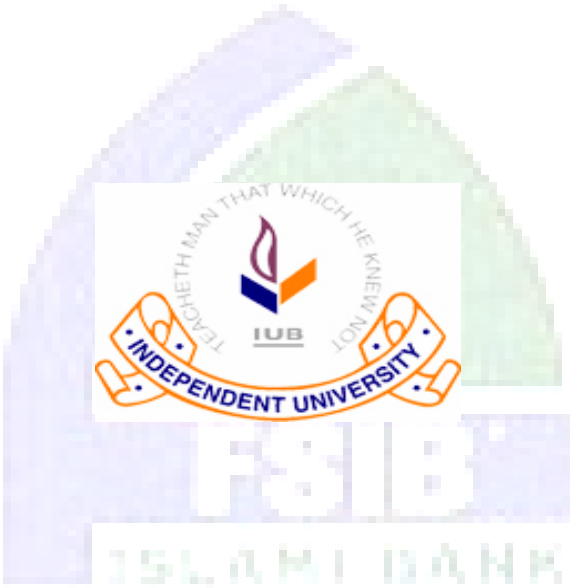
FIRST SECURITY ISLAMI BANK LIMITED

Internship Report

On

"Loan Disbursement"
A Case study on First Security Islami Bank Limited



Supervised by
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Lecturer in Finance
School of Business
Independent University Bangladesh

Prepared By
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ID-0720242

FIRST SECURITY ISLAMI BANK LIMITED

Independent University Bangladesh

Internship Report

On

"Loan Disbursement"
A Case Study on First Security Islami Bank Limited

Internship report is a partial requirement to confer BBA degree.

Date of submission: 11th September, 2011

ACKNOWLEDGEMENT

Thanks to Al-mighty Allah for Blessing in completing the report with in the scheduled time. I am indebted to a number of persons for their kind recommendation, co-operative, submission, direction and their collaboration.

I have the unique opportunity to apply my theoretical & practical knowledge in this assignment. It's my obligation to disclose the name of all who have contributed in many ways to complete my assignment on the selected topic entitled "Loan Disbursement"

First, I would like to remember the contribution of Internship supervisor & my teacher:. Ms. Shawgat S. Kutubi whose guidance & help was very much required prepare the report successfully

I am grateful to the Management of FSIBL Topkhana Road Branch for providing me all sorts of facilities requested from time to time. My practical working knowledge in this financial institution helped me a lot. I am lucky and feel proud to get this opportunity for preparing this assignment. I have learned many things from this reputed organization in a short time.

Yours sincerely,

Kapil Kumar Saha
ID-0720242

Executive Summary

As banks play the key roles in the economy, it is important to know the performance of banks in their operational areas. In addition to this, banks' performances should be measured because of the several parties related to the banking industry. Depositors evaluate performance to make a decision regarding whether to trade with the bank, bank-managers evaluate performance to formulate a strategy, and regulators evaluate to ensure whether the banks' performances align with the legal and societal structure of the country.

The objective of the study is to analyze the "Loan Disbursement" A Case Study on First Security Islami Bank Limited

Though primary objective of preparing this paper is to fulfill the requirement of BBA internship program but this study will serve as a reference for any kind of further research both for academic or business purposes.

From the study we will get a clear picture of overall performance of FSIBL and also special scenario of customer satisfaction level of monthly savings scheme. Overall customer satisfaction depends on what type of service marketer providing to customer. Customers expect more return on their savings which is comparatively lower than other private commercial bank.

The study has some shortcoming are lack of knowledge to such type of survey, time limitations, respondents' unwillingness to cooperate and limited sample size.

This report is prepared on the basis of information collected from both secondary and primary sources and every effort has been made to ensure that the information compiled in the report is accurate.

Letter of Transmittal

11th September, 2009

Ms. Shawgat S. Kutubi
Lecturer in Finance
School of Business
Independent University Bangladesh

Subject: **Submission of Internship Report.**

Dear Sir,

It is my great pleasure to submit the internship report on "**“**Loan Disbursement a case study of First Security Islami Bank Limited”
I made sincere efforts to study related materials, documents, observe operations performed in First Security Islami Bank Limited. and examine relevant records for preparation of the report. I had to put in a lot of effort & hard work to the preparation of this report with the help of all the bank officials in the **Topkhana Road Branch.**

Within the time limit, I have to make this report as comprehensive as possible. But there may be some mistakes due to various limitations. For this reason, I ask for your kind consideration in this regard.

Yours Faithfully,

Kapil Kumar Saha
ID-0720242

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CHAPTER 1:
INTRODUCTION

1.1 Introduction
1.2 Origin of the Report
1.3 Objectives of the Study
1.4 Scope of the Study
1.5 Methodology of the Study
1.6 Limitations of the Study

1.1 Introduction

A banking institution is indispensable in a modern society. It plays a pivotal role in the economic development of a country and forms the core of the money market in an advanced country. In recent times the banking sector over the world has been undergoing a lot of changes due to deregulation, technological innovation, globalization etc. Bangladesh banking sector is lagging for behind in adopting these changes. Bank plays an important role in the business sectors and in the industrialization of a country. Basically the banks take deposits from the customers against interest and lend it to the borrowers against interest cessation period. Under these circumstances of bank offers different interest rates and other options to the customers to remit and deposit their money. These options are vary common among all the banks, but only the customer services and other facilities very from bank to bank.

1.2 Origin of the Report

This report is prepared as per internship requirement of my Business Administration (BBA) program of Independent University Bangladesh. I worked 3 Months in First Security Islami Bank Limited (FSIBL) Topkhana Road Branch. In three months I have through various banking activities. This report is a brief overview of those daily activities, I have done during the internship period.

1.3. Objectives of the Study

The main objective of the study is to analyze the performance of corporate and consumer loan disbursement of FSIBL. To achieve this main objective the following sub objectives have been undertaken:

1. To give a theoretical framework of Corporate and Consumer loan.

2. To identify the problems related to Loan Disbursement faced by FSIBL.

3. To know the different types products under Corporate and Consumer Loan.

1.4. Scope of the Study

This report will be dealing with the overview of First Security Ialami Bank Ltd. & mainly deals with “Loan Disbursement” of this Bank. The topic is fixed. But the report has tried to cover overview of FSIBL objectives, functions, management, business policy and other things. This report has also mentioned some problems of FSIBL’s Operating systems and

its solutions. The empirical part includes only the published information and current practices of the First Security Islami Bank Limited included.

1.5. Methodology of the Study: The research design is presented below-

Area of the study

The proposed study has been focused on the Loan Disbursement of the FSIBL. In relation with the primary & secondary objectives, the Topkhana Road branch of the FSIBL has been selected to perform my internship program.

Sources of information

Primary Data: Data has been collected primarily through correspondence with the personnel working in different desks.

Secondary data: Secondary sources consist of several reading materials such as circulars, journals, brochures, and annual reports.

The required data and information to prepare the assignment have been collected from the followings sources:

1. Procedures published by the FSIBL, Head office.
2. Files and documents of the branch.
3. Personal interview with branch officials and Executives.

Methods of data collection: The data presented in this report has been collected from the annual reports of the bank from 2006 to 2010, by taking interview of the credit officer, from the training instruments of the bank, from published books and through structured questionnaire.

Data Processing & Analysis: Data has been computerized & processed by using MS Word, MS Excel. For the purpose of analyzing the data we have presented in tabular form, percentage form with necessary chart and graphs

1.6. Limitations of the study

- Lack of adequate Information of banking institution for preparing this report, so this report is based on only publicly available information.
- Although bankers have tried their best to help me, their nature of job is such that gives them little time to discuss.
- It was very difficult to get the actual information.



CHAPTER-2
FIRST SECURITY ISLAMI BANK IN BANGLADESH: AN OVERVIEW

2.1 Overview of the bank
2.2 Mission of the bank
2.3 Vision of the bank
2.4 Strategy statement
2.5 Objectives of the bank
2.6 Deposit
2.7 Loans and Advance
2.8 Assets Portfolio
2.9 Statutory Reserve
2.10 Paid-up –Capital
2.11 Financial Highlight
2.12 Branch Network
2.13 Services

2.1 Overview of the bank

First Security Islami Bank Limited (FSIB) was incorporated in Bangladesh on 29 August 1999 as a banking company under Companies Act 1994 to carry on banking business. It obtained permission from Bangladesh Bank on 22 September 1999 to commence its business. The Bank carries banking activities through its 67 branches in the country. The commercial banking activities of the bank encompass a wide range of services including accepting deposits, making loans, discounting bills, conducting money transfer and foreign exchange transactions, and performing other related services such as safe keeping, collections and issuing guarantees, acceptances and letter of credit.

From January 01, 2009 bank has converted into islami shariah based banking system instead of conventional banking system. The bank has constituted a sariah council consisting prominent ulama, bankers, lawyer and Economists to advice and guide on the implementation of islami sariah in business activates.

2.2 Mission of the bank

FSBL mission is to provide banking services to our valued clientele with utmost proficiency & sincerity reinforced by an efficient workforce and the latest state of the art technology.

2.3 Vision of the bank

The vision of FSBL is to always strive to achieve superior financial performance, be considered a leading Islamic Bank by reputation and performance.

- Try to encourage savings in the form of direct investment
- To pay a vital role in human development and employment generation
- To establish a welfare-oriented banking system

2.4 Strategy statement

- To manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund
- To strive for customer satisfaction through quality control and delivery of timely services
- To identify customers' credit and other banking needs and monitor their perception towards our performance in meeting those requirements

2.5 Objectives of the bank

The objectives of the FSIBL are given below:

- To provide efficient computerized banking system
- To enhance Loan with their valued client
- To accept deposits on profit-loss sharing basis.

2.6 Deposit

The deposit of First Security Islami Bank Ltd. Stood at tk. 56344.95 million as on 31.12.2010 as against tk.42423.09 million of 31.12.2009 registering an increasing of tk. 13921.86 million i.e.32.81% growth. Deposit is the "life-blood" of a bank. Bank has given utmost importance mobilization of deposit introducing a few popular and innovative schemes.

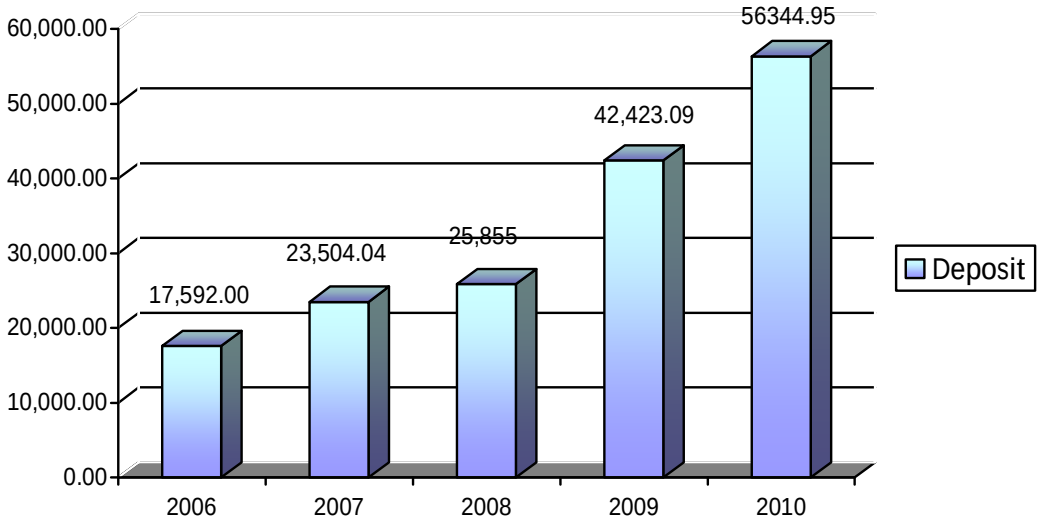
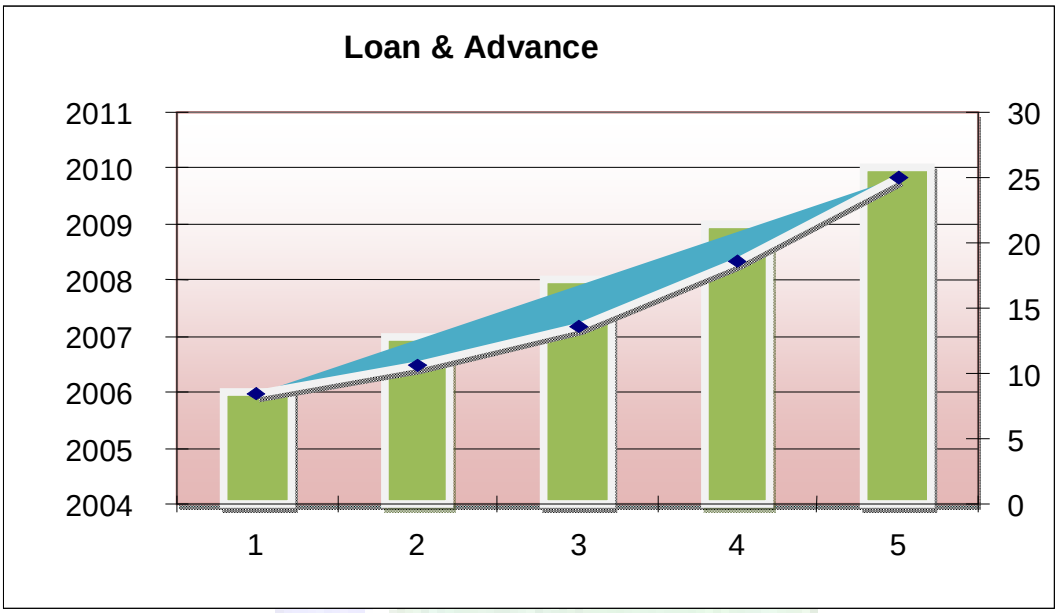


Figure: Trend of Deposit of FSIBL

2.7 Loans and Advance

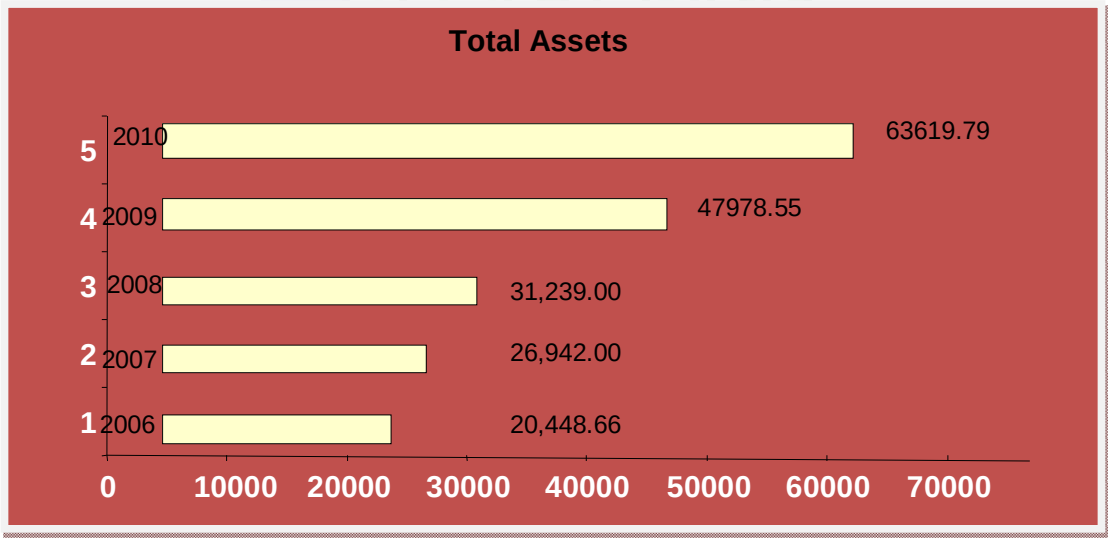
First Security Islami Bank Ltd. has able to increase its investment despite adverse condition in the domestic as well as in the global economy. Total amounts of loans and Advance of the bank stood at tk. 52123.9 million as on December 31,2010as against tk. 38725.87 million as on December 31, 2009 showing an increasing of tk.13398.03 million

With a growth rate of 34.6% Investments are the core asset of a bank. The bank gives emphasis to acquire quality asset and does appropriate lending risk analysis and follow all the terms and condition all sorts of investments to client.



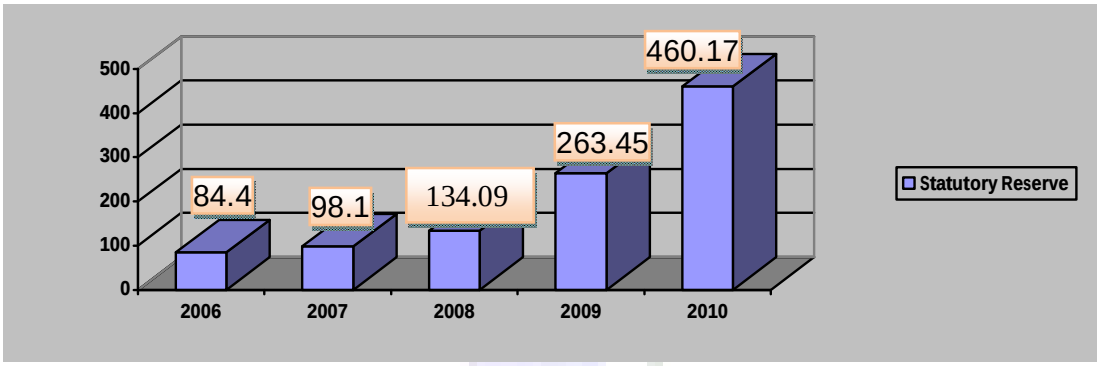
2.8 Assets Portfolio

The Bank's total assets as on December 31, 2010 amounted to Tk. 63619.79 million as compared to Tk. 47978.55 million in 2009.



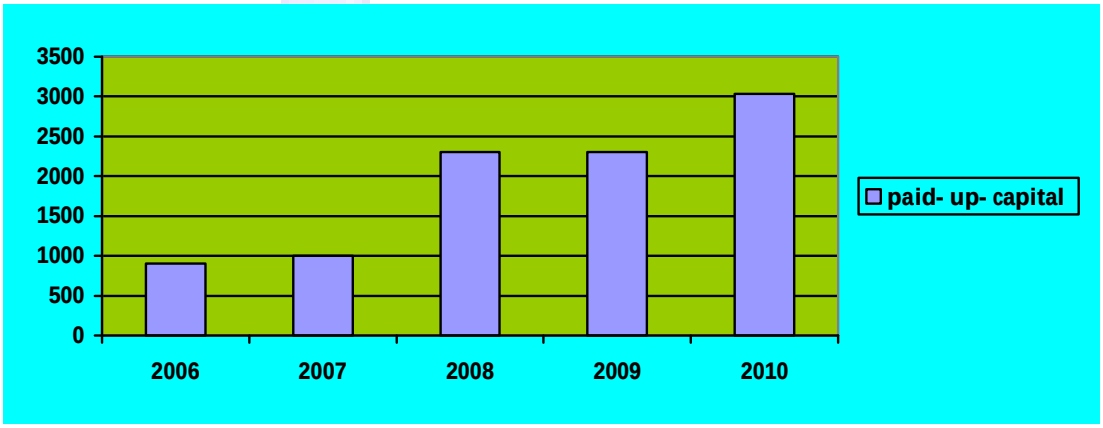
2.9 Statutory Reserve

The Bank total statutory reserve TK. 263.17 million at end of the year and TK. 460.17 million in 2010



2.10 Paid-up –Capital

The paid- up- capital of the First security islami bank ltd. was TK. 2300.00 million at end of the year 2009, and TK.3036.00 million capital at end of the year 2010.

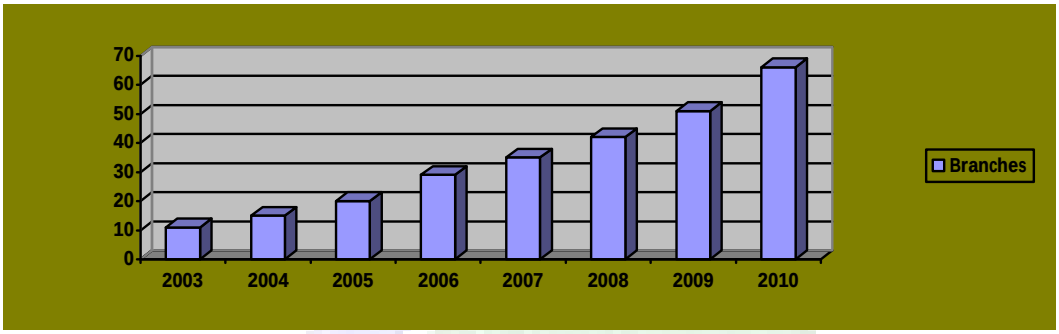


2.11 Financial Highlight

Particulars	31 Dec 2010	31 Dec 2009
Paid-up Capital	3,036,000,000	2,300,000,000
Total Capital Fund	4,582,217,485	3,379,035,832
Capital Surplus/(deficit)	29,266,485	267,692,742
Total Assets	63,619,797,799	47,978,552,952
Total Deposits	56,344,959,167	42,423,092,722
Total Investments	52,123,903,164	38,725,874,774
Total Contingent Liabilities and Commitments	8,859,668,340	5,971,673,066
Investment Deposit Ratio (in %)	92.51%	91.28%
Percentage of Classified Loans against total Loans and Advances(in	2.61%	2.14%
Profit before tax & provision	1,203,600,731	750,837,749
Amount of Classified Investments during the year	1,361,392,000	830,515,000
Provision kept against Classified Investments	542,894,000	507,694,000
Provision Surplus/(deficit)	13,658,789	53,834,571
Cost of Fund	8.90%	9.28%
Profit Earning Assets	56,040,956,802	41,371,529,125
Non-profit Earning Assets	7,578,840,997	6,607,023,827
Return on Investment in Shares & securities(ROI)(in %)	9.24%	2.79%
Return on Assets (ROA)(in %)	1.89%	1.56%
Income from Investment in Shares and Securities	264,208,027	53,510,527
Earning Per Share (Tk.)	2.33	1.42
Net Income Per Share (Tk)	2.33	1.42
Price Earning Ratio (Times)	17.42	15.39

2.12 Branch Network

At present, the bank has 67 branches of which 26 branches are in Dhaka Division, 26 branches are in Chittagong Division, 06 branches are in Sylhet Division, 03 branches are in Rajshahi Division, 04 branches are in Khulna Division and 02 branch is in Barishal Division. All the 67 branches are computerized under distributed server environment. Another few branches are planning to open within December 2011. FSIBL has already started their on-line, SMS and ATM banking facilities for their clients.



2.13 Services

(i) Deposits

In addition to the normal deposit scheme, the bank has introduced attractive deposit scheme to encourage people and mobilize the deposit. Deposit scheme are:

- Current account
- Short term deposit
- Sundry Deposit
- Savings Bank account
- Fixed Deposit
- Non Resident Foreign Currency Account
- Resident Foreign Currency Account
- Monthly savings Scheme
- Monthly profit based savings scheme
- Double benefit deposit Scheme

(ii) Online any Branch Banking

FSIB have set up Wide Area Network through Radio, Fibre-Optics & other available communication media systems to provide any branch banking to our customers. Customer of one branch is now able to deposit and withdraw money at any of our branches. All Branches are included in our Wide Area Network. No TT/DD or cash carrying will be necessary.

(iii) SMS Banking

First Security Islami Bank Ltd. has officially launched SMS banking service from December 17,2007.

(iv) Locker Service

For safekeeping of customer's valuables like important documents and goods like jewelries and gold ornaments, FSIB Locker Service is available in most of the Branches in urban areas.

Nature of Service Custody of Locker / Safe

Nature of Charges Rent

Locker Available Branches

Dhaka Division	Chittagong Division
Dhanmondi	Probartak Mor
Banani	Agrabad
Mirpur	
Gulshan	

Khulna Division	Sylhet Division
Khulna Branch	Sylhet
	Biswanath



CHAPTER-3:
Loan division

4.1 Definition of Loan
4.2 Rules for Application
4.3 Documentation of Loan
4.4 Loan Sanction
4.5 Categories of loan
4.6 Credit Mix
4.7 Term Loan
4.8 Cash Credit (Hypo)
4.9 Secured Overdrafts [SOD (FO)]
4.10 House Building Loan
4.11 Small Enterprise Financing
4.12 Loan Recovery Unit

3.1 Definition of Loan

Credit is defined as confidence in a borrower's ability and intention to repay. People use the credit they have with financial institution, business, and individuals to obtain loans. And they use the loans to buy goods and services.

The credit a person has typically determines how much they will be] to borrow, for what purpose, for how long, and at what interest rates.

Credit is general sense means an act of allowing person or person's immediate use of money with payment deferred until an agreed future date.

3.2 Rules for Application

Interested clients shall apply to any branch of the bank as per following procedures:

1. Application In Bank's prescribed form duly filled in all accounts.
2. Two passport size photographs duly attested.
3. A certificate of net monthly income from the employer (in case of Service holders).
4. Suppliers should be authorized by the Bank.

3.3 Documentation of Loan

The customer will execute the following documents:

- D.P. Note
- Letter of Undertaking
- Letter of Installments
- Letter of Hypothecation
- Loan Agreement Under Consumers Finance Schemes
- Letter of Guarantee
- Letter of disbursement
- Letter of Authority

The client will also submit crossed cheques in advance for all the stipulated installments in favor of the Bank towards repayment of loan including interest and service charge. Personal guarantee of two officials of the same rank or of superior rank of the borrower, officers/Managers of Bank in the grade of principal officer or above. The guarantor must have to be a man of means and shall have to be acceptable to bank. Security in the form

of FDR/BSP/PSP or Bank/ Insurance guarantee or corporate if possible may be obtained. The articles procured under the scheme shall remain hypothecated to the bank as security.

3.4 Loan Sanction

Clients demand specific amount of loan from the Bank after making justification of clients demand, the amount of money sanctioned by Bank as loan is called Loan Sanction. Generally the loan FSIB offers to its clients is divided into two categories; Retail loan and Consumer Credit Scheme.

3.5 Categories of loan

All loans advances will be grouped into 4 categories for the purpose of classification. These areas-

- Continuous Loan
- Demand Loan
- Fixed Term Loan and
- Short Term Agricultural & Micro Credit

Continuous Loan: The loan Accounts in which transaction may be made within certain limit and have an expiry date for full adjustment will be treated as continuous loan. For example: CC (cash credit), OD (Over Draft) etc.

In continuous loan bank need some collateral securities to the customer. If customer wants to take a lone against his FDR (any bank account) he has to submit all documents of FDR. He also take loan against his fix assets like land, house.

Demand Loan: The loan that becomes repayable on demand by the bank will be treated as Demand Loans. If any contingent or any other liabilities are turned to forced loans (i.e. without any prior approval as regular loan) those too will be treated as Demand Loans. Such as: Forced LIM, PAD, FBP, and IBP etc.

In demand loan bank need charged documents (shown in 4.3). If customer wants to take loan against his house, at first bank have to see all deeds and documents legal or not, then take the valuation of assets and give loan 80% (force rate) of value.

Fixed Term Loan: Loans which are repayable within a specific time period under a specific repayment schedule will be treated as Fixed Term Loans. (Details in 4.8)

Short Term Agricultural & Micro Credit: Short Term Agricultural & Micro Credit will include the short-term credits as listed under the Annual Credit program issued by the Agricultural Credit department of Bangladesh Bank. Credit in the agricultural sector repayable within less than 12 months will also be included herein. Short-term Micro-Credits will include any Micro-Credits for less than Tk. 25,000/- and repayable within less than 12 months, be those termed in any names Such as nonagricultural credit, self-reliant Credit, Weaver's Credit or Bank's individual project credit.

Actually this loan doesn't need special documents. It's only need chairmen /commissioner certificate.

3.6 Credit Mix

FSIBL offers following types of Credit (loans and advances) as a whole as well as Topkhana Road Branch:

- Cash Credit (Hypo)
- Term Loan
- Secured Overdrafts
- House Building Loan(HBL)
- Transport
- Hire Purchase Scheme
- Small Enterprise Financing

3.7 Cash Credit (Hypo)

Cash Credit or continuing credits are those that form continuous debits and credits up to a limit and have and expiration date. A service charge that is effect an interest charge is normally made as a percentage of the value of purchases. These credits may be of the nature of pledged and /or hypothecated and banks should report these in separate heads incorporated under the main head cash credit. A detailed explanation of hypothecation is given below.

Under this arrangement a credit is sanctioned against hypothecation of the raw materials or finished goods. The letter of hypothecation creates a charge against the goods in favor of the Bank but neither the ownership nor its possession is passed on to it; only a right or interest in the goods is created in favor of the Bank and the borrower binds himself to give possession of the goods to the bank when called upon to do so. When the possession is handed over, the charge is converted into pledge. This type of facility is generally given to the reputed borrowers of undoubted integrity.

3.8 Term Loan

A term loan is a contract under which a borrower agrees to make a series of interest and principal payments on specific dates to the lender. Term loan have three major advantages over public offerings- speed, flexibility & low issuance costs.

There are two of term loan one is short term another is long term. Short term loan is only five years or less than five years and long term loan up to five years. These two loan recovery system can be same like installment. Long term loan must need a grantor and need all necessary document that shown in 4.3.

3.9 Secured Overdrafts [SOD (FO)]

A loan facility against customer's financial obligations (MSS/DBDS/FDR/Share) at a Bank permitting him to overdraw up to a certain agreed limit for an agreed period. The customer has to a saving A/c in that branch. The terms of the loan are normally that it is repayable on demand or at the expiration date of the agreement.

All the account documents have to submit in bank. It can be other bank MSSS/FDR/Share/double benefit scheme. Bank needs a guaranty for particular loan that fulfill account documents.

3.10 House Building Loan

Banks makes house building loans to fund the acquisition of real property: homes, apartment complexes, shopping center office building, warehouses, and other physical structures as well as land in some cases.

House related all paper has to submit to bank then bank investigate all the requirements. After investigation if bank take a decision to give him loan then bank take all the documents as a mortgage. Bank also give apartment loan, this loan have to conceder as a tri part agreements. Builders handover the flat to the bank and after covering all installment bank handover the flat to the purchaser.

3.11 Small Enterprise Financing

Theses a type of loans is provide to the small, medium enterprise for expanding their business activities in the long run. This is a short term loan. It provides for one year.

Small Enterprise Financing loan doesn't need any securities or deeds and documents. Its need only grantor and provable documents of business like tread license, tread deal documents, tin certificate, bank statement.

3.12 Loan Recovery Unit

The RU should directly mange accounts with sustained deterioration. All time bank monitoring the loan client with a very special care. If any client fails to adjust his loan amount, bank has to take some step against client to recover the loan. The RU's Functions are:

- At first, Bank can send 3 times reminder to the client. (1st reminder, 2nd reminder, 3rd reminder).
- Make call to the customer or verbally say the entire problem about loan adjustment and request to clean up all the deals.
- If client fail to pay the money the guarantor is responsible to pay in terms of complain.
- After than if client fail to adjust his loan amount then bank sent ……. Notice to the client.
- At last bank can sue the client in court and bank has to submit the entire loan document.



CHAPTER-4:
ANALYSIS AND FINDINGS

5.1 Term Loan
5.2 Secured Overdarft
5.3 Total Loan Disbursement of FSIBL as a whole
5.4 Disbursement of Loan Mix wise & its growth rates of FSIBL Topkhana Road Branch
5.5 Total Credit Management of FSIBL, Topkhana Road Branch
5.6 Loan Recovery
5.7 Findings

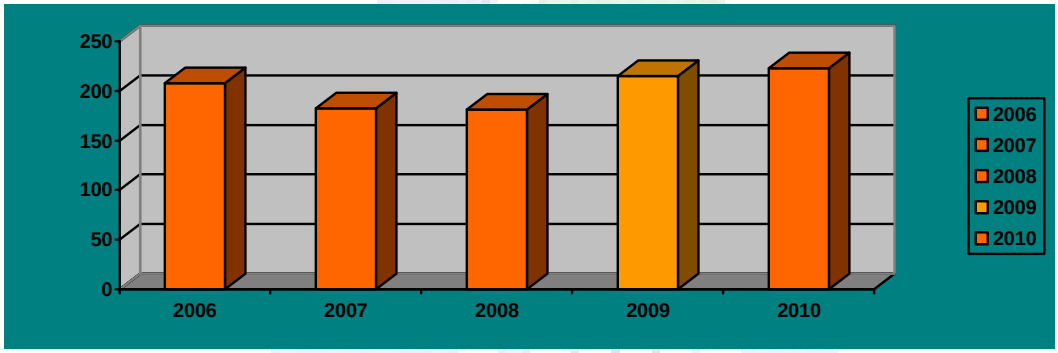
Disbursement of Loan Mix wise & its growth rates of FSIBL, Topkhana Road Branch:

4.1 Term Loan

The following are FSIBL, Topkhana Road Branch provides Term Loan in the last five years:

Year	**2006**	**2007**	**2008**	**2009**	**2010**
Amount (in Million TK)	**207.58**	**182.36**	**180.96**	**215.05**	**223.07**
Growth Rate (%)	_	**-12.15%**	**-0.77%**	**18.83%**	**3.6%**

Source : Topkhana Road Branch Loan Division.



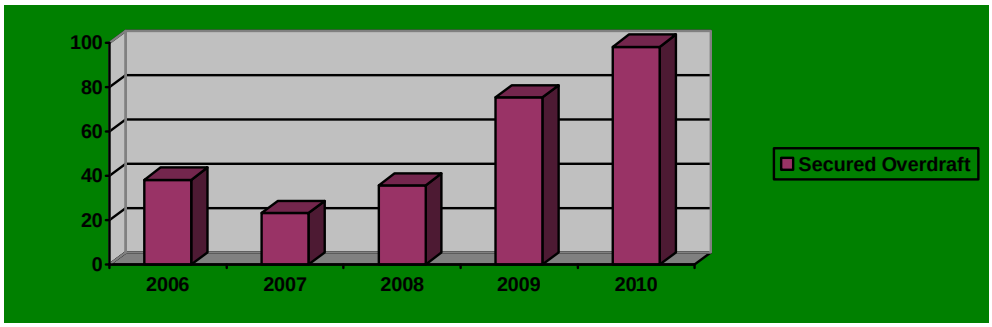
The above graph shows that, the performance of Term Loan is better from other investment in 2010. There is a highest value is 223.07 million TK, and lower value is 215.05 million TK, in 2009.

4.2 Secured Overdraft

The following are FSIBL, Topkhana Road Branch provides Secured Overdraft in the last five years:

Year	2006	2007	2008	2009	2010
Amount (in Million)	38.22	23.22	35.63	75.37	98.27
Growth Rate (%)	_	-39.24%	53.44%	111.53%	23.3%

Source: Topkhana Road Branch Loan Division



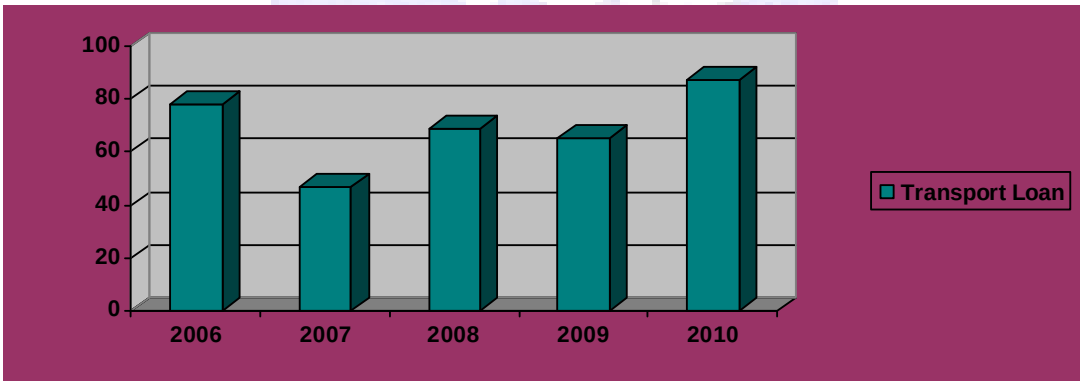
The above graph shows that, the performance of Secured Overdraft is better from other investment in 2010. There is a highest value is 98.27 million TK, and lower value is 75.37 million TK, in 2009.

4.3 Transport Loans

The following are FSIBL, Topkhana Road Branch provides Transport Loans in the last five years:

Year	2006	2007	2008	2009	2010
Amount (in Million TK)	78.32	47.12	68.88	65.21	87.36
Growth Rate (%)	--	-39.83%	46.17%	-5.32%	34.38%

Source: FSIBL , Topkhana Road Branch Loan Division



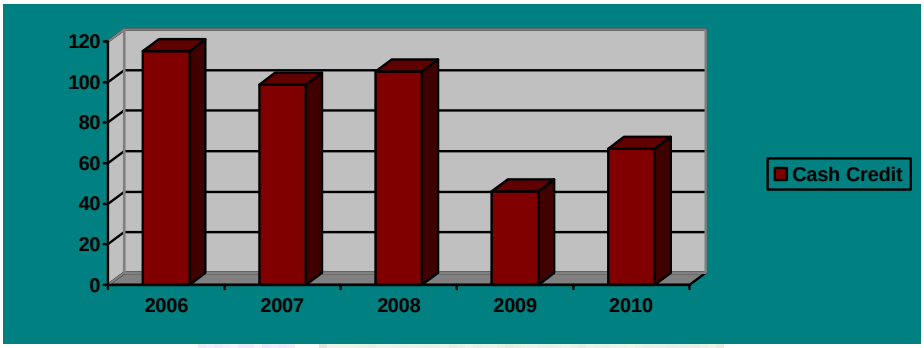
The above graph shows that, the performance of Transport Loans is better from other investment in 2010. There is a highest value is 87.36 million TK, and lower value is 65.21 million TK, in 2009.

4.4 Cash Credit

The following are FSIBL, Topkhana Road Branch provides Cash Credit in the last five years:

Year	**2006**	**2007**	**2008**	**2009**	**2010**
Amount (in Million)	**115.36**	**98.82**	**105.32**	**46.22**	**67.21**
Growth Rate (%)	--	**-14.33%**	**6.57%**	**-56.11%**	**45.41%**

Source: FSIBL Annual Report 2010,& Topkhana Road Branch loan Division



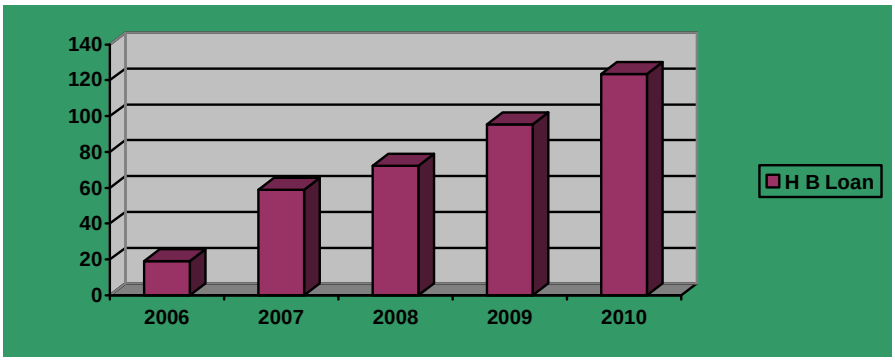
The above graph shows that, the performance of Cash Credit is better from other investment in 2006. There is a highest value is 115.36 million TK, and lower value is 46.22 million TK, in 2009.

4.5 House Building Loan

The following are FSIBL, Topkhana Road Branch provides House Building Loan in the last five years:

Year	2006	2007	2008	2009	2010
Amount (in Million)	19.02	58.88	72.37	95.35	123.57
Growth Rate (%)	--	209.56%	22.91%	31.75%	29.6%

Source: Topkhana Road Branch Loan Division.

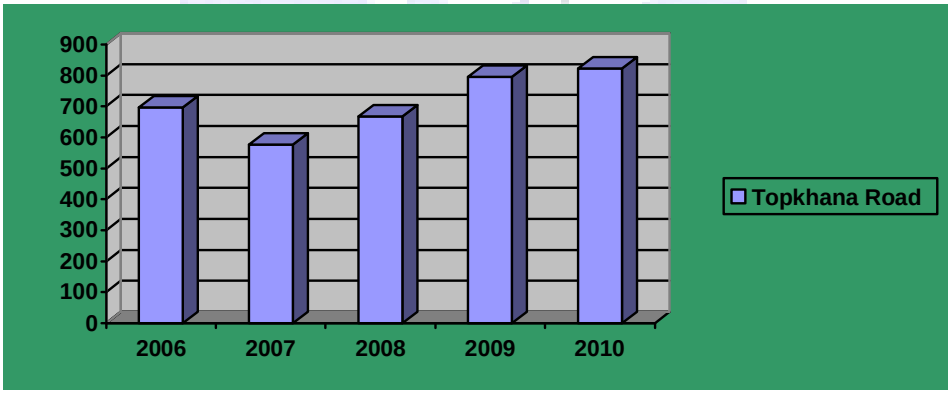


The above graph shows that, the performance of House Building Loan is better from other investment in 2010. There is a highest value is 123.57 million TK, and lower value is 19.02 million TK in 2006.

4.6 Total Loan Disbursement of FSIBL, Topkhana Road Branch

Year	2006	2007	2008	2009	2010
Amount (in Million)	696.71	576.40	668.48	795.54	823.25
Growth Rate (%)	9.60%	-17.27%	15.98%	19.00%	3.48%

Source: FSIBL, Topkhana Road Branch Loan Division.



The above graph shows that, the performance of Topkhana Road Branch loans is better from other investment in 2009. There is a highest value is 823.25 million TK, and lower value is 576.40 million TK, in 2007.

4.7 Findings

1. As we observed the chart of total loan disbursement of FISBL it is found that the disbursement of the bank continuously increasing. It signifies that the Bank tries to extend credit facilities to the various sector of the economy.

2. From the study of Term loan by chart it is found that the payment of term load of the branch are not stable at all as it goes upward and downward time to time. In 2006 it goes upward by 4.64% in comparison to 2005 where in 2007 and 2008 it goes downward by 12.15% and .77% in comparison of previous year. But in 2009 it goes 18.83and in 2010its downward.

3. The graph of Secured Overdraft from 2005 to 2009 shows the performance was lowest in 2007 which was 23.22 million and in 2010 the performance was in highest level which was 98.27 million.

4. As the Transport loan is observed from the chart from 2005 to 2009 it is found that the performance was highest in 2010 which was 87.36 million and the performance was lowest in 2007 which was 47.12 million.

5. From the study of cash credit form the chat from 2005 to 2009 it is found that the performance of FISBL is instable in this case. The performance of cash credit was highest in 2006 which was 115.36 million which is upward by 5.48% in comparison of previous year. But in 2009 the performance of cash credit was lowest which was 46.22 million which was downward by 56.11% in comparison of previous year.
6. The graph of House Building of 2005 to 2010 shows that the performance of FISBL is gradually increasing. It shows that the performance of house building loan is batter from other investment in 2009.

7. The graph of Loan disbursement from 2005 to 2010 shows that the performance is batter from other investment in 2010 which was 823.25 million and lower value is 576.40 million in 2007.



CHAPTER 5:

INTERNSHIP, POSITION, DUTIES AND RESPONSIBILITIES

Internship :

Internship is a practical experiment in the work field under supervisor. Its intention is to gather practical knowledge about job life. Internship is necessary to complete BBA program. The time period of internship can be two, three and six months. Internship can be performed in various organizations such as banking sector, insurance and Multi-national Company etc.

Position, Duties and responsibilities:

I've performed my internship in FSIBL, Topkhana Road branch under a supervisor. I've worked in following department; account opening, front desk, loan department, foreign exchange, DD department, cheque clearings.

Account opening: I Collect personal information such as date of birth, national ID number, nominee from the clients.

Front desk: I worked on cheque reacquisition and remittance.



CHAPTER 6:

Recommendation and conclusion

6.1 Recommendation of FSIBL

6.2 Conclusion

6.1 Recommendation of FSIBL

The following are some recommendation of FSIBL:

(i) Improvement of the HRD

The HR department of the bank is one of the weakest areas and many of the human resources development and policies are not being followed or implemented. Though there has been performance appraisal for the employees but still it is lying idle and no action has been taken. The management should immediately apply the performance appraisal system and take appropriate actions on the basis of that appraisal.

(ii) Better recruitment

FSIBL must pursue a strong and an effective recruitment system so that the right people are recruited at the job. It must focus on attracting, getting and retaining qualified personnel for filling up the positions. It is worth spending more on attracting qualified human recourses rather than getting wrong people in the wrong position.

(iii) Stop reference appointment

FSIBL management and particularly the Board of director must change the system of appointing people by giving their reference. It has been deeply observed that most of the appoint references are not up to the standard and have a poor performance. It may not be absolutely possible to eliminate the reference appointment system as it is a local private company, but still the tendency can be reduced to a certain extent if bold steps are undertaken by the management and the board of directors.

(iv) Branch expansion

For expanding geographically the bank should open up new branches strategies important places. The bank can open new branches in Mailbag, Kakrail and new Eskaton of Dhaka city. Some of its rivals already entered in some of this regions and some of are on the way, so the bank should expand in this regions without making any delay. Before entering into new market the bank should do extensive market research.

- The bank should build reflective management team who can make quick decision.
- Improved customer service and consequently get satisfactory operational result.

- Avoid force loan as minimum as it can.
- Incorporate more products for the customer.
- Proper training and technology should be used to minimize risk at the root level.
- Auto mated letter machine (ATM) and credit cards should be introduced as soon as possible because of its prevailing demand in the market.

6.2 conclusions

Modern commercial banking is challenging business. The rewards are modest. the penalties for bad looking are enormous. Commercial banks are great monetary institutions, important to general welfare of the company more than many other financial institutions.

FSIBL is an emerging bank. The bank has completed twelve years of banking services. At the initial stage of business, every institution has to go through the difficult stage of survival. To achieve the confidence of the customers, the bank must execute some improvement in its marketing and operational areas – FSIBL should try to win customers faith by providing them efficient and dependable services, credit facilities and updating with user friendly modern technologies. The bank should redesign all sorts of banking procedure to be more users friendly, attractive and impressive.

Information and Analysis is not sufficient because it is difficult to measure and express perfectly within this short time of my internship period. But it is a great opportunity for me to get use to with the operational environment of commercial banking of FSIBL. I have tried by soul to incorporate the research report with necessary relevant information in my report.

This report basically deals with "Loan Disbursement''**.** But all information is not available about this topic. It is found from the report that credit management of FSIBL, Topkhana Road Branch. There are many terms and conditions about this credit.

FSIBL should always try to improve their service level in every term.

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