

United International University

Internship Report

On

**“Legal Implications of Credit Risk Management of
IDLC Finance Limited”**

Submitted To: -

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Letter of Transmittal

7th September, 2023

Dr. James Bakul Sarkar

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Subject: Submission of Report on “Legal Implications of Credit Risk Management of IDLC Finance Limited”.

Dear Sir,

I am writing to formally give my thorough analysis on the legal implications of Credit Risk Management in IDLC Finance Limited's operations. This report is a critical component of my BBA in AIS program's fulfilment criteria.

During the course of my internship at the Dilkusha branch of IDLC Finance Limited, which lasted for a total of three months, I was given the chance to take an active role in the day-to-day operations of the company. Your advice and constant support have been invaluable in developing our endeavor, for which I am grateful.

Thank you for giving me this opportunity to learn and improve, and I look forward to hearing your thoughts on the report.

Yours Sincerely,

Waliul Haque

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Acknowledgement

Firstly, I would like to express my appreciation to the higher power for giving us the ability to effectively assemble this report. The contributions of the individuals in question, including their insightful perspectives, recommendations, instructions, and consistent support, have proven to be of utmost importance and irreplaceable.

My internship mentor, Dr. James Bakul Sarker, is an Associate Professor in the School of Business and Economics (SOBE) at United International University. I would want to begin by expressing my deepest gratitude to him for all of the support and guidance he has given me during this experience. The unwavering support and guidance provided by him have proven to be an invaluable resource in the formulation of the report about the legal ramifications associated with Credit Risk Management at IDLC Finance Limited. The insightful advice provided by him has significantly influenced the development of this paper.

In addition, I would like to extend my deepest appreciation to each and every person who works in the Legal-Credit Risk Management (CRM) department of IDLC Finance Limited. The collaboration and contribution of vital information from the individuals involved have played a crucial role in the successful culmination of this study.

I would want to use this opportunity to offer my most heartfelt thanks for the consistent support provided by my parents, instructors, internship supervisor, and the trainers at IDLC Finance Ltd, as I deeply value the sense of attachment, I have towards them. Finally, I would want to offer my sincere gratitude to the divine entity known as Allah for granting me the fortitude and aptitude necessary to effectively achieve this undertaking.

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Executive summary

This report was meticulously crafted to satisfy the internship requirement for the BBA in AIS program at United International University. I was selected to participate in the Credit Risk Management division of IDLC Finance Limited after a successful interview process. The sections that follow provide a concise summary of the various aspects of IDLC Finance Limited, my designated department, and its constituents. It explores the operational scope of CRM, detailing its responsibilities and product lineup.

In addition, the report details my specific duties and contributions to the organization, emphasizing the knowledge I gained during my internship. In addition, the author discusses the obstacles encountered along the path and the strategies used to overcome them. A comprehensive examination of interactions with coworkers and the contrast between expectations and actuality are integral to the story. My opinion on potential prospects to repeat the internship and the ways in which the three-month experience profoundly impacted my professional development are discussed in the summary section of the report.

The report begins with an introduction, which details the study's history, aims, motivating reasons, and inherent limits. The introduction is the first portion of the report. The report then provides a comprehensive portrait of IDLC Finance Limited, including its historical evolution, primary mission, visionary aspirations, embedded values, and variety of products and services. This section also incorporates a thorough SWOT analysis of the organization's operations.

Consequently, the report provides a detailed description of the duties I performed during my internship. The report concludes with a summary of key company insights and a series of recommendations designed to improve its operations.

Chapter-01: Introduction

1.1 Introduction of the report

IDLC Finance Limited, an esteemed financial organization, has constantly exhibited its dedication to innovation and exceptional performance within the financial sector. To demonstrate its dedication, the organization builds significant importance on the harmonious incorporation of legal frameworks with credit risk management practices. The internship offered a unique chance to closely observe and actively contribute to the interdependent connection between legal compliance and risk mitigation techniques.

During the duration of the internship, I had the opportunity to collaborate with experienced experts who demonstrated a profound comprehension of the delicate equilibrium necessary to manage complex legal matters while efficiently mitigating credit risks. The objective of this internship report is to summarize the knowledge learned, experiences gained, and insights uncovered throughout this experiential journey.

1.2 Background of the Report

During the final phase of my BBA in AIS program at United International University, I am completing an apprenticeship with IDLC Finance Limited. During the course of this internship, I am acquiring valuable insights into the operations of the financial institution and obtaining verified results of its activities. During my tenure at IDLC Finance Limited, I was exposed to various facets of the organization and became acquainted with its many departments and functions.

Among the many divisions and departments, I have chosen to concentrate my efforts on Credit Risk Management. The drive of this internship report is to deliver the reader with a thorough understanding. I have exerted considerable effort to ensure the quality and relevance of the report. The primary objective of this report is to provide an informative overview of IDLC, its Credit Risk Management initiatives, the function of Credit Risk Management, customer engagement processes, a SWOT analysis, and the range of services offered.

1.3 Objectives of the Report

When it comes to the production of this report on my internship, there are two major considerations involved:

1.3.1 Primary Objective:

In General, the Aim is to the completion of an internship within an organization is of the utmost significance to me because it is a mandatory prerequisite for the completion of my BBA in AIS program. My educational achievements as well as a journey of personal discovery that lasts for three months are inextricably related to this internship.

1.3.2 Secondary Objectives:

In addition, more precisely the objective is that this study addresses a number of specific and significant goals, including the following:

- Putting into practice the skills that I picked up during my internship at IDLC Finance Limited, which lasted for three months.
- Introducing the varied offerings of services that are made available by IDLC Finance Limited.
- Doing research into the thoughts and opinions held by IDLC Finance Limited's customers.
- Having an understanding of the credit policy that is in place within the organization.
- Bringing to light all of the processes and procedures that are involved in Credit Risk Management at IDLC Finance Limited.
- Investigating the significance of credit risk management for both banking and non-banking financial institutions alike.
- A comprehension of the methodology underlying Credit Risk Management.
- Obtaining more information regarding any instances of negligent behavior.
- Identifying possible solutions to these cases of negligent behavior is a priority.

1.4 Motivation of the Report

The idea of motivation can be characterized through a number of different variables, each of which has a separate and substantial influence on the concept. The completion of this report is a necessary part of the curriculum for my Bachelor of Business Administration degree. The compilation of this report was motivated by a number of factors.

In order to provide a comprehensive account of IDLC Finance Ltd.'s business complexities, growth path, and accomplishments and also to explore the fluid connection that takes place between IDLC and its customer base. In order to obtain a deeper understanding of the organization's credit procedures and the safety precautions that are taken. And to get a grasp on their whole financial structure.

1.5 Scope and Limitation of the Report

1.5.1 Scope of the Report:

This report was prepared by having in-depth conversations with several personnel of the organization. The financial report that was produced by the asset management company was also helpful in the preparation of the report. When I was writing the study, I had the fantastic chance to have a comprehensive understanding of all of the financial performance measures that were being taken by the IDLC at the time.

Data has been collected for the purpose of compiling this report from reliable internal sources such as the company's website, databases, annual reports, and assessment documents. In this study, one of my goals is to incorporate insights about IDLC Finance Ltd. and its management of credit risks, as well as the operational technique of Credit Risk Management (CRM). After doing an in-depth investigation of each area, I made a number of suggestions that were designed to address problems.

1.5.2 Limitations of the Report:

During the process of writing this report, I ran into a number of challenges, the majority of which were caused by the restriction placed on storing all of the organization's legally and very sensitive data at one particular location. Specifically, I was unable to access certain files. Because of this limitation, it is not possible to incorporate every piece of internal information in this document. This makes it difficult to do so. However, it is essential to highlight that this report was built on the idea that information could be accessed from the organization's official website as well as its annual report. This is something that should not be overlooked. As I was putting together this report for my internship, one of the most important things for me to keep in mind was how to handle the possibility of human mistake.

Because of the challenges involved in gaining access to and including sensitive and complex data, the scope of the study had to be limited to only include material that was readily available to the public. The reliability on official sources, such as the website of the company and also the annual report that has been published by the organization, guarantees the correctness of the data that is presented and establishes its credibility. In addition, it is essential to recognize the possibility of making mistakes due to human error. During the process of conducting research, conducting analysis, and writing, it is possible for inadvertent errors to arise despite our best efforts. As a result, the development of a trustworthy and dependable internship report requires upholding a stringent review procedure and adhering to high standards of correctness throughout the entire process.

Chapter-02: Methodology of the Study

The study was carried out in a methodical manner, beginning with the selection of the topic and concluding with the production of the final report. One crucial stage entailed the delineation of the topic and the collection of pertinent data. In order to ascertain the fundamental components, a systematic approach was employed to sort, analyze, comprehend, and ultimately present these points. The comprehensive methodological approach employed in this study is elaborated upon in the following sections.

Different types of information sources

A wide variety of data, compiled from a variety of sources that cover both the public and private spheres, serves as the basis for information collecting and analysis. Let's go into the fundamentals of these different sorts of data:

- **Private Data**

Personal information is collected from conversations and other exchanges with individuals. These interactions consist of having chats, having discussions, and completing the tasks that have been set. People share their thoughts, ideas, and information as part of these engagements, which contributes to the qualitative parts of the data collection process. This private data is useful because it captures nuanced opinions, individual experiences, and personal insights that may not be easily accessible through public channels. This makes the data valuable.

- **Public Data**

These sources may include official papers, reports, publications, and various other things that have been made publicly available for consumption by a large number of people. Statistics, research findings, historical records, and official publications are all examples of the types of information that can be included in public data, which are naturally transparent and can contain a wide range of information. In my report, public data are as follows:

- The Annual Report of IDLC Finance Limited Textbooks
- Online and offline posts
- Other resources that are comparable
- The Website of IDLC Finance Limited

Chapter-03: Company and Industry Overview

3.1 Historical Background of the Company

3.1.1 Overview of IDLC

IDLC has seen a remarkable transition in recent years, emerging into the largest non-banking financial institution in Bangladesh with a diverse presence across a variety of sectors. Because of its prominence in the regional stock exchanges, it has been accorded the prestigious title of being a blue-chip association. In 1986, a single leasing firm was established, and there were only five employees. However, since that time, the company has expanded into a multi-faceted operation that is currently valued at \$750 million. IDLC has expanded its operations to include corporate, small and medium company (SME), retail, and capital market sectors as a result of its growth trajectory. At the moment, the IDLC manages a distribution network that consists of 39 branches and points spread across 15 urban districts, and it has a workforce of approximately 1300 qualified experts. The superior management practices, uncompromising respect to legal regulations, and unshakable dedication to transparency in all of IDLC's operations form the cornerstone upon which the company's business philosophy is formed.

The organization has a firm commitment to developing fiscally responsible ideas and turning those concepts into effective actions. IDLC holds a crucial position within Bangladesh's financial industry and has garnered recognition from a variety of independent agencies on a consistent basis for the exceptional qualities it possesses in this regard. Since 2011, IDLC has been making concerted efforts to broaden its market presence by encouraging innovation, launching new product lines, opening additional branches, increasing its deal portfolio, and developing new distribution channels. The year 2014 is a key milestone because it represented the beginning of implementing these efforts, highlighting IDLC's resolute entry into the corporate scene. This year also marks the beginning of the implementation of these initiatives. This particular year is of the utmost significance since it represents IDLC's unwavering dedication to breaking through the limitations imposed by conventional business practices and setting out on a path towards broadening its horizons.

3.1.2 Background of IDLC Finance Limited

IDLC of Bangladesh Limited was established as a joint venture open association with the global partnership of five international and three local financial foundations. In the end, the IDLC ranks as one of the top twenty organizations in the country that offer a variety of product contributions. By moving forward with its store ambitions, the association mapped out its essential location for future organization expansion. The association expanded its activity into the areas of corporate financing, endorsing, issuing the executives, distribution, and other hypotheses dealing with a record-associated organization and developed into a truly multi-item cash-related foundation around the middle of the time period.

In 1985, IDLC Finance Limited started its adventure as the first leasing firm in the country. This endeavor was defined by international cooperation and was spearheaded by the International Finance Corporation (IFC), which is a part of the World Bank Group. The Korean Development Leasing Corporation (KDLC), which is the largest leasing company in the Republic of South Korea, offered their technical skills to the project.

Alongside the International Finance Corporation (IFC), IDLC currently includes international development organizations such as the Aga Khan Fund for Economic Development (AKFED) and the German Investment and Development Company (DEG) among its external partners. IDLC has developed into Bangladesh's preeminent multi-product financial institution over the course of the past decade. Other foreign sponsors, such as the Kookmin Bank and KDLC of the Republic of Korea, hold a combined total of 47.3% of the company's shares. The remaining 52.7% of the company is owned by the general people in Bangladesh in addition to the following five Bangladeshi financial institutions: The City Bank Ltd, Sadharan Bima Corporation, Mercantile Bank Ltd, Eskayef Bangladesh Ltd, and Reliance Insurance Ltd. The Dhaka Stock Exchange is where IDLC has its listing.

This unique shareholding structure, which is mostly made up of financial institutions, enables the continuing expansion of the company by facilitating the interchange of experience and professional perspectives at the highest levels of policy-making.

IDLC caters to clients of all stripes, including individuals as well as businesses and other organizations, offering a comprehensive range of financial services and solutions. The diverse and specific needs of IDLC's clients are met by the company's array of services and individualized solutions. These offers include a variety of goods and services.

IDLC Finance Limited has set itself the goal of being the supplier of financial solutions in the nation that is recognized for having the highest level of performance and the greatest level of innovation. It is vital to place the requirements of all stakeholders, particularly those of the company's owners, customers, and workers, in the position of first and foremost importance in order to accomplish this objective. The fundamental tenet of the idea behind the organization is that workers should complete their tasks while accepting full responsibility for their actions and the outcomes of their activities, all while upholding the most stringent ethical standards conceivable.

3.1.3 Guiding Principles of IDLC Finance Ltd

IDLC is a multifaceted financial institution that offers a variety of financial services to satisfy the diverse needs and specific requirements of its corporate and individual clientele. The following are the guiding principles and ethical framework that influence IDLC's organizational operations:

Customer-Centered Approach:

IDLC Finance Ltd places a premium on putting the requirements and preferences of its clients first. The organization firmly believes that its customers are the focal point of all its actions, and it consistently endeavors to provide them with exceptional services, giving them top priority.

Knowledge and Professionalism:

IDLC Finance Ltd has utilized the knowledge and creativity of the nation's brightest minds to outperform its rivals. The institution has assembled a team of experienced professionals and has amassed an impressive body of knowledge. Their employees are outfitted to provide unrivalled benefits in comparison to those of competitors.

Ethical Conduct:

IDLC Financial Limited adheres to the utmost ethical standards in the realms of finance and business. In their interactions with clients, they place a strong emphasis on ethical considerations. Over the past two decades, IDLC has been committed to exceeding client expectations and meeting the needs of its investors while upholding its ethical standards.

Longstanding Dedication:

Over the course of more than two decades, IDLC has remained devoted to meeting the requirements and exceeding the expectations of its clients and investors. This commitment is reflected in their unrelenting efforts to provide the highest quality services and results, which reflect their deeply ingrained ethical values.

Superior Professionalism:

By focusing on client satisfaction, utilizing expert knowledge, upholding ethical standards, and demonstrating a long-standing commitment, IDLC Finance Ltd has established itself as a prominent and unrivalled participant in the financial and business sectors.

3.1.4 Vision of the Company

- Offer the very best in terms of financial facilities.
- Develop as a provider of advanced financial solutions across the nation.

3.1.5 Mission of the Company

- Producing the greatest possible value for all of the various parties who are involved.
- Keeping the highest standards of ethical behavior at all times.
- Commitment to providing the best services possible while remaining steadfast in our commitment to addressing consumer needs.
- Increasing the wealth of shareholders by providing stable returns on investments in a consistent manner.
- Ensuring that workers are happy by developing IDLC as a center of excellence and providing opportunities for career advancement.

- Taking on the responsibilities of a responsible corporate body and making contributions towards the general improvement of society.

3.1.6 Management by Objectives

- Increase the quality and quantity of our resources.
- Make the most of the available banking services.
- Raise the Bar on Distribution.
- Encourage the development and reallocation of financial mechanisms.
- Raise the bar on sales and service prowess in the allotted area.
- Microfinance quality assessment should be made more efficient.
- Should prioritize the most important customers in the market.
- Manage the stock market's daily activities and hone employees' skills.

3.1.7 Legal and Ethical Standards

- Adopt a moral posture that is honest and knowledgeable when interacting with customers, prospects, coworkers, and the general public.
- Act in a way that exemplifies IDLC's values and inspires others to follow suit, and you'll help create an environment where everyone can thrive professionally and personally within the IDLC.
- Make it a priority to invest in the professional growth of every team member.
- Take reasonable precautions and make objective professional judgements that don't get in the way of others doing their jobs.
- Keep an eye out, do what you're supposed to do, and disclose any potential conflicts of interest right away.
- Always make an effort to protect the privacy and well-being of your clients and employees.
- Avoid indulging in any dishonesty, fraud, or misrepresentation as these can all throw doubt on your credibility, reliability, and professional knowledge.
- Employees at IDLC are expected to fully understand the codes of conduct and the guiding ethical concepts.

3.1.8 Business Overview

The corporation manages its myriad business endeavors through its four primary business divisions, which are the SME, Consumer, Corporate, and Capital Markets divisions.

- **SME**

The Small and Medium Enterprise (SME) sector is dedicated to providing small and medium-sized businesses across a broad range of industries in Bangladesh with specialized financial support. These industries include steel, cement, light engineering, plastics, textiles, and more. The SME sector has a statewide presence in Bangladesh. This business offers its customers a wide variety of financial services, such as term loans, working capital loans, and lease finance, all of which are customized to match the specific requirements of each individual customer. In addition, the department is skilled at tailoring its offerings to meet specific customer needs. In addition to this, this industry makes strenuous efforts to encourage female entrepreneurship by providing business loans to women on terms that are favorable to the borrower.

- **Consumer**

The distribution of financial services to consumers at retail level is the primary focus of the Consumer sector. Home Loans, Auto Loans, a Portion of Personal Loans, and Loans against Deposits are Some of the Financial Products That It Offers. At the moment, this department has the most market share and the fastest growth rates within the Home Loan sector in Bangladesh. In addition, this location actively solicits deposits through the sale of a variety of retail savings plans, each of which features a unique combination of interest rates and term lengths.

- **Corporate**

The provision of high-caliber financial services to a wide variety of financial institutions located all throughout the country is the major purpose of the Corporate Division. The company provides a wide range of services, some of the most notable of which include lease finance, term loans, and other alternatives for financing capital expenditures. This industry also offers solutions related to structured finance (SF), which includes operations such as the issue of corporate bonds and the syndication of debt.

- **Capital Market**

Both IDLC Securities Ltd. and IDLC Investments Ltd. are wholly-owned subsidiaries of IDLC Finance Ltd., and are responsible for the management of the company's capital market undertakings. These subsidiaries offer their clientele a diverse selection of financial and commercial services. Their sophisticated trading platforms ensure that their varied customer base has the best possible execution experiences. This section is also responsible for providing services such as underwriting, primary issuance, and merchant banking for its clients. Discretionary Portfolio Management services have been made available by the division as of recent. A deliberate effort is being made to extend this portfolio, particularly in partnership with the Consumer Division, in order to take advantage of the synergies that exist between the divisions.

3.1.9 Organogram of IDLC



Figure 1: IDLC Finance Limited Organogram

The Board of Directors of the IDLC has organized two separate subcommittees, and they are referred to respectively as the Executive Committee and the Audit Committee. The principal responsibilities that fall under the purview of these subcommittees center on various facets of the operations carried out by the organization.

The responsibility of monitoring the conventional business operations of the organization has been delegated to the Executive Committee. In this context, "periodic approval" refers to situations in which the Board of Directors gives its stamp of approval. The committee is responsible for making important decisions on everyday company operations and ensuring that these operations are carried out in an effective manner.

On the other hand, the Audit Committee is responsible for a wider variety of tasks than any other committee. The management of the company's different financial concerns is one of the primary responsibilities that fall under its purview. This involves a wide range of responsibilities such as analyzing financial concerns, conducting audit and assessment programs, analyzing internal control systems and procedures, analyzing accounting methods, and ensuring compliance with regulatory obligations, among other things.

When it comes down to it, the Executive Committee is in charge of making decisions about day-to-day operations that are authorized by the Board of Directors. On the other hand, the Audit Committee is responsible for a more extensive function, notably in terms of monitoring financial elements and ensuring that the firm adheres to stringent compliance standards.

3.1.10 Growth of IDLC Finance Ltd

In the year 1985, IDLC Finance Ltd. began its endeavor with a team consisting of only five people at the time. However, as of right now, some of its accomplishments include the following:

- A sizable labor force consisting of more than 1,400 employees.
- A network that covers the entire country of Bangladesh and is comprised of 38 different branches.
- An extensive variety of financial goods and services are made available to the company's customers.

3.1.11 Customer Mix

IDLC Finance Limited directs all of their business activities in such a way that they are always geared towards satisfying the individual requirements of their customers. They dissect the objectives and prerequisites of their clients, which serves as a roadmap for how they should market their products and services to those customers. Because of this strategy, IDLC is forced to give careful consideration to the products and services that are geared towards the customer, as well as the decision-making process that customers go through when making a purchase. This investigation enables them to have a better understanding of the value and convenience that should be incorporated into their products or services, taking into account the fact that clients desire not simply loans but substantial assistance.

If a company wants to provide satisfactory service to its clientele, one of the most important things it must do is employ careful planning in the selection of suitable areas in which to develop additional branches or offices. In accordance with this, IDLC Finance Ltd. has thoughtfully established a total of 38 branches across the country in order to better serve the requirements of its customers. In addition, their services are easily accessible to customers through their web presence, which is tailored to meet the requirements of individual customers. This demonstrates how anyone can establish a relationship with IDLC Finance Ltd.

Notably, when IDLC Finance Ltd. provides recommendations to its customers, the company makes it possible for those customers to benefit from a favorable position. Their unwavering dedication to fostering their relationship with customers over the course of multiple years is a particularly noteworthy aspect of their business. In order for the business to accomplish this goal, it implements methods that increase the value it provides to customers and builds solid rapport with customers to guarantee a long-term partnership.

In a nutshell, IDLC Finance Limited makes it a point to priorities satisfying the requirements of their clients in all of their business decisions. They ensure that their customers receive support that is both comprehensive and valuable by adapting their products and services to meet the specific

needs of their customers, by carefully extending their branch network, and by cultivating connections that will stay.

3.1.12 Marketing Mix

IDLC Finance Limited has always worked towards the goal of expanding the breadth and depth of the financial services it offers with an eye towards the future, with the intention of assuring the company's capacity to continue to expand. The goal of laying a solid foundation that can be adapted to a variety of situations is at the heart of this technique. In order to accomplish this goal, IDLC has persistently worked towards the development of a variety of financial services that show potential for success in the long run. The year 1997 saw the beginning of IDLC's growth of its service offerings with the launch of its Housing Finance and Short-Term Finance departments. This expansion not only brought in a more diverse range of customers for the company, but it also made a significant contribution to the company's overall growth and profitability.

IDLC began offering endorsement, issue management, corporate financing, and several other investment banking-related services in 1999, after first obtaining the relevant licenses. These services included investment banking. In addition, it was successful in getting approval from the Securities and Exchange Commission to engage in merchant banking.

The following are examples of the variety of goods and services that may be obtained from IDLC:

There is a wide selection of loan products available, and they may be broken down into three categories: corporate, consumer, and small and medium-sized enterprise. In addition, there are alternatives for deposits that are designed to provide flexibility over the long term as well as standard recompense for earnings.

There are a few different types of organizations that fall under the category of Capital Market Subsidiaries. These organizations include IDLC Asset Management Limited, Mutual Funds, Alternative Investment Funds, and Corporate Advisory services.

IDLC Securities Limited provides a wide variety of services and products, such as Cash Accounts, Margin Accounts, Easy Initial Public Offering (IPO) access, Premium Brokerage designed specifically for High Net-Worth Individuals (HNIs), Institutions, and Foreign Investors, trade execution services through the Dhaka and Chittagong stock exchanges, internet-based trading facilities, Custodial and Central Depository Bangladesh Limited (CDBL) services, Bloomberg terminal access for international customers, and comprehensive Research.

In the meantime, IDLC Investments Limited offers services such as Margin Loans, Discretionary Portfolio Management Services, Corporate Advisory support, Issue Management, and Underwriting services in order to cater to a wide range of financial requirements. This strategic diversification showcases IDLC's commitment to providing comprehensive financial solutions to a diverse clientele while fostering growth and stability. It comprises the variety of marketing strategies employed by organizations to pursue their marketing objectives within their designated target market.

Product: IDLC Finance Ltd prioritizes the quality of its products and provides services that align with customer perceptions in order to guarantee customer fulfilment.

Price: Pricing provides consumers with value and maintains competitive pricing. Different pricing structures exist for various products. The prices of retail and lending products are identical. Likewise, resource price settings are uniform.

Promotion: IDLC promotes events such as 'Olympiad 2.0,' 'Natto moncho utshob,' and 'IDLC Research Institute,' and engages the youth demographic via the 'young voice of IDLC' monthly business review. It holds seminars in educational institutions and airs television advertisements. Utilizing cutting-edge methods, it enhances public relations and capitalizes on the Monopoly market through consistent pricing.

Place: IDLC's distribution network is robust, with 38 branches throughout Bangladesh to facilitate consumer access. There are both online and physical modes of communication available.

IDLC consistently endeavors to provide genuine consumer service. This entails designing a framework for how products and services cater to consumers, including service performance analysis and monitoring.

People: People have a significant impact on the success of an organization. IDLC's personnel are adept at interacting with customers.

Physical Environment: The ambiance or design of the office is considered to be the physical environment. A well-decorated, well-organized office with efficient resources attracts customers and ensures their satisfaction.

3.1.13 SWOT Analysis

SWOT analysis provides the competitive advantage with a matrix of strengths, weaknesses, opportunities, and threats, while enabling the clientele to concentrate immediately on their strengths and weaknesses. The circumstances of the transition are, to the greatest extent possible, the organization's shortcoming. IDLC is able to efficiently cater to every subset of its customer base since it has a wide range of items that may address the varied requirements of its clientele. IDLC is in a strategic position to become the market leader in the non-banking financial industry because to the comprehensive product selection it offers.

A competent management team that functions as the organization's driving force lies at the heart of IDLC's accomplishments. This team promotes a sense of unity within the workforce by functioning as a cohesive family-like unit, thereby creating a motivating environment. The employees demonstrate exceptional competence, expertise, and creativity, aided by the organization's technical proficiency and ethical support. In order to provide speculators and investors with a correct perspective, IDLC has presented a SWOT analysis detailing the company's procedures.

Strength:

IDLC stands out among the plethora of financial institutions in Bangladesh due to its distinct identity, which has garnered customer recognition and resonance. IDLC Finance Limited, a global joint venture, has secured a prominent position in Bangladesh's financial landscape. Earning a significant position in the country's economic sphere, it has become synonymous with reputation, adaptability, and consumer trust. IDLC began its journey of innovation in 1985, introducing captivating products that continue to meet the requirements of its diverse clientele.

Strong corporate identity: IDLC Finance Limited is the most well-known and most successful non-banking financial firm in Bangladesh. It has been honored with the ICAB grant on many occasions, beginning in 2002 and continuing through 2018, in recognition of its outstanding performance in the upkeep of excellent financial records and reports. The price that IDLC Finance Limited is offering its shares for on the market is the highest.

High levels of employee cohesion and ownership: The employees of IDLC Finance Limited are of the utmost significance to the company. They are essential members of the organization who have a profound connection to one another as well as pride in the roles that they play. This feat can be credited to the strong corporate culture and accomplishments of the organization.

Efficient operating performance: IDLC Finance Limited differentiates itself from other financial institutions in Bangladesh by offering consumers with incomparable hassle-free services. This sets it apart from the competition. IDLC Finance provides outstanding customer service, making it an industry leader in this regard.

An empowered workforce: IDLC Finance's human resource section has an excellent reputation and is managed in a professional manner. IDLC Finance Limited is now in a more prominent position as a direct result of their earlier accomplishments in bolstering the senior leadership team. Even though employees do not have direct influence over the company's operations, the business continues to develop alongside its expansion.

Compliance with regulations: The company and all of its staff members strictly comply with all of the laws, regulations, and directives specified by regulatory agencies. They provide excellent service to their most valuable clients by adhering to rigorous commitment standards and fostering tight professional connections. The unyielding dedication of the organization to provide reliable services is the linchpin that underpins the remarkable performance of the organization.

Modern equipment and technology: IDLC Finance Limited is at the forefront of technical innovation in Bangladesh, particularly in the field of Operational Financial Services. The company possesses state-of-the-art hardware and software. Their IT infrastructure is extremely well-managed, which demonstrates a high level of professionalism on their part.

In-house capabilities for information technology: Software development is an essential component for any company, and the IDLC has a completely independent information technology setup. Instead of relying on outside sources for its information technology (IT) systems, the company has hired highly qualified computer professionals who are available to provide IT services around the clock. They differentiate themselves from their competitors by making use of the Integrated Software Application Suite (IISAF).

Weakness:

Similar to other Non-Banking Financial Institutions (NBFIs), IDLC faces higher funding expenses than conventional banks. Since NBFIs can obtain deposits with maturities of less than one year, the emphasis on minimizing the average cost of funds is diminished. There may be an excessive emphasis on diversifying the multitude of products and services, which can have a negative effect on the primary offerings and services.

Absence of creative services: IDLC Finance Limited lacks innovative services. They should engage in creative thought in order to develop innovative and novel services for their customers.

Insufficient paid-up capital: IDLC Finance Limited's paid-up capital remains notably insufficient. Significant initiatives, services, and maintenance require additional resources. This deficiency in paid capital may inhibit the organization's expansion.

Absence of Islamic banking provisions: IDLC Finance Limited does not provide its customers with access to Islamic banking services. Because of this limitation, a large number of potential customers are unable to take benefit of the organization's services.

Limited branch network: IDLC Finance maintains a scarce branch network throughout the nation. Consequently, a substantial number of customers cannot access their services. This limitation could become a significant weakness for the company in a competitive market.

Limited investment opportunities: As a non-bank financial institution, IDLC's investment capacity is constrained. As a result, it occasionally faces issues associated with excess liquidity. This not only compromises IDLC Finance's financial stability, but also highlights the inefficiency of a formerly profitable investment company.

On occasion, IDLC may extend loans to borrowers who have the potential to negatively impact the portfolio's quality. This may occur due to profit motives, preexisting relationships, or the need for recognition. Even though IDLC has a department dedicated to credit risk management in order to supervise the potential quality of its assets, such actions may pose a risk to the portfolio's quality.

Opportunity:

National branch network: Despite having fewer branches across the country, IDLC has a strong branch network. The strength of this network resides in its connection and long-term existence, which leads to increased productivity.

Extensive market potential: IDLC Finance Limited holds enormous promise in the arena of non-bank financial firms in Bangladesh. It has a solid relationship with the nation's top investors. IDLC Finance's corporate customer includes a number of global firms and large enterprises that are highly prominent in the financial environment.

Market expansion: Bangladesh's financial sector is rapidly expanding, and the real estate market is also expanding. Concurrently, there has been significant progress in the venture financing and home credit industries. IDLC Finance Limited is poised to take a significant share of this booming sector by capitalizing on its goodwill and solid corporate reputation.

The broadening of Industry: The Cabinet has made it easier for the economy to be refocused on a drive to trade more. For both local and non-local buyers who want to take part in the estimated amount. If the government wants to do more than just change this business, then its plan to denationalize it is believable.

Funds from Foreign Investment: Unprecedented growth in foreign investment is among the few anticipated segments. It generates appropriate benefit as a consequence of every financial institution violating the updated developed section.

Inefficient Banking Sector: Inadequacy on the part of local banks to meet the financing needs of local businesses is one of the key factors contributing to the growth of leasing firms in Bangladesh.

Threats:

The bank has expanded its operations to include leasing, a function that is typically performed by Non-Banking Financial Institutions (NBFIs). This expansion has the potential to challenge current practices and intensify competition in this industry. However, Bangladesh's legal framework is feeble, resulting in the absence of comprehensive foreclosure laws and reliance on manual land recording systems. This environment increases the risk of fraudulent activity and makes it more difficult to recover loans from delinquent borrowers.

Emerging entrants in banking and non-bank financial sector: The emergence of new private banks and non-bank financial companies presents a significant challenge to IDLC Finance Limited in the banking and non-bank financial sector. The entry of new competitors will intensify the degree of competition, leading IDLC to develop methods to efficiently navigate and thrive in this competitive environment.

Current Competitive Landscape: The market is characterized by a wide range of banks and non-bank financial institutions that are augmenting the competitive milieu through the provision of highly similar products within the same market segment. As these entities compete for a larger piece of the market, the level of competition increases gradually. Furthermore, the competition

among the current service providers spans other elements, including commission rates, interest rates, and the expansion of advantages.

Parallel service offerings: In recent times, private banks have been introducing comparable services together with attractive loan rates. When corporations universally employ identical techniques in competition, the unavoidable consequence is a reduction in financial gains.

Economic downturn: The economic collapse in Bangladesh exemplifies the financial instability experienced by the nation, as its economy encounters substantial difficulties attributed to political instability. The aforementioned situation has resulted in a decrease in multiple industries across various sectors.

All organizations operating in competitive markets are accustomed to encountering a variety of challenges and obstacles. Despite these obstacles, organizations must find their own paths to success and sustainability in order to flourish in the market. Since its inception, IDLC Finance Ltd. has encountered a number of obstacles, but it has consistently persisted. It has become a market leader as a result of its determination to utilize available resources and seize opportunities to resolve deficiencies and counter potential threats.

3.2 Industry Analysis

3.2.1 Specifications of the Industry

IDLC Finance Limited makes its financial nature very obvious in its name. The company is obviously vulnerable to many different kinds of credit risk. The goal of Customer Experience Development (CED) is to increase loan applications from existing customers. The 'Credit Risk Management (CRM)' group gets to work as soon as a customer asks for a loan. Eligibility and other criteria are checked prior to loan approval. The loan is granted only once all departments have completed their respective tasks. The success of a business may be greatly affected by its approach to Credit Risk Management (CRM). It's better for the long-term viability of the business. This division is well-known for its unprecedented transparency, painstaking scrutiny of loan applicants' financial situations, and constant assistance.

When a client or customer fails to promptly return a loan and interest payment as agreed upon in a contract, this is known as Credit Risk. Sometimes clients don't pay their payments on time, or they just pay a portion of the whole settlement. Further varieties of credit risks exist. Credit risks may also stem from the monetary market, customer unhappiness, legal obligations, etc.

Management of Credit Risk

By analyzing a bank's capital and other requirements stipulated in agreement papers, Credit Risk Management (CRM) is a strategic strategy to avoiding unforeseen losses or hazards. We have spoken at length about the importance of the CRM team. Now we'll look at how this division guards the company from credit risks.

CRM Division's Function:

The CRM (Credit Risk Management) department is dedicated solely to the task of overseeing and mitigating credit risks within the organization. Its central goal revolves around achieving a comprehensive understanding of the various credit risks the company might encounter. This includes assessing the potential risks associated with extending credit to customers, partners, or other entities.

Strategic Determination: The CRM department is also responsible for strategizing and establishing goals. One of the significant functions of the CRM department is strategic determination. In addition to analyzing and understanding credit risks, the department also plays a pivotal role in formulating strategies and establishing goals that align with the company's risk appetite. This strategic planning is crucial for maintaining a balanced approach to risk management while pursuing the company's growth and profitability objectives.

Risk-Adjusted Reward: The department determines anticipated compensation based on well-informed risk estimations. The concept of risk-adjusted reward is fundamental in the CRM department's operations. Informed by their in-depth risk assessments, the department calculates the expected compensation or returns that should be associated with taking on various degrees of

risk. This approach ensures that the company is adequately compensated for the risks it undertakes, contributing to prudent financial decision-making.

Risk Management: CRM maintains buffer assets to protect against unanticipated risks. To effectively manage potential risks, the CRM department maintains a buffer of reserve assets. These assets act as a safeguard against unexpected or adverse events that could impact the company's financial stability. By having these reserves in place, the company can better weather economic downturns or other risk-related challenges.

Effective Communication: CRM provides numerous options that are communicated reliably and openly. Communication is a critical aspect of credit risk management, and the CRM department recognizes this importance. They provide a range of options and solutions to address credit risks, and they ensure that these options are communicated transparently and consistently across the organization. This open communication enables informed decision-making and helps stakeholders understand the rationale behind risk management strategies.

In summary, the CRM department's role is multifaceted and essential to the overall health and stability of the organization. From understanding credit risks to strategic planning, risk-reward assessment, and effective communication, the CRM department contributes significantly to the company's ability to navigate a complex and dynamic business environment.

Departments Collaborating Within CRM:

Credit Risk Management manages a variety of crucial responsibilities, frequently in collaboration with other departments, including:

Client Data Collection: The Credit Risk Management team is responsible for collecting and carefully examining customer data to ensure its accuracy and authenticity.

Internal Control and Compliance: Once the customer data is collected, it's passed on to the Internal Control and Compliance department for a thorough examination. This step ensures that

all regulatory and compliance standards are met. Only after the internal control and compliance team verifies the information, the loan approval process is handed over to the operations team.

Special Asset Management: In cases where clients are unable to repay their loans, the Special Asset Management department steps in. This team handles situations involving bad debts and works on collecting outstanding payments.

In essence, Credit Risk Management plays a pivotal role in assessing and mitigating potential risks associated with lending. This involves a meticulous process of data collection and verification, close collaboration with internal control and compliance teams, and effective management of problematic loan cases. This comprehensive approach helps the organization make informed lending decisions and manage its financial health effectively.

Process of Credit Risk Management:

There are numerous ways to mitigate credit risk:

Credit Processing: Essential information regarding credit card usage is collected, and applications are evaluated. Requests for credit are screened for completeness of essential information. Credit evaluation includes factors such as the quantity and type of facilities, repayment history, loan default records with other institutions, and a comprehensive evaluation of the business plans of institutional clients.

Credit Approval: The credit approval process adheres to predetermined rules and may involve individual or committee decision-making, with board approval required for significant decisions.

Credit Documentation: Appropriate documentation is essential at all stages of the credit cycle, including application, approval, risk assessment, collateral valuation, and more. Credit Administration entails maintaining an accurate credit portfolio and ensuring consumer compliance with terms and conditions, such as insurance coverage and regular repayments.

After credit approval, the CRM department sends a formal letter to the consumer outlining the terms and conditions. Payments are made from a separate disbursement fund, which is closely monitored.

Monitoring and Control of Individual Credits: This involves continuous monitoring of the financial conditions of borrowers and adherence to contractual obligations. Monitoring the Credit Portfolio as a Whole Regular analysis of individual credits and the credit portfolio as a whole in order to identify potential risks and make informed decisions. This focuses on addressing credit-related issues, managing problem credits, and facilitating the recovery process.

Credit risk management is essential to the profitability and stability of financial institutions. It entails various phases including credit processing, documentation, administration, disbursement, monitoring, and recovery, all of which contribute to an all-encompassing risk management strategy.

3.2.2 Size, Trend and Maturity of the Industry

The Porter's Five Forces Model

One of the most widely recognized and effective instruments for understanding industry competitiveness, environment assessment, and the identification of profitable strategies.



Figure 2: Porter's Five Forces

IDLC Finance Ltd. faces minimal competition from new entrants due to the following factors:

Economies of scale:

Due to economies of scale, IDLC Finance Ltd. has higher unit production costs in terms of location and facilities. When new companies enter the market, they have reduced unit costs, giving them a competitive advantage.

Product Differentiation:

It takes substantial time and effort for new entrants to develop distinctive products and services. IDLC Finance Ltd is a reputable organization with a well-known brand identity. Customers are pleased and secure with IDLC's credit and loan policies, thereby reducing the threat.

Government Regulations:

Government restrictions and regulations limit the entrance of new competitors significantly. Due to these obstacles, IDLC encounters a diminished level of danger.

Competitive Advantage:

IDLC Finance Ltd possesses adequate capital to withstand credit, capital, and high-interest rate risks. This gives them an advantage over new competitors who lack comparable resources. As a result, IDLC's risk is reduced.

Customer Switching Costs:

IDLC Finance Ltd provides a combined product and service (Loans and Risk Management Policies). This bundling reduces the likelihood that IDLC's most loyal customers will transfer to competitors. This results in substantial switching costs for customers and reduces the threat posed by new entrants.

Supplier's Ability

IDLC Finance Limited is significantly influenced by its suppliers. A weak position among suppliers would not augur well for this industry. IDLC has a positive relationship with its suppliers. These vendors provide the goods and services that IDLC delivers to its target consumers. If the

suppliers affiliated with IDLC acquire considerable strength, the recognition of the financial institution increases. As a result, they generate substantial profits.

Buyer's Ability

Referring to its clients, IDLC Finance Limited maintains a strong position in terms of buyer power. Prioritizing customer satisfaction is a top priority at IDLC. Therefore, the relationship between IDLC Finance Ltd and its customers is strong. Given IDLC's standing in the financial industry, its offerings are distinct from those of more recent institutions. This disparity hinders customers' ability to switch readily. Due to these conditions, IDLC possesses considerable purchasing power. Customers are concerned with issues such as loans, deposits, credit risks, interest rates, and how risks are managed when they do occur. IDLC adequately addresses these concerns, thereby enhancing its buyer power. In terms of loans and credit, the clients' sense of security is the reason for this robust buyer power.

Threat of Replacements

Existence of Profitable Substitutes: The presence of other profitable substitutes, both in the banking and non-banking sectors, can pose a competitive threat to established businesses.

Comparable Product Quality and Service Efficiency: Numerous non-banking financial institutions offer comparable products, services, and marketing strategies on the current market. This similarity between products increases the possibility of substitutions. Through analysis, monitoring, and risk management, IDLC works assiduously to mitigate credit risks. Similarly, other institutions strive to provide comparable customer service. This collective endeavor increases the level of danger.

External factors

External factors are elements that improve business outcomes and external performance. IDLC Finance Limited's performance is significantly influenced by economic and technological factors.

Financial Considerations:

The overall loan volume within the economy, monetary exchange rates, economic inflation, taxation rates, the occurrence of recessions, the bargaining power of consumers, and the influence of suppliers are factors that trigger economic concerns. Given IDLC's status as a financial institution, these issues have substantial repercussions.

IDLC's principal commercial activity is lending. Therefore, fluctuations in interest rates can have a significant impact on their profitability and operations as a whole. Incomes are directly impacted by inflation rates, which in turn affects the organization's operations. Recessions cause the collapse of the entire economy, thereby increasing the likelihood of loan defaults.

Technological Factors:

Technological advances have significantly simplified and accelerated our personal and professional lives. IDLC Finance Ltd consistently positions highly in terms of innovation, with numerous departments exhibiting significant progress. The organization has maintained its dedication to technological advancement and ensured:

- Zero operational interruptions
- Continuity of network connectivity
- Punctual service delivery

IDLC Finance Ltd has actively pursued a unified communication system in an effort to accelerate its development. While maintaining internal infrastructure, they utilize new technologies to simplify processes. Integrating HR software increases the effectiveness of employees. In order to improve customer satisfaction, IDLC Finance Ltd provides:

- Delivery of technological remedies
- System for customer notification
- Platform for online credit and loan applications
- Online service security

- Integration of import correspondence, documentation, and record storage within their software
- Rapid resolution of customer credit issues via technology

Competitors in the Market

The non-banking financial sectors have recently been experiencing a period of significant growth. Therefore, it should come as no surprise that the level of competitiveness is also growing. These days, IDLC's rivals present a formidable challenge in the form of fierce competition. The nature of this industry makes it exceptionally competitive. A seemingly insignificant shift in the applicable interest and tax rates might completely throw off one's planning and operations. Therefore, it is essential to approach each and every stage with extreme caution in order to dominate the market and win over customers.

The pricing structure is quite vital for ensuring the continued steadiness and viability of the clientele. It is essential to provide excellent service to one's customers, but at the same time, it is essential to maintain costs as low as is practicable. The formation of a non-banking institute carries with it a significant amount of responsibility because it is a great establishment. The vast majority of them are publicly traded enterprises, and due to the close connection, they have with financial operations, the entry barrier is carefully upheld.

The market has entered the growth stage, which presents it with a significant number of opportunities to further enhance its performance. Therefore, there will be a great deal of competition.

Chapter 04: Internship Experience

4.1 Position, Duties, And Responsibilities

4.1.1 Position

In Bangladesh, IDLC Finance Limited is widely regarded as the country's premier non-banking financial organization. It is a dream come true for me to be a member of this company. My job in the legal department is to work under the direction of Md. Aminul Islam, who is in the position of Officer Grade-III of the legal team's Credit Risk Management (CRM) function. I am currently working as an intern here at the IDLC.

4.1.2 Duties and Responsibilities

Every intern will be expected to participate in activities that are tailored to their particular areas of interest. These responsibilities are selected and outlined in conjunction with the supervisor.

Responsibilities of an intern included the following:

- Managing the costs of the litigation.
- The submission of invoices for publications.
- Billing done by professionals.
- Billing for court fees.
- Performing a verification check on OLS (Online Legal System) activity suit numbers.
- Communicating with one's customers or clients.
- Memos and cheque books are both being recorded within the software.
- Putting together a database of different legal fees.
- Taking part in the development of improvements to the IDLC software and the MIS server.
- Making new user accounts.
- Coordinating our efforts with the OLS system.

4.2 Professional Development

A comprehensive training program is made available to employees at their place of employment. I am now participating in Continuous On-the-Job Training because I am an intern. It is imperative that I receive this training because I am a new employee who does not possess any relevant prior knowledge or experience with the organization. Throughout the course of the training, I am growing familiar with the environment of the operations.

This entails becoming well-versed in corporate etiquette, acquiring expertise with a variety of customer interaction scenarios, and becoming an expert in the utilization of organizational tools and equipment. Throughout the course of my training, I have to overcome a great number of challenges, which appear while I carry out my duties. This continual on-the-job training proves to be quite valuable, providing me with complete preparation to traverse the different procedures and laws that apply in the workplace. The training involves engaging in hands-on exercises.

4.3 Evaluation

Due to the fact that I have had so little experience up until this point, evaluating the company where I am presently working as an intern presents a number of difficulties. IDLC's security protocols are among the most effective in the industry. Because each employee completes their work on the dedicated server that the company provides, an exceptionally high level of data protection and privacy is maintained.

My manager takes a kind and considerate attitude when teaching me new things; he does this in the spirit of a mentorship relationship. The direction I'm given is communicated in a thoughtful way, which makes for a constructive educational experience overall.

It also improved my ability to communicate while I am receiving mentoring, I am being pushed to develop my ability to write logical, engaging, and compelling verbal communication. My capacity to articulate thoughts in a way that is both compelling and persuasive is improved by this guideline.

The Skill of Efficiently Extracting Information: I have been instructed in the technique of painstakingly extracting relevant information from a variety of sources. My teacher demonstrates to me in a deft manner how to recognize and evaluate pertinent particulars, which contributes to a broader comprehension on my part. My supervisor makes sure that the activities I participate in as an intern are in line with the professional standards of the business. This strategic alignment guarantees that I will be working on activities that are pertinent and relevant within the context of the industry in which I work.

In conclusion, given the scant information I have at my disposal, conducting an in-depth analysis of the company is difficult for me. Nevertheless, there are a few notable qualities that stand out, such as the organization's stringent security measures, the nurturing mentorship style of my supervisor, the emphasis on enhancing communication skills, the ability to extract meaningful information, and the focus on aligning intern activities with industry professionalism. These are just a few of the qualities that stand out.

4.4 Skills Used in The Activity

Fundamental abilities are necessary for every job in order to function safely and productively. I concentrated on using the abilities I had learned from past experiences, which are emphasized below, during my internship:

Effective Communication: The capacity to correctly express information that is essential to one's obligations is an ability that is of tremendous relevance in any professional role that one may hold.

Collaboration: I am aware of the significance of combining efforts with others in order to accomplish a common goal. As a member of the team, I understand that it is not only my obligation to do the tasks that have been delegated to me, but also to provide assistance to the other individuals in the team so that we can realize our shared goals. Throughout the course of my academic career, I was an active participant in a variety of group initiatives.

Organizational Skills: Having the organizational skills to fulfil deadlines is inextricably linked to having the capacity to effectively manage one's time. Not only does effective task organization guarantee that work will be finished on time, but it also boosts productivity on a global scale.

Motivational Intelligence: Drive is necessary to overcome obstacles in work. Keeping your motivation high makes it easier to overcome challenges. The ability to keep up a strong drive despite obstacles in one's professional life is a crucial component of what is known as motivational intelligence. Keeping a high level of motivation during the process of conquering challenges makes the process much easier.

Stress management: Juggling several tasks at once can cause stress. Maintaining composure is necessary for dealing with obstacles, adapting to changes in the job, and addressing problems quickly. Every occupation requires adept pressure management. Managing Stress Keeping track of a number of different responsibilities at once can be stressful. Keeping one's cool under pressure is an essential skill for overcoming challenges, adjusting to alterations in one's working environment, and resolving problems as they arise. The ability to remain calm under pressure is an essential skill for people in all fields.

Information Technology Proficiency: I'm comfortable using Microsoft Office and Excel, two common programs that are essential to my workflow. Competence in information technology I am proficient in the use of widely-used programs such as Microsoft Office and Excel, both of which are essential to the operation of my business. My expertise with these technologies allows me to perform a variety of jobs more quickly and effectively.

4.5 Developing New Skills

We continue to learn new skills throughout the many stages of our lives. The process of learning these abilities might be easy at times, but it can also be difficult. However, once we've learned a new talent successfully, it becomes a personal accomplishment.

My internship provided me with the chance to learn a number of new skills. These freshly acquired skills will help me in developing my career in the future. The abilities I possess include:

- Using Microsoft Excel effectively for a variety of activities.
- Using and navigating ERP software programs efficiently.
- Demonstrating proficiency in verbal communication as well as in natural interpersonal skills.
- Maximizing time and organizational management abilities to increase effectiveness.
- Enhancing my knowledge of the complexities of IT developments.

As a whole, these competencies comprise a well-rounded skill set that is highly sought after in a variety of professional sectors because of its breadth and depth. The ability to excel in one's work, adapt to shifting circumstances, and positively contribute to the success of one's organization is all enhanced by the possession of each of these skills.

Chapter-05: Conclusion and Recommendation

5.1 Recommendations

5.1.1 Recommendations for legal implication of credit risk management

Strong Legal Framework: Create a thorough legal framework to oversee all credit risk management actions. This framework should include policies, methods, and guidelines for credit risk assessment, mitigation, and recovery. Ensure that all staff involved in credit risk management understand these regulatory requirements.

Legal Due Diligence: Before giving credit to any client, conduct complete legal due diligence. This includes evaluating the borrower's legal status, ownership structure, and any legal responsibilities. Ascertain that all necessary legal documents, such as contracts, agreements, and collateral documentation, are correct, valid, and enforceable.

Clear Contractual Terms: Create clear and comprehensive credit agreements that define the loan facility's terms and circumstances, such as payback terms, interest rates, collateral, and default clauses. These agreements should be legally sound and suited to each borrower's individual needs.

Regulatory Compliance: Keep aware of the changing regulatory landscape in the financial sector. Ascertain that all credit risk management practices are in accordance with local and international financial rules. Assess and modify the credit risk management framework on a regular basis to any changes in legislative requirements.

Data Privacy and Security: Comply with data protection rules by safeguarding customer data and sensitive information. Obtain required authorization for data gathering and sharing, and put in place strong cybersecurity measures to prevent unauthorized access or data breaches.

Contract Enforcement: Have a clear framework in place for enforcing credit agreements in the event of a default. This treatment should follow legal rules while also emphasizing fast recovery. Work together with legal specialists to manage any legal obstacles that may arise during the rehabilitation process.

Legal Education: Hold frequent legal education workshops for workers involved in credit risk assessment, monitoring, and recovery. This course will help them comprehend the legal consequences, risk identification, and risk mitigation measures.

Alternative Dispute Resolution: Create procedures for resolving conflicts through non-traditional means such as mediation or arbitration. These techniques can help to speed up conflict resolution while lowering legal expenses and reputational dangers.

External Legal Advisory: Maintain relationships with external legal consultants who specialize in financial and credit-related concerns. In difficult cases, regulatory changes, or other legal challenges that may develop throughout the credit risk management process, seek their advice.

Regular Review and Audit: Conduct regular legal audits of the credit risk management processes to identify any gaps or non-compliance issues. Address these results as soon as possible and put corrective measures in place.

IDLC Finance Limited can guarantee that its credit risk management practices are legally sound, in accordance with rules, and capable of effectively addressing possible legal challenges while protecting the organization's interests and reputation by implementing these guidelines.

5.1.2 Enhance Departmental Operations

Given that IDLC Finance Limited is a non-banking organization, there is a shared desire to implement effective initiatives across all sectors and departments. To increase their operational efficacy, IDLC has engaged in various endeavors, including promotional activities, advertising campaigns, and investments for development. I have discovered a few places where changes could be made during my time as an intern at IDLC:

Improved Clarity of Credit and Loan rules: To promote a better understanding of their credit and loan rules, IDLC could host conferences, seminars, and create educational advertisements specific to each department.

Strengthening Risk Management: An effective framework for managing potential risks should be implemented to provide assurance.

Extensive Market Research: It is essential to conduct extensive market research to determine customer preferences and obtain insight into the demand for IDLC's products and services.

Recruitment of Skilled Personnel: It is advised to hire experts with the ability to effectively communicate with customers and provide accurate information.

Ample Meeting Space: Ensuring that meeting spaces are suitably roomy helps improve the organization's operations' collaborative features.

Regular Document Updates: Implementing a weekly document update routine can aid in maintaining the accuracy and currency of information across the board.

Strengthening Financial Position: It is essential for IDLC to conduct exhaustive research on both the money market and the stock market in order to stabilize its financial position.

LED Monitor Integration: Equipping the workstation with LED monitors can facilitate effective presentations and information sharing.

Ensuring Server Uptime: In order to avoid disruptions, steps should be made to avoid server outages that can have an effect on the organization's operations.

Secure Documentation Storage: Establishing a secure and organized repository for all documentation is essential for the protection of sensitive information.

5.2 Findings

Based on extensive observations collected from across the IDLC organization, the company has recognized a number of vital aspects of its business that are in want of improvement and are in the process of identifying these. The difficulty that clients have in comprehending the intricacy of the credit procedure is a noteworthy worry that needs to be addressed before beginning this process of improvement. Improving communication tactics and providing explanations that are more in-depth are two things that need to be prioritized in order to solve this problem. IDLC is able to bridge the gap and provide customers with a deeper understanding of how the credit process functions, which ultimately results in increased customer satisfaction. This is accomplished by employing communication strategies that are both clearer and more precise.

The efforts that IDLC puts into marketing are yet another area that has to be improved upon. There is always space for improvement, even though the marketing efforts that the company is now putting forth may already be successful. IDLC has the potential to tap into a wider consumer base if it continues to refine the marketing tactics it employs, which would also expand its reach and strengthen its presence in the market. This proactive approach has the potential to help IDLC to attract a bigger audience, which will ultimately result in increased interest in the organization's services.

In addition, there are strategic benefits to be gained by developing a deeper grasp of the activities of one's competitors. IDLC is able to find gaps and areas for differentiation by conducting an analysis of the techniques and practices utilized by competitors. With the help of this new information, the business will be able to improve its own tactics, so strengthening its advantage over its rivals and potentially securing a larger portion of the market.

It is essential to get rid of bottlenecks in the system that processes loans in order to boost business productivity and increase the level of satisfaction of customers. Streamlining these procedures can lead to the delivery of services being completed more quickly, an increase in production, and improved experiences for customers. In addition, in order to realize the goal of providing a unified user experience, it is necessary to maintain uniform web services throughout all departments.

IDLC is able to provide customers with a consistent and unified experience by guaranteeing uniformity in digital interactions. This helps the organization project an image of dependability and professionalism to its customers.

It is important that the website for the IDLC provide exhaustive information regarding its lending and credit policies. Doing so would encourage transparency and make it easier to make decisions based on accurate information. This material needs to include essential details including the interest rates, fees, and payback schedules. Not only does such transparency foster trust, but it also gives clients the ability to make informed decisions that are in line with their particular financial requirements.

In conclusion, IDLC has the opportunity to improve its overall operations and the level of satisfaction experienced by its customers if it addresses these particular areas in which change is needed. Paying attention to these more minute aspects can, when taken together, result in an organization that is more effective, customer-focused, and efficient.

5.3 Conclusion

The arena of IDLC's Credit Risk Management and its implementation in the market are both investigated in depth throughout this research. IDLC's Credit Risk Management department is devoted to deliver the uppermost excellence services possible to the company's customers. IDLC Finance Ltd. places its clients at the forefront, which drives their success. This is accomplished by giving customer happiness priority. IDLC is able to strengthen its market status and ensure customer satisfaction by good communication with its clientele, which is achieved by employing skilled personnel.

IDLC successfully navigates both the market's obstacles and the competition to maintain its position thanks to its vigilance regarding its rivals. At the end of the day, IDLC Finance Ltd. has proven itself to be a respectable non-banking financial company in Bangladesh. Throughout the course of my internship, I have gained insightful knowledge and polished practical abilities that will surely be beneficial to my future professional endeavors. I like to extend my utmost

appreciation to both my institution and IDLC Finance Ltd. for affording me the invaluable chance to participate in this esteemed internship.

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