A Comprehensive Study on the Managerial Strategies and CRG Data Input Project of IDLC Finance Limited

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This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration

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Submitted to:

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Major: Marketing

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Letter of Transmittal

Date: February 4, 2021

Sarker Rafij Ahmed Ratan
Assistant Professor
School of Business & Economics
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Subject: Submission of Internship Report on "A comprehensive study on the managerial strategies and CRG data input project of IDLC Finance Limited"

Dear Sir,

With due gratification I am submitting my internship report on "**A comprehensive study on the managerial strategies and CRG data input project of IDLC Finance Limited**" as pre-requisite of my BBA Program.

I have been working in IDLC Finance Limited as an intern where I had the chance to learn about the managerial strategies of IDLC as well as their CRG data input project regarding their financial services.

I have focused on making this report informative, useful and creditworthy based on my practical experience. I am positive that my research would help provide a clear idea of the overall condition of "The managerial strategies and CRG data input project of IDLC Finance Limited".

I am thankful to you for your supervision and guidelines that you have offered me for preparing my internship report.

Yours sincerely,

MD. Shehab Uddin Shipu
ID: 111 151 046

Declaration of the Student

I declare that the report submitted for internship purpose is original to the best of my knowledge and belief except for the acknowledged parts. The presented report has not been used wholly or partially in this or any other university as course material. I have tried to oblige by the rules, requirements as well as the procedures and policy relating to my Internship set by the university and IDLC Finance Limited and have not revealed its business secret or any other confidential information. The report is the reflection of my experience and observation during my internship program there.

Acknowledgement

Firstly, I want to thank my internship supervisor Sarker Rafij Ahmed Ratan, Assistant professor, School of Business & Economics, for allowing me to submit this Internship Report on **"A comprehensive study on the managerial strategies and CRG data input project of IDLC Finance Limited"**. His guidance helped me to complete the this project in time.

Special thanks to Mr. Saidul Bari, Assistant Manager, CRM-CD, IDLC Finance Limited, Dilkusha Branch, Md.Sarwar Jabed, Senior Executive Officer, CRM-CD for guiding me during the internship period. Their support assisted me to present the actual scenario of the subject matter. I am grateful to all the employees of CRM-CD, especially Ms. Nafisa Taher, Senior Trainee Officer for their valuable supervision and guidance at the time of my internship attachment there.

Executive Summary

IDLC finance limited is a prestigious non-bank financial institution which is continuing its services for over 35 years with its three fully owned subsidiaries entitled IDLC securities, IDLC Investments limited and IDLC asset management limited in the financial institution sector.

Its core strengths are reputation and brand image, product portfolio, operational efficiency and employee empowerment. Core weaknesses are high cost of fund, too much diversified funds resulting non-performing loans and less people in liability marketing. Key opportunities are continued liberalization, foreign investment in prospective sectors and local banks inefficiency. Lastly, major threats are new NBFI & banks and regularity control of government.

IDLC's market position is "CASHCOW" in BCG matrix.

Some of key strategies followed by IDLC are –

Short term: keeping net interest margins, robust customer service standards and customer experience department.

Medium term: leveraging the intellectual capital, improving risk grading and presence of dedicated change management department.

Long term: Reshaping its business model, fee-based revenue generation, IDLC Balanced Fund and restructured structure finance team.

Strategies Recommendation:

For enhancing performance: Improving credit & collection processes, expanding distribution channels strategically and diversify funding sources.

For Increasing Efficiency: Further investing in personnel, automation of non-value adding tasks and improving presence through concerted branding & marketing efforts.

For Improving Effectiveness: Undertaking measured business growth, enhancing customer experience and further strengthening citizenship endeavors.

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List of Abbreviation

ALM: Asset and Liability Management

CRG: Credit Risk Grading

IDLC: Industrial Development Leasing Company

NBFI: Non-bank Financial Institution

SME: Small and medium-sized enterprises

CHAPTER I: INTRODUCTION

1. 1 Background of the Report

The BBA Program offered by School of Business and Economics, UIU, requires submitting an internship report based on the experiences of the student pursuing the degree. This report on “A comprehensive study on the managerial strategies and CRG data input project of IDLC Finance Limited” is generated towards fulfilling the purpose.

1.2 Objectives of the Report

The fundamental objective of preparing this report is to analyze the managerial strategies and CRG data input project of IDLC Finance Limited with the use of SWOT, PESTEL, BCG Matrix analysis and the firsthand experience from the internship program of IDLC.

1.3 Scope of the Report

This study aims at converting the theoretical knowledge into practical experience by different analysis showing the current managerial strategies and CRG data input project of the company

1.4 Methodology of the Report

To prepare the report, data is collected by discussing about the topics with the supervisor and colleagues from IDLC Finance Ltd. Annual reports of the company, information from Dhaka Stock Exchange, internet, prescribed text books and reports on different journals and newspapers have been used as well in this regard.

1.5 Limitations of the Report

Every study having some limitations I faced some constraints during the completion of the report. The major limitations include:

- Lack of experience regarding the managerial strategies of an NBFI
- Difficulty to gather sensitive information
- Time constraint as I had focus on the data inputs of clients at the facility at the same time of preparing the report
- Lack of using my full caliber for the psychological pressure of the ongoing pandemic

CHAPTER II: COMPANY AND INDUSTRY PREVIEW

2.1 Company Analysis

2.1.1 Overview and History

IDLC Finance Limited is the largest Non-Banking Financial Institution in Bangladesh currently housing three other fully owned subsidiaries within the group. It has 41 major touch points. It serves in 24 cities and over 50,000 customers. Approximately, 1500 people put their efforts together on a day to day basis with a view to delivering the varied products IDLC deals in regarding corporate finance, SME Finance, consumer finance and Capital Market segments to its valued customer base. IDLC has established their story as the role model of success and growth since its inception in 1985. It became successful by dint of ensuring corporate governance and transparency within the course of works they perform. IDLC also has a volunteering platform named ***IDLC Khushir Kheya*** which encompasses areas regarding education, health, and environment and community projects. Its focuses on building a happier tomorrow where volunteers coming come forward with them to fulfill their goal. IDLC carries its slogan, “Financing Happiness” very close to the hearts and tries to be consistent with it.

Vision

It has the ***vision*** to the best of the financial brands in Bangladesh.

Mission

It has a ***mission*** to concentrate on superior quality, better customer experience and business practices that are sustainable.

2.1.2 Service/Product mix

IDLC Finance ltd. provides services under three major segments which is illustrated below-

Figure 1: Services of IDLC

2.1.3 Operations with Customers

IDLC operates its various business in 4 major segments which are-

- **I. SME,**
- **II. Buyer,**
- **III. Corporate,**
- **IV. Capital Markets.**

I. SME

SME division focuses on providing loans facilities to organizations that are small and medium in size. It encompasses the expansion of businesses in different building materials which are topographically spread crosswise over Bangladesh. This division is engaged in providing services such as term advances, working capital credits, and rent financing to address necessities of its clients. It also encourages and empowers women by supporting their business enterprises through giving loans and advances at attractive pledges.

II. Buyer

The Buyer wing is devoted to offering retail financial services. The financial products offered by this division include loans for home, automobile, individual Loan and stores. At present, it is enjoying a charge of the most alluring prevalent market offers of Bangladesh. It is likewise effectively associated with activating stores through various retail investment funds products which assists in shifting financing costs.

III. Corporate

This arm of the organization is engaged in offering superior financial service to institutions across the country. Among the differentiated exhibit of services it provides rent financing, term loans, financing choices for capital use and so on are noteworthy. This division assists the clients in Organized Finance (SF) arrangements which incorporate corporate security issuance and obligation syndication.

IV. Capital Markets

The company operates its capital market segment by its fully claimed subsidiaries working as backups and offers a varied range of products and services to their valued clients. They can offer the best execution experience to their ever expansive customer base for having strong exchanging offices. Its other significant services include endorsing, essential issuance and shipper banking. The division has started Optional Portfolio Management services in recent days.

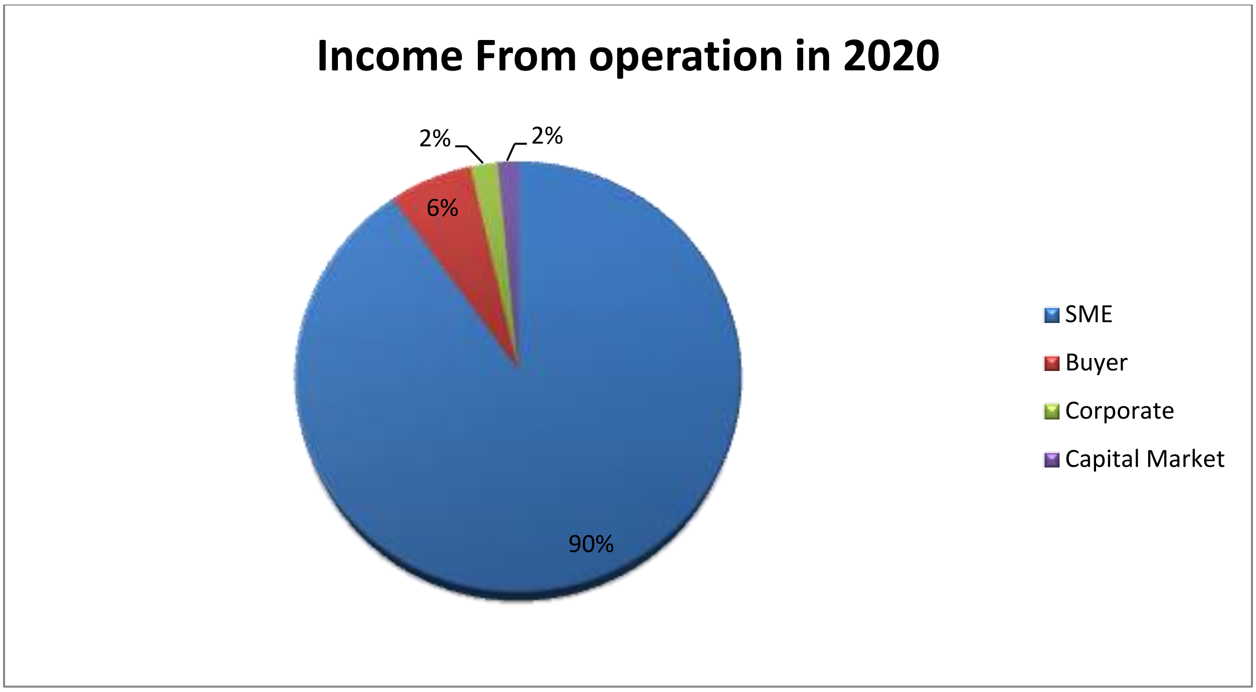

Figure 2: Income from operation in 2020

2.1.4 Ownership pattern

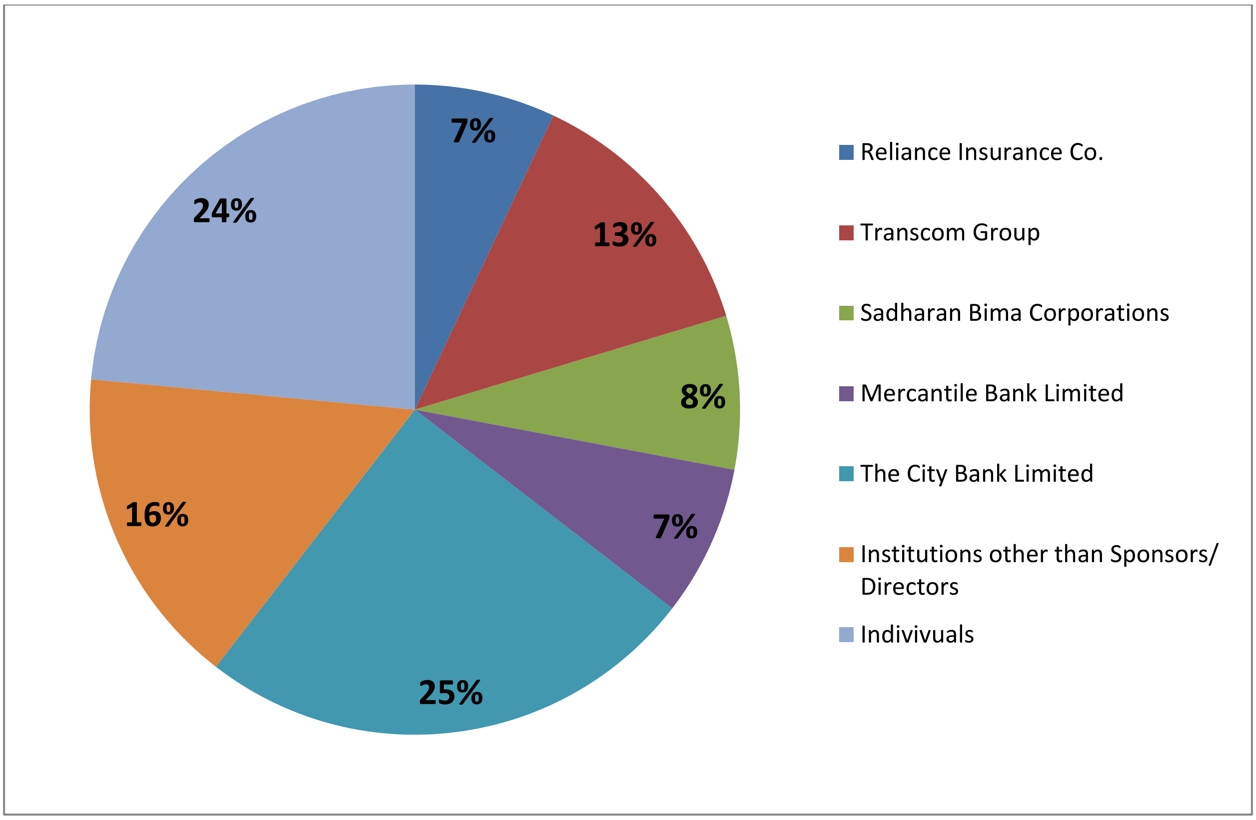

Figure 3: Current Shareholdings of IDLC Finance Ltd

2.1.5 IDLC Finance Limited: Organogram

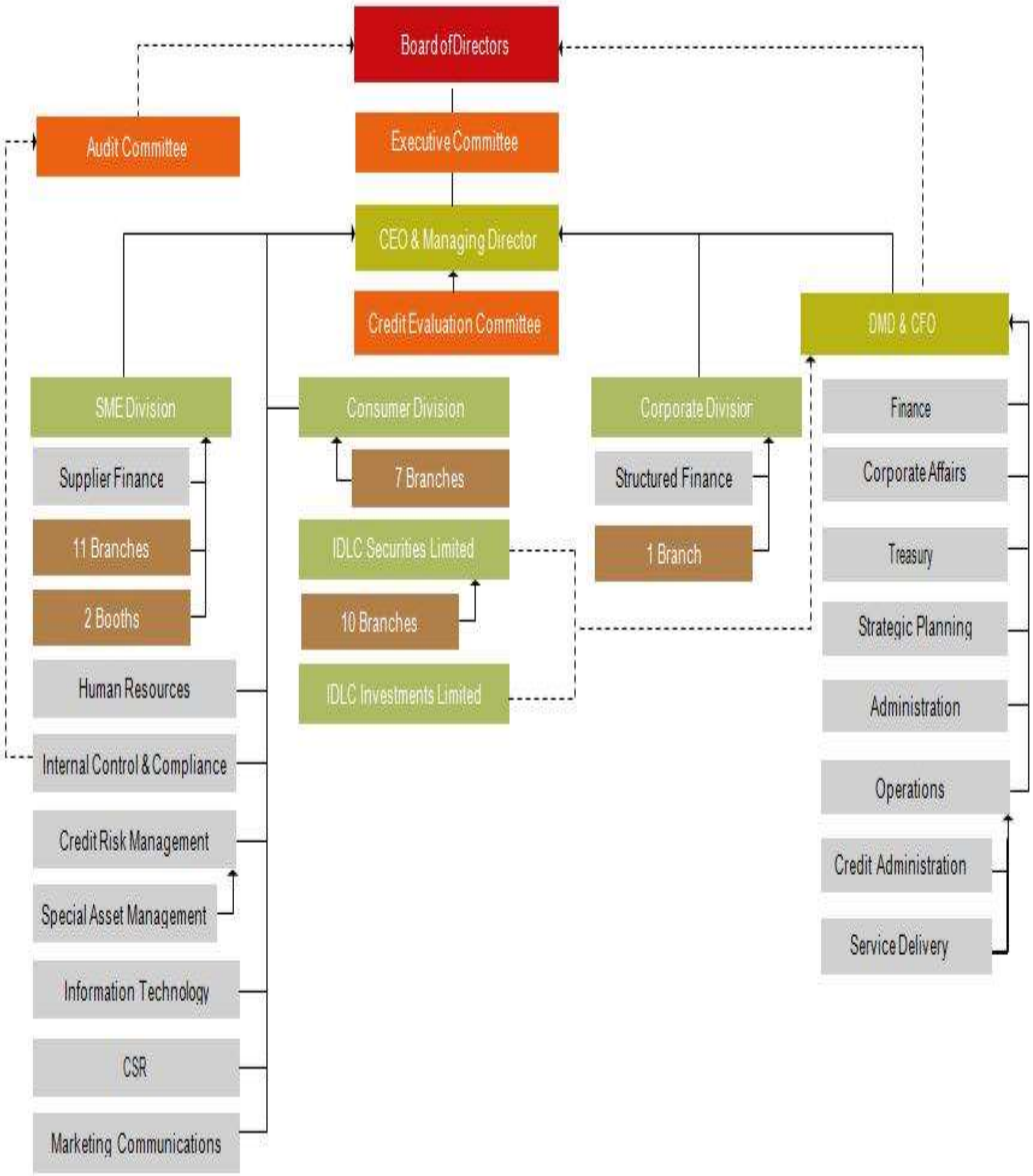

Figure 4: Organizational Structure of IDLC Finance Ltd.

2.1.6 Current Managerial Strategies of IDLC Finance Limited

Short Term Strategies:

In the short term, IDLC's goal is to maintain a net interest margin (NIM) as it continues to create upward pressure on deposit rates as well as fund spending - in the present liquidity scenario. It is realized that pricing is not determined by the market and therefore along with providing innovative loan products and solutions, improvement in strong customer service standards will be a key focus. Current efforts to attain these are reflected through active participation with multinational companies, introduction of customer experience department and other activities.

Medium Term Strategies:

IDLC has been well positioned to capture the potential of a sustainable and growing economy. GDP growth for the financial year 2020 is projected at around 5.24 making Bangladesh one of the fastest growing countries that offers many opportunities in the financial services sector. Over the next few years, it wants to bring the intellectual capital nurtured in this journey into SMEs and home financing sectors across the country. In addition, it aims for further improving its resource utilization, thereby increasing profitability even to achieve a moderate hit on margins

IDLC hopes to isolate enough cushions to check and address improved risk grading models before entering into these sectors but functional groups already exist to access target groups at the time of current access. IDLC has introduced a Change Management department to improve resource utilization. It has already begun to improve internal processes and look for the chances of productivity in each potential segment.

Long Term Strategies:

IDLC’s vision in the long-term is to is to become the best financial brand in our country. It is a statement of intent, helping to navigate activities and organizations in this direction. IDLC's new agenda to contribute to environmental and social sustainability has led to the launch of Green Finance, "Happiness" and "Odita" programs.

In short, IDLC continues its admirable track record of successfully expanding its range of operations. IDLC intends to constantly change its business model to cope with the changes and pressures that come from the operating environment. In this regard, IDLC will concentrate on increasing fee-based revenue generation capacity in the various areas in which it operates.

IDLC has launched its initial mutual fund product, the IDLC Balanced Fund, and wants to move forward. IDLC has restructured as a structured finance team to expand its scope to bring in unfunded revenue.

2.1.7 SWOT Analysis

s

Figure 5: SWOT Analysis on IDLC Group

Strengths:

Goodwill and image of the Brand: IDLC being a renowned corporate has earned itself a brand image that customers recognize whom they offer products and services to. It is a joint-stock corporate and its shareholders have a track record of stability and reliability in their respective sectors. Since 1985, it has marked its journey by meeting the needs of its varied corporate clients through its innovative products.

Quality of Customer Portfolio: IDLC maintains a premium quality of customer portfolio. The Credit Risk Management department of IDLC enables it in its goals while ensuring a multinational standard.

Product portfolio: IDLCs efficiency to diversify the product portfolio for its clients has made them a wonderful performer in Non-Banking Financial Industry.

Human Resources: The Corporate has an effective managerial team where employees are energetic, passionate and innovative. This skilled human resource works as the key for the blooming and success of the organization.

Functionality: IDLC provides its customers with solutions that are customized so that their individual needs can be addressed. The corporate processes the loan applications quick and without hassle. The approval and distribution of loans is smooth as well.

Employee Empowerment: The decision-making process in IDLC is free flowing and transparent. Every evaluator is inspired to use his or her creativity to suit the client's specific needs. Disputes are open to any discussion and approval is based primarily on the evaluator's recommendation. Clarification of any query is addressed quickly and from any level of hierarchy as an outcome of open and free flow of communication. Realistic suggestions are welcome and appreciated. This enables the company greatly to run its operations efficiently and excel in debt recovery.

Weaknesses:

Higher Funding Cost: IDLC has higher cost of funds than banks as any of its peers in the NBFI sector. Since NBFIs are not allowed to collect deposit for more than one year from anyone. The deposit portion is not enough to lessen the typical cost yet.

Concentration on Volume: The Company has a division called Credit Risk Management, which is dedicated to overseeing the quality of an organization's assets. However, it still prohibits IDLC's default on loans based on profits and past relationships that impede portfolio quality.

Too Much Diversification: The main goal of the company's core services is to focus on diversity in the high amount of products and services that hinder it.

Inadequate People in Liability Marketing: IDLC still employs fewer employees for the liability marketing aggressively as compared to banks and NBFI.

Opportunities*:*

The Continuity of Freedom: Government focuses on making the economy more accessible to more markets. This has encouraged local as well as foreign investors to participate in; lucrative sectors. The government's private sector program will probably have a positive impact on the industry

Foreign Investment in Potential Sectors: In recent years foreign investment in various sectors has increased dramatically. This creates a credible opportunity for all financial organizations to penetrate a prosperous new sector.

Inefficiency of Local Banks: A significant reasons that contribute to the thriving of NBFIs in our country is local banks' reluctance in offering loan.

Threats*:*

New NBFI & Banks: Latest non-bank financial institutions and people's banks pose significant threats to the company. The new department the competition momentum will increase and so the corporate will need to develop competitive strategies to tackle the threat.

Regularity control by Government: Bangladesh's legal framework is relatively weak. Absence of effective land grabbing laws and a self-made land hearing system creates opportunities for excavations and conflicts. This may affect the repayment of loans to those who make a mistake

2.2 Industry Analysis

2.2.1 Specification of the Industry

As not every competitor working within the sectors drives the highest growth rate of the IDLC, it has found a significant boost in the competitive landscape over the past few years. The entry of additional institutions into SME financing could reduce the IDLC's allocation to this particular sector. A few banks offer fierce competition at the Home Loan-run Home Loan which has been largely run by NBFIs over the years. To address this situation, IDLC is inclined to adopt technology-based solutions to enhance its efficiency. In line with this, the organization's expertise in registering SME loans with high accuracy will keep it in good condition.

2.2.2 PESTLE Analysis

So, the Financial Institutions sector is analyzed under PESTLE framework below –

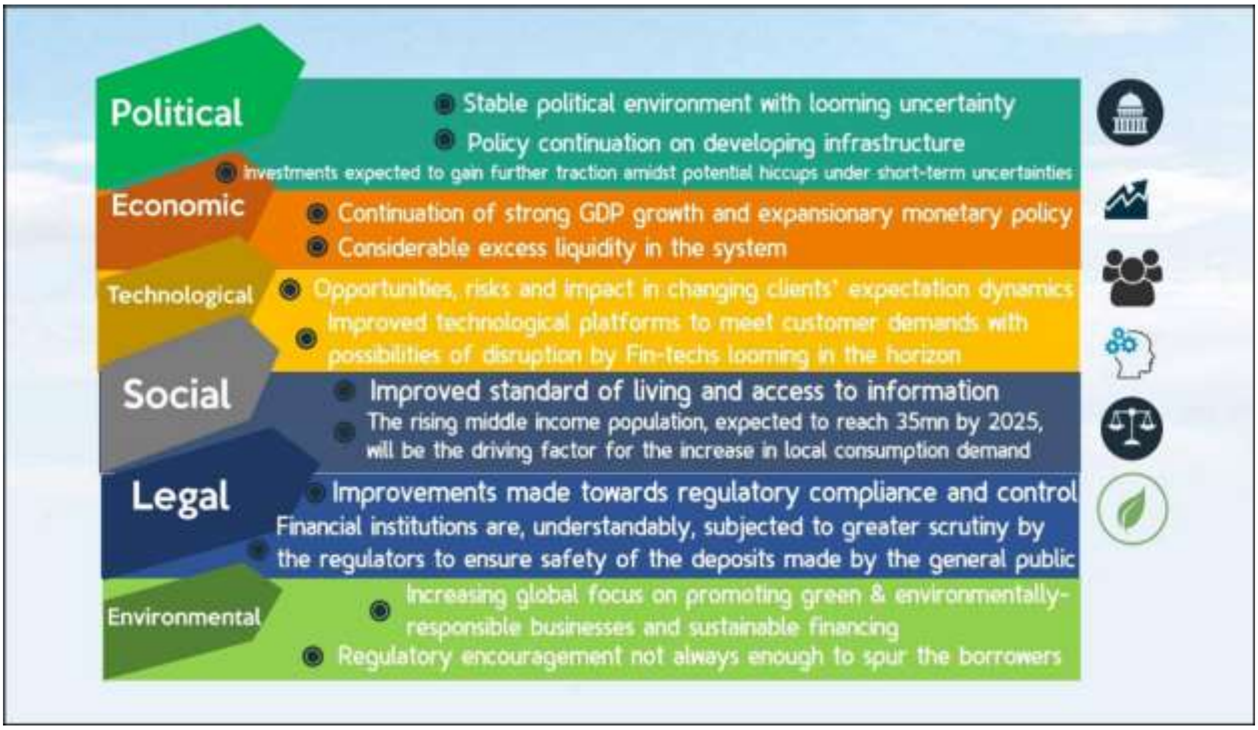

Figure 6: PESTLE Analysis of IDLC Group

Political Factors:

- **Stable political climate with imminent uncertainty**- We have experienced a peaceful and stable political environment for the past 2-3 years.
- **Policy continuity in infrastructure development -** With the strengthening of the political side, there has been a continuation of government policies and priorities for infrastructure development including major bridges, roads and power generation.
- **Expected Investments are expected to provide further impetus amidst potential constraints under temporary uncertainty -** Given the large public investment in infrastructure development, non-governmental investment is also expected to increase. It means that the vibrations found within the industry are expected to continue in the future with a few bumps and pressures along the way.

Economic Factors:

- **Continued strong GDP growth and monetary policy growth -** At FY20, GDP growth remained strong at 5.24% between political stability and the growth of government-friendly policies and programs. Monetary policy continued to grow throughout the year. However, export growth slowed and imports continued to increase throughout the year 2020 as both imports and imports increased with rising global commodity prices and in the midst of the catastrophic floods that severely damaged crop production.
- **Liquid Excessive cash inflows within the program at the beginning of the year have been steadily declining, rising 19.6% of debt by 2020 face-to-face with only 9% of deposit growth-** when bank rates were lower than recent ones, savings continued to NSCs. Some private banks have increased their lending practices even though they did not have sufficient growth in deposits and as a result have violated the regulatory limit of the Advance Deposit ratio. This has resulted in increased deposit rates over time. This increase in Deposit prices is expected to continue until the market reaches a point where deposit prices are close to the prices offered by NSCs.

Social Factors:.

- **Standard Improved quality of life and access to information -** The country reached its lowest level of income by 2015, with a per capita income of $ 1,314 and as a result, living standards have improved. With the advent of communication technology and the proliferation of internet penetration, people are now becoming more aware of market diversity.
- **Rising The increase in the number of middle-income earners, expected to reach 35mn by 2025, will be a factor in increasing domestic demand -** As purchasing power grows in this group, their financial product needs will grow as demand for domestic Home Loans, Small Business Loans and other consumer finance products

Technological Factors:

- **Switch to customer expectations: Opportunities, threats and impacts -** Technology has introduced new ways to process data and select data-driven decisions. However, it does not come without new dangers and challenges. At the end of the customer year, their development has caused customers to become more complex by changing the expected standards. Customers around the world are more inclined to avoid physical contact and are more comfortable to interact with and are provided with a digital platform. However, change is taking place slowly but firmly in Bangladesh.
- **Platforms Improved technology platforms to meet customer needs with the potential for disruption of nearby Fin-techs -** To date, technological advances in the industry have focused on increasing control, delivering efficiency and scale management. However, efforts from selected entities in the installation of computers to communicate with customers and manage their information can be seen recently. This is expected to become a trend as a growing number of organizations are trying to embrace new technologies to increase customer satisfaction. However, the threat of Fin-tech companies entering the market in Bangladesh is imminent due to the current state of regulatory institutions.

Legal Factors:

- **Changes made to address compliance and regulation -** Industries are subject to strict government laws and regulations. Applying the same rules is the same as making the sector a level playing field.
- **Institutions Financial institutions that are more focused on public safety--** The focus should be on increasing the capacity of the Financial Institutions by tightening the limits of financial adequacy, pressure assessments and other ALM indicators. It is thus understandable to ensure the safety of deposits made by the general public.

Environmental Factors:

- **Increased global focus on green and natural business promotion and sustainable funding -** This has been created as a result of a growing environmental threat. There has been a significant increase in regulatory focus focused on sustainable funding. A separate payment fund allocated to the Central Bank of Green Money offers a window of opportunity to support green financial services. However, not all promoters / factory owners are ready to embrace green technology as they do not realize the long-term savings that come from investing ahead of sustainable technology.

2.2.3 Maturity of the Industry

IDLC Group has 4 strategic business units which are fully owned private subsidiaries including IDLC Finance Limited. Hence, the BCG matrix analysis to point out the position of IDLC is provided as consolidated IDLC group based on the performance of the NBFI in the preceding years.

The non-bank financial institution had the market capitalization growth of 24.02% in the year 2020, in which the total amount of capitalization from NBFI was 251,022.74 million (BDT). This growth rate was measured on the base amount (2019) on 2020 market capitalization which was 190,736.75 million (BDT).Now, the share amount of IDLC group in total NBFI capitalization was 32,162.43 million (BDT) which results in the market share percentage of IDLC group being 12.81%.

Now, it can be concluded that IDLC group is a "Cash cow" company by comparing both the rates in hand as their relative market is quite low comparing to the NBFI growth rate. This indicates that company should continue (milking) the status quo of continuing growth with respect to capturing more share in the market.

Figure 7: BCG Matrix Position of IDLC Finance Ltd.

2.2.4 External Economic Factors

The Financial Institutions sector is analyzed under Porter's Five Forces framework below–

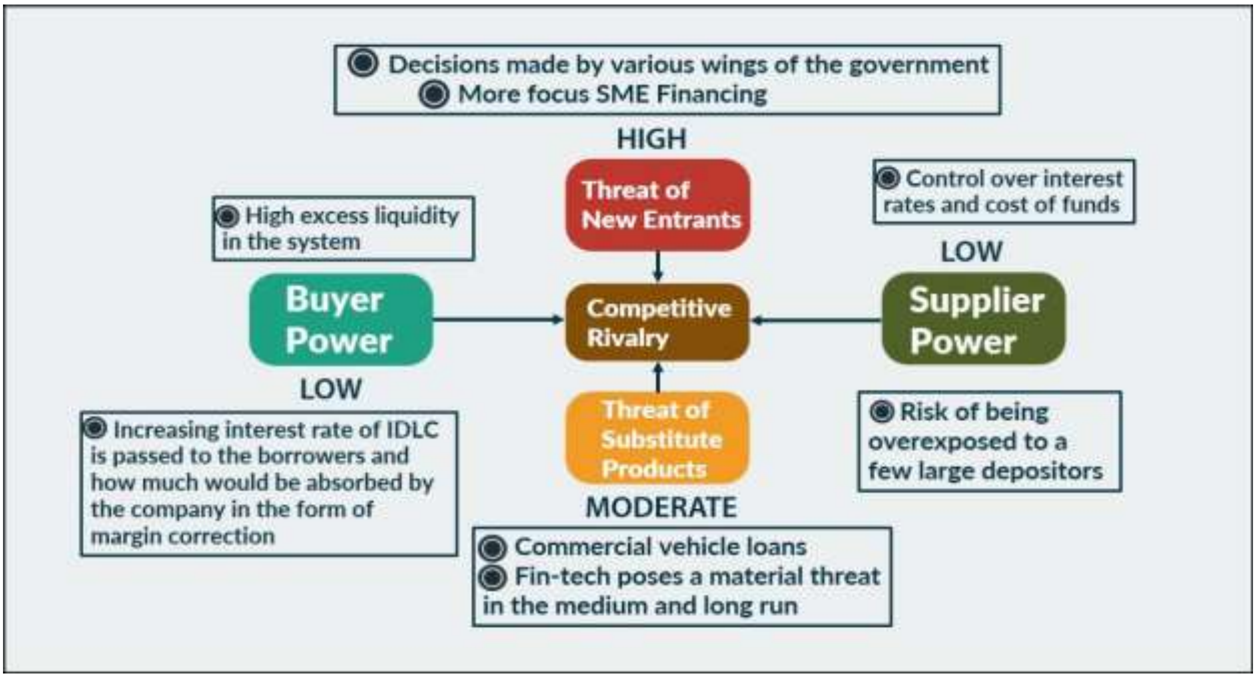

Figure 8: External Economic factors affecting IDLC

Barriers to entry

Many new banks and NBFIs have entered the already tight-knit pool of the financial services industry over the past three years. It is likely that a few more will join in the coming days that will really strengthen the existing competition. The threat to new entrants is largely based on decisions made by various government departments, regarding the granting of new licenses, depending on the range of services offered and / or the operating procedures of financial and non-financial institutions.

Another factor is the segregation of customer and targeted segregation of current players and the potential of new entrants. The potential for many banks to shift their focus from corporate finance to SME finance cannot be eliminated. The growing part of the SME that has the potential for long-term growth and self-growth through renewable employment makes it an attractive destination for new entrants. Population segregation is expected to be achieved from a growing intermediate level especially parts of the Home Loan.

However, IDLC already has a strong position in this category while focusing on further strengthening the current customer base and identifying new granular businesses with new product offerings. In the coming days, the industry is likely to gain industry integration if the number of organizations continues to join the pool and exceed the appropriate level.

Buyer Power

The power of buyers has been increasing on the side of borrowers after excessive amounts of money in the system by large lenders (large companies, joint ventures and corporate financiers) enjoying great power, followed by medium-sized businesses, large ticket consumer loans (Home Loan) and small business customers. Due to financial constraints, many of them are aggressively trying to increase their loan portfolio and have started a price war by lowering the limit while increasing borrowing power. Investors, on the other hand, had a difficult time as they often received negative returns on their deposits from inflation.

This has led investors to seek other lucrative alternatives such as the National Savings Certificate (NCS), Equity Investments and so on. At the end of the day, the power of borrowers will determine whether the IDLC interest rate increase can be passed on to borrowers and how much the company can invest. However, this could be the course of normal market cycles. The overall financial system in the industry is expected to be healthy over time.

Supplier power

As a financial institution, the main supplier has financial providers. These are different groups (SMEs), business houses, individuals, limited companies, institutional investors, fund managers, foreign investors and real estate agents. Price control, financial costs are important factors in determining negotiation power. In addition to deposit customers, many other groups, has such higher control over the levels at which IDLC can access its funds.

Negotiation capacity varies from fund to provider. The central bank has great power through its policies. However, the IDLC has always believed in self-confidence by pooling customer finances rather than relying on loans from banks and other institutions. As a result, team deposits include 84% of the IDLC fundraising basket. Therefore, they can focus on keeping track of financial costs with value-added services. However, a lack of vigilance can increase the risk of over-exposure to a few large investors. This challenge is expected to continue over time.

Threat of Substitutes

The IDLC has a small threat to supply in the NBFI Industry area until the loan products offered by banks are considered. Some segments are very threatening to replace commercial car lenders some of the car service providers themselves are offering cars gradually eliminating the need for financial involvement. Fin-tech poses a threat to the medium and long term, with the potential to develop alternative value-added ways to meet the needs of business and individuals.

Currently, IDLC does not have significant threats to replacement products that could affect IDLC revenue and profitability in the short or medium term. They still need to keep abreast of developments in order to adapt to changes in market conditions.

Industry rivalry

The Bangladesh financial services industry faces a high level of competition with 60 banks and 34 NBFI operating in the lake. Replacement costs are low due to the high concentration of service providers. However, with long-term loans, the situation is different. Here, the cost of exchanges is very high because many Banks and Financial Institutions will seek Compensation in the form of Prepayments in the event that clients choose to switch between long-term commitments. In terms of service quality IDLC has been consistent throughout the years leaving only a few organizations comparable.

Traditionally, customers are reasonably loyal. However, it has fallen sharply due to the recent state of extremes and the war of big prices especially with the borrowing of big tickets in all parts. I hope the situation is expected to change in the coming days.

CHAPTER III: INTERNSHIP EXPERIENCE

3.1 Position, Duties, and Responsibilities

I worked as an Intern at the Credit Risk Management department of the consumer division where I was responsible for working with the CRG team. CRG stands for Credit Risk Grading. The CRG team consisted of 4 people; two employees and two interns. I was assigned to help the team fulfill their responsibilities.

As an intern, it was my duty to provide support to the entire CRM team, the Relationship Managers and the Credit Administration Department.

My job responsibilities included the followings-

- Management of the data input activities regarding home, personal loan and car loan
- Preparation of yearly bulletin and necessary adjustments by authorities
- Making entries for data for the sanctioned loan proposals which will be approved
- Preparation and presentation of our daily CRM bulletins to the supervisor

The detailed format of activities that I have performed during my internship at IDLC Finance Limited are described below-

3.2 Internship Project: CRG Data Input

The CRG Data input project is an Excel file which contains information regarding verification requests provided by CRM members and approved appraisals. Credit division works with various types of loan products offered to the customers which are of three types such as-

- ✓ Car Loan
- ✓ Home Loan
- ✓ Personal Loan

Home Loan

IDLC has introduced different types of home loans to fulfill this dream of everyone’s having their own home. Apartment Purchase Loan, Home Equity Loan, Registry Loan, Construction Loan, Land Purchase Loan are the major categories of home loans. Among all the other loan facilities, Home Loan is the most popular and successful service of the Credit division of IDLC. Home loan services makes 80-85% of the entire Credit division loan portfolio. Of all the other loan facilities, home loans are the most popular and successful service in IDLC's credit division. Home loan services make up 80–85% of the total credit division loan portfolio.

The payment method for the Home Loan is Equal Monthly Installments (EMI). The amount of EMI is calculated with the help of a software which is given in the company website. Anyone can calculate the EMI just by putting the values in the product name, loan amount and loan period sections in the website.

I had to make entries regarding the following information in the excel files-

1. **Personal Guarantor**: In this section, we are supposed to identify the relation of the guarantor with the applicants. We categorized their relation in four segments:

Segment A

Segment B

Segment C

Segment D

- **Segment A & Segment B**: Service, Teacher, Government employee, Private employee are categorized in segment A and segment B
- **Segment C & Segment D**: Land lord, Business man, Proprietor, NRB business (Non residence business), NRB service (Non residence business), House wife, Student is categorized in segment C and segment D.

Relative + Segment A & B	Relative + Segment C & D	Non - Relative + Segment A & B	Non - Relative + Segment C & D

If our client introduces his/her friend, colleague, partner as a personal guarantor we categorized them to non- relative and then we identify in which segment they belong.

2. **Reflection of Income:** In this section, we are supposed to identify the income source of the applicants. We categorize their income type as:

Income type	**Possibility of B/S**
Salary	In Bank Statement/ Document Certified
Rent	Document Certified
Business	In Bank Statement/ Document Certified
Remittance	In Bank Statement /Document Certified

In Bank Statement (at least 70% reflection)	Document Certified (no/negligible bank reflection)	No Substantial Documentation

If their income is reflected by bank we choose In Bank Statement (at least 70% reflection), and if their income is reflected by cash we choose Document Certified (no/negligible bank reflection).

3. **Is it first property**: In this category, we are supposed to determine if it is our applicants' first property or they have other properties. If it is our applicant first proposed property we select yes. If not we select no.

4. **Time Left for Handover/Construction**: We identify what will be their approximate time to complete their work for property handover / construction. Based on their work progress we categorized our time frame in this way:

6 months & below	7 months --- 12 months	13 months & above

5. **Repayment Status of Previous/ Existing Loan:** For repayment status of previous/ existing Loan we check our client 'Debt Obligation Details'. Based on this we categorized our repayment like the following:

	Due (tenure)	Over Due (maximum)
Excellent	3 year/36 month	0
Good	2 year /24 month	2
Satisfactory	0	2
Not satisfactory	0	Above 2

6. **Savings Behavior:** Saving behavior shows that if there is any FDR in bank belonging to our applicant. It assists us to determine the assets of our clients. If there is any saving behavior, we input 'Record' if not the answer will be chosen as 'No Record''.

7. **Will Applicant live in the proposed property:** In this part we identify whether our applicant will live in this property or not.

8. **Security:** Which security purposes our applicant is using their loan. It is categorized in the following pattern-

Apartment / Residential House	Apartment / Residential House without Car Parking	Shop / Commercial Space	Shop / Commercial Space without Car Parking	Land (City Corporation Area)	Land (Outside City Corporation Area)

Car Loan

Following the Home Loan, the Car Loan service another successful financial services at credit division of IDLC Finance Limited. It provides the terms and conditions that make it more convenient for consumers to take out a car loan and ultimately improve their quality of life. The car loan amount is 12-15% of the total credit division portfolio.

The maximum loan tenure is 5 years in case of car loan. Applicants who are aged between 22-60 years can avail the car loan facility of IDLC. For service holders, they must have at least 2 years of work experience and for professionals it is 3-5.
I had to make entries about the following information in an excel file:

1. **Personal Guarantor:** Personal guarantor determination pattern for car loan is same as the home one.

2. **Reflection of Income:** This section has a slight difference in comparison to the home loan one which is in the Bank Statement portion while the rests remain same. For car loan, the bank statement reflection rates are:

Income type	**Possibility of B/S**
Salary	In Bank Statement/ Document Certified
Rent	Document Certified
Business	In Bank Statement/ Document Certified
Remittance	In Bank Statement /Document Certified

In Bank Statement (at least 85% reflection)	In Bank Statement (at least 60% reflection)	Document Certified (no/negligible bank reflection)	No Substantial Documentation

3. **Repayment Status of Previous/ Existing Loan:** To determine the status of our client, we check their 'Debt Obligation Details'. Based on this we categorized our repayment status such as:

	Due (tenure)	Over Due (maximum)
Excellent	3 year/36 month	0
Good	2 year /24 month	2
Satisfactory	0	2

Not satisfactory	0	Above 2

4. **Savings Behavior:** In this section, we are supposed to find out if there is any FDR of our applicant in a bank. It assists us calculate client assets. If there is any saving behavior, we input 'Record' if not the answer would be 'No Record''.

Personal Loan

There are so many needs in our life. It could be for a new business, marriage, medical treatment, higher education or for a vacation. To cater to these diverse needs, IDLC has its own personal loan service through which an individual can manage funds quickly and easily with minimal hassle.

Under personal loans there are two types of loan facilities, namely personal loans and unsecured personal loans. If the loan is supported by real estate in cash security like Ka Kaka, Sauer, Khajipur, Chittagong, Bogra, Sylhet and Comilla, it is considered as a safe personal loan. On the other hand, when there is no proper security or guarantee in debt security it is considered as unsecured loan. This type of loan is given under certain circumstances. Any applicants between 20-60 years with at least 2 years of work experience with current employment are eligible to obtain this.

I had to make entries regarding the following information in the excel file:

1. **Personal Guarantor:** Personal guarantor is mandatory for personal loans as well. Its determination pattern is same as the home loan and car loan ones.

2. **Reflection of Income:** Reflection of income requirements for personal loan are same as the car one which is stated below:

Income type	**Possibility of B/S**
Salary	In Bank Statement/ Document Certified
Rent	Document Certified

Business	In Bank Statement/ Document Certified
Remittance	In Bank Statement /Document Certified

In Bank Statement (at least 85% reflection)	In Bank Statement (at least 60% reflection)	Document Certified (no/negligible bank reflection)	No Substantial Documentation

3. **Repayment Status of Previous/ Existing Loan:** Our client previous repayment status also checks here.

	Due (tenure)	Over Due (maximum)
Excellent	3 year/36 month	0
Good	2 year /24 month	2
Satisfactory	0	2
Not satisfactory	0	Above 2

3.3 Training

During the initial days of my internship period, my supervisor who was one of the employees of our CRG team explained me my duties and responsibilities regarding the knowhow of project inputs, communication with clients as well as the other concerned parties, distribution of information etc. A few days later another intern joined our team whom I supervised accordingly.

As we are in the middle of a pandemic, the authorities decided to keep the physical contacts minimal and ensure social distancing at the facility. Hence, I was encouraged and advised to work from home after I had learned the basics of my works assigned. For any additional support my supervisor contacted and helped me via zoom meeting.

The duties to perform which I was trained are-

- Managing the CRG excel file
- Preparing reports and bulletins

- Physically arranging and locating the reports using excel pipeline and Not in Pipeline (NIP) files
- Communicating with credit analysts and providing the list of prospect files via email to all the credit analysts through Group Credit: CRM – CD.

3.4 Skills Applied

It is of utmost importance to be tech savvy in the present world. I had basic knowledge of MS office applications in my university period which turned out to be useful for my internship. I used MS Excel and MS Word for the data input and preparation of CRG reports.

3.5 New Skills Developed

Internship programs provide fresh graduates with an opportunity to get familiar with corporate culture. It is no different for me as it helped to get accustomed with the sector I would like to work in future while enabling me to learn new things and gain practical experience.

My three months in the company trained me to be punctual. I have faced sensitive information and reporting under a barrier that has developed another skill in performing many tasks. Prioritizing assigned tasks and their priorities is key to coping effectively.

This internship has enabled me to talk more about the problems I am facing and to ask for help from colleagues or a manager if necessary. It strengthens corporate relationships over time and helps to deliver effective results efficiently.

Motivating myself under stress is another result of learning while studying IDLC Finance Limited which increased my confidence to work under any adverse conditions.

My internship experience would not have been complete and stable without the kind supervision and help from my manager, my credit analysts and colleagues.

I would like to briefly describe my experience with regard to the development of my skills in the following-

Responding to workload

As it was my first experience in corporate life, it took me a while to adapt to this. Learning new things and at the same time responding to adults with assigned tasks was a challenge for me at first but eventually I learned to work under pressure.

Ability to Deal with Others

This is a very important skill to survive in a competitive job and study program to improve my communication skills in particular. It has helped me to connect with others in a better and happier way.

The ability to communicate

I had to contact many staff members for the purpose of verbal or electronic expertise. As a result, it boosted my confidence to reconnect with others.

Problem solving

This tutorial has helped me to identify and solve a problem if it happens in the office. It made me responsible enough to admit and correct myself.

The ability to compose and view

This training has helped me to increase my perspective and my intellectual capacity to understand the organization, its processes, organizational structure and functions. And onwards. The internal engagement program improved my viewing skills and helped me to present this internship report effectively.

Working Force under Pressure

In addition to my regular duties as a trainee, I was sometimes offered a variety of part-time jobs. To get rid of them on time, I sought the guidance of my colleagues. This has taught me to manage workload while managing stress with a positive outlook.

3.6 Use of Academic Knowledge

There has been a small amount of use of my academic knowledge that I have gained in my BBA program. Some of my studies such as marketing research, financial policies, and management finance and computer applications have been helpful in my IDLC training

CHAPTER IV: RECOMMENDATIONS AND CONCLUSION

4. 1 Recommendations for Improvement

Based on my research about the management strategies and internship experience, the followings can be recommended for better efficiency of IDLC Finance Ltd.

Strategies for Enhancing Performance:

- **Improve Credit and Collection Processes -** Limit the number of Unemployed Loans in the required amount by 2020 (2.77%). But this rate is constantly increasing / decreasing from one year to the next. Therefore, further background check and re-evaluation of customer behavior throughout the deposit and loan is essential.
- **Expand strategic distribution channels -** Separate distribution and service channels, launch alternative delivery channels, reduce credit risk by providing services to all customer segments.
- **Divide funding sources** - Explore alternative and cheap financial sources, identify illegal and neglected markets to ensure proper distribution of resources and outcomes. Slightly increase the rate of unpaid business income of the major financial market segments and focus on the many granular levels of the SME categories.

Strategies for Increasing Efficiency:

- **Continue to invest in employees -** Transform an attractive and encouraging culture based on trust, respect and accountability. Select performance management throughout the organization according to purpose. Continue to invest in talent development; implementing the Individual Career Plan (ICP) by further strengthening the strategic and HR staff strategy for cost-effective, talent-oriented and retention. Review and apply advanced HR techniques and product optimization techniques Create a strong employer brand.
- **To continue working on capacity -** Invest in technology to increase the automation of value-added extras. Focus on improving the cost / cost ratio by redesigning and simplifying processes.

- **Improve Enhance your presence through integrated advertising and marketing efforts -** Make product plans and marketing according to the annual planned activity calendar. Identify market inefficiencies and exposure to market capitalization. Focus on the best jobs in the industry and the new opportunities offered by technology.

Strategies for Improving Effectiveness:

- **Establish business growth rate -** Maintain the financial status of small businesses. Find out the range of grants. Increase home lending by focusing on affordable housing. Grow the market in some metropolitan areas. Choose opportunities for growth in corporate lending. Consider affordable credit-based company-based M&A, debt restructuring. Continue to increase the market share in the trading business to set the potential collateral on trading costs if trade prices fall.
- **Experience Improve Customer Experience -** Promote the 'first customer' concept of all employees at all levels at all levels of the company while improving service standards.
- **Continue to strengthen citizenship efforts -** Continue to invest in developing valuable relationships with diverse communities through effective CSR (Corporate Social Responsibility) efforts

4.2 Conclusion

IDLC Finance Limited is an established name in the NBFI sector of Bangladesh maintaining its reputation and growth throughout the years focusing on the strengths and opportunities it enjoys while successfully tackling the challenges resulting from its threats and weaknesses. It is a great place to step the first foot of career in which not only reflects the holistic corporate culture but also trains an individual to sharpen their skills for the mutual betterment of its employees and business.

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