city bank
making sense of money

Internship Report
On
[LOAN & CREDIT MANAGEMENT OF THE CITY BANK LIMITED]

Submitted To

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Lecturer
School of Business and Economics

Submitted By

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ID: 111182106

Date of Submission: 29th November, 2023

Acknowledgement

I want to begin by a heartfelt felicitation to those individuals who have played a crucial role in encouraging, applauding, supporting, and believing in me throughout the preparation of this report on Loan & Credit Management at CBL. I would like to seize this opportunity to thank Ahmed Imran Kabir, a lecturer at United International University, for providing me with guidance and assisting in the preparation of my report. He has proven to be a significant pillar of support. Furthermore, I would like to show my appreciation to Mohammad Shefaul Alam, the Archiving Manager of City Bank's Asset Operation department, as well as Md Belal Hossain and Hachan Mia, Officers of City Bank's Asset Operation department. I extend my sincere gratitude to the entire staff of this bank, as they dedicated a significant amount of their time to assist me in the learning process.

Letter of Transmittal

29th November, 2023

Ahmed Imran Kabir

Lecturer

School of Business and Economics

United International University

Subject: Submission of Internship Report

Dear Sir,

It is with great pleasure that I showcase my internship report on Loan & Credit Management at City Bank. This report is based on the knowledge and experiences I have acquired during my internship period at City Bank. Therefore, I would be immensely delighted and honored if you could accept my internship report and acknowledge the hard work and dedication I have put into its preparation and completion. I have made every effort to present the true picture of Loan & Credit Management with full effectiveness and efficiency.

I would like to express my gratitude for your support, guidance, and feedback on my work, which made it easier for me and also enriched my practical learning experience.

I request and believe that you will take my report into consideration for approval.

Yours faithfully,

Imamul Bashar

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School of Business & Economics

United International University

Declaration

I am Imamul Bashar, and I would like to inform you that this report titled "Loan & Credit Management of City Bank Limited" is prepared as a part of my internship requirement as it is a mandatory component of our BBA program. For this I was guided by my supervisor, Ahmed Imran Kabir, who is a Lecturer at the School of Business & Economics, United International University.

Imamul Bashar

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Executive Summary

The banking industry is a cornerstone of economic development in any country, and Bangladesh is no exception. Efficient financial services provided by a robust banking sector are integral to fostering economic growth. A key element in ensuring the stability and profitability of banks is effective credit management. Credit risk, a significant factor affecting financial outcomes, is inherent in banking activities, necessitating prudent risk management practices.

This report emphasizes the crucial role of credit risk management in Bangladesh's banking sector. The effective management of credit risk is vital not only for the financial well-being of banks but also for better serving clients. Credit risk is associated with the likelihood of individuals repaying loans and meeting installment requirements, making it imperative for banks to assess and mitigate these risks.

Banks employ credit risk management strategies to maintain a balanced credit risk portfolio. This involves evaluating an individual's financial background and assigning a credit score to determine loan eligibility. In the aftermath of the global financial crisis, minimizing loan losses has become a central focus for banks, leading to a heightened emphasis on credit risk management.

As financial institutions inherently focused on security, banks in Bangladesh prioritize credit risk management in their day-to-day operations. The Bangladesh Bank, as the central regulatory authority, collaborates with audit boards to ensure the soundness of individual banks' services and overall management records. This collaborative effort enhances transparency and accountability within the banking sector.

In conclusion, effective credit risk management is a linchpin for the stability and growth of Bangladesh's banking industry. By adopting prudent credit risk management practices, banks not only safeguard their financial health but also contribute to the overall economic development of the country. This report underscores the significance of ongoing collaboration between regulatory bodies and individual banks to maintain the integrity and security of the banking sector in Bangladesh.

Contents

1.00 INTRODUCTION

A robust banking industry is crucial in any country and can significantly contribute to fostering economic development through efficient financial services. The banking sector plays a vital role in the growth and advancement of Bangladesh's economy. Therefore, effective credit management is essential for banks to enhance profitability.

Credit chance is the peril that meaningfully affects the monetary results. Peril is continually associated with banks and putting it all out there is an essential piece of setting aside cash action. The place of the credit opportunity organization is to keep up the credit danger show. To achieve this, banks must oversee the entire portfolio.

Managing credit risk is essential for every bank as it can enhance their operation and, in the meantime, it helps serve clients better. It is known that credit risk is related to the decision that individuals can reimburse their advances as well as the likelihood that individuals may or may not meet the installment requirement. This can sometimes bring about a negative fate in case of failure.

If an individual seeks a loan from a bank, the bank checks the person's financial background and generates a numerical value, known as a credit score, to determine the eligibility for the loan. Due to the global financial crisis and credit constraints, banks aim to minimize loan losses, making credit risk management a central focus in banking operations. As financial institutions, banks are inherently secure. In our day-to-day banking transactions, the organization is committed to ensuring security matters, ranging from employee to customer satisfaction. Bangladesh Bank holds an important number of records regarding these. Bangladesh Bank consistently cooperates with the audit board when it comes to the bank’s particular administrations and general management record.

1.1 City Bank

It is among the earliest private commercial banks in operation in Bangladesh. Among the initial five commercial banks that commenced operations in the country in 1983, it stands out as a prominent institution.

The bank commenced its operations on March 27, 1983, by inaugurating its initial branch at the central bank of Bangladesh. Around thirteen specialists who took the step with courage and beat all kinds of trouble that made the establishment of the bank possible.

City Bank is one of the banks that is centralized and it does not follow a profit model which is essentially a branch-based model. Thus, it is not also geographically managed. The bank has five specific units that are business, branch risk, operation and support; these units are vertically operated from the head office.

The bank has 133 physical branches and 132 online branches. Apart from these traditional business hubs, the bank is also highly involved in the alternative transportation sector.

It presently has 272 ATMs across 39 districts; and has more than 1150 ATMs set up.

1.2 Objectives of the Study

a) To explore all the loan method
b) To examine loan documentation
c) To review loan approval process
d) To recommend loan process improvement

1.3 Rationale of the Study

The risks in credit management falls into one of the largest risks among many risks in any business. It may arise from any default and other failure of maintaining contract or installment by a client. Because of this the book value in estimation and costing becomes negatively affected. Even a bank may lose its operation permanently if there is a possibility of a large amount of credit in particular. This is not good for the investors as they find it risky to invest.

1.4 Scope of the Study

During my research I found that there are certain obligations when it comes to administration, the banking structure, certain credit management procedures as well as the information I received from my archiving officers.

2.00 METHODOLOGY OF THE STUDY

2.1 Research Type:

This is a descriptive Research, which briefly uncovers the general exercises of CBL and furthermore fundamentally examines the Loan & Credit Management of this bank. To setup this report all the fundamental data gathered from both essential and auxiliary wellsprings of information.

2.2 Primary Data received:

- Discussion with Officers from Credit and Collection
- Observation.
- Training.
- Practical work experiences.
- Samples of diagrams and checklists

2.3 Secondary Data received:

These came from the combination of various relevant sites from the internet which includes the City Bank's own website. Moreover, other sources involve certain online articles, the bank's annual report itself as well as the bank's booklets in its branch.

2.4 Data Analysis and Reporting:

The total guideline, and other necessary information gathered involved the use of the last 5 years annual report. This is done for both numerical and qualitative analysis.

3.00 BACKGROUND OF ORGANISATION AND INDUSTRY

3.1 Bangladeshi Framework of the Industry

The central bank has taken many steps to put positive effects but some administrative segments have dominated in certain areas where the currency is a major part. Here checking the ability of the borrowers matters most. However, defaulters are keep on rising.

Certain influential, knowledgeable clients are kept into major consideration for keeping and earning credit for a longer period of time. This affects banks a lot. Banks help them with liquid cash so that these clients can invest in similar industries. Only a few are redirected to credit these cash but even then, those are not suitable enough. Also, there are some nonproductive units within the banks that are not receiving their advances. This is the reason why some businesses that are new in the industry are not getting their required capital and the blame goes to these defaulter businesses that keep acquiring large amounts of capital while defaulting at the same time.

3.2 Organizational Background

The City Bank is one of the top most banks among others banks operating in the country that started its operation in 1983. This also explains the reason why support is given to this bank both their national and global branches by the country itself. As the bank is centralized, it needs to work all day and months. Additionally, there are some parts that contribute to the smooth functioning and programming which is logical because the bank's control room can check all their branches from all 7 divisions as well as 5 other back-office businesses and more than three hundred ATMs.

3.3 Vision

- ✓ Here City Bank is talking about The Monetary Store with a Triumphant CultureOffering Charming Encounters.

3.4 Mission

The City Bank's mission in other words is:

- ✓ Making the administrative force stand out so that it energizes various types of clients and empower them.
- ✓ Making an environment where business force is created and clients succeed by proper decision.
- ✓ Continuously improving the everchanging cycle for maximum effectiveness.
- ✓ Keeping the balance between the operation and the operating areas
- ✓ Continuous upgradation as the world moves more towards AI

3.5 Cards and Services

I. Credit Cards

- American Express card: There are three types available that include Platinum, gold and silver. It is also available in dual currency mode.

- VISA card: The two gold and silver cards offer both local and foreign US dollar currency. Additionally, the two-way mode of cash is present in this one

II. Debit Cards

- Master Card: As this is the general default card for all types of account holder, it has no other special specification like other cards.
- VISA Electron: This card comes with some advantages while being like other city cards.

III. Special Cards

- City Maxx American Express Card: This one has features of American Express while still being a debit card

IV. Retail Banking Service

These services offer general management of certain bank accounts like the student account, saving account, RMG account and maintaining the general administration of those. There are certain schemes and sorts of loans like health loan, education loan etc.

V. **SME Banking Service**

Small, Medium and Agro segments are the three services carrying the whole operation itself.

VI. **Wholesale Banking Service**

This consists of a combination of some banking services offered by city banks as well as some ways the bank portrays its benefits. The services include the latest app which is called City Touch by which one can carry out advanced internet banking, Trade services for both foreign and local, corporate and priority banking service. The long, mid, and structured finance is connected with the benefit offered; In addition to that there is cash management and project management.

VII. **City Bank Subsidiaries**

City Brokerage and City Capital resource are the two subsidiaries that falls into its business association

3.6 Credit management of City Bank

- Their credit risk management operates independently from their business divisions, and they maintain consistent credit decision standards, processes, and guidelines across all their divisions.

- A fundamental principle of their credit risk management is conducting thorough credit due diligence on clients. They collaborate with their division partners. These partners then serve as the first line of defense, in making client selections.

- Any new credit facility and any extension or significant change to an existing credit facility (e.g., changes in its duration, collateral structure, or major contracts) with any counterparty requires credit approval from the appropriate authority level. Credit approval experts are assigned to individuals based on their qualifications, experience, and training, and these assignments are reviewed periodically.

- City Bank calculates and consolidates all credit exposures to each obligor across their consolidated Group on a global basis to comply with regulatory requirements.

- City Bank has established procedures designed to identify early-stage credit exposures that may carry an increased risk of loss. The aim of this early warning system is to address potential issues while viable courses of action are still available. Detecting risks at an early stage is a fundamental aspect of their credit culture and ensures that greater attention is given to such exposures.

- City Bank collaborates with the Credit Administration as well as the Legal Division to rectify any deficiencies in the documents and assess any risks that could jeopardize the bank's assets.

3.7 Credit policy of City Bank

On March 08, 2016, Bangladesh Bank brought about changes to some regulations regarding Credit Risk Management to foster a culture of improved risk management in banks. These rules were implemented to establish standards for the segregation of duties and responsibilities among various parties involved that aimed to facilitate enhancements in the banking sector. In alignment with these guidelines, the Management of City Bank Limited has recommended the adoption of the updated Credit Policy Manual, aligning it with the latest Credit Risk Management Directive of Bangladesh Bank. The revised CRM Guideline places significant emphasis on:

- Risk Threshold: The policy addresses the bank's risk appetite, defining the level of risk it is willing to accept and manage.
- Credit and Collateral Concentration: It outlines measures and controls to manage credit exposure and collateral concentration to mitigate risks effectively.
- Credit Risk Mitigation Strategies: The policy provides strategies to mitigate credit risks effectively, such as collateral requirements and risk-reducing actions.

- Roles of Various Committees and Management: It clarifies the roles and responsibilities of the Board of Directors, Executive and Credit Risk Management Committee, Senior Management, as well as Relationship Managers in managing credit risks.
- Management of Problem Loans: The policy includes procedures and guidelines for identifying and managing problem loans to minimize losses.
- Risk-Based Loan Pricing: It incorporates risk-based loan pricing methodologies to ensure that loans are priced in accordance with their associated credit risks.
- Credit Administration: The policy outlines best practices for credit administration, ensuring that loans are properly documented, monitored, and administered in accordance with regulatory requirements.

3.8 Loan management of City Bank

In the lending process, selecting the right borrower is the most crucial and significant task for a lender. Before a customer can access credit facilities, it is essential that the applicant meets the following criteria:

- Character – Aim to take care of the advancement
- Capacity – Assessing the borrower's ability to utilize the funds effectively and generate income.
- Capital – Evaluating the financial strength to spread the lending risk.
- Conditions – Considering the overall business environment and conditions between the two parties involved.
- Collateral – Referring to additional securities that provide added assurance

Banks collect deposits for lending and investment purposes. This function is carried out by the Loans and Advances Department, which involves the sanctioning of advance proposals starting from the party's request for credit. The process includes the collection of essential documents, information, and financial statements, scrutiny of this information, preparation of the loan proposal, security analysis and valuation, audit, lending risk analysis, and establishing terms and conditions. These steps in the loan approval process are outlined below:

- ✓ Stage 1: When a client intends to apply for a loan from the bank, they need to submit an application along with required documents such as two passport-sized photographs and a valid trade license. The application should include a description of the collateral, which cannot be land with disputed ownership. An evaluation of the collateral's physical condition is required, and an incentive from the local authority should be arranged. A qualified BSS Engineer must conduct the evaluation, and a confidential report from other banks, as well as a financial statement, are also necessary.
- ✓ Stage 2: The branch sends the loan proposal, along with a letter of hypothecation and other relevant documents, to the Head Office.
- ✓ Stage 3: The Head Office approves the proposal with certain terms and conditions. If the applicant agrees to these conditions, they sign the duplicate copy.
- ✓ Stage 4: To formalize the collateral, a legal advisor will complete the documentation and provide a letter of satisfaction.
- ✓ Stage 5: After signing the necessary loan documents, the credit is disbursed, and the account is set up for repayment, including providing the applicant with a checkbook.
- ✓ Stage 6: The borrower must submit inventory reports on a monthly basis. In this case, periodic assessments are essential, and the loan needs to be reconciled every 45 days

3.9 Types of Loan

There are Retail loan sections & there are SME loan sections. In my tenure of Internship, Personal, Home, Auto loans and Secured Facilities were relevant parts of me.

3.9.1 Auto loan

Having a car is no longer a luxury. Take advantage of our Auto Loan, a personalized vehicle financing product from City Bank designed for individuals.

Auto loan Information:

Service Features	Eligibility Criteria
I. Loan amount ranges from Tk. 3 lac to Tk. 40 lac II. Financing up to half of reconditioned or new vehicle cost III. Up to 100% financing for credit against money security IV. Loan tenor 12 to 60 months V. No concealed charges VI. Competitive financing cost	I. Age Limit has to be 22 to 65 years II. Experience: III. Salaried Executive has to have Minimum 1 year of experience, including at least 6 months with the current employer. IV. Professionals have to have 1 year of experience in their field of practice. V. Businessman has to have Minimum 2 years of involvement in the same business. VI. c) Income has to be minimum Tk. 40,000. VII. For all other segment that is TK 60,000 VIII. No need for personal Guarantor
Processing Fee	**Rate**
0.25 - 2 % of the loan amount	12.50% interest

3.9.2 Personal loan

Whether it's a special occasion or a specific need, a Personal Loan from City Bank is here to address all your requirements and fulfill your dreams.

Personal loan Information:

<table>
<tr><td><u>Service Features</u>
I. Loan amounts ranging from Tk. 2 lac to Tk. 20 lac
II. Loan tenure options range from 12 to 60 months.
III. No hidden charges associated with the loan.
IV. Competitive interest rates for favorable terms.</td>
<td><u>Eligibility Criteria</u>
I.Age Limit has to be 22 to 60 years.
II.Experience:
• For salaried executives a minimum 2 years of experience, including at least 6 months with the current employer.
• For professionals a minimum 2 years of experience in their field of practice.
• For businessmen a minimum 3 years of involvement in the same business.
III.Income requirement:
• Salaried Executive earning Tk. 40,000 (A/C payee)
• Landlord earning Tk. 50,000
• For Professionals who earn Tk. 60,000
• For Business Person who earns Tk. 100,000</td></tr>
<tr><td><u>Processing Fee</u>
0% - 2%</td>
<td><u>Rate</u>
a) For salaried person interest is 12.50%
b) For business person interest is 13.50%</td></tr>
</table>

Documentation Checklist for Personal Loan (Conventional)

SL	Documents	Checkpoints	Docs Obtained Yes	No	N/A
		Mandatory Document			
1	KYC	KYC (applicant/co-applicant) properly filled up with source & line manager's seal/sign	✓		
2	Application Form	Properly filled out (N/A to be written for irrelevant field) along with reference filled	✓		
3	Self-declaration	Self-declaration (applicant/ guarantor) of correct information	✓		
4	Photograph	Borrower's/ Co-borrower's sign verified by source (3 copies passport sized lab print photograph)	✓		
		Guarantor's sign and photograph attested by borrower (2 copies passport sized lab print)			
5	NID/Smart Card	NID verification copy of borrower/ co-borrower/ PG with FTE'S endorsement is mandatory (subject to availability in EC Database)	✓		
6	E-TIN / TIN	TIN must be in personal name (mandatory for 05 lac & above / CBL existing Credit Card Holder)		✓	
7	Price Quotation	Appropriate quotation is duly signed by borrower & SV by SM/FTE	✓		
		Price must be within 30% LTV	✓		
8	Liability Details	Repayment Statement (1 year) and/or Sanction Letter (as applicable)	✓		
9	Loan Takeover	Repayment BS and outstanding letter is mandatory. (O/S amount may be decided on up-to-date loan a/c BS). A/C number for issuing pay order is must		✓	
10	Personal Guarantee	If guarantor is applicable, supporting documents (NID, photograph) along with complete information page		✓	
11	Deviation/Exception	Recommendation required from appropriate authority along with explanation/ justification for breaching any PPG parameter/ policy/ process	✓		
		Specific Documents for Salaried Segment			
12	LOI / Salary Certificate	LOI must be in letterhead PAD - issue date (within last 1 month), joining date, designation, job status (Permanent/Contractual/Temporary), salary breakdown, Issuer name sign and designation, contact number etc.	✓		
13	Previous Employment Docs	If service length <1 year in present employer then, previous-employment proof required mentioning joining and release date/proof		✓	
14	Bank Statement	Account title (borrower's name & address) in 06-month Bank Statement for non-CBL customer	✓		
15	Cash Voucher / Pay Slip	Last three months Cash Voucher/ Pay slip for partial and cash paid salaried person		✓	
16	Company Profile for Company Categorization	Detail company profile for CBL new lending	✓		
		Specific Documents for Business Segment			
17	Trade License	Updated trade license (03 Years minimum)		✓	
18	MOA & Form X/XII	Latest Renewal as applicable (for Limited Concerns)		✓	
19	Partnership Deed	Partnership Deed in Non-judiciary Stamp for partnership concerns		✓	
20	Bank Statement	01-Year Bank Statement		✓	
21	Business Card/ Office ID	Borrower's/ co-borrower's/ guarantor's Business Card / Office ID (N/A for Land lord)		✓	
		Specific Documents for Professionals			
22	Professional Certificate	Professional Certificate for doctors, engineers, lawyers etc.		✓	
23	Bank Statement	06-month Bank Statement		✓	
24	Income Self-declaration	Income self-declaration on letterhead PAD properly signed by borrower		✓	
		Income self-declaration on letterhead PAD duly verified by source and endorsed by BM; For sales team & Payroll: HoDMT/ HoPayroll/ HoPL / HoAL/ HoML or equivalent or above		✓	
25	Chamber Visit Report	Chamber Visit Report supported by full-time employee		✓	
		Specific Documents for Landlord / Landlady			
26	Land / Building Ownership Document	Registered Deed/ Mutation Copy/ Duplicate ~~Carbon Receipt/ Holding~~ Tax Copy etc.		✓	
		Rental Deed with rental summary (e.g. rented flat number/ floor, amount, tenant name, etc. with applicant's signature as per format)		✓	

27	Bank Statement	06 month's personal a/c Bank Statement	
		Other Documents Must	
28	CPV Form / Internal CPV Form	CPV Form, BS Withdrawal Form, LOI photocopy, Rental Summary.	
29	CIB Form	Properly filled CIB Enquiry and Undertaking Form signed by borrower and SM/BM/TL	
		Additional Documents (as applicable)	
30	Business Profile	Business Profile with major client list for businessman (not applicable if covered in KYC)	
31	LC Copy	LC Copy/ Import License for importer	
32	Dealership Agreement	Dealership agreement for distributor	
33	Renewal License	Renewal License for C&F agent	
34	ATAB/AITA	ATAB/AITA certificate for travel agent	
35	Drug License	Drug License for pharmacy (optional)	
36	Work Order	Work Order/Contract Paper etc. for free-lancers/contractor/ supplier	
37	SeaMan Book	SeaMan Book (Log Book) for Mariners	
38	Fire License	Fire license for chemical and flammable goods business (Optional)	
		Asset Operations Documentation Checklists	
39	Asset Operations-Documentation Checklist & Disbursement Information	CD/SB Account in debit authority	
		DP note for BDT: _______	
		LOG page signed by guarantor	
		Cheques (repayment/security cheques) with right amount crossed & A/C Payee marked and LOA duly signed	
		Accepted Banking Arrangement Letter (appropriate one)	
		Contact Point Verification (CPV) report	
		Most Important Documents (short detail of loan sharing with client)	
		Cheque Declaration Form	
		SBS Form	
		BEFTN Form (if applicable)	
		Board Resolution (if applicable)	
		Insurance Form & Authorization (if applicable)	
		Approval Checking: Approval condition okayed by analyst, applicant name, facility type, guarantor name, CIB date, approval date, EMI date confirmation, EFTN & PDC A/C, takeover details	
	Note:	Additional document under any campaign e.g. ST, Amex with loan etc. will be guided as per memo	
		A full set attested photocopy of all documents are considerable for another files for bundle offer	
		All photocopy documents must be original seen/attested marked.	

Prepared By

[redacted]

(Seal & Signature)

[redacted]

Checked By

[redacted]

BM/ Sales Manage [redacted]

(Seal & Signature) [redacted]

3.9.3 Home loan

Turning your dream of owning your own house into reality is simply a matter of choice. Once you make that decision, we are here to assist you in making your dream come true.

Home loan Information:

Service Features	**Eligibility Criteria**
I. Credit amounts ranging from BDT 5 lac to 200 BDT. II. Repayment tenure options from 1 year to 25 years. III. Financing available for up to 70% of the property valuation. IV. Early settlement facility. V. Loan against property. VI. No hidden costs associated with the loan. VII. Overdraft (OD) facility. VIII. Non-Resident Bangladeshi (NRB) facility. IX. Semi-Pucca facility.	I. Age range has to fall within 22 years to 65 years. II. Experience: - 3 years' experience in any field - Income Criteria: - Executive/Professional: Minimum Tk. 50,000 - Minimum Tk 30,000 for government officials
Processing Fee	**Rates**
0.5% – 2%	**a)** Interest on new flat purchase is 11.00% **b)** Interest on renovation is 11.50%

3.9.4 Secured facilities

There are Secured Loan, Secured Overdraft and Secured Loan Bullet Payment here. The loan amount is minimum BDT 50,000 which is a maximum 90% against securities. The loan tenure is 12 months for secured, 1 year for secured overdraft and 12 or 24 months for bullet payment. Securities are FDR, DPS, WEDB/USDIB/USDPB. Loan to value ratio is up to 90% for CBL issued securities, 85% for another bank and NBFI and up to 75% for WEDB/USDIB/USDPB. Perks are no hidden charges and come with competitive interest rates. To be eligible one has to be at least 18 years old and has to have a minimum income of 15,000 BDT monthly.

3.10 Documentary Credit

This advance taken before import, undertaken as security for the customer to make a simultaneous payment to the beneficiary of the Letter of Credit (L/C) upon the fulfillment of the terms and conditions outlined in the credit. At this stage, the bank does not assume direct liability; hence, it is referred to as an unforeseen risk. The bank collects the necessary documents such as Trade license and TIN Certificate; others include IRC registration certificate, Proforma Invoice and Insurance copy. It is then processed with the exporter's bank. If the process unfolds smoothly, the import takes place.

The exporter provides the required legal documents to the bank, which then grants a 90-day period for payment, holding the documents until the payment is made. After payment, the bank releases the documents to the importer. For these procedures, banks charge a commission. CBL charges a 14% commission, but if the bank provides the full margin, it charges a 15% commission.

3.11 Default loan provision

Recovering loans from customers, despite meticulous procedures, can sometimes pose challenges for banks. The steps involved in the recovery process are outlined below:

- ✓ Step 1: Regularly monitor customers' financial situations. Any signs of a deteriorating business or financial condition serve as an early warning for the bank. The bank flags customers with a potential risk of default.

- ✓ Step 2: In the event of a default, the officer and Branch Manager conduct a meeting with the customer, attempting to persuade them to make timely payments.

- ✓ Step 3: If the customer still does not make the payment, the officer escalates the matter to the Head Office. The Head Office then arranges a meeting to convince the customer to fulfill their payment obligations.

- ✓ Step 4: If the customer remains non-compliant, the Special Assessment Unit intervenes. This unit works to persuade the customer to meet their repayment commitments.

- ✓ Step 5: If all efforts fail, the bank initiates legal action. The bank then files a case. After obtaining a judgment in favor of the bank, the bank takes control of the mortgaged assets, organizes an auction, sells the assets, and recovers as much of the outstanding amount as possible

3.12 SOWT Analysis

Strength

- The longevity of experience: The organization benefits from a wealth of experience in the banking industry.
- Strength of identity: A robust and well-established corporate identity contributes to the organization's reputation and recognition.
- Workforce: The presence of a motivated and empowered workforce enhances the overall efficiency and effectiveness of the organization.
- Well-built Financial Position: The organization boasts a solid financial standing, providing stability and reliability.
- Performance: Demonstrated efficiency in operations and performance contributes to the organization's success
- ATMs: The presence of advanced ATM machines reflects the organization's commitment to technological innovation in banking services.
- First Walk-Through ATM System in the country: Pioneering a walk-through ATM system signifies the organization's leadership in introducing innovative banking solutions.
- Protocols: The organization's commitment to the highest security standards is evident in the implementation of the most secure AMEX protocols

Weakness

- Unusual Corporate Intricacy: The organization experiences a high level of corporate intricacy, making the implementation of new approaches challenging.
- Increasing Responsibility with Limited Resources: The continuous expansion of responsibilities is observed, but the available resources are limited, which can be a deterrent for small entrepreneurs.
- High Operating Costs: The organization encounters high costs associated with maintaining banking services.

Opportunity

- Networking: The organization benefits from a widespread network, ensuring a broad presence across the country.
- Service Quality Enhancement: The commitment to enhancing service quality not only improves the overall client experience but also contributes to increased client satisfaction.
- Management experiences: The presence of experienced managers adds depth and expertise to the leadership team, facilitating effective decision-making.
- Efficient Software Usage: Leveraging efficient software enhances operational effectiveness and contributes to streamlined processes within the organization

Threat

- Number of Private Commercial Banks: The growing competition due to an increasing number of private banks poses a challenge for market differentiation.
- Comparable Products Offered by Other Banks: Competing banks providing similar products may impact the unique selling proposition of the organization.
- Trend of Industry: An industrial downward trend could affect the overall economic environment, potentially impacting the organization's performance.
- Emergence of New Security Issues: The constant emergence of new types of security issues poses a challenge to maintaining robust security protocols.
- Sector Vulnerability: The vulnerability of low-income and other sectors may affect the bank's risk exposure and portfolio management.

- Government support: The uncertainty and instability in government security support may pose challenges for the organization's stability and risk management

4.00 FINDINGS AND ANALYSIS OF THE STUDY

4.1 Findings of the Study

During my internship, I gained significant experiences that enriched my understanding of banking on a broad scale. In this reflection, I aim to share my experiences and insights to provide a comprehensive overview. City Bank stands out as one of the fastest-growing and dedicated private commercial banks in the country. It conducts business operations nationwide, aligning its efforts with its objectives, goals, and a steadfast commitment to its mission and vision. The bank has consistently achieved a growth rate in all aspects of banking operations since its establishment, with its various departments working diligently to enhance customer services.

In addition to these positive aspects, I have observed the following points through careful analysis:

a) Credit and Debit Cards: Currently, the bank has a substantial number of credit and debit cards in the market, equipped with effective features. It's notable that the majority of credit card users are male.

b) Usage of Deposit Products: A significant number of clients are actively utilizing deposit products at present.

c) Centralized Operations: The bank operates in a highly centralized manner, where every action by a branch office requires approval from the Head Office. This centralized control may slow down the operations of individual branch offices.

d) Time-Consuming System: The existing system is time-consuming for both bankers and customers. For instance, bankers need to go through numerous documents to examine the details of a specific transaction, especially if it occurred in the past. Such inefficiencies in the process, especially for a long-term operational business, can have adverse effects on customer satisfaction in the long run, posing potential risks.

Overall, while City Bank has achieved commendable growth, there are areas where improvements could enhance operational efficiency and customer experience.

4.2 Analysis of the study

- Palmal tower is the full back-office operation.
- Every month City Bank pays 60 crore salary to every employee in Palmal tower in total.

- CBL demonstrates high effectiveness in loan recovery.

5.00 INTERNSHIP PROGRAM OVERVIEW

5.1 Duration and Location of Internship

My place of posting was in Palmal Tower at Plot No. 55, Gulshan South Commercial Area. Gulshan 1, Dhaka.

5.2 Internship Objectives and Expectations

- Perform all work allocated to the best of ability
- Exercise all the care and skill
- Comply with all lawful and reasonable direction and instruction given by officers or employees of the Bank
- Any Intellectual property rights developed by the intern while performing the internship under the internship agreement are hereby assigned to and vest in the Bank immediately as created

6.00 INTERNSHIP EXPERIENCE

6.1 Task and responsibilities

Name of Internee:	Imamul Bashar
Intern City Bank ID	2022098
Department/Branch:	Asset Operation

Summary of Tasks/Assignments Performed in Week/Month:

1. Month * Loan File Documentation * Loan Document Checklist Preparation * BA Letterz & Insurance Letterz Preparation * Different Monthly Report Preparation * Different MIS Maintenance.

2.Month * Loan file Documentation * Loan Document Checklist Preparation * BA Letterz & Insurance Letterz Preparation * Different monthly Report Preparation * Different MIS Maintenance.

3.Month * Loan File Documentation * Loan Document Checklist Preparation * BA Letterz & Insurance Letterz Preparation * Different monthly Report Preparation * Different MIS Maintenance.

6.2 Challenges encountered

- Information Confidentiality: There were limitations on disclosing anything that could adversely impact the bank's image. This constraint might have posed challenges in addressing issues transparently.
- Limited Availability of Information: Occasionally, authorities faced challenges in providing information due to their heavy workload. The extensive routine work might have hindered the availability of timely and comprehensive information

6.3 Skills and knowledge gained

- Time management
- Proper hygiene and grooming
- Efficient and fast way of completing stamp related work
- The way folding neatly and putting Insurance letters inside envelope

- Knowledge on using the copier, printing and scanning

7.00 CONCLUSION AND RECOMMENDATION

7.1 Recommendations

City Bank should proactively consider expanding its infrastructure and making necessary enhancements to better serve its broad customer base. In light of the competitive service sector in Bangladesh, City Bank must be particularly attentive to customer satisfaction, as customers now have more banking options, and competing companies are prioritizing excellent customer service. Gathering customer feedback can add value by tailoring services and relationships to meet the needs of the right customers, ultimately fostering greater commitment, loyalty, trust, and satisfaction, which results in strong relationships. City Bank currently faces some service gaps in understanding customer behavior and their potential needs, putting them at a disadvantage compared to modern banks. To bridge these service gaps, City Bank should conduct a thorough analysis of customer complaints, expectations, perceptions, and crucial internal marketing aspects. To ensure the promised smooth service to customers, the following steps should be taken:

- The account opening procedure should be clearly advertised. The online account creation process can be quite cumbersome, as it still requires a branch visit.
- The Akhoni app automatically issues a cheque book when used for account creation. However, customers cannot obtain an instant cheque book without visiting the branch to open a savings account. To address these inconveniences, the app requires either upgrades or permanent closure.
- Employees need to undergo effective training to handle customers efficiently, especially in high-pressure situations. In this regard, both branch staff and higher-ups can collaborate to train the employees effectively.
- Issues related to IT and internet connectivity must be given due attention and resolved promptly.
- Employees should receive comprehensive product and service training to provide customers with the right information and services they need promptly.
- Based on customer feedback, CBL is taking an extended amount of time to process and disburse credit. Efforts should be made to identify more efficient ways to streamline the credit processing time.

7.2 Conclusion

City Bank has established itself as the leading banking institution in Bangladesh, known for its exceptional operations. The organization stands out for its high level of organization compared to other local and international banks operating in Bangladesh. City Bank is committed to constant business development and improvement and is recognized as a catalyst for consumer growth. With a substantial pool of qualified and experienced human resources, City Bank is well-equipped to seize opportunities in banking industry

City bank has been a trailblazer in introducing various new products such as the American Express Credit Card and specialized banking services in our country. Despite facing significant competition from both domestic and foreign banks, City Bank Limited has consistently excelled in all aspects of its operations.

8.00 APPENDIX

8.1 Reference

8.1.2 Website & Links

- www.thecitybanklimited.com
- https://www.dhakatribune.com/business/banks/2017/10/06/defaulted-loans-amount-12-gdp
- dspace.bracu.ac.bd
- dspace.uiu.ac.bd
- http://www.assignmentpoint.com/business/finance /credit-risk-management-system-of-city-bank.html

8.1.3 Bibliography

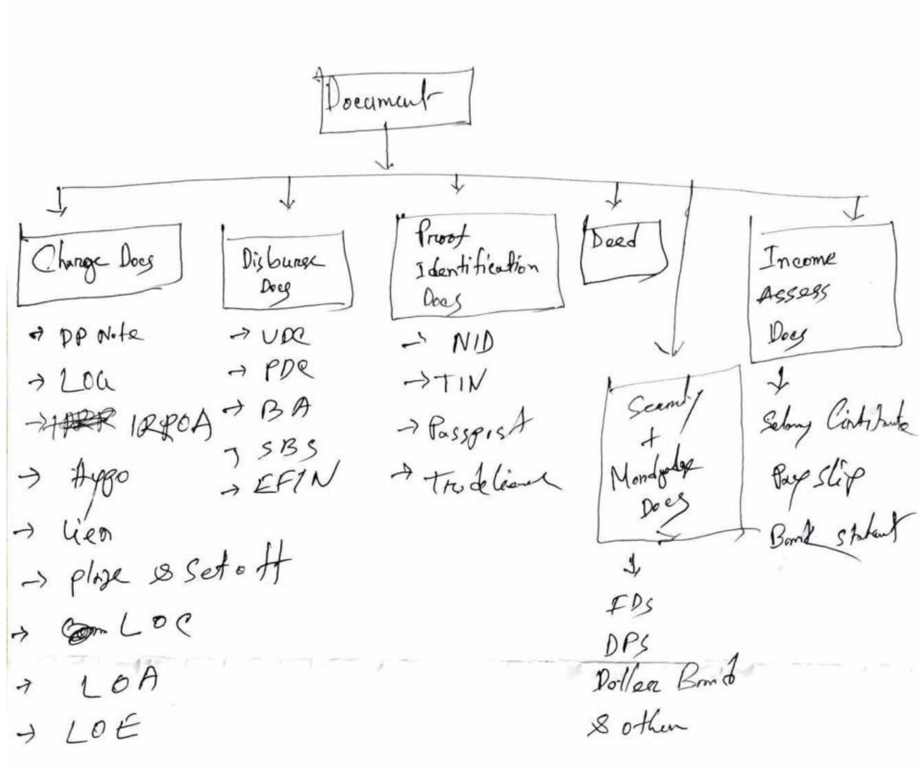
- Usha, U.T.(2018). Loan Management of the City Bank Limited. UIU, BBA. Dhaka: Dspace.

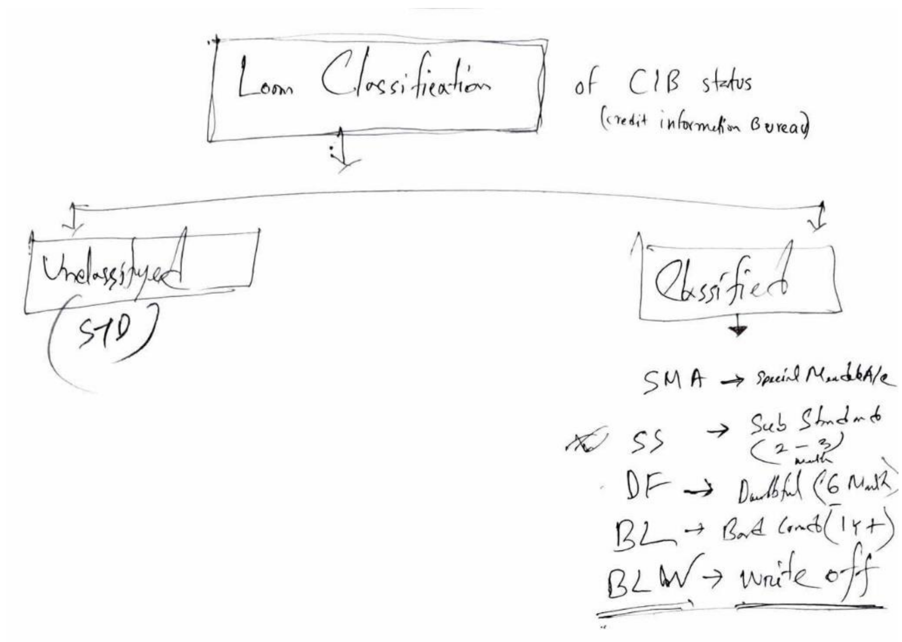
8.1.4 Booklet / Magazines

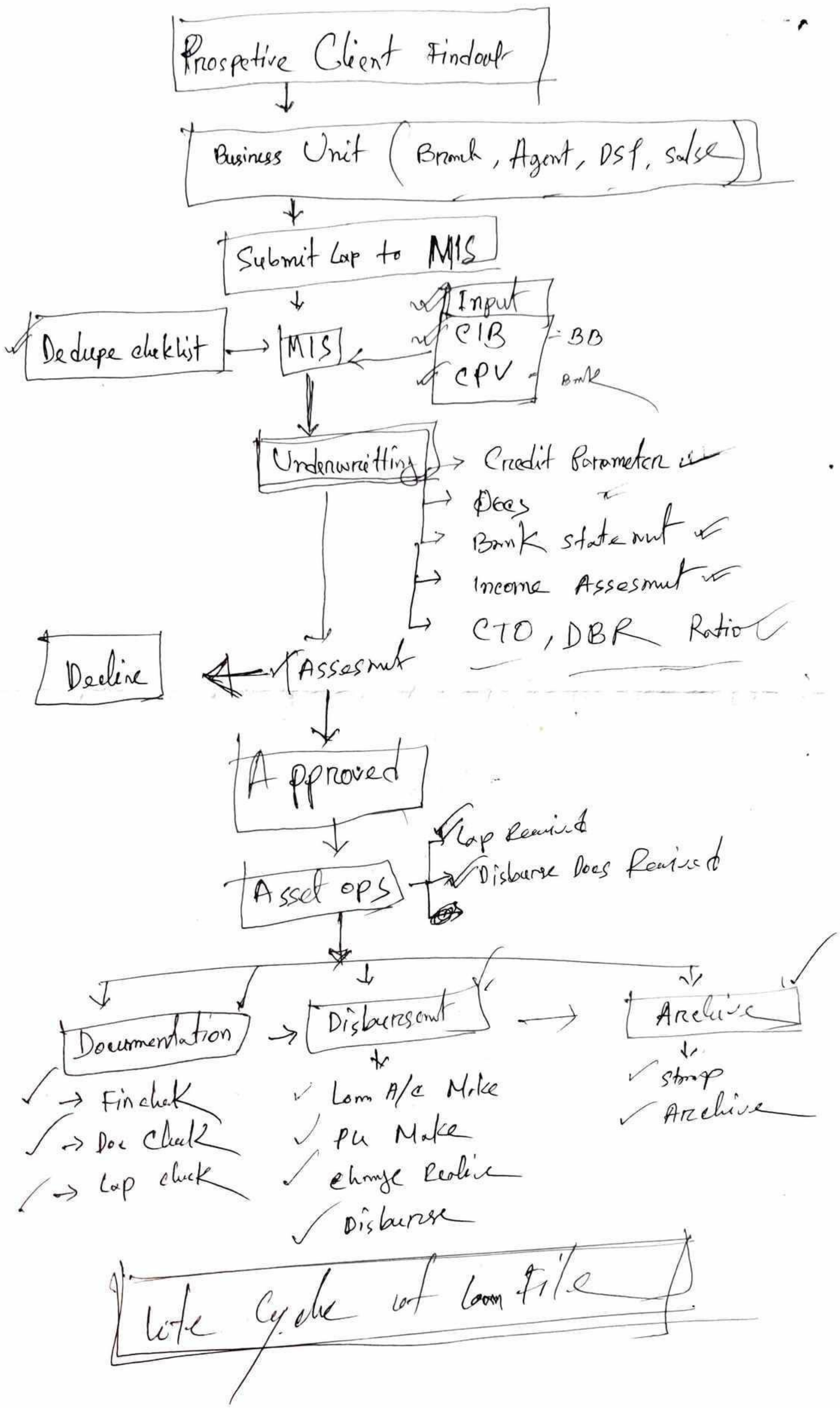
- Annual Report 2016
- Annual Report 2017
- Credit Policy Manual from the official City Bank website

8.1.5 Informatory/Guide

- MD Belal Hossain, Officer, CBL
- Hachan Mia, Officer, CBL


Document
Charge Docs
Disburse Docs
Proof Identification Docs
Deed
Income Assess Docs
DP Note
LOG
IRPOA
Hypo
Lien
pledge & Set off
LOC
LOA
LOE
UDC
PDC
BA
SBS
EFTN
NID
TIN
Passport
Trade license
Security + Mortgage Docs
FDs
DPS
Dollar Bond
& other
Salary Certificate
Pay slip
Bank statement


Loan Classification
of CIB status
(credit information Bureau)
Unclassified
(STD)
Classified
SMA → Special Mention A/c
SS → Sub Standard
DF → Doubtful
BL → Bad Loss
BLW → write off


Prospetive Client Findout
Business Unit (Branch, Agent, DSF, salse)
Submit Lap to MIS
Dedupe cheklist
MIS
Input
CIB
CPV
BB
Bank
Underwritting
Credit Parameter
Docs
Bank statement
Income Assesment
CTO, DBR Ratio
Decline
Assesment
Approved
Lap Received
Disburse Docs Received
Asset ops
Documentation
Disbursement
Archive
Fincheck
Doc Check
Lap check
Loan A/c Make
PU Make
Charge Realize
Disburse
Stamp
Archive
Life Cycle of Loan File

File sourcing:

①

Sale

A →

B → 20,00

C →

PPG = ~~Product~~

① NID

② Payslip

③ Tax Return 5 Lac 50%.

④ CPV Report 20%

⑤ Guarantor — NID Pic

⑥ Applicant - photocopy

Salaried Person 40 K.

Benefit

Company — A, B, C

9,00 NBL

DBR

F 100% 90%

Rate 30% 20%

1000 = 10% .0100

1000 - 100 = 900

90

900 - 90 = 82

7

6

900 - 90

909 + 10

= 9

INSTITUTIONAL QUALITY ASSURANCE CELL INSTITUTIONAL QUALITY ASSURANCE CELL INSTITUTIONAL QUALITY ASSURANCE CELL

Personal Loan (400th sticker)

Sticker
↓
Demand promisory note (1)
Letter of Guarantee (3)

Loan processing:

Credit Information Bevro (BB Bank Unit)
↳ CIB
↳ Verification

Contact point verification (CPV)
↳ Work address
↳ Communication address
} Bank

Mail Merging

Charge Document

For law
enforcement (মামলা)

leagal action

Linked to
legal constitution

Sticker attached
to provide the gov/legal institution
money for their charging
services (2800/=)

INTERN MONTHLY PROGRESS REPORT
INTERNSHIP PROGRAM
Fall/Spring/Summer
School of Business and Economics
United international University

Student Name: Imamul Bashar	**Institutional Supervisor:** Mohammad ShefauI Alam
Student ID #: 111182106	**Institution Name** City Bank
Major: MIS	**Academic Supervisor:** Ahmed Imran Kabir

Activities undertaken during the month

Date	Dept.:	Activity:
27/07/23	Asset Operation	Loan Document Checklist Preparation
07/08/23	Asset Operation	Loan file Documentation
23/08/23	Asset Operation	BA Letter & Insurance Letter Preparation
03/09/23	Asset Operation	Different monthly Report Preparation
11/09/23	Asset Operation	Different MIS Maintenance

Institutional Supervisor's

Date: 27-09-2023 Time: 3:02 pm

Additional Comments

Supervisor Signature: .... Date: 27/09/23

Student Signature.................................... Date: 27/09/23