

Internship Report on
Loan Disbursement and Recovery System: A study on IFIC Bank PLC.

Submitted by:

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ID: BBA2202026088

Program: Bachelor of Business Administration

Major: Finance

Semester: Spring -2026

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Sonargaon University (SU)

**Submitted for the partial fulfillment of the Degree of
Bachelor of Business Administration**



Sonargaon University (SU)

174/1, Green Road, Panthapath, Tejgaon, Dhaka

Date of Submission: 2nd May, 2026

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Assistant Professor
Department of Business Administration
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Letter of Transmittal

To
MD. SHAHBUB ALAM
Assistant Professor
Department of Business Administration
Sonargaon University (SU)

Subject: Submitted of Internship Report

Dear Sir,

It is a great pleasure and privilege to present the Internship Report titled “**Loan Disbursement and Recovery System: A study on IFIC Bank PLC**”. Which was assigned to me as a partial requirement for the competition of BBA Final year.

Throughout the study I tried with the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instructions as you have suggested. I tried my best to make this report as much informative as possible. I sincerely believe that it will satisfy your requirements. I however sincerely believe that this report will serve the purpose of my Internship Report of BBA Final year.

My effort will be rewarded only if it adds value to the research literature.

.....
RIA MONY

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STUDENT DECLARATION

I declare that, I have completed this Internship Report only for educational purpose, not for any income purpose. I gathered all information from the secondary sources and also directly communicated with employees of this company. That's why if occurred any mistake in this Internship Report then its liability always for me. At the same time, I also hope that our honorable, who would prefer to forgive me for some mistakes.

.....
RIA MONY

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Letter of Authorization

I hereby declared that the concerned thesis paper titled **Loan Disbursement and Recovery System: A study on IFIC Bank PLC.** is an original work by **RIA MONY**, ID: BBA 2202026088, major in Finance, Department of Business Studies Administration, Sonargaon University completed his thesis report under my supervision and submitted for the partial fulfillment of the requirement of the degree of BBA, Department of Business Administration, Sonargaon University.

I wish her success in his entire future endeavor.

MD. SHAHBUB ALAM

Assistant Professor

Department of Business Administration

Sonargaon University (SU)

Acknowledgement

First of all, I want to thank my internship supervisor **MD. SHAHBUB ALAM**, Assistant Professor, Department of Business Administration, Sonargaon University (SU), for his inspiring guidelines, valuable suggestion, positive criticism and constant help throughout the work and in preparation of this report. The successful completion of this report might never have been possible in time without him whose inspiration and suggestions made it happen.

I also want to thank to the management and officials of IFIC Bank Ltd., Lalmatia Branch. I would like to acknowledge toward Md. Saiful Islam, Vice President and Branch Manager and Md. Moinul Islam, Assistant Vice President and Manager Operations for being patient with me and supporting me for 3 months program and helping me to complete the report in time. My colleagues at the bank had also been very kind and helpful and they made my internship a more comfortable one. I would like to specially thank Tasnuva Khaleque (Principal Officer), Nishat Lubna (Senior Officer) and Abdul Kader Sarker (Officer) for being there whenever I needed their support.

Executive Summary

Banking system of Bangladesh has through three phases of development Nationalization, Privatization and lastly Financial Sector Reform. IFIC Bank Limited has started its journey as a private commercial bank on June 24, 1983. As a part of my under-graduation program, I have completed my internship in this organization. During the period of my internship, I was officially appointed to work in the credit risk department. The report will reveal the background of the company, description of the loans, findings and recommendations based on the gathering of experience.

The report is based on my critical observation while working in the credit risk department of IFIC Bank Ltd. Lending is one of the principal functions of the bank to ensure all the segment of a bank. Sound lending practice is also very important for profitability and success of a bank. For the sake of sound lending, it is necessary to develop a sound policy and modern credit management techniques to ensure that loans/ advances are safe and the money will come back within the time set for repayment. For this purpose, proper and prior analysis of credit proposals is required to assess the risk. Loan procedure of a bank is really difficult to do because there are some criteria which have to follow step by step for sanctioning a house building loan e.g. selection of a borrower, how much loan is providing, security and also approval process. It is a tough job for a banker to get through all the criteria and it is risky for them and also for the bank. The comparative analysis shows that IFIC is in better position, but there are some obstacles it faces to sustain the position. However, the continuous improvement of the services will certainly place the bank in the best position in one decade.

Bank credit is an important means for bringing about economic development in a country. IFIC Bank Limited, being one of the private commercial banks of the country, has some prejudice to finance directly on priority basis to agriculture, industry and commerce sector. Hence, it is very clear that IFIC Bank plays an important role to move the economic wheel of the country.

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Chapter-1

Introduction

1.1 Background of Study

Banks play a vital role in the economy by providing means of payment and in mobilizing resources (Mr. Shoal, personal communication, October 10, 2023). Today's modern banks aren't only providing traditional banking but also expanding the many financial services with unique features to their clients both individual and institutional. Credit Banking is one of those innovative services which are operating throughout the world economy (Mr. Sabbir Ahmed, personal communication, October 15, 2023). The financial system of Bangladesh consists of Bangladesh Bank (BB) as the central banks, 6 nationalized commercial banks (NCB), 7 government owned specialized banks, 32 domestic private banks, 9 foreign banks and 34 non-bank financial institutions. In our country Bangladesh Bank (BB), as the central bank, has legal authority to supervise and regulate all the banks. It performs the traditional central banking roles of note issuance and of being banker to the government and banks. Commercial banks and domestic private banks are the profit-making institution that holds the deposits of individuals & business in checking & savings accounts and then uses these funds to make loans. Both general public and the government are dependent on the services of banks as the financial intermediary.

After the completion of 12th semester institutional course, I was employed in IFIC Bank Ltd. as an intern for 12 weeks long Internship Program for acquiring practical knowledge. While working there, I have to select an area for my study and make a detail research to present and understand about that operational area. My Supervisor and Line Manager help me to select the Credit Management Department area of my study. This internship program is an actual experience of the practices in banking and helped to develop a broad understanding about the detailed process of credit management system of IFIC Bank Limited. This practical operation is also having positive development in professional field.

1.2 Objective of the Report

The main objective of education is to acquire knowledge. To acquired knowledge ultimately, we must do some practical application in addition to theoretical knowledge. Objectives of the study are summarized in the following manner-

1. To plot a clear image of the credit Division and its sub-divisions
2. To know about the Credit Risk Management (CRM) and Credit Administration Department (CAD).
3. To know about the different Governmental and IFIC policies, terms and conditions regarding the Credit Policy.
4. To get overall idea about how a bank operates their activities in different areas being a single organization.
5. To identify the major areas of inefficiency.

1.3 Scope and Limitation of the Study

Every academic and professional relative research and reporting work has got some scopes and limitations. The scopes and limitations of this research and reporting works are:

Scopes

1. Credit Division and its loan processing, follow up & recovery activities are the prospective topic.
2. Supervisors in the workplace are very helpful in case of data collection and interpretation.
3. Very realistic problems and questions can be arisen from the respective topics relating to the issues and very helpful for the future career illumination.

Limitations

1. One of the major limitations is the short internship period. For three months is not enough to know about everything of a Bank, so this report does not contain all the area of IFIC Bank Ltd.
2. Difficulty in accessing latest data of internal operations for security reasons.
3. Some information was withheld to retain the confidentiality of the bank.

4. Since the bank personnel are very busy with their activities, as a result they were not in a position to provide desired level of information about the report.

1.4 Methodology of the Report

For the implementation of the study I have worked on “IFIC Bank Limited (IFICBL)”. In order to make the Report more meaningful and presentable, two sources of data and information have been used widely.

Primary Sources

- Direct observation
- Face-to-face discussion with employees of different departments
- Study of files, circulars and practical work

Secondary Sources

- Annual Report of 2014 and 2015.
- Various books, articles, compilations etc. Regarding general banking functions, foreign exchange operations and credit policies.

Chapter-2

Overview of IFIC Bank

2.1 About IFIC Bank

International Finance Investment and Commerce (IFIC) Bank Limited started banking operations on June 24, 1983. In addition, it was set up in 1976 as a joint venture finance company at the instance of the Government of the People's Republic of Bangladesh. Government then held 49 percent shares while the sponsors and general public held the rest. The objectives of the finance company were to establish joint venture Banks Finance Companies and affiliates abroad and to carry out normal functions of a finance company at home. When the Government decided to open up banking in the private sector in 1983, the above finance company was converted into a full-fledged commercial Bank. Along with this, the Government also allowed four other commercial Banks in the private sector. Subsequently, the Government denationalized two Banks, which were then fully Government-owned.

2.2 Vision

To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.

2.3 Mission

Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for.

We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.

We want to be the leader among banks in Bangladesh and make our indelible mark as an active partner in regional banking operating beyond the national boundary.

In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.

2.4 Credit Rating of IFIC Bank

2014	2015	Definition of Rating
Long Term: AA3	Long Term: AA2	Have very strong capacity to meet financial commitments. They differ from the highest rated commercial banks only to a small degree. AA2 is judged as very high quality and very low credit risk.
Short Term: ST-2	Short Term: ST-2	Have very strong capacity for timely repayment and characterized with commendable position in terms of liquidity, internal fund generation, and access to alternative success of funds.

2.5 Management Structure

The thirteen members of the Board of Directors are responsible for the strategic planning and overall policy guidelines of the Bank. Further, there is an Executive Committee of the Board to dispose of urgent business proposals.

Besides, there is an Audit Committee in the Board to oversee compliance of major regulatory and operational issues.

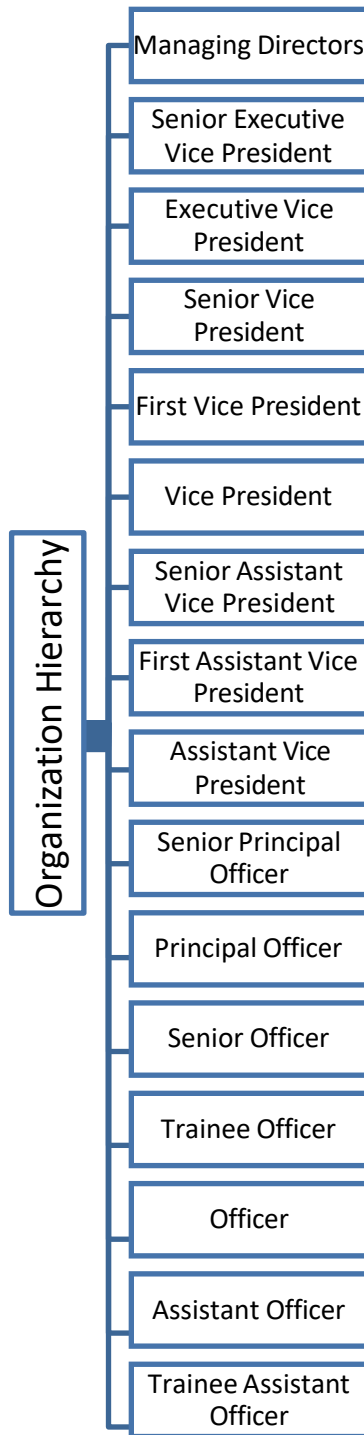
The CEO and Managing Director, Deputy Managing Director and Head of Divisions are responsible for achieving business goals and overseeing the day to day operation.

The CEO and Managing Director are assisted by a Senior Management Group consisting of Deputy Managing Director and Head of Divisions who supervise operation of various Divisions centrally and co-ordinates operation of branches.

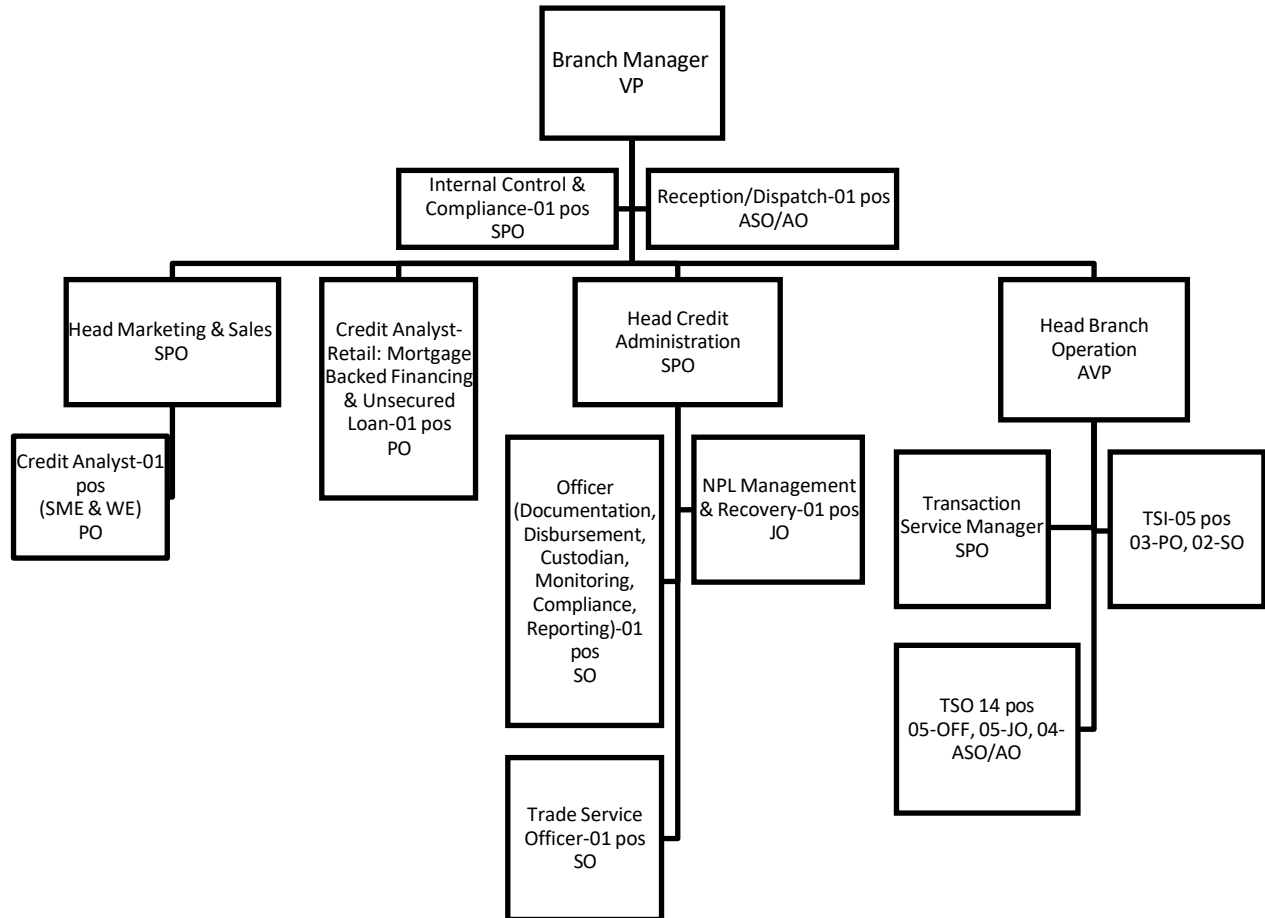
Key issues are managed by a Management Committee headed by the CEO and Managing Director. This facilitates rapid decisions.

There is an Asset Liability Committee comprising member of the Senior Executives headed by CEO and Managing Director to look into all operational functions and Risk Management of the Bank.

2.6 Organization Hierarchy



2.7 Organogram of Lalmatia Branch



Chapter-3

My Job Description

3.1 Credit Division

I started my Internship in Lalmatia Branch of IFIC Bank Ltd. at Credit Risk Management department. Credit division deals with Loans, Bank Guarantee, Locker, L/C (Letter of Credit), and LTR etc. However, my work was limited to Loan section, Bank Guarantee and L/C section. As an internee my I have performed numerous activities. My main task was to assist officers and executives in every aspects of their daily work. It includes every activity that the officials performed like dealing with posting customers, computer, document analysis etc.

1. Creating Spreadsheet and Updating Previous Spreadsheet:

In case for a new client, whose financial records has not previously been entered into the system, I had to prepare new spread sheet for specific clients based on the company financials data provided.

2. Processing Reported Figures:

Sometime I assisted the officers concerned in the department to verify their old reports as well as completed those by entering the TIN code, passport or National ID of their clients. I prepared some spread sheet of their loan classification, SOD and Loan general account information and etc.

3. Other Activities:

- Writing business letters to clients
- Examination of draft copy of mortgage deed
- Read-through of charge documents in accordance with sanction terms
- Preparation and checking of CIB (Credit Information Bureau)
- Checking of Customers applications
- Entry of Loan Documents in documentations registers
- Conducting financial analysis of loan proposals (NPV, IRR etc.)

3.2 Experience

During the period of my internship, my responsibilities were diverse in nature. At first, I was assigned to learn different phases of work. Then, I started working in different sections. The work environment in bank is really pleasant and I really like to work with them. The executive officers helped me most of the time when I got stuck into my required work. Throughout this internship program, I got a chance to be a part of our corporate sector.

Chapter-4

Credit Risk Management

4.1 Credit Risk Management

Credit risk refers to the probability of loss due to a borrower's failure to make payments on any type of debt. Credit risk management is the practice of mitigating losses by understanding the adequacy of a bank's capital and loan loss reserves at any given time, a process that has long been a challenge for financial institutions.

The global financial and the credit crisis give an attention to the credit risk management. As a result, regulators began to demand more transparency. They wanted to know that a bank has thorough knowledge of customers and their associated credit risk.

In 2008, we have seen worst economic disaster after Great Depression of 1929. It began in 2007 with a crisis in the subprime mortgage market in the USA, and developed into a full-blown international banking crisis with the collapse of the investment bank Lehman Brothers on September 15, 2008. Excessive risk-taking by banks such as Lehman Brothers helped to boost the financial impact globally. While the collapse of large financial institutions was prevented by the bailout of banks by national governments, stock markets still dropped worldwide. In many areas, the housing market also suffered, resulting in evictions, foreclosures, and prolonged unemployment. The crisis played a significant role in the failure of key businesses, declines in consumer wealth estimated in trillions of US dollars, and a downturn in economic activity leading to the Great Recession of 2008–2012 and contributing to the European sovereign-debt crisis. But the unemployment rate is still high after the recession.

IFIC Bank presents better credit risk management to improve overall performance and a secure a competitive advantage. They are always trying to understand of a bank's overall credit risk viewing the individual, customer and portfolio level risks.

4.2 Lending Principles of IFIC Bank

IFIC Bank follows the following five principles in its lending activity:

1. Safety

Safety means the borrower should be able to repay the loan at regular in time without default. IFIC Bank always considers the creditworthiness of the borrower who is governed by character,

capacity to repay and his economic condition so that they should not scarify about the safety for profitability.

2. Security

IFIC Bank is always careful in the selection of security to the safety of the loan. They evaluate the proper value of the security because it's providing to give loan in basis of security.

3. Liquidity

Liquidity is an important principle of bank lending. It is essential because bank needs cash to meet urgent requirement of customer. So, IFIC Bank considers the liquidity of the loan in the time of sanctioning it.

4. Diversity

Diversification aims at minimizing risk of the investment portfolio of a bank. IFIC Bank has different types of categorized loan where they are investing and spreading its risk. It helps to surplus their profit and minimizing risk.

5. Profitability

IFIC Bank is earning 5-6% each year for investing different types of loan. So, it ensures that they should invest in such securities which are a fair and stable return on the funds invested. The earning capacity of securities and shares depends upon the interest rate and the dividend rate and the tax benefits they carry.

4.3 Sound Principles of Lending

Sound principles of lending are obvious to avoid loan default tendency and risk elements to safeguard of public money as well as business of a bank.

So, there must be a principle of advance and efforts should be made to make it a sound one for which in depth study must be made on the following points of the bank:

- When loan is to be given.

- Why loan is to be given.
- How the loan is to be given.
- What may happen after disbursement of the loan?
- Generally, what happen (from past experience) after disbursement if the loan.
- It is hopeful that the borrower will repay the loan.
- Whether the loan should be given only the private sector or also in government sector as well.
- Whether only secured loan will be extended or provision should be kept for clear loan also.
- Whether only short term and midterm loan should be considered or long term will be considered.

4.4 Types of Loan

According to the borrower need bank provides various types of loan. The loan is divided into two categories. These are –

4.4.1 Consumer Finance

1. Easy Loan (Secured Personal Loan)

Easy Loan is to serve for any personal financial needs. The loan is absolutely hassling free & paid against financial securities.

2. Consumer Durable Loan

IFIC creates an opportunity to satisfy customers’ desire to purchase consumer durables like-computer, television, refrigerator, washing machine, air conditioner, motor cycle, and a lot of other things.

3. Parua Loan (Education Loan)

IFIC Bank offers Education Loan that can make a student's dream comes true. IFIC Bank firmly believes that expense for education is an investment for future. Only education can fulfill the dreams of an individual as well as a nation.

4. Thikana (House Building Loan)

"IFIC Home Loan" is an attractive home & mortgage-based loan facility for all credit worthy individual of Bangladesh who wish to buy new or used apartment/flat, mortgage their existing house/flat/apartment or construct/ renovate/ extend their existing flat/house etc.

5. Peshajeebi Loan (Loan for Professional)

IFIC Bank offers loan for Doctors/Engineers/IT Professional/Management Consultant or any other professional of their any personal need.

Schedule of Consumer Finance Loan

Consumer Finance Loan	Loan Amount	Interest Rate	Tenure
Easy Loan (Secured Personal Loan)	1. Maximum 95% of the face value of the FDR 2. Maximum 100% of the amount MIS 3. Maximum 100% of the principal amount of PSS	1. 8.50% 2. 7.00% 3. 7.50%	12 to 36 Months
Consumer Durable Loan	Maximum 100,000/-	16.50%	12 to 36 Months
Parua Loan (Education Loan)	Maximum 800,000/-	16.50%	12 to 48 months
Thikana (House Building Loan)	5 Lac to 120 Lac	9.50%	5 to 20 Years
Peshajeebi Loan (Loan for Professional)	Maximum 800,000/-	16.50%	12 to 48 Months

Requirements

- i. Age limit: Minimum age 25 years and maximum age 60 Years.
- ii. Loan size: Minimum Tk. 100000 and Maximum Tk.500000 (Depend on the nature of the loan)
- iii. Disbursement Mode: Loan general/ overdraft/ Term Loan.
- iv. Rate of Interest: As prescribed or as revised from time to time.
- v. Penal Interest: Additional 2% P.A on the overdue amount.
- vi. Repayment Method: Equal monthly installment.
- vii. Service Charge: 1% on loan amount to be realized before disbursement of loan
- viii. Required documents:
 - 2 copy passport size photographs from the intending borrower.
 - CIB Report on the borrower
 - Letter of arrangement
 - Letter of disbursement (for loan)
 - Letter of installment (for loan)
 - Letter of continuity (for SOD limit)
 - Letter of lien on security
 - Surrender form (for ICB unit certificate)
 - Personal guarantee of spouse/parents
 - Memorandum of deposit of claques
 - Bank statement for minimum last 6 month
- ix. Legal Documents

4.4.2 Small and Medium Enterprise Finance

- Retailer Loan
- Transport Loan
- Commercial House Building Loan
- Possession Right Loan
- Contractor's Loan
- Letter of Guarantee
- Working Capital Loan

- Letter of Credit
- Loan against Imported Machinery Project Loan
- Woman Enterprise Loan
- Muldan Loan

Requirements

- i. Nature of loan: Overdraft or Loan General
- ii. Age limit: Minimum 21years and Maximum 65 years
- iii. Rate of interest: Basis on the nature of the security
- iv. Penal interest: Additional 2% per annum on the overdue amount.
- v. Disbursement mood: overdrawing the CD account/credit to party's CD account in the case of loan general.
- vi. Disbursement pre-condition:
 - Acceptance of sanction terms
 - Clean CIB report
 - Payment of all charge
 - Deposit of instrument duly discharged
 - Execution of all charge document
 - D.P Note
 - Letter of arrangement
 - Letter of disbursement (for loan)
 - Letter of installment (for loan)
 - Letter of continuity (for SOD limit)
 - Letter of lien on security
 - Surrender form (for ICB unit certificate)
 - Pledge set up confirmed by CDBL
- vii. Legal documents
- viii. Tenor
- ix. Service charge

Chapter-5

IFIC Bank Home Loan

5.1 Home loan procedure

House Building Loan is a Term Loan provided for construction of building for commercial/Residential purpose. The Loan is also provided to purchase of floor space for commercial use and also provided to purchase readymade flats/completed building for residential/commercial purpose.

Features

1. Loan is disbursed in times with the development of construction work and utilization of portion.
2. Full disbursement of loan is also allowed at a time for purchasing of flat/completed building/commercial spaces.
3. Grace period for loan disbursement maybe allowed in the account depending on the cash flow. After the sanction of loan, borrower can transaction his money every time. If the amount is large enough in monthly basis then he can get grace period for failing to give the payment of loan. The range of the cash flow should be at least Tk. 25,000/- or more per month.
4. Interest is calculated and charged quarterly on the drawn amount on the daily product basis.
5. Interest rate is fixed based on the rate published from time to time.

5.2 Selection of the Borrower

The process of borrower selection process or credit analysis is getting assurance from the loan borrower to provide liable information about them and recover the loan to the bank. It's critically examined by the bank, as banks' lending depository money to the borrower. For the right selection of the borrower ensures the repayment of the fund in the installment of net loan. Right selection needs a careful and systematic study of the affairs of the intending borrower. At the time of selection of the borrower credit management should consider the following five „C"s.

- Character
- Capacity

- Capital
- Collateral &
- Condition

5.2.1 Appropriate Selection of the Borrower

Before forwarding and advance proposal there are some other steps for being appropriate in selecting the right borrower. These are:

- Reports obtained through friends or rivals especially from the borrower in same line of trade or business
- Statement of accounts with another bank
- Statement of assets and liabilities
- Balance sheet, profit & loss statement of accounts for three years
- Income tax statement
- Trade and other report in the press
- Confidential reports from other banks
- Personal contact and interview
- Date of opening of the account – nature of transaction – average balance – present balance.
- Business – its nature – dealing items – average turnover.
- Purpose of financial accommodation
- Nature of primary security
- Collateral security – if any
- Period for which the accommodation sought for
- Repayment method
- Personal characteristics of the borrower
- Business experience
- Credit worthiness of the applicant • Investment of the business
- Other source of income – if any
- Market reputation – goodwill • Other investment – if any
- Financial obligation – if any
- Audited Balance Sheet, Profit and Loss account

- Location of the business
- Banker's confidential status report
- CIB report after studying the borrower's documents, the credit manager is to take decision whether the borrower may be provided advance or not. If the analysis borrower selection is positive, the credit manager can give loan or credit to the selected borrowers.

5.2.3 Loan Documentation

Bank must obtain to follow the documents for all facilities before disbursement of loan can be made:

- Loan Application Form duly signed by the customer.
- Acceptance of the terms and conditions of sanction Advice.
- Trade License.

5.2.4 In the case of Individual Person Taking Home Loan

- 2 (two) copy passport size photographs of intending borrower & guarantor.
- Letter of introduction from employer (where required)
- Bank Statement (for last 6 months)
- Personal Net worth Statement.
- Copy of passport/voter ID/Driving License (if any)
- Utility bill copy (Telephone/Gas/Electricity)-anyone
- Salary Certificate/ Trade License.
- Tax Index Number.
- Copy of offer letter from recognized college/university for studying abroad.
- For local private university/Medical college submission of evidence related to admission and cost. CIB report on the borrowers as required.

5.3 Guidelines of Bank for Giving Loan

These guidelines include quantitative considerations for the worthiness of the borrowers and determining the maximum permission limit per borrower.

Basically, the policies and procedures can never sufficiently capture all the complexities of the product. Therefore, the following credit principles are the ultimate reference points for making financing decisions:

- Evaluate the entrepreneur's character for integrity, reliability and willingness to repay the money.
- Only lend when the entrepreneur's has capacity and ability to repay.
- Only extend credit if bank can adequately understand and manage the risk.
- Use common sense and past experience in conjunction with thorough evaluation and credit analysis.
- Be taking the initiative in identifying, managing and communicating credit risk.
- Be thorough in ensuring that credit exposures and activities comply with the requirement set out in product program

5.4 Security against Home Loan

Primary security against home loan is the land and the building to be constructed on the land. However, purchasing of the flat will be the security of the proportionate land which is going to be considered as respective floor. In addition, financing in the land for constructing to be a building on the land, the security will be project land along with building as per power of attorney given by the owner of the land.

5.5 Approval Process

The relationship manager will endorse credit proposal and send it to Head of Corporate Banking and Marketing Division who is going to evaluate the proposal and forward the same proposal with recommendation to Head of CRM for sanction or decline the proposal and refer it back to

the Relationship Manager. Head of CRM Division will hand out the proposals to the respective department Managers and they are going to analyze whether the loan will be sanctioned or declined within their delegated powers or recommend the proposal to the next higher authority for approval.

5.5.1 Mode of Financing

The House Building loan is termed as “Thikana” under the PPG of consumer financing and as Commercial House Building Loan under Small Enterprise financing.

5.5.2 Charge Documents

1. Acceptance of sanction terms on duplicate copy of sanction advice.
2. Demand D. P. Note:
 - i. Single - Individual/Proprietorship (duly stamped as per Stamp Act.)
3. Letter of Arrangement
4. Letter of Disbursement
5. Letter of Installment
6. Letter of Guarantee
7. Mortgage deed
8. Power of Attorney to sell the property without intervention of court.
9. Pledge of financial instrument i.e. FDR, Share, PSP etc. (where applicable)
10. Valid Trade License (where applicable)
11. TIN Certificate
12. Original Deed
13. Bia deed
14. CS, SA, RS & Hal parcha
15. Mutation with DCR
16. Up to date rent paid receipt
17. Site Map
18. Non-encumbrance certificate
19. Approved plan for construction from the competent authority.
20. NOC from the concerned authority for creation of mortgage, where applicable.

21. Estimated cost of construction by a Civil Engineer
22. Board resolution in case of limited company to borrow and execution of loan documents (where applicable)
23. Registered Partnership Deed in case of partnership firm certified by RJSC & firms along with letter of partnership (where applicable).
24. Memorandum & Articles of Association along with certificate of incorporation duly certified by RJSC (where applicable)
25. Certified copy of up to date list of directors (where applicable)

5.5.3 Disbursement

Branch will confirm in writing Credit Administration Department, CRM, Head Office duly signed jointly by Relationship Manager and Credit Administration Officer, all documentation formalities have been completed as per terms of sanction seeking disbursement authority. Branch will also confirm documents are held with them under joint custody. Copies of all documents shall be sent to the Credit Administration Department along with the letter. After proper inspection of the documents with the sanction letter Credit Administration Department Head Office will issue letter authorizing the branch to disburse the advance. On receipt of authority the Credit Officer will open a loan account and the party shall avail the facility in the form of House Building Loan.

5.5.4 Record keeping

1. Particulars of sanction shall be recorded in the confidential limit sanction register.
2. All charge documents and securities & other important paper should be recorded in the safe-in safe-out register under the initial of the Relationship Manager & Credit Officer or Credit In-charge & Credit Officer and kept in a separate security file with proper index.
3. The file shall be kept under dual control & kept in a locked, preferably fire proof storage.

5.6 Installment Calculation for Home Loan: BDT 100,000/- (Figure in BDT)

Tenor (Year)	Interest @ 8.75 % (Take Over)	Interest @ 9.50% (Fresh)
5	2067.00	2103.00
8	1455.00	1494.00
10	1257.00	1297.00
12	1127.00	1170.00
15	1003.00	1048.00
18	925.00	972.00
20	888.00	936.00

Facility may be offered up to:

Term Loan : BDT 120.00 Lac

OD (Premium) : BDT 100.00 Lac

5.7 Installment Calculation for Home Loan: BDT 2,000,000/-

Month	Debt Still Owed at Beginning of Period	Interest Due at the End of the Period	Payment Due at the End of the Period	Repayment of Debt with this Period Payment	Debt Still Owed at the End of the Period
1	20,00,000	15,833.33	20,884.49	5,051.16	19,94,949
2	19,94,949	15,793.34	20,884.49	5,091.149	19,89,858
3	19,89,858	15,753.04	20,884.49	5,131.454	
4	19,84,726	15,712.42	20,884.49	5,172.078	
5	19,79,554	15,671.47	20,884.49	5,213.023	19,74,341
6	19,74,341	15,630.2	20,884.49	5,254.293	
7	19,69,087	15,588.6	20,884.49	5,295.889	19,63,791
8	19,63,791	15,546.68	20,884.49	5,337.815	
9	19,58,453	15,504.42	20,884.49	5,380.073	

5.8 Product Program Guidelines for Consumer Financing Thikana (House Building Loan)

Customer Segment	• Employees of Gov. /Semi Govt./Corporation/Autonomous bodies. • Employees of commercial Bank, Foreign Bank and others reputed financial institutions. • Employees of reputed Multinational corporations and large local corporate. • Employees of reputed Universities/ College/ School. • Employees of reputed NGOs/Aid agencies. • Other salaries person acceptable to the bank. • Tax paying businessmen having adequate cash flow. • Tax paying self-employed person and individual having reliable source of income.
Purpose	Purchase of flat/construction of own house.
Nationality	Bangladeshi.
Eligibility	Customer must have an account with IFIC Bank Ltd.
Age limit	• Minimum age 25(twenty-five) years • Maximum age 65 (sixty-five) at the time of maturity of loan.
Monthly Income	• Take home salary a minimum of 3(three) times of equated monthly installment. • For businessmen/ individual minimum monthly net income should be 3(three) times of Equates monthly installment. (Income from flat/house may be taken into consideration).
Minimum Service Length	• Service holder in Govt. /Semi Govt./Corporation minimum class-1 officer or equivalent with 5 (five) years confirmed service. • In other cases, confirmed/regular Executives having at least 5 (five years services/experiences).

	• Businessmen/self-employed tax payer individual at least 5(five years in their line of business/profession.
Loan Size	Maximum Tk. 5,00,000/- (five lac).
Debt Equity Ratio	50:50
Required documents	• 2(two) copy passport size photographs of intending borrower & guarantor. • Letter of introduction from employer (where required). • Bank Statement (for last 6 month). • Personal net worth Statement. • Salary Certificate/ Trade License. • T.I. Number. • Original Deed. • Bia Deed. • CS, AS, RS & Hal parch • Mutation with DCR.
Rate of interest	@ 15.00% p.a. with quarterly rest or as revised from time to time.
Tenor	Maximum 15(fifteen) months.
Repayment Method	Equal monthly installment.
Disbursement mode	• Phase-wise disbursement by Credit to Savings/Current account against progress of work of the construction of house. • Single disbursement to the Real Estate Developer/Owner through payment order on the date of registration of sale deed in case of purchase of flat. • Disbursement on installment basis to the Real Estate Developer through payment Order as per allotment letter and agreed terms & conditions as stipulated under legal documentation clause.
First repayment due	• For purchase of flat six months after the date of disbursement or one month after the date of handing over the flat whichever date is earlier. • For construction of house depending upon construction period

	but not exceeding 12 months from the date of first disbursement.
Debt Burden ration (DBR %)	A maximum 35% based on net monthly income. (Monthly Installment size X 100 Net monthly income)
Loan Processing Fee	TK.5000/- to be realized at the time of disbursement of loan disbursement.
Service charge	2% p.a. on loan amount to be realized at time of disbursement of loan.
Penal Interest	Additional 2% p.a. on the overdue amount.
Verification of personal details	Bank's nominated agency or Bank official will verify the address and all telephone numbers of borrower & guarantor.
Substantiation of Income	Following as appropriation: - • Salary certificate/Salary Slip. • Bank Statements. • Income Tax Return of last paid. • Cash flow from the rental of the proposed property.
Present Address	Borrower must repay for at last 6(six) months the present address.
Legal Documents	• D.P. Note. • Letter of arrangement. • Letter of disbursement (for Loan). • Letter of installment (For loan). • Letter of awareness from the Employer (where required) • Personal guarantee of Spouse/Parents. • 24 (twenty-four) postdated cheques in favor of Bank for payment of monthly installments each duly signed by the borrower. After 2(two) years fresh cheque to be obtained. • One cheque covering residual amount of loan duly signed by the borrower. • Legal mortgage of land & building/flat with undivided and undermarketed proportionate share of land. • Power of attorney to sell the mortgaged property.

	• Memorandum of deposit of cheques. • Tripartite Agreement as approved by the Bank is to be executed among Bank, Borrower and Developer. • Undertaking from the borrower to execute mortgage formalities within a reasonable period acceptable to the Bank.
Special condition	Proposal for purchase of flat is to be considered from the Banks approved Real Estate Developer only.

5.9 Accounting Procedure

At the time of disbursement of loan-

Debit	Credit
House Building Loan A/C	CD A/C/PO/DD

At the time of monthly provisioning of interest-

Debit	Credit
Sundry Asset A/C-Interest Receivable on House Building Loan	Income A/C- Interest Received on House Building Loan

At the time of quarterly charging of interest-

Debit	Credit
House Building Loan A/C	Sundry Assets A/c- Interest Receivable on House Building Loan

Branch must ensure that at the end of each quarter Sundry Asset A/C interest Receivable on House Building Loan is nil.

At the time of adjustment of loan-

Debit	Credit
House Building Loan A/C	Sundry Asset A/C-Interest receivable on House Building Loan Income A/C-Interest received on House Building Loan (for charging of interest in the middle of quarter)
CD A/C/Cash	House Building Loan A/C

5.10 Recovery Management

Monitoring Process

Relationship Officers always monitors their customer when they started the repayment of loan and if any customer fails to pay their loan in any month they informed to Credit Relationship Manager and customer.

Early Alert Process

If the customers showed lack of commitment or long-term decline in the agreement then Relationship Officer prepare an early alert report for the customer. Early alert is an alarming situation of whether the loan will be classified or not.

Recovery Process

When the account holder fails to meet one or more installment on that time the collection process starts and the collection department starts to working on minimizing the outstanding of the receivables and credit losses. They are enabling to recover the dues and identify the potential losses and try to prevent the losses maintaining a high standard of service and good relation with the customers. They are familiar with these types of critical situation and succeed handle t

properly and familiar with the computerized system, procedures and maintain effective liaison with other departments within the bank.

To identify and manage arrears, the following aging classification is adopted-

Days Past Due (DPD)	Collection Action
01-14	Letter, Follow up & Persuasion over phone
15-29	1 st Reminder letter
30-44	2 nd reminder letter + single visit
45-59	• 3rd reminder letter group visit by team member • Follow up over phone • Letter to guarantor, employer, reference all above effort follows • Warning on legal action by next 15 days
60-89	• Call up loan • Final reminder & serve legal notice • Legal proceedings begin • Repossession starts
90 and above	• Telephone call and legal proceedings continue • Collection effort continues by officer agent • Letter to different banks association

Chapter-6

Financial Performance Analysis

6.1 Financial Projections

International Finance and Commerce Bank Limited (All Branch) (M. J. ABEDIN & CO, 2025)		
Statement of Balance Sheet		
As at 30 June 2024-2025		
Amount in Taka		
	31-Dec-23	31-Dec-24
PROPERTY AND ASSETS		
Cash	11,883,940,873	10,402,677,369
Cash in hand (including foreign currency)	1,648,726,967	1,833,243,747
Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	10,235,213,906	8,569,433,622
Balance with other banks and financial institutions	5,717,048,302	12,049,563,141
In Bangladesh	3,827,088,364	11,214,966,414
Outside Bangladesh	1,889,959,938	834,596,727
Money at call on short notice	-	1,450,000,000
Investments	29,113,754,270	23,332,137,187
Government securities	23,596,892,752	17,217,294,297
Other investments	5,516,861,518	6,114,842,890
Loans and Advances	125,668,039,638	104,419,397,669
Loans, cash credit, overdrafts etc.	116,635,497,917	96,670,129,520
Bills purchased and discounted	9,032,541,721	7,749,268,149
Fixed assets including premises, furniture and fixtures	3,244,881,023	2,946,853,254
Other assets	4,736,254,172	3,371,653,934
Non-banking assets	373,474,800	373,474,800
TOTAL ASSETS	180,737,393,078	158,345,757,354
LIABILITIES AND CAPITAL		
Liabilities		
Borrowing from other banks, financial institutions and agents	7,493,454,676	5,924,591,258
Deposits and other accounts	146,848,211,304	129,863,053,202
Current deposits and other accounts	17,440,029,998	15,582,027,154
Bills payable	1,473,570,630	1,874,975,364
Savings bank deposit	24,496,108,248	18,366,462,687
Fixed deposits	103,438,502,428	94,039,587,998

Other liabilities	14,025,345,914	11,359,482,025
Total liabilities	168,367,011,894	147,147,126,485
Capital/Shareholders' Equity		
Paid up capital	5,034,124,170	4,377,499,280
Statutory reserve	4,232,499,880	3,909,507,173
General reserve	155,071,397	55,771,397
Revaluation reserve against security	41,391,939	1,575,539
Revaluation reserve against fixed assets	115,314,704	115,314,704
Foreign currency translation reserve	(25,350,388)	(843,101)
Surplus in profit and loss account	2,817,321,961	2,739,798,432
Non-controlling assets	7,521	7,445
Total shareholders' equity	12,370,381,184	11,198,630,869
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	180,737,393,078	158,345,757,354

International Finance and Commerce Bank Limited (All Branch) (M. J. ABEDIN & CO, 2016)		
Statement of Profit and Loss Account		
For the year ended 30 June 2024-2025		
Amount in Taka		
	31-Dec-23	31-Dec-24
Interest Income	12,720,241,526	11,924,197,296
Interest paid on deposit, borrowings etc.	(8,945,731,444)	(8,519,021,026)
Net interest income	3,774,510,082	3,405,176,270
Investment income	2,281,973,080	2,319,866,727
Commission, exchange and brokerage	1,519,705,704	1,423,651,023
Other operating income	5 03,793,886	499,158,565
	4,305,472,670	4,242,676,314
TOTAL OPERATING INCOME	8,079,982,752	7,647,852,584
Salaries and allowances	2,231,581,713	2,475,625,867
Rent, taxes, insurance, electricity etc.	682,771,493	636,258,160
Legal expenses	10,026,077	7,765,350
Postage, stamp, telecommunication etc.	112,913,781	110,621,818
Stationary, printing, advertisement etc.	174,091,810	175,827,492
Managing Director's salary	13,852,500	13,660,000
Directors' fee	1,104,250	1,364,750
Auditors' fee	1,790,934	1,765,215
Charges on loan loss	69,825,108	-
Depreciation and repair of bank's assets	442,183,292	402,991,215
Other expenses	728,138,397	669,117,684
Total operating expenses	4,468,279,355	4,494,997,552
OPERATING PROFIT	3,611,703,397	3,152,855,031
Share of profit of joint ventures/associates	240,124,663	255,341,372
Profit before provision	3,851,828,059	3,408,196,403
Provision for loans, investments and other assets		
Specific provision	1,750,235,571	407,783,326
General provision	205,000,000	260,000,000
Provision for off-shore banking unit	1,000,000	4,000,000
Provision for off-balance sheet exposures	-	50,000,000

Provision for diminution in value of investments	68,164,349	(248,438,949)
Provision for other assets	26,181,570	26,000,000
Total provision	2,050,581,490	499,344,377
Profit/(Loss) before taxes	1,801,246,569	2,908,852,026
Current tax	9 66,255,904	1,301,314,763
Deferred tax	(222,150,537)	(157,542,995)
Provision for taxation	7 44,105,367	1,143,771,768
NET PROFIT AFTER TAXATION	1,057,141,202	1,765,080,258
Net profit after tax attribute to:		
Equity holders of the Bank	1,057,141,126	1,765,080,014
Non-controlling interest	76	244
Retained earnings brought forward from previous year	2,739,798,432	2,081,124,597
Add: Net profit after tax	1,057,141,126	1,765,080,014
Profit available for appropriation	3,796,939,558	3,846,204,611
Appropriations:		
Statutory reserve	3 22,992,707	535,428,019
General reserve	-	-
Dividend	6 56,624,890	570,978,160
	9 79,617,597	1,106,406,179
Retained Surplus	2,817,321,961	2,739,798,432

International Finance and Commerce Bank Limited (Lalmatia Branch)		
Statement of Balance Sheet		
As at 30 June 2024-2025		
	Amount in Taka	
	31-Dec-23	31-Dec-24
PROPERTY AND ASSETS		
Cash	32,218,609	27,679,385
Cash in hand	17,067,985	15,890,305
Balance with Bangladesh Bank and its agent bank(s)	15,150,624	11,789,080
Balance with other banks and financial institutions	16,454,962	13,699,276
In Bangladesh	9,245,760	8,718,752
Outside Bangladesh	7,209,202	4,980,524
Money at call on short notice	0	907,408
Investments	7,913,278	7,063,102
Government securities	5,056,037	4,465,461
Other investments	2,857,241	2,597,641
Loans and Advances	11,200,753	8,377,083
Loans, cash credit, overdrafts etc.	7,504,008	5,664,499
Bills purchased and discounted	3,696,745	2,712,584
Fixed assets including premises, furniture and fixtures	6,871,026	4,547,612
Other assets	8,328,074	6,596,453
Non-banking assets	250,000	250,000
TOTAL ASSETS	83,236,702	69,120,319
LIABILITIES AND CAPITAL		
LIABILITIES		
Borrowing from other banks, financial institutions and agents	357,491	250,130
Deposits and other accounts	26,644,662	24,362,265
Current deposits and other accounts	5,372,014	3,133,120
Bills payable	897,817	404,175
Savings bank deposit	8,481,086	5,277,642
Fixed deposits	11,893,745	15,547,328
Other liabilities	7,345,120	4,393,507
Total liabilities	34,347,273	29,005,902

CAPITAL/SHAREHOLDERS' EQUITY		
Paid up capital	19,526,003	17,248,460
Statutory reserve	7,804,462	6,551,064
General reserve	6,198,933	3,997,558
Revaluation reserve against security	1,492,709	1,259,633
Revaluation reserve against fixed assets	8,000,000	8,000,000
Foreign currency translation reserve	0	0
Surplus in profit and loss account	5,867,322	3,057,702
Non-controlling assets	0	0
Total shareholders' equity	48,889,429	40,114,417
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	83,236,702	69,120,319

International Finance and Commerce Bank Limited (Lalmatia Branch)		
Statement of Profit and Loss Account		
For the year ended 30 June 2024-2025		
	Amount in Taka	
	31-Dec-23	31-Dec-24
Interest Income	43,587,310	39,496,471
Interest paid on deposit, borrowings etc.	-3,872,429	-2,967,362
Net interest income	39,714,881	36,529,109
Investment income	1,867,041	1,370,409
Commission, exchange and brokerage	893,402	707,243
Other operating income	127,082	89,504
	2,887,525	2,167,156
TOTAL OPERATING INCOME	42,602,406	38,696,265
Salaries and allowances	3,898,736	3,768,150
Rent, taxes, insurance, electricity etc.	2,578,369	2,390,087
Legal expenses	348,962	295,485
Postage, stamp, telecommunication etc.	15,725,050	13,930,764
Stationary, printing, advertisement etc.	85,473	57,741
Charges on loan loss	13,624	12,745
Depreciation and repair of bank's assets	13,478,507	12,998,507
Other expenses	278,634	250,561
Total operating expenses	36,407,355	33,704,040
OPERATING PROFIT	6,195,051	4,992,225
Share of profit of joint ventures/associates	2,798,140	2,437,642
Profit before provision	8,993,191	7,429,867
Provision for loans, investments and other assets		
Specific provision	2,490,386	2,174,935
General provision	796,040	952,371
Provision for off-shore banking unit	8,500	6,500
Provision for off-balance sheet exposures	0	15,070
Provision for diminution in value of investments	173,469	-979,341
Provision for other assets	76,345	75,040
Total provision	3,544,740	2,244,575

Profit/(Loss) before taxes	5,448,451	5,185,292
Current tax	879,345	762,051
Deferred tax	-183,284	-127,396
Provision for taxation	696,061	634,655
NET PROFIT AFTER TAXATION	4,752,390	4,550,637
Appropriations:		
Statutory reserve	198,050	576,649
General reserve	0	0
Dividend	92,198	259,286
	290,248	835,935
Retained Surplus	4,462,142	3,714,702

6.2 Ratio Analysis

	ALL BRANCH 2025	ALL BRANCH 2024	LALMATIA BRANCH 2025	LALMATIA BRANCH 2024
Current ratio	1.17	1.16	2.54	2.37
Quick ratio	1.11	1.09	2.40	2.22
Debt ratio	93.16%	92.93%	41.29%	41.96%
ROE	65.32%	68.29%	87.14%	96.46%
ROA	4.47%	4.82%	5.11%	5.59%
Profitability ratio	63.53%	64.13%	97.74%	97.97%

According to this ratio chart, the performance of all branch and Lalmatia branch has a huge difference between them. If we think both of them individually then the performance of the bank is moderate but if we compare them then it's like there are no connection between all branches and Lalmatia Branch. So, it is difficult to compare each other.

As IFIC Bank Ltd. Lalmatia Branch, annual growth is more than 35% for the last two years. In future, the growth will increase continuously after watching the overall annual report. This estimation is projected based on some historical considerations. These considerations are given below:

- i. Continuous increase in retention rate
- ii. A certain reduction in finance cost
- iii. Deferred tax percentage is increasing
- iv. Increase in interest income which indicates profitable investment.
- v. Percentages of previous year's cash, inventories over previous year's sales have been taken as a growth of cash and inventories

6.3 The Performance of Home Loan in 2024-2025

	HO-2025	Lalmatia-2025	HO-2024	Lalmatia-2024
Home Loan	3,925,919,657	35,846,682	712,865,768	14,887,273
ROE	31.73%	73.32%	6.36%	37.11%

It is estimated that from 144 branches of IFIC Bank Ltd. in 2015 and 2014 the home loan amount was 3,925,919,657 and 712,865,768. In Lalmatia branch, the performance of the home loan is 35,846,682 and 14,887,273. In addition, the ratio of all branches and dalmatian branches are increasing day by day in a yearly basis. Lalmatia branch really did well in 2015 because the branch profit from loan is 73.32% which is great news for them. They stood 1st in the Home Loan Division in 2014 as well as in 2015 against all the branches. So, their performance is really good right now and the number of home loan is increasing day by day.

6.4 The Performance of Lalmatia Branch 2016

According to the Lalmatia Branch performance, they are doing quite well in all segments and it is 3rd time they won in the home loan battle in a row.

Business Performance	2025
Deposit	349.7 Crore
Advance	46.4 Crore

Profit	5.5 Crore
Forex	94.5 Crore
Guarantee	12.5 Crore
Recovery	3.1 Crore
CASA	1395

Business Portfolio	2025
Total Portfolio (funded & non-funded)	127.66 Crore
Funded	69.07 Crore
Non-funded	58.59 Crore
No. of customers	198

Mortgage backed financing	2025
Commercial HBL	3.83 Crore
Staff HBL	0.68 Crore
Total	4.51 Crore
Unsecured Loan	3.95 Crore
Total Retail Asset	8.46 Crore
Import	
L/C (cash & others)-62	48.13 Crore
Export	
L/C-03	0.5 Crore
Remittance	29.68 Crore

Chapter-7

Findings, Recommendation & Conclusion

7.1 Findings

In credit management system of IFIC Bank Lalmatia Branch, my findings from the research are as follows:

- There are six credit officers in the credit management department who are really experienced and capable of handling any kind of situation to face during the processing of the home loan situation.
- The credit officers mainly depend on the balance sheet and income statement records of the applicant.
- A few borrowers are irregular in giving their installments of their loan.
- The loan borrowers didn't aware about the cutting of hidden cost from the account. If the borrower failed to pay the installment of current month then 2% interest is going to add his overdue installment.
- Lalmatia Branch earns 1-2% profit from home loan in their net interest income which is very limited for them. The profit depends upon cost of fund of the bank.

7.2 Recommendation

It is a short internship program so it's really hard to find all the problems about the credit management department. IFIC bank has a good image in the banking sector in Bangladesh and they are also trying to keep their good image among their customers and continue their business. I have found some problems which can be recommended for overcoming their problems and increase effectiveness in their management. They are:

- First of all, IFIC should provide a training facility for the credit officers to increase building customer relationship with them because what I have seen they are left behind from other banks for this reason.
- Secondly, they should push their work progress a bit faster so they can finish the loan processing system timely. Because they have to handle other types of customers and its hampering on their work. For that reason, they couldn't sanction the loan process in a due to time and they are getting slow on their work.

- Finally, in Lalmatia Branch, they need more officers in the Credit Management Department because they are getting a lot of offers for home loan from the customers.

7.3 Conclusion

Banks and financial institutions play an important role in the process of economic growth of a country. In this globalization world business does not mean just selling and purchasing the products or services. Given their considerable economic potential, these institutions have a far-reaching impact on the development and welfare process of the surroundings societies. A country cannot long continue to have a deficit on foreign current account but a favorable balance of payments on current account may conceal a heavy adverse balance of payments with one individual country or group of countries. Banking sector in Bangladesh is playing a vital role by providing loan to business concern. IFIC Bank Limited makes significant contribution to the economy. They are performing their activities, as a result not only the bank but also the economy is benefited. The bank is performing general banking, Loan-advance, foreign exchange activities etc, as a result they are mobilizing the money and do well for the economy. Although they have some limitations in their services, they are doing tremendous job for the economy. If they can reduce their limitation and introduce new ideas, they can do better in the banking sector of Bangladesh.

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