

Internship report

Business



**ASSIGN
BUSTER**

INTERNSHIP REPORT ON CREDIT POLICY & PRACTICE OF PRIVATE
COMMERCIAL BANKS OF BANGLADESH, A STUDY ON MERCANTILE BANK LTD.
MAIN BRANCH 61, DILKUSHA COMMERCIAL ARA DHAKA-1000, BANGLADESH.

Submitted To: K. M.

Golam Mohiuddin Professor Department of Accounting & Information
Systems University of Chittagong. Submitted By: Shahinor Rahaman MBA
15th Batch Class Roll: 14488 Exam Roll: 2006/35 Session: 2005-2006
University of Chittagong. Letter of Transmittal May 17, 2008 K. M. Golam
Mohiuddin Professor Department of Accounting & Information Systems

University of Chittagong. Re: Submission of Internship Report.

Dear Sir, I am pleased to submit my Internship Report accordingly. The
report titled “ Credit Policy & Practice of Private Commercial Banks of BD. A
Study on Mercantile Bank Ltd. ” was assigned to me by you, and was
approved by my Faculty Supervisor as my “ Project” during my 60 days
Internship Period. In every sphere of preparation of this report I tried my best
to make good combination of my learning from the MBA program, my
theoretical knowledge and working experience during my Internship
Program.

I have concentrated my best effort to achieve the objectives of the report
and hope that my endeavor will serve the purpose.

Working 60 days in Mercantile Bank Limited, Main Branch was a worth while
experience for me as it helped to combine practical experience with my
theoretical knowledge. Sincerely yours, Shahinor Rahaman MBA 15th batch
Class Roll: 14488 Exam Roll: 2006/35 University of Chittagong.

<https://assignbuster.com/internship-report/>

Acknowledgement Many people have contributed to the writing of this internship report. I acknowledge my indebtedness with deep appreciation to K.

M Golam Mohiuddin, honorable supervisor of my internship program and Assistant Professor of School of Business, who assigned me to prepare this report on “ Credit Policy & Practice of Private Commercial Banks of Bangladesh, A Study on Mercantile Bank Ltd. ”.

I am especially indebted to Md. Rabiul Islam, Senior Vice President & Head of Branch of Mercantile Bank Ltd. whose direct cooperation & recommendation helped me to get such a nice internship immediately when getting an internship was an urgent requirement. I would convey my cordial thanks to Md. Abdus Salam, Vice President & Manager Operation of Main Branch.

My innumerable thanks & heartiest gratitude always will be to Mr. Md. Fakhruzzaman Chowdhury, AVP & In charge of Credit Division of MBL Main Branch. I am indebted forever to him and without his help successful preparation of this report was really impossible for me. I am also grateful to the other executives & officers of Mercantile Bank, Main branch.

I am also grateful to our Departmental Chairman, for giving me an identity with which I could work at Main Branch of Mercantile Bank Ltd. Through doing this report, I have extracted more precise knowledge about various terms related to policy & practice of credit.

Finally, I would like to express thanks to my entire course teacher and the Department for introducing such academic work. Shahinor Rahman Abstract In Banks and Financial Institutions, Credit Risk is considered as an essential <https://assignbuster.com/internship-report/>

factor that needs to be managed. Credit Risk is the possibility that a borrower or counter party will fail to meet its obligations in accordance with the agreed terms. Credit Risk, therefore, arises from the Bank's dealings with or lending to corporate, individuals and other Banks or Financial Institutions.

Credit Risk Management needs to be a robust process that enables Banks to proactively manage loan portfolios in order to minimize losses and earn an acceptable level of return for shareholders. Mercantile Bank prepared Credit Policy in May 2000 and circulated the same to the Branches / concerned Executives for Compliance which was revised in August 2003. In order to cope with the fast changing scenario of dynamic global economy, liberalization and globalization and in the light of the directives / suggestions of the Focus group of Bangladesh Bank, the Credit Policy has been revised in October, 2005.

All Executives / Officers of the Branch as well as Head Office especially those are entrusted with the responsibility of Credit marketing, approval processing, credit monitoring, recovery and compliance, must keep themselves thoroughly conversant with the contents of the Credit Policy for meticulous compliance. MBL is to does everything within the context of its policy and Bangladesh Bank guidelines. Every private commercial bank formulates its policy for their operations to keep banks viable and profitable and also for the safeguard of depositors' interest.

Practices of Credit are however, subject to additions, alternations and modifications as may be warranted by the change of circumstances due to passage of time, to suit the requirement of the Bank. Whatever the policy of Bangladesh Bank is most of the private commercial banks are inclined to

<https://assignbuster.com/internship-report/>

invest in the highly profitable sector simultaneously where risks are lower. Only the credit department has been covered in the internship program, it is not possible to go to the depth of each activities of branch because of time limitation.

In this report those credit schemes are high lighted only which are most familiar to common people as well as frequently practiced by a bank especially MBL Main Branch. And only the parts relevant to my focusing fields have been taken, thus the actual credit Policy has been shortened to facilitate the study.

MBL discourages the persons who are inclined to get loan for their urgent purpose. Mode of disbursement, charge documents etc. creates bottleneck in loan approval process. Head office takes so longer time in processing and approval of corporate loan. The total sanctioning process event takes month after month to give the final decision.

MBL does not sanction loan to all sectors equally as they require, rather it concentrates its loan and advances within some limited fields and category.

It has Credit Card facilities, but ATM booths are located only in some commercial hubs in the city. Again the terms and conditions of the credit card are not changes with the changing environment. That's why ATM card holders most often don't take credit card facilities even in some cases employee of MBL use other banks' credit card. Consumer credit schemes (CCS) are more popular and required things among the people of various classes, but the effective rate of interest is very high.

And the terms and conditions of CCS loan are also very inconvenient and discourage people.

Loan sanctioning and disbursement procedure are not so easy and flexible being considered the requirements of different classes of people. Sector wise loans in agro based industries and firms, leather technology can be convenient and flexible for the receiver. Loan facility parameter should be expanded so that all the people can get loan according to their needs. Average cost of fund is very high. On the contrary Business Power for sanctioning loans and advances at branch level is negligible.

Lots of new commercial bank has been established in last few years and these banks have made this banking sector very competitive. So, now banks have to organize their operation and do their operations according to the need of the market. Banking sectors no more depends on a traditional method of banking. In this competitive world this sector has trenched its wings wide enough to cover any kind of financial services anywhere in this world. The major task for banks, to survive in this competitive environment is by managing its assets and liabilities in an efficient way.

Every organization has its positive as well as negatives and in case of Mercantile Bank Limited existence of the later one is less then the earlier one and as the management is determined to reach the pick of success it seems that in near future the negatives will be eliminated.

Eight years is a very short span of time and the organization, which can establish itself as one of the most reputed private commercial Bank in the

country within this short period deserves special credit and with their able leaders Mercantile Bank will reach the highest level of success very shortly.

I wish the bank all success prosperity in their field. CONTENTS Page No.

CHAPTER-1: INTRODUCTION 1. 1 Forward2 1. 2 Problem Statement: 2 1.

3 Objectives of the report: 2 1. 4 Methodology of the Study3 1. 4. 1 Sources of data3 1. 4.

2 Methods of Data Collection3 1. 5 Limitations of the Study3 1. 6 Rationale of the Study4 1. 7 Scope of the Study4 CHAPTER-2: PROFILE OF MBL 2. 1

Background of Mercantile Bank Limited6 2. 1.

1 Objectives of MBL6 2. 1. 2 The Structure of MBL6 2. 3 Divisions of MBL9 2.

3. 1 Credit Division9 2.

3. 2 Human Resources Division9 2. 3. Audit and Compliance Division9 2. 3. 5

Central Accounts Division10 2.

3. 6 Information Technology Division10 2. 3. 7 International Division10 2. 3.

8 Marketing Division10 2. 3. 9 Training and Development Division11 2. 3. 10

Research and Development Division11 CHAPTER-3: CREDIT PRACTICES OF

MBL OR CREDIT DEPARTMENT OF MBL 3.

1 Extent & Restrictions13 3. 2 Credit Department & its Function13 3. 3

Business Powers: 14 3. 3. 1Responsibilities: 14 3. 4 Processing of Credit

Proposals: 14 3.

5 Credit Categories: 19 3. 5. 1 Agriculture: 19 3. 5. 2 Term Loan for Large & Medium Scale Industry: 20 . 5.

3 Term Loans to Small & Cottage Industries: 20 3. 5. 4 Working Capital: 20 3. 5. 5 Export Credit: 21 3. 5.

6 Commercial Lending: 21 3. 5. 7 Other Lending: 21 3. 6 Loan Syndication & Structured Finance: 21 3. 6.

1 Types of Syndicated facilities: 22 3. 6. 2 Parties to the Syndication: 22 3. 6.

3 Advantages of Lenders / Banks: 22 3.

6. 4 Advantages of Customers: 22 3. 6. 5 Important factors for syndication: 22 3. 7 Project Finance: 24 3.

8 SME Lending: 24 3. 8. 1 Purpose: 24 3. 8. 2 Target Customer Segment: 24 3. 8.

3 Extent of Facilities: 24 3. 8. 4 Product Forms: 24 3. 8. 5 Tenor of Loan: 25 .

8. 6 Bank Charges/Pricing: 25 3. 8. 7 Equity of the Borrower: 25 3. 8. 8 Repayment Method: 25 3.

8. 9 Training: 25 3. 9 Export Finance: 26 3. 10 Finance in Garments Sector: 26 3. 11 Specialized Loan: 26 3. 12 Small Loan Scheme: 26 3.

13 Earnest Money Financing Scheme: 27 3. 14 Doctors Credit Scheme: 27 3.

15 Personal Loan Scheme: 27 3. 16 Consumer Credit Scheme: 27 3. 17

Women Entrepreneurship Development Project: 28 3. 18 Lease Finance Scheme: 28 3.

19 Types of Credit Activities: 28 3. 19. 1 Loan (General): 28 3. 19. 2 House Building Loan (General): 28 3.

19. 3 House Building Loan (Staff): 29 . 19. 4 Car Loan Schemes 29 3. 19.

5 Cash Credits & Overdrafts (Against Hypothecation of Goods/30 Stocks)30

3. 20 Sector wise allocations of Loans and Advances: 33 CHAPTER-4: HOW

DOES BANK MEASURE LOANS? 35-36 CHAPTER-5: RISK GRADING ON 10

LOAN BORROWER OF MBL Risk Grading38-60 Risk grading On 10 Loan

Borrower of MBL6-162 CHAPTER-6: PROVISION FOR LOANS ON 10 LOAN

BORROWER OF MBL Provision for loans On 10 loan borrower of MBL64-67

CHAPTER-7: FINDING AND ANALYSIS 7. 1 Observation69 7. 2

Recommendations69 7. 3 Conclusion70

Bibliography..... 72

CHAPTER-1: INTRODUCTION 1.

INTRODUCTION 1. Forward: This report has been done as per the requirement for successful completion of the Internship program. Exposure to the business world and acquiring practical work experience was the primary objective of this report. I was attached with Mercantile Bank Ltd at its Main Branch for my internship. The report focuses on credit division as I was attached with that division during the period of my internship program. The topic for this report was decided upon after approval by my Honorable Program Supervisor Prof.

K. M. Golam Mohiuddin.

Department of Accounting & Information Systems, University of Chittagong, Bangladesh. 2. Problem Statement: Banks Credit Policy & Practice, and how it runs and what function it does in providing loans to clients are technical job and have a great prospect in our country.

Credit Policy of all the private commercial banks is almost same, as they follow and are to follow the common instructions and guidelines of Bangladesh Bank. But they differ in actual practice of loans and advances. Again each bank has some special schemes of loans and advances that are fully or partly exclusive. . 3 Objectives of the report: The present study has been designed to achieve the following objectives: ? The first objective is to know about the MBL Credit Policy as a private commercial bank.

? Secondly how MBL operates its credit division being controlled with rules & regulations of Bangladesh Bank. ? The another basic objective of the report are to see whether the process of Credit Practice Operation in Mercantile Bank Ltd. is complying with the guideline issued by Bangladesh Bank and how Mercantile Bank Ltd. is handling the loans & advances. To find out barriers or bottlenecks in sanctioning the overall loans and advances process. ? To recommend on those problems.

1. 4 Methodology of the Study: The study was based on secondary data. In order to prepare practical training report various source & method of data collection was used. 1. 4.

1 Sources of data: In this report only Secondary data have been used. For both the Organization part and Project part, quantitative information from

the Annual reports of MBL and qualitative information from other literature regarding the various divisions and their functions, operations were used.

So, only secondary data were utilized. For the project part, primary data were collected by holding informal interviews with the employees to learn about their response/reaction to the change that is occurring in the organization. While I was conducted the study I collected various types secondary data.

Data has been collected through different sources, by interviewing the responsible officers, bank's annual report, and from different circular published by the Bank. 1. 4. 2 Methods of Data Collection: There are so many methods of data collection which was relevant & important for the study.

The methods used in this report were as follows:- Interview Method: To collect information direct interview was taken of the manager of operation, loan in charge, executives, officials etc. Observation Method: To collect some information relating to the practice of loans and advances in terms of approval, sanctioning and mode of disbursement an observation was conducted.

1. 5 Limitations of the Study: The following limitations are apparent in this report:- ? There was little or no scope of work at credit division of the branch for the internee students. So I could not realize well all the procedures of credit. Only those loans & Schemes which are highest practiced by the branch have been focused in this report. ? No amount of sector wise allocation of loans and Advances of entire MBL was given.

Rather than the figures relating to Main Branch only has been used.

Collecting all data of allocated loans of entire MBL was impossible being attached with a branch. ? For the Organizational part, almost no financial information for the year 2007 were available, in some cases only un-audited information could be collected. ? Credit Policy is the Internal & Confidential matter to every bank.

So only the most important Parts and Provisions of policy related to selected schemes, loans and advances were focused. 1.

6 Rationale of the Study: In this 21st century Banks are the life-blood of modern economy irrespective of its size & pattern. Banks are established to earn profit and help economic and financial activities so as to help economic development of a county. In such a context, the main business of Banking is to take deposits from customers and sanction credit to the borrowers. In performing multidimensional activities like borrowing and lending of money, the world of banking is under going a transformation.

Beside banks are direct agents to create opportunities for the development of a country and also provide large scale of employment opportunities.

Banks are the most important functionary of financial system of a country and Mercantile Bank Limited is one of them. It plays a dynamic role in the economic development of a nation through of saving and allocation of credit to privates and industrial sectors. It diverts and employs the funds in such avenues which are aimed to develop a country's economy. 1. 7 Scope of the Study: Banking Sector is a robust and sensitive area.

A Bank has different products, different services and different customers.

<https://assignbuster.com/internship-report/>

Different departments of a Bank perform different activities. However, scope of the study is limited within a specific area of an organization that is Mercantile Bank Limited. Again it was prepared on the basis of data and information gathered from Main Branch. So this study says only about the activities of the Mercantile Bank Limited Main Branch in the light of MBL as a whole. This study covers only various parts and provisions of MBL Credit Policy and Practice as a sample of private commercial banks in Bangladesh.

CHAPTER-2: PROFILE OF MBL 2. 1 Background of Mercantile Bank Limited: Mercantile Bank Limited was established in June 2, 1999 as a private commercial bank and started its operation. The then Prime minister Sheikh Hasina inaugurated the bank. The renowned 30 industrialists establish this bank with everybody's consent Mr. Abdul Jalil elected as the chairman. Mercantile Bank Limited is a private commercial bank with Head Office at 61, Dilkusha C/A, Dhaka, Bangladesh started operation on 2nd June 1999.

The Bank has 41 branches spread all over the country and introducing some branches.

With assets of TK. 13078. 93 million, the bank has diversified activities in retail banking, corporate banking and international trade. Credit-Mercantile Bank is playing an important role while giving loan for the small and medium enterprises. In the terms of credit mercantile bank has introduced new schemes mostly for the business people in Bangladesh.

Different categories of loan been provided to the businessman. The total amount of loan been provided was 26842. 14 million BDT till 2006 its main

investing projects are business, garments, micro credit, construction and others.

Consumer Credit Scheme: Mercantile Bank has been providing loan to medium and low-income peoples. This policy has gained a great popularity among consumers.

2. 1. 1 Objectives of MBL Mercantile Bank Limited (MBL) aims at excellence and is committed to explore a new horizon of banking and private a wide range of quality products and services comparable with those available with any modern bank in the world. It is a bank for the common people including businessman and professionals. It intends to serve with quality at a price competitive to achieve in the financial market.

It would constantly keep on exploring the needs of the clients.

The management of the bank bears in mind the fact they are on the threshold of a new millennium, which will pose extra ordinary challenges to be faced and at the same time open up new opportunities and possibilities.

2. 1. 2 The Structure of MBL The organization structure and corporate of Mercantile Bank Limited (MBL) strongly reflect its determination to establish, uphold and gain a stronger footing as an organization which is customer-oriented and transparent in its management. Board of Directors

The Board of Directors consists of 13 member elected from the sponsors of the Bank. The Board of Directors is the apex body of the bank.

Board Committee: The Board of Directors who also decides on the composition of each committee determines the responsibilities of each

committee. Executive Committee: All routine matter beyond delegated powers of management are decided upon by or routed through the Executive Committee, subject to ratification by the Board of Directors. Policy Committee: All mater relating to the principles, policies, rules, and regulation, ethics etc. or operation and management of the bank are recommended by the Committee to the Board of Directors. Management: The management of the bank is vastly on a Board of Directors, for overall supervision and directions on policy matters by the board. The power of general supervision and control of the affairs of the bank is exercise by the president and managing director of the bank who is the chief executive officer.

Above all, the bank will be manned and managed by a galaxy of talented professionals proficient in their individual fields and dedicated to the cause of the bank. . 3 Divisions of MBL: All policy formulations and subsequent executions are done in the Head Office. It comprises of nine major divisions namely Credit Division, International Division, Central Accounts Division, Human Resources Division, Information Technology Division, Marketing Division, Training Division, Research and Development Division, Audit and Compliance Division. Besides these main divisions, there are forty one branches all over the country to look after the Bank's day-to-day operations.

The structures and Sanctions of each of the divisions of MBL are described below: 2.

3. 1 Credit Division: The primary objective of this division is to evaluate the credit worthiness and debt payment capability of present loan customers

and loan applicants. It is also responsible for keeping track of the credit portfolio by obtaining regular information from the branches. It sets prices for credits and ensures affecting it at the branches. This department also monitors the various loan accounts of the branches and prepares various statements for Bangladesh Bank. .

3. 2 Human Resources Division: The employees are Mercantile Bank's most valuable resource. Having competent and professional employees is becoming increasingly important in today's competitive world, and MBL has a significant competitive advantage in this respect many of its employees have worked here since the BCCI area and therefore have vast experience in their respective fields. Also the new employees are recruited with sound academic background and given proper training after recruitment to groom up for their responsibilities.

They plan to inculcate a high performance culture where the employees will work with fun and pride.

2. 3. 4 Audit and Compliance Division: The main function of this division is to provide legal assistance to the branches and to ensure strict adherence of rules and policies by all concerned officials of the bank through routine and surprise inspection and audit. 2. 3. 5 Central Accounts Division: Finance and Accounts division task is to maintain daily liquidity positions, treasury bills, call money, debentures, placement of funds etc.

Monthly-accrued interest calculation of all interests bearing accounts, inter-branch calculation for Head Office, amortization of all fixed and other assets. It prepares statement of accounts and profit and loss account for the bank.

Weekly deposit and advance analysis and Cost of fund analysis are the two major functions done by this department. 2. 3. 6 Information Technology Division: Previously, Mercantile Bank had a very low level of automation.

There was hardly any PC in the whole Bank before 2001. But when the new management took over in 2001, they gave huge emphasis on computerizing the bank's operations.

After 2 years, almost all the operations in the bank are now automated. The Bank is also shifting to a new IT platform, which aims at maintaining, operating and strengthening the technology base of the bank to enable error free production of information that ensures ongoing efficiency and profitability of operation, A world class banking software called Flex Cube has been installed which will centralize operations and provide Online Banking, Internet Banking, Automated Teller Machine, Telephone Banking, Point of sale dispenser, Credit Card facility etc.

Last November, 05 Introduced New software called PC Bank 2000. 2.

3. 7 International Division: International Division is responsible for assisting the authorized branches to deal in foreign trades, that is, import and export businesses on account of the customers of the bank by giving approval for transactions and controlling them at various stages. It deals with all correspondents of foreign banks having arrangement with the bank. Every year new agents are added.

The larger the number of correspondents and the wider the coverage area, the richer will be the international connections of the bank.

2. 3. 8 Marketing Division: The main function of this division is to build relationship with the potential customers and strengthen the relationship with the existing customer. To inform and explain the potential customer about the facilities provided by the bank and searching for new area of business and collect information about the potential sector as well as to prepare strategy for getting competitive advantage. .

3. 9 Training and Development Division: The main function of this division is to prepare the employee of the bank as competent and quality workforce. The function of this division is s follows: ? Arrange training and orientation program for the fresh bankers. ? Provide specific training program for the employee to make them more professional. 2. 3.

10 Research and Development Division: Excellence in banking operation depends largely on a well-equipped and efficient Research and Development Division.

Such activities require the investment of substantial money and a set of highly qualified personnel with multidisciplinary background. Although it is not possible at this stage to undertake R&D activities similar to those of the banks in the developed countries, Mercantile Bank has established a core Research and Planning Division comprising skilled persons from the very inception of the Bank. CHAPTER-3: CREDIT PRACTICES OF MBL ON CREDIT DEPARTMENT OF MBL 3. 1 Extent & Restrictions It is applied to all the Branches of Mercantile Bank Limited in Bangladesh.

Extension of Credit facilities are subject to Credit Policy of the Bank and credit restrictions, margin restrictions, stipulations regarding security, period

of repayment and other instructions and restrictions imposed from time to time in this respect by Head Office, Bangladesh Bank rules and regulations and overall Government policy of Bangladesh.

3. 2 Credit Department & its Function The Credit Risk Management

Department is assisted by the Credit Administration Department, which is mainly concerned with the post-approval functions of the Credit Division.

The aspects that are critically tracked and monitored by Credit Admin are ? Credit expiry ? Past dues ? Excess over limit ? Document deficiency ? Reporting Credit Division is involved in basically 2 broad functions: Loan Monitoring: The important aspects of this part are: ? Follow approval terms ? Proper loan disbursement ? Monitor interest payments and principal repayment ? Balance with general ledger Documentation: The important functions of this part are: ? Look at sanction terms and Fill up loan documentation checklist, ? Ensure Proper loan documentation and Obtain client sign off Filing with the Registered Joint Stock Corporation (RJSC) ? Registered mortgage deed execution

3. 3 Business Powers: All powers of the Bank are vested in the Board. They are the source of all powers, and any person or body can exercise only the powers delegated by the Board in ways and manners specified by them.

Mercantile Bank Ltd. believes in decentralization of powers. With a view to ensuring prompt and efficient services to its magnitude of clients spread far and wide, the Bank envisaged delegation of optimum powers to its Executives and officials at different level of operations. The Board can delegate the authority, not its responsibility. ? The evil of dual Subordination may creep in the chain of command if authority is not well defined and

<https://assignbuster.com/internship-report/>

properly implemented. ? Exercise of the delegated authority must commensurate with the shouldering of the responsibility.

3. 3. 1Responsibilities: ? Head Office is responsible for formulating Credit Policy for the Bank, for the proper conduct of the advances in the Branches and for the system of control over them.

Head office delegate business powers of Branch-in-charges, devise method of forwarding credit proposals to Head Office for sanction and instructions regarding submission of periodical returns. ? Branch-in-Charges are primarily responsible for all advances at their Branches. They must exercise common sense, wisdom, prudence and judiciousness in the use of powers delegated to them and in recommending proposals to Head Office for sanction.

In all cases, they must ensure that Bank's interests are fully safeguarded.. 3.

4 Processing of Credit Proposals: A secured credit facility may be allowed to a customer only after getting a limit sanctioned by the authorized officials. ? The customer seeking a credit facility against acceptable security must make an application in bank's printed form " Request for Credit Limit" PF-146 (Annexure-I) enclosing necessary papers/documents to his nearest Branch of the Bank where he maintains his operative account. ? Arranging an interview with the intending borrower to know on the following points: Present and future prospect of the customer's business 1.

Before finally selecting the borrower, bank is satisfied that ; ?

The customer possesses character, capacity and capital & The account is remunerative one & Repayment arrangement is satisfactory. ? Dealing items

and primary security of the customer possess the quality of easy marketability, durability and storability ? Collateral security offered possesses the quality of easy marketability and is not encumbered and its valuation is judiciously assessed so as to leave sufficient margin after covering the advance and belongs preferably to the borrower. ? Means, standing and respectability of the applicant and the guarantor (if any) are satisfactory. Credit worthiness of the applicant is reasonable ? Location of the business is good. The following Papers/documents are to be submitted by the Branch Managers along with the proposals: a) Request for Credit limit of customers -PF-146 (Annexure-I) b) Project Profile / Profile of Business c) Copy of Trade License duly attested Copy of TIN Certificate d) Certified copy of Memorandum and Articles of Association, Certificate of Incorporation, Certificate of commencement of business, Resolution of Board of Director, Partnership Deed, (where applicable)) Personal Net worth Statement of the Owner/Director/Partner/Proprietor in Bank's Format. f) Valuation Certificate in Bank's Format along with photograph of collateral security with detail particulars on the back duly authenticated by the Branch Manager.

g) 3 years Balance sheet and profit and loss A/C h) CIB Enquiry Form duly filled in (For proposal of Tk. 10. 00 lac and above) i) Lending Risk Analysis for Credit facilities of Tk. 50. 00 lac and above j) Inspection/Visit Report of Factory/Establishment/Business premises of the customer-Annexure-5 k) Statement of NC (CD/SB/CC) for the last 12 months.

In case the customer maintaining account with other Bank, Statement of Account for the last 12 months of the concerned Bank should be furnished. l) In case of renewal/enhancement of credit facility, Debit Turnover, Credit

Turnover, highest drawing, lowest drawing, and Total income earned detailed position of existing liabilities of the customer i. e. Date of sanction, Date of expiry, Present outstanding, Remarks, if any. m) Declaration of the customer of the name of sister/allied concerns and liabilities with other Banks, if any, and an undertaking to the effect that they have no liability beyond those declared-Annexure-6) In case of UC proposal, detailed performance of L/C during the last year i.

e. No. and date of L/C opened, commodity, L/C value, Date of creation of PAD, date of retirement, mode of retirement etc. o) In case of BTB UC proposal- p) Detailed list of machinery, production capacity, working capital (BTB UC) assessment, existing export UC in hand mentioning date of shipment, detailed position of outstanding BTB L/C/Accepted Bills, progress of production and expected date of shipment, statement of outstanding FDBP/IDBP, if any, Quota Position, Inspection Report, Copy of valid Bonded Ware House License, Customs Clearance or dispute, if any.) Whether the applicant is Shareholder/Director of Mercantile Bank Ltd. as per definition of Banking Companies Act.

r) Financial Analysis to be prepared by the Branch Manager based on the financial performance of the company & should shows trends in sales/profitability, liquidity, leverage etc. It should also contain an assessment of the competence and quality of the business management, the general economic & competitive environment of the borrowers industry and any other pertinent factors which is relevant for our credit decision.)

Justification/consideration for the facility. 2. The sanctioning authority on receipt of the proposal shall scrutinize the same and ensure that: ? All

necessary papers and documents have been enclosed. ? The proposal has been duly signed by the members of the Branch Credit Committee including the Manager.

? The proposal has been duly recommended. ? The proposal does not fall within the existing credit restriction ? Minimum margin requirement against the credit facility has been proposed. ? The primary security has got easy marketability, durability and storability The property offered as collateral security is judiciously assessed ? The proposal is viable and stands all credit tests ? The proposed borrower is not defaulter (classified) of any Bank/Financial Institution ? There is no request from other Bank/Financial institution for not allowing/stoppage of facility to the proposed borrower. ? Where the proposed accommodation in the form of working capital may be considered on the project financed by any other Bank including DFI, favorable status report and No Objection Certificate (NOC) from the financing Institution is obtained. Where 2nd charge on the fixed and floating assets (in case of a limited company) or 2nd mortgage on real estate is offered, clearance in respect of creation of 2nd charge on the property together with confirmation that documents will be held by them on behalf of the Bank and that they shall not part with the same without consent of the Bank, is obtained from the 1st mortgagee.

3. Check list of action to be taken by the Branch Manager/Second Officer/Credit Officer before disbursement of Credit facilities Acceptance of customers to be obtained of the terms & conditions on the duplicate copy of sanction advice. ? They will thoroughly examine and ensure that the subject credit facility does not contradict to any law, rules and regulation of the

<https://assignbuster.com/internship-report/>

country, Bangladesh Bank and our Bank. ? They will obtain NOC from Bank where the customer has existing liability. ? CIB Report on the borrower through Head Office.

? Lending Risk Analysis as per FSRP Formula in case of credit of Tk. 50 lac and above. ? No objection certificate of Bangladesh Bank in case the credit facility exceeds 15% of Capital Funds of the Bank. Regularization/Adjustment of classified/overdue credit of the customer/their sister/allied concerns with our Bank/other Banks, if any. Rules of sanctioning loans: ? Sanction advice will be communicated by Head Office to the Branches and by the Branches to the customers under Double signatures authorized by the Bank. ? No Executives/Officers shall exceed prescribed limit of delegated business powers under any circumstances.

? Valuation of goods/produces/hypothecated to the Bank to secure any advance shall in no case exceed. The landed cost at the port of entry is assessed by the custom authority in case of imported goods. Goods and produces against which advances are made should be readily marketable. ? Loans & Advances allowed against FDRs, PSPs, MBDRs, and DBDRs etc. shall be adjusted immediately before the face value of the instruments and outstanding advance amount becomes equal or upon maturity, whichever is earlier. ? In case of advance against mortgage of property, original Title Deed and chain of documents i.

e. C. S Parcha, R. S. Khatian, Mutation Certificate, Non-encumbrance Certificate, Municipal Tax Receipt, Approved plan, Rent Receipt (Upto date) etc.

ould be checked by a paneled lawyer or by the Bank's Law Officer.. ? Money suit/court cases against any defaulting borrower are to be filed by the branches after obtaining prior approval from Head Office. 3. 5 Credit Categories: As initiated by Bangladesh Bank different kinds of lending were subdivided into 11 categories, and again to 7 prime sectors for fixation of rates of interest by the individual banks on competitive basis depending on the cost of funds, prevailing market condition and monetary policy of the country.

Loans and advances have primarily been divided into two major groups: a) Fixed term loan: These are the advances made by the Bank with fixed repayment Schedules.

The terms of loan are defined as follows: Short term : Up to 12 months
Medium term : More than 12 and up to 36 months Long term: More than 36 months b) Continuous credits: These are the advances having no fixed repayment schedule, but have an expiry date at which it is renewable on satisfactory performance. Further all categories of loans have been accommodated under the 7 prime sectors as under as: 3. 5. Agriculture: Credit facilities to the agricultural sector falls under this category . It is subdivided into two major heads: a) Loans to primary producers: This sector of agricultural financing refers to the credit facilities allowed to production units engaged in farming, fishing, forestry or livestock.

Loans to processors or traders of agricultural products are not to be categorized as agricultural loans. Loans to tea gardens for production are

treated as agricultural loan, but loans to tea gardens for export should be treated under the category “ Export Credit”.

Similarly medium and long term loans to tea gardens are categorized as industrial term lending. b) Loans to input dealers/distributors: It refers to the financing allowed to input dealers and (or) distributors in the agricultural sector. Agricultural loans may include short, medium and long term loans as well as continuing credits. As such, it may fall under the head.

(a) Loans (General), (b) Hire Purchase or (c) Lease Financing. c) Rural & Micro credit: The bank will provide rural credit through rural branches and other rural institutions engaged in rural upliftment through credit delivery.

Small loan particularly micro credits will be extended without collateral security through proper supervision and monitoring. Individual supervising agency may be appointed for supervising such micro credits. 3. 5.

2 Term Loan for Large & Medium Scale Industry: This category of advances accommodate the medium and long term financing for capital structure formation of new Industries or for BMRE of the existing units who are engaged in manufacturing goods and services. Term financing to tea gardens may also be included in this category depending on the nature and size.

As the financing under this category has fixed repayment schedule it falls under the head Loan (General), Hire purchase or Lease Finance. 3. 5. 3 Term Loans to Small & Cottage Industries: These are the medium.

and long term loans allowed to small & cottage industries Small Industries are presently defined as those establishments whose total investment in fixed capital such as land, building, machinery and equipment (excluding taxes and duties) does not exceed 30 million taka and investment in machinery and equipment (excluding taxes and duties) does not exceed 10 million taka.

Cottage industries also fall within this definition. Bangladesh Bank gives interest subsidy @3% to the Banks on loans extended under this category. No short term or continuing credits are to be included in this category. Medium & Long term weaver credits are also included under this category .

Like the Large & Medium Scale Industry it is also allowed in the form of “ Loan (Gen), Hire-Purchase or Lease Financing”. 3. 5. 4 Working Capital: Loans allowed to the manufacturing units to meet their working capital requirements, irrespective of their size -big, medium or small, fall under the category.

These are usually continuing credits and as such fall under the head “ Cash Credit (Hypothecation) 3. 5.

5 Export Credit: Credit facilities allowed to facilitate export of all items against Letter of Credit /and/or confirmed export orders fall under this category. It is accommodated under the heads “ Export Cash Credit (ECC)”, Packing Credit (PC), Foreign Documentary Bills Purchased (FDBP), Local Export Bills Purchased etc. 3. 5. 6 Commercial Lending: Short term loans and continuing credits allowed for commercial purposes other than exports fall under this category .

It includes import financing, financing for internal trade, service establishment, etc.

No medium and long term loans are accommodated here. This category of advances are allowed in the form of (i) Loan against Trust Receipt (LTR), (ii) Payment against Import Documents (PAD), (iii) Secured Overdrafts (SOD), (iv) Cash Credit (Hyp), (v) Loan (Gen), etc. for commercial purposes. 3. 5.

7 Other Lending: Any loan that does not fall in any of the above categories is considered under the category of other lending. It includes loan to (1) Transport Equipment, (ii) Construction Works including Housing commercial/residential), (iii) Work Order Finance, (IV) Personal Loans, etc. 3.

6 Loan Syndication & Structured Finance: Syndication means joint financing by more than one bank to the same clients against a common security. This is done basically to spread the risk. It also provides a scope for an independent evaluation of risk and focused monitoring by the agent / lead bank.

In Syndication financing banks also enter into an agreement that one of the lenders may act as Lead Bank. In such case, lead bank has to co-ordinate the activities at various stages of handling the proposal i. . appraisal, sanction, documentation, sharing of security, disbursement, inspection, follow-up, recovery, distribution of installments. / interest etc.

It may also call meeting on syndication members, whenever necessary to finalize any decision. The syndicate may generally be worked in two ways: 1. Best effort Method. 2. Underwriting Method.

At present the Best effort method is in practice in our country

3. 6. 1 Types of Syndicated facilities: ? Credit enhanced syndicated loan. ? Working Capital Syndication. ? Loan for BMRE / New Projects.

Project Finance Loan ? Local Currency Loan under Structured Finance etc. 3.

6. 2 Parties to the Syndication: ? Arranger (Single Arranger / Co-Arranger / Arranger Group). Arranger must obtain mandate from the customer / Borrower. ? Participants (Banks / Financial Institutions etc.

). ? The Facility Manager / Agent (Banks / Financial Institutions). 3. 6. 3

Advantages of Lenders / Banks: ? Large Loan requirement within legal lending limit can be managed. ? For diversification of risk / sharing of risk.

? Scope of diversification across customers and industries. . 6. 4 Advantages of Customers: ? May get a large loan by contacting with one Bank / Arranger. ? Less time consuming and cost effective. ? Answerable to only one Bank.

3. 6. 5 Important factors for syndication: ? Mandate to be obtained from the Borrower. ? The debt / Equity ratio – whether the debt % is justifiable. ? Market appetite – whether it is saleable to the market / participants. ? Whether the participants are confident enough of the capability of the Arranger.

? Whether the due diligence are properly conducted. Time Limit for the arrangement / Facility. [pic] 3. 7 Project Finance: A separate unit for Project Finance has been established in the Head Office Credit Division. The functions of the unit are to appraise / analyze the Feasibility of the project, conduct due diligence, address the risk factors and to be placed before the

Head Office Credit Committee / Executive Committee / Board of Directors based on the lending authority. 3.

8 SME Lending: The Bank intends to encourage the small and medium entrepreneurs and hence structured its SME financing activities.

The Bank has set the definition of small enterprise in line with Bangladesh Bank guidelines. A special credit scheme under the name and style “ Small and Medium Enterprise (SME) Scheme” has been introduced to extend credit facilities to the small and medium entrepreneurs of the country. 3. 8. 1

Purpose: ? Contribute to the socio-economic development of the country.

? Encourage small and medium industry especially agro-based industry of the country. ? Participate in reduction of poverty through employment generation and income generating projects. Provide financial assistance to small and medium enterprise, which have limited access to the formal financial markets. 3. 8.

2 Target Customer Segment: ? Micro Enterprise ? Small Enterprise/Business ?

Medium 3. 8. 3 Extent of Facilities: ? Will be determined depending upon the experience of the entrepreneur and the size of the project. ? Small

Enterprise: Project value up to Tk10. 00 lac. ? Medium Enterprise: Project value above Tk10.

00 lac but or/within Tk50. 00 lac ? Nationality: Must be Bangladeshi citizen or company/firm must be registered in Bangladesh and shares owned by

Bangladeshis. . 8. 4 Product Forms: ? Working Capital Loan-Overdraft/Cash Credit (Hypothecation) ? Project Loan/Term Loan- Hire Purchase 3. 8.

5 Tenor of Loan: ? Up to 1 (one) for Working Capital Loan ? More than 1 (one) for Project Loan/Term Loan 3. 8. 6 Bank Charges/Pricing: ? Rate of Interest: 13%p. a. ? Service Charge: 1% on the outstanding balance on monthly basis. ? Risk Fund: 1% one time to be realized at the time of sanction the loan. ? No charges will be realized for processing the loan proposal. 3. 8. 7 Equity of the Borrower: ? New entrepreneur: 10% Experienced entrepreneur: 15%. Equity must be deposited to the bank before availing the facility. 3. 8. 8 Repayment Method: It is done by making payment of specific number of installments. Security/ Collateral: ? Hypothecation on the inventory, receivables, advance payments, plant & machineries. ? Equitable mortgage over immovable properties with registered Power of Attorney. ? Personal Guarantees of Spouse/Parents/other family members. ? One third party personal guarantee, ? Post dated cheques for each installment. ? Collateral Securities viz.

Financial Instruments, Land and Building. 3. 8. 9 Training: Borrowers can also get training from their selected institutions, which must be recognized by the Bank. BIM, BSCIC, MIDAS are preferred training institutions. 3. 9 Export Finance: The Bank extended different types of credit facilities to the Export oriented Industries / Exporter from the very inception of the Bank. Recently the Bank has reviewed the position and revised its policy to increase the volume of export business by extending finance to well reputed export oriented industries having a track record.

This will bring the Bank a substantial profit as well as foreign currency to meet the obligation against import. The Bank extends facilities in both pre-shipment stage and post-shipment stage for working capital like procurement and procuring of Raw materials, Packing and Transporting of

goods, insurance premiums, freight charges, inspection fees etc. Pre-shipment finance will be allowed either against Irrevocable Letter of Credit of a reputed foreign Bank or against finance contract from reputed foreign buyers acceptable to the Bank.

The Bank does not grant any Packing Credit facility against (i) Restricted L/C and (ii) Revocable L/C. Before negotiation, the dealing officer must check and scrutinize the documents thoroughly to ensure that they have been drawn in exact conformity with the terms and conditions mentioned in the Letter of Credit. 3. 10 Finance in Garments Sector: The Bank's policy is to increase the volume of Export business substantially. In view of this the Bank has established a separate unit under Head Office Credit Division for handling the Garments Business.

In order to take necessary precautions during opening of Back to Back L/C for the import of fabrics and accessories, the Bank has strengthen its monitoring / supervisory functions for protecting the Bank's interest. 3. 11 Specialized Loan: In order to cope with the changes in the economy and society, the Bank's policy is to develop and introduce new products for different customers group. 3. 12 Small Loan Scheme: With a view to provide financial assistance to the shopkeepers of different shopping center / market situated at various cities of the country, the Bank has launched an especial program under Small Loan Scheme.

The salient feature and terms and conditions has been circulated to all concerns vide Instruction Circular # 09/99 dated September 30, 1999. 3. 13 Earnest Money Financing Scheme: With a view to encourage the Contractor financing against Works, an Earnest Money Financing Scheme has been
<https://assignbuster.com/internship-report/>

introduced. The modus operandi and terms and conditions under the Scheme has been circulated to all concerns vide Instruction circular # 50 dated August 26, 2000. 3. 14 Doctors Credit Scheme: In order to provide modern Medicare facility to the mass people of the country, a Scheme namely “ Doctors Credit Scheme” has been introduced for newly passed MBBS Doctors, Specialist Doctors and Owner(s) of Clinic / Hospital / Diagnostic Centre. The detailed guidelines under the scheme has been circulated to all concerns vide Instruction circular # 51 of August 2000. 3. 15 Personal Loan Scheme: With a view to cater the Credit needs of Government / Semi Government Officials / Employees of Autonomous Bodies / Banks and financial Institutions / Multinational Companies / reputed private organization and Teachers of Public / private School / Colleges / Universities, a personal loan Scheme has been introduced.

The detailed guidelines and terms and conditions has been circulated vide Instruction circular # 240 dated July 7, 2004. 3. 16 Consumer Credit Scheme: In order to provide financial assistance for purchasing household consumable items, the Bank has launched an especial credit program under Consumer Credit Scheme to upgrade the living standard of the people who happens to be the main driving force of the economy. A brief outline on the terms and conditions of the CCS has been circulated to all concerns vide Instruction circular # 05/99 dated September 09, 1999. 3. 7 Women Entrepreneurship Development Project: With a view to encourage women to take active role in Socio-economic activities, an especial project in the name of “ Women Entrepreneurship Development Project” has been introduced for extending credit facility for establishment / Expansion of Small Cottage Industry and

also as working capital to the project. The detail guidelines, terms and conditions and modus operandi of the Project has been circulated vide Head Office, Credit Division Instruction Circular # 139/2002 dated September 23, 2002. 3. 18 Lease Finance Scheme:

Lease Financing is one of the most convenient sources of acquiring capital machinery and equipment whereby a client is given the opportunity to have an exclusive right to use an asset usually for an agreed period of time against payment of rent. It is a term financing repayable by installment. With a view to encourage the genuine and capable entrepreneurs for acquiring Capital machinery, medical equipment, Computers and various items, the bank has introduced Lease Finance Scheme. Interest rate fluctuates between 15-15. 5%. Other terms and condition are applicable like term loan. 3. 19

Types of Credit Activities:

Depending on the various nature of financing, all the lending activities have been brought under the following major heads: 3. 19. 1 Loan (General): Short term, Medium term & Long term loans allowed to individual/firm/industries for a specific purpose but for a definite period and generally repayable by installments fall under this head. These types of lending are mainly allowed to accommodate financing under the categories (I) Large & Medium Scale Industry and (ii) Small & Cottage Industry. Very often term financing for (I) Agriculture & (ii) Other lending's are also included here. 3. 19. 2 House Building Loan (General):

Loans allowed to individual/enterprises for construction of house (residential or commercial) fall under this type of advance. The amount is repayable by monthly installment within a specified period. Such advances are known as

House Building Loan (General). 3. 19. 3 House Building Loan (Staff): The Board of Directors of the Bank introduced a well-timed and pragmatic revised House Building Loan Scheme for the employees of the Bank in view of increase of price of land, cost of construction materials, purchasing price of ready-made flat/house in the major cities of the country as also to improve welfare of Executives/ Officers of the Bank.

The scheme is called the “ Employees House Building Loan Scheme of Mercantile Bank” The loan under the scheme is not claimed as a matter of right but is extended on first come first served basis subject to availability of Annual Budgetary allocation of fund for the Scheme approved by the Board. Loan Ceiling: The amount of the loan can not exceed the actual cost and other expenses relating to the land and/or construction of a house or purchase price of a readymade flat/apartment. The loan ceiling has been determined which are as follows:

Sl. No.	Category of Employees	Amount of Loan
01.	Senior Vice President and Above	Tk. 32. 00 lac
02.	Asstt. Vice President to Vice President	Tk. 27. 00 lac
03.	Senior Officer to Senior Principal Officer	Tk. 17. 00 lac
04.	Asstt. Officer to Officer	Tk. 2. 00 lac
05.	Employees other than Officer	Tk. 5. 00 lac

3. 19. 4 Car Loan Schemes The Transport Policy of MBL for providing Cars to the Executives against loan was approved by the Board of Directors. In the light of increase of value of car, fuel, motor parts, maintenance cost and the cost of living index (Driver purpose), it has been observed that existing monthly Car allowance allowed to the Executives do not commensurate with the real operating cost of the vehicle.

As such, the existing Car Loan Scheme may be re-designed in a way that the loan facility does not become a burden for the concerned executives. It is also observed from the Car Loan Schemes of some Banks that they are providing Car loan to their Executives without any interest. Moreover, their Car allowances are higher than MBL. The ceiling of loan, monthly loan installment and monthly car allowance, have been fixed by making a comparison the same with new generation Banks (copy enclosed) are as follows

Sl. No.	Designation of the Executives	Loan Limit (Recondition Car)	Monthly Allowance	Loan Limit (New Car)	Monthly Allowance
01.	AVP/FVP	1500000/1800000	Tk. 8, 290. 00	Tk. 30, 000. 00	Tk. 10, 000. 00
02.	SVP/VP	1800000/2000000	Tk. 9, 200. 00	Tk. 32, 500. 00	Tk. 11, 000. 00
04.	EVP	2000000	Tk. 1, 700. 00	Tk. 35, 000. 00	Tk. 12, 000. 00
05.	SEVP/DMD/AMD	At Actual			

3. 19. 5 Cash Credits & Overdrafts (Against Hypothecation of Goods/Stocks) Advance may are sanctioned to a client against primary security of hypothecation of raw materials and/or finished products. Under this arrangement, the borrower by signing a letter of hypothecation duly stamped, creates a charge against the goods for an amount of debt but neither the ownership nor the possession of the same is passed on to the Bank.

Only a right or interest on the goods is created in favour of the Bank, but the borrower binds himself to give possession of the goods to the Bank when called upon to do so. Hence, in order to secure the advance, Bank normally insists on the borrowers to provide suitable collateral security. While allowing credit facility against hypothecation of goods/stocks the following points are considered subject to restrictions imposed from time to time: ? The facility is

to be allowed only to the trustworthy having undoubted standing and credit worthiness. The goods are sellable and borrower has an absolute title in goods. ? Hypothecation advance is allowed by banks only for working capital and not for capital investment. ? The goods are not subject to rapid deterioration due to storage for short or long duration. The prices of the goods are steady ? The goods are not encumbered and/or hypothecated to any other Bank. ? In case agricultural crops, the crops should be of current season and the advance is adjustable before the crops of next season comes in the market. Sale of Stocks:

In default of repayment of an advance called upon by the Bank, the Bank has the right to sell the stock pledged to it as security after giving reasonable notice to the borrower (vide section 176 of the contract Act). Such notice must be sent by registered letter, with acknowledgement due, whenever it becomes necessary to realize the security. In the event of the registered letter being refused, it must be kept unopened so that it can be produced in the court, if necessary, as evidence of notice having given Hire-Purchase:

Hire-Purchase is a type of installment credit under which the borrower agrees to take the goods on hire at a stated rental, which is inclusive of the repayment of Principal as well as interest for adjustment of the loan within a specified period. SOD (General): These are advances allowed to individual/firms against financial obligation (i. e. lien on FDR/PSP/ BSP/ insurance Policy/Share etc). This may or may not be a continuous Credit. SOD (Export): Advance allowed for purchasing foreign currency for payment against LCs (Back to Back) where the exports do not materialize before the date of import payment.

This is also an advance for temporary period which is known as export finance and falls under the category “ Commercial Lending”. SOD (Others): Advances allowed against assignment of work order for execution of contractual works falls under this head. This advance is generally allowed for a definite period and specific purpose. I. e. it is not a continuous credit. It falls under the category SOD “ Others”. PAD (Payment against Document): Payment made by the Bank against lodgment of shipping documents of goods imported through LCs falls under this head.

It is an interim advance connected with import and is generally liquidated against payments usually made by the party for retirement of the documents for release of imported goods from the customs authority. It falls under the category “ Commercial Lending”. LTR (Loan against Trustee Received): Advance allowed for retirement of shipping documents and release of goods imported through L/C falls under this head. The goods are handed over to the importer under Trust Receipt with the arrangement that sale proceeds should be deposited with the Bank to liquidate the advances within a given period.

This is also a temporary advance connected with import and known as post-import finance and falls under the category ‘ Commercial Lending”. 3. 20 Sector wise allocations of Loans and Advances: MBL always prefers in well diversified portfolio investment. The portfolio continues to be free from undue concentrations in terms of exposure of any specific industry. | SL | Sectors | Sector wise Allocation of loans | | | | for the Year 2007. | 1 | Garments | 4962848367 | | 2 | Trading | 9553142956 | | 3 | Engineering: | 1354138597 | | 4 | Contractor Finance | 1358690299 | | 5 | Leasing Company

| 1484910625 | | 6 | Housing | 2296970264 | | 7 | Food products and
beverage | 1745497330 | | 8 | Pharmaceuticals | 671356398 | | 9 |
Telecommunication | 1550000000 | | 10 | Transport | 485440761 | | 11 |
Textile | 1256269275 | | 12 | Information technology | 221039999 | | 13 |
Hospital and medical Services | 655049990 | | 14 | Paper, Paper production
and publications | 297244722 | | 15 | Plastic and plastic Materials |
167971665 | | 16 | Storage | 6250904 | | 17 | Glass and glass products |
265252222 | | 18 | Agriculture | 1125740077 | | 19 | OTHERS | 2420045653 |
| | Total