



A comparative study on the loan products “Life Line”

Dutch Bangla Bank Limited

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Subject: Submission of Internship Report

Dear Sir,

It gives me enormous pleasure to submit the internship report on “Loan and Advance Department of DBBL” as per the Advisor’s instruction. I expect this report to be informative as well as comprehensive.

Working in Dutch Bangla Bank Ltd was an inspiring experience for me. I believe that the knowledge and the experience I gathered will facilitate me a lot in my future career life. With my limited knowledge, I have tried my level best to prepare the report worthwhile.

Your acceptance and appreciation would surely inspire me. For any further explanations about the report, I will be gladly available to clarify the ins and outs. You can reach me at eshara.sh99@gmail.com

Sincerely Yours,

Syeda Eshana Ahsan

ID: 10204088

Acknowledgment

I have completed my internship at DBBL (Ashkona branch) from July 05th to september 5th. My internship report won't be possible without contribution of few people.

At first we desire to express our deepest sense of gratitude of almighty Allah.

With profound regard I gratefully acknowledge my respected course teacher Feihan Ahsan , Lecturer BRAC Business School of BRAC University for his generous help and day to day suggestion in the process of my internship report.

Next I would like to show my gratitude towards Md Moniruzz Zaman, the First Vice President, the General Banking Department In-charge along with my supervisor, , Assistant Vice President, of Mr Jassim Uddin DBBL Ashkona branch. They have truly been extremely supportive to me. I can't thank enough to all the personnel of DBBL (Ashkona Branch). They have explained everything I asked for in details. Throughout time they were never impatience. They did not allow me to feel uncomfortable for even a single moment. I am really grateful to all for their supportive and friendly behavior.

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Executive Summary

With the focus of providing one counter service to clients, Dutch Bangla Bank Limited (DBBL) has its journey. Dutch-Bangla Bank is a second generation commercial private Bank. The Bank commenced its banking business with one branch on July 4, 1996. As a part of my under graduation program, I have completed my internship in this organization. Throughout the period of my internship, I had been working in several departments. However, I was officially appointed to work in the loan and advancement department. The report will reveal the background of the company, description of the loans, findings and recommendations based on the experience gathered.

One of my major responsibilities was to assist the clients in opening new accounts. Alongside, filling up IPO form, maintaining database, providing relevant information, accepting cash and credit cheque, maintaining OBC register and writing vouchers were some of the core activities during my internship. In one hand, I was assigned to provide account opening related information to the new customers. Everyday, one of my responsibilities was to capture new or existing information related to account opening and then, disseminate those information to the clients who are interested to open accounts in DBBL. On the other hand, I was assigned to keep a database of the information collected. I had been maintaining a database of clearing cheques. Alongside, I prepared and fill up new and existing files for the department.

The project is based on my critical observation while working in the loans and advancement division of DBBL. The project reveals the various types of loan scheme and the criterion to get the loan. Then, I tried to compare the schemes with that of HSBC bank. Based on the analysis, the report made some recommendations.

To sustain in the highly competitive market, DBBL has been endeavoring to come up with new products which are essential for individual and family life. Life line is not an exception. This is a product category specially designed to meet up the need of everyday life. The life line products can be divided into two parts, namely clean credit line- without any security- and secured credit lines-with minimum security. The report analyzes these products with that of HSBC and infers some recommendations.

The success of a bank depends on the quality of the services it offers. All the commercial banks, therefore, try to provide quality services with competitive interest rates. DBBL is not an exception. Life line package has been developed with the same purpose. Although, the comparative analysis shows that DBBL 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.

CHAPTER 1: INDRODUCTION

1 Introduction

As a part of my under graduation program, I have completed my internship in a renowned financial institution named “Dutch-Bangla Bank Limited.” Throughout the period of my internship, I had been working in several departments. However, I was officially appointed to work in the loan department. Therefore, I had to spend most of the time working in loan department. I prepared this report concentrating on the loan department. The report will reveal the background of the company, description of the loans, findings and recommendations based on the experience gathered.

Background

It is mandatory to complete a three month internship program in order to complete the BBA program. After finishing my course work, I was assigned to complete my internship program in DBBL. As per the instruction of internship advisor, I was devoted to learn the banking operation of DBBL. During the tenure of my internship program, I worked in three sections of general banking. However, I have worked more vigorously in loan and advancement department in particular. Based on the learning and practical experience, I have prepared this report. It is also mandatory to submit a report to the bank.

Objective

Objectives regarding this study are as follows:

-  Understanding the environment, functions and management of DBBL.
-  To learn banking more thoroughly
-  To fulfill academic requirement
-  To identify major strengths and weaknesses of DBBL in retail products in respect to other banks
-  To recommend for the successful operation of the services offered by DBBL.

Methodology

For preparing this paper, I used both Primary and Secondary data.

Primary data

Most of the necessary information has been collected by from the personal observation and one to one discussion with the relevant officials. Throughout the tenure of my internship, I worked in different departments and that gave me a great opportunity to collect information and learn more.

Secondary data

The details of the bank and the selected department have been collected from secondary sources. The relevant information of other private banks has been collected from annual reports, web pages and other published documents.

Scope of the report

There are five sections under the general banking of DBBL. I have worked in three sections vigorously. However, majority of the responsibilities were under the loan and advancement department. I had to spend most of the time working in this department and thus, I acquired a competitive advantage of knowing the loan products better. This motivated me to prepare the internship report on loan products. This report finding will be limited to the life line products offered by DBBL.

Limitations

Although it has been tried on the level best to make this report based on facts and complete information available, there are some limitations that are inevitable. They are following:

-  The main obstacle while preparing this report was time. As the tenure of the internship program was only three months, it was not possible to highlight everything deeply.
-  Confidentiality of information was another barrier that hindered the study.
-  Sufficient records, publications were not available as per my requirement.
-  Because of being private limited companies, SCB, DBBL and others banks keep some information restricted. Therefore the comparison mayn't be satisfied fully.

CHAPTER 2: THE COMPANY

2 The Company: Dutch-Bangla Bank Limited

Historical Background

Dutch-Bangla Bank Limited is a scheduled commercial bank. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. DBBL- a Bangladesh European private joint venture scheduled commercial bank commenced formal operation from June 3, 1996. The head office of the Bank is located at Senakalyan Bhaban (4th floor), 195, Motijheel C/A, Dhaka, Bangladesh. The Bank commenced its banking business with one branch on 4 July 1996.

Dutch Bangla Bank Limited (DBBL) a public company limited by shares, incorporated in Bangladesh in the year 1995 under companies Act 1994. With 30% equity holding, the Netherlands Development Finance company (FMO) of the Netherlands is the international co-sponsor of the Bank. Out of the rest 70%, 60% equity has been provided by prominent local entrepreneurs and industrialists & the rest 10% shares is the public issue. During the initial operating year (1996-1997) the bank received skill augmentation technical assistance from ABN Amro Bank of the Netherlands.

DBBL's focus is to provide one counter service to clients covering: Commercial Banking (Deposit Accounts), Consumer Banking (Retail Banking) - Traveler Cheques- Foreign & Inland Remittances, Financial Services, Corporate Banking, Asset & liability management, Liquidity & capital Resources Management, Information technology, Human Resources. DBBL Internet banking enables customer to access his/her personal or business accounts anytime anywhere from home, office or when traveling. Internet Banking gives customer the freedom to choose his/her own banking hours. It can save time, money and effort. It's fast, easy, secure and best of all.

DBBL, since its inception was active in various social activities, which increased manifold over the period of time and its growth. It is one of the fast growing leading online banks in private sector. The emergence of Dutch-Bangla Bank Ltd. in the private sector is an important event in the banking area of Bangladesh. The Netherlands Development Finance Company (FMO) of the Netherlands is the international sponsor of the Bank. The FMO is the Dutch development bank of the Netherlands specialized in the financing of private enterprises in Asia, Africa, Latin America and Eastern Europe. Dutch-Bangla Bank Ltd. came into existence with joint venture as a public limited company incorporated in Bangladesh on June 26, 1995 with the primary objectives to carry on all kinds of banking business in and outside of Bangladesh. DBBL has started its business with foreign bank. DBBL commenced its business as scheduled bank with effect from July 04, 1995 with one branch-Motijheel Branch, Dhaka, with a motto to grow as a leader in the banking arena of Bangladesh through better counseling and effect service to clients and thus to revitalize the economy of the country. All the branches are currently providing truly On-Line banking facility. DBBL resumed its operational activities initially with an authorized capital of Tk.400 million and paid up capital of Tk.202.14 million.

An over view of DBBL

Dutch-Bangla Bank is a second generation commercial private Bank. During the period of its operation, this bank creates a milestone of success in banking sector. This bank holds an experienced team of banking professional. They achieve this success because of their experienced banking professional team, proper management & so on. Dutch-Bangla Bank Limited is a Bangladesh–Netherlands joint venture scheduled commercial bank established in Bangladesh with the primary objective to carry on all kinds of banking business in and outside of Bangladesh. Starting with one Branch in 1996, DBBL has expanded to thirty nine (39) branches including nine Branches outside of the capital. To provide client services all over Bangladesh it has established a wide correspondent banking relationship with a number of local banks. To facilitate international trade transactions, it has arranged correspondent relationship with large number of international banks which are active across the globe.

In addition to its banking activities, Dutch-Bangla Bank Limited takes part in different national activities promoting sports, culture, social awareness, etc. Participation in these activities as sponsors is part of its business development policy.

Philosophy of DBBL

The objectives of Dutch-Bangla Bank Limited remains to offer modern & innovative products & services to its clients in Bangladesh the partnership with FMO is optimistically scene to offer scopes opportunities to draw on modern tools & techniques of Banking from western world which could be blended with the currently prevalent local customs & practice. The Bank is committed to being a sophisticated prominent and professional institution, providing a one window service to its customers. During the first five years Dutch Bangla Bank’s strategy was focused on continuing in provident of internal procedures and operating structures, to have a greater control on the quality of our business and to provide better management direction. After five years of working on the Banks structure, its culture and controls, the management is confident that the Bank can move forward on a rapid growth path. The DBBL’s corporate philosophy is to build its non-funded fees and commission income stream, thus reducing its reliance on interest income alone.

Core objective of DBBL

Dutch-Bangla Bank believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. Taking cue from its pool esteemed clientele, Dutch-Bangla Bank intends to pave the way for a new era in banking that uphold and epitomize its vaunted marquee **“Your Trusted Partner”**

Focus of DBBL

DBBL’s focus is to provide one counter service to our clients covering:

 Commercial Banking (Deposit Accounts)

 Consumer Banking (Retail Baking)-

- a. Traveler Cheques
- b. Foreign & Inland Remittances

-  Financial Services
-  Corporate Banking
-  Asset & liability management
-  Liquidity & capital Resources Management
-  Information technology
-  Human Resources

Mission

Each business unit needs to define its specific mission within the broader company mission. Dutch-Bangla Bank engineers enterprise and creativity in business and industry with a commitment to social responsibility. "Profits alone" do not hold a central focus in the Bank's operation; because "man does not live by bread and butter alone". Mission statements are at their best when they are guided by a vision.

Vision

“To become a leading banking institution and play a pivotal role in the development of the country”

Vision, a compelling view of a future yet to be, creates meaning and purpose which catapults both individuals and organizations to high levels of achievement. Dutch-Bangla Bank dreams of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality and ethics make all our lives worth living. DBBL's essence and ethos rest on a cosmos of creativity and the marvel-magic of a charmed life that abounds with spirit of life and adventures that contributes towards human development.

Strategies of DBBL

The strategies are as follows:

- To manage and operate the Bank in the most efficient manner to enhance financial performance and to control cost of fund
- To strive for customer satisfaction through quality control and delivery of timely services
- To identify customers' credit and other banking needs and monitor their perception towards our performance in meeting those requirements.
- To review and update policies, procedures and practices to enhance the ability to extend better service to customers.
- To train and develop all employees and provide them adequate resources so that customers' need can be reasonably addressed.

- To promote organizational effectiveness by openly communicating company plans, policies, practices and procedures to employees in a timely fashion
- To diversify portfolio both in the retail and wholesale market
- To increase direct contact with customers in order to cultivate a closer relationship between the bank and its customers.

Objectives of DBBL

- To earn and maintain CAMEL Rating 'Strong'
- To establish relationship banking and improve service quality through development of Strategic Marketing Plans.
- To remain one of the best banks in Bangladesh in terms of profitability and assets quality.
- To introduce fully automated systems through integration of information technology.
- To ensure an adequate rate of return on investment
- To keep risk position at an acceptable range (including any off balance sheet risk)

Departments of DBBL

Human Resources Department

Success of any organization largely depends on the efficiency & competence of its manpower. The organization provides a comprehensive range of human resources services to staff and managers and all prospective employees. A full list of staff and their relevant areas of responsibility are conduct here. This includes Senior Management, Operations group - including HR Advisors, Staff Development, and Job Evaluation & Systems & Management Information group.

Our vision is to be a department that leads on and delivers the University's Staff Experience Strategy, works as a business partner within the organization and leads by example in relation to university values.

Services provided under this department:

We provide the following range of services:-

-  Strategic planning and organizational development
-  faculty and departmental operational advice, support and services
-  staff development
-  projects and information management

Equality and Diversity

The organization is committed to the support and implementation of the equality and diversity agenda as laid out in our policy.

Corporate governance

Board of directors

	Board of Directors	Designation
1	Mr. Sayiam Ahmed	Chairman
2	Mr. Abedur Rashid Khan	Director
3	Mr. Bernhard Frey	Director
4	Mr. Shahabuddin Ahmed	Director
5	Mr. Md. Shahidur Rahman	Director
6	Mr. K Shamshi Tabrizz	Managing Director

Table-4.1 Board of Directors

International Division

Internal trade means foreign currency and includes all deposits, credit and balances payable in foreign currency as well as all foreign currency instruments, such as, Drafts, Travelers Cheques, Bills of Exchange, and Promissory Notes payable in any foreign country. Anything that conveys a right to wealth in another country is Foreign Exchange.

DBBL provides premium quality service for repatriation and collection of remittance with the help of its first class correspondents and trained personnel. By introducing on-line banking service and becoming a SWIFT Alliance Access Member, which enable its branches to send and receive payment instruction directly, which helps provide premium services.

Credit department

Risk is an integral part of business & the main role of our risk management principle is to find the optimal balance of risk & return. Bangladesh bank has undertaken a project to install a core risk management system in every bank. DBBL Bank Ltd installing the same system in respect to Asset liability management, Foreign exchange management, internal control & compliance, Anti money laundering. The bank prudently controls asset allocation through limiting exposure to industry sector & setting client limit. Moreover, the bank approved a new organization structure to accommodate core risk management perspective.

Loans and Advances

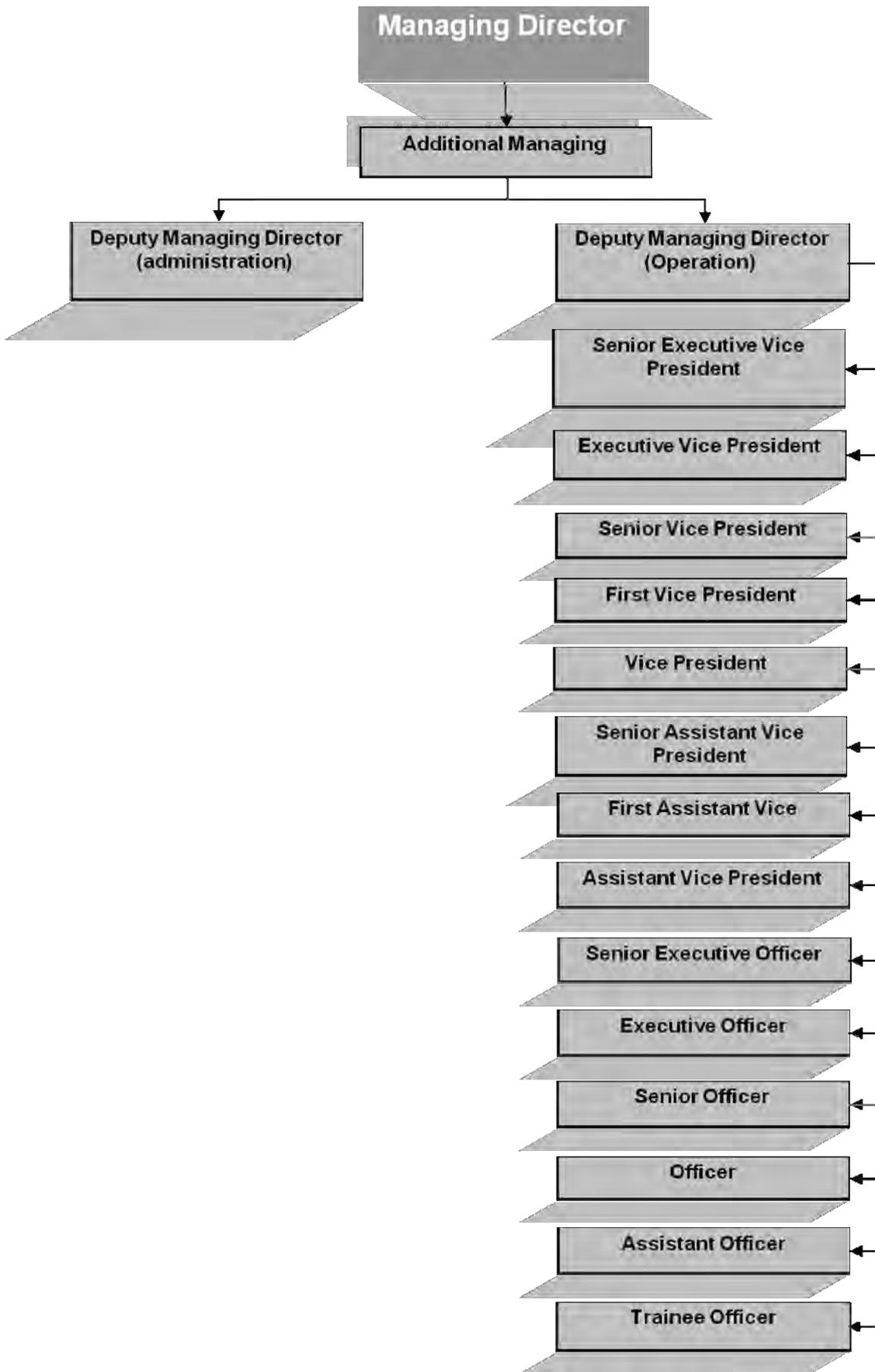
Loans and advances	Interest Rate
Agriculture	8.00% ---11.00%
	11.50% ---14.50%
Working Capital for Industry	12.50% ---15.50%
Small Shop Finance and SME	13.00% ---16.00%
Transport Loan	13.50% ---16.50%
Consumer Credit	13.50% --- 16.50%

Table4.2: Loan and Advance

IT department

Dutch-Bangla Bank Limited (DBBL) undertook a project with BASIS (Bangladesh Association of Software and Information Services) to award the best IT uses by Bangladeshi companies. DBBL and BASIS organized IT award-giving ceremony in this regard. The award Ceremony was held on 30th November 2005, which was the day before last day of BASIS SOFfEXP02005 (November 27-December 01, 2005). This was a gala evening (with dinner and cultural program) attended by around 700 dignitaries including government high officials & policy makers, corporate heads, representatives from development agencies, IT policy makers, academicians and the IT industry members. In this regards, DBBL's contribution in supporting this event was 50% of the estimated cost with Tk.6.25 Lac

2.11 Organogram



PRODUCTS AND SERVICES

Products and services offered by DBBL

- Retail Banking
- Remittance and collection
- Import and export handling and financing
- Corporate Banking
- Project Finance
- Investment Banking
- Consumer credit
- Agriculture Loan
- Real time any branch banking
- 24 Hours Banking through ATM
 - DBBL-NEXUS ATM & Debit card
 - DBBL-Maestro/Cirrus ATM & Debit card
 - DBBL Credit card
- Internet Banking
- SMS Banking
- On line Banking through all Branches

Banking Products

Various deposits:

- Savings Deposit Account
- Current Deposit Account
- Short Term Deposit Account
- Resident Foreign Currency Deposit
- Foreign Currency Deposit
- Convertible Taka Account
- Non-Convertible Taka Account
- Exporter's FC Deposit(FBPAR)
- Current Deposit Account-Bank
- Short Term Deposit Account-Bank

Term Deposit

Term Deposit 3 Months	Term Deposit 24 Months 1 Year Payout
Term Deposit 6 Months	Term Deposit 36 Months
Term Deposit 12 Months	Term Deposit 36 Months 6 Months Payout
Term Deposit 12 Months	Term Deposit 36 Months 1 Year Payout
Term Deposit 24 Months	
Term Deposit above 36 Months	
Monthly Term Deposit Banks	
Term Deposit 3 Months Banks	
Term Deposit 6 Months Banks	
Term Deposit 12 Months Banks	

Table-4.1: Term deposit

Loan & Advances

- Loan against Trust Receipt
- Transport Loan
- Consumer Credit Scheme
- Real Estate Loan (Res. & Comm.)
- Loan Against Accepted Bill
- Industrial Term Loan
- Agricultural Term Loan
- Lease Finance
- Other Term Loan
- FMO Local currency Loan for SME
- FMO Foreign currency Loan
- Cash Credit (Hypothecation)
- Small Shop Financing Scheme

ATM Services

We can find DBBL ATMs beside our home, in our office premise, nearby market, university, college & school premises, Airport, Railway stations etc., throughout the country. Using any of the DBBL ATM pools any where in the country, you can perform the following:

- Account balance enquiry
- Cash withdrawal – 24 hours a day, 7 days a week, 365 days a year
- Cash deposit to a certain number of ATMs any time

- Mini statement printing
- PIN (Personal Identification Number) change

All the ATMs can accept DBBL-NEXUS ATM / POS card, DBBL-Maestro/Cirrus Debit card and DBBL Credit card

PRODUCTS	NAME	CUSTOMER	CHARGE
ATM	NEXUS Debit card	All a/c Holders	Yes
ATM	Maestro Debit card	All a/c Holders	Yes
ATM	Maestro Debit card	All a/c Holders	Yes
ATM	DBBL Credit card	Limited	Yes
Internet Banking		All a/c Holders	Yes
SMS Banking		All a/c Holders	Yes

Table 4.3: ATMs of DBBL

Treasury

DBBL is well equipped for treasury operation through subscribing Reuters's terminal and operating in SWIFT network. It is also well equipped with competent human resources for efficient dealing.

DBBL's treasury quotes competitive exchange rate for major currencies:

- Spot Sale/Purchase
- Forward Sale/Purchase
- Money market Inter bank & Corporate
- SWAPS

Account Service

DBBL provides all the accounts services as prescribed by the guidelines of Central Bank (Bangladesh Bank). DBBL offers competitive interest rate and provides premium quality services for the accounts. Account services are:

- Foreign Currency Account
- Non-Resident Foreign Currency Deposit Account (NFCD)
- Resident Foreign Currency Deposit Account (RFCD)
- Convertible and Non-Convertible Taka Account

Foreign Trade

DBBL extends finance to the importers in the form of:

- Opening of L/C (Foreign/Local)
- Credit against Trust Receipt for retirement of import bills.
- Short term & medium term loans for installation of imported

Import Finance

DBBL extends finance to the importers in the form of:

1. Opening of L/C
2. Credit against Trust Receipt for retirement of import bills.

Export Finance

1. Pre-Shipment Finance

Pre-Shipment finance in the form of:

- I) Opening of Back-to-Back L/C
- II) Export Cash Credit

2. Post-Shipment Finance

Post-Shipment finance in the form of:

- I) Foreign/Local Documentary Bills Purchase
- II) Export Credit Guarantee
- III) Finance against cash incentive

Foreign Remittance

DBBL provides premium quality service for repatriation and collection of remittance with the help of its first class correspondents and trained personnel. By introducing on-line banking service and becoming a SWIFT Alliance Access Member, which enable its branches to send and receive payment instruction directly, which helps provide premium services. Remittance services provided by DBBL are:

- Inward Remittance: Draft, TT
- Outward Remittance: FDD, TT, TC and Cash (FC)

Western Union

Western Union Financial Services Inc. U.S.A. is the number one and reliable money transfer company in the world. This modern Electronic Technology based money transfer company has earned world wide reputation in transferring money from one country to another country within the shortest possible time. Dutch-Bangla Bank Limited has set up a Representation Agreement with Western Union Financial Services Inc. U.S.A. as on 14th February 2006.

DBBL Internet Banking

DBBL Internet banking enables customer to access his/her personal or business accounts anytime anywhere from home, office or when traveling. Internet Banking gives customer the freedom to choose his/her own banking hours. It can save time, money and effort. It's fast, easy, secure and best of all.

Using any of the DBBL ATM pools any where in the country, you can perform the following:

- Securities with DBBL Internet Banking
- A/c Opening & Accessing Internet Banking
- Internet Banking Features
- Terms & Conditions of Internet Banking

CHAPTER 3: SWOT ANALYSIS

3 SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ❖ Largest banking service provider in the commercial bank and operate near about 1000 corporate client. ❖ Qualified, hard working & dedicated human resources ❖ Gets advantage for ATM card 	<ul style="list-style-type: none"> ❖ Low deposit rate and minimum balances are too high. ❖ Non functioning ATM machines, delay for providing cards. ❖ Poor coordination & communication between Head offices and branches
Opportunities	Threats
<ul style="list-style-type: none"> ❖ If reducing its current fees & charges and positioning attractively , so DBBL can attract more corporate client ❖ By offering more attractive interest rates, and lowering the minimum balances eligible for interest, the bank can attract a lot of the old customers 	<ul style="list-style-type: none"> ❖ At present Trust Bank, EBL and BRAC Corp are posing significant threats to DBBL regarding retail and business banking respectively. ❖ Furthermore, the new comers in private banking sector are also coming up with very competitive products.

CHAPTER 4: MY JOB

4 Internship: My Job

Description/nature of the job/s

General Banking department generally deals with five sections. However, my work was limited to the following sections:

General Banking	<i>1</i>	Account opening section
	<i>2</i>	Bills and clearing section
	<i>3</i>	Local Remittance section

Table-6.1: Activities of GB Department

Account Opening Process:

The relation ship between banker and customer begins with the opening of an account by the customer. Opening an account binds the customer into contractual relationship. Infected all kinds of fraud & forgery start by opening an account. So, the bank should take extreme caution in selection customers.

Under this section, DBBL Bank Assistant Officer opens different types of accounts on the request of clients. Such as:

- (a) Current Deposit (CD)
- (b) Saving Deposit (SB)
- (c) Other type

a) Current Account:

A current deposit account may be operated in several times during a working day. There is no restriction on the number and the amount of withdrawals from a current account and banker does not allow any interest on this account DBBL Banks normally prefer current account due to its cost free nature.

b) Savings account

A saving account is meant for the person of the lower and the middle classes who wishes to save a part of their income to meet their future needs and intend to earn an income from their savings .This is an interest bearing account and a reasonable rate of interest is offered, which is higher than that of short term deposit account but lower than that of fixed deposit account.

c) Other type account:

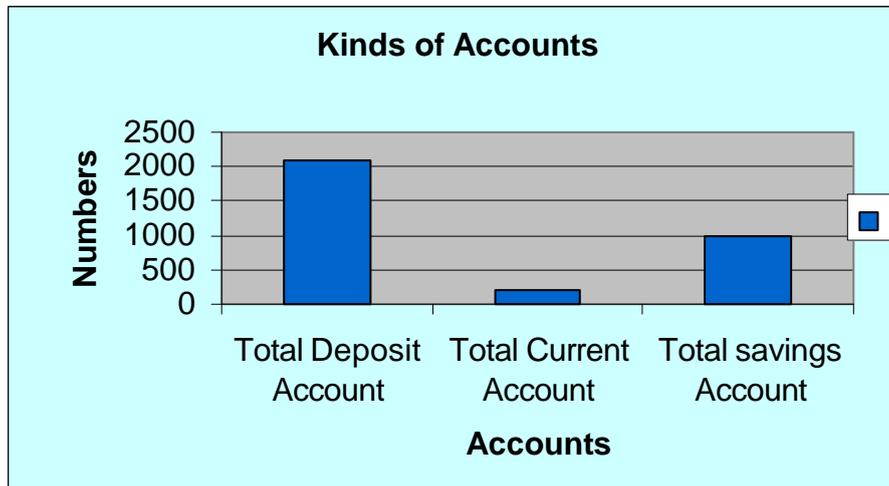
► For Joint Stock companies, Association, Clubs etc:

In case of opening a current account of joint stock companies, association, clubs etc, are said to fulfill true copies of certificate of incorporation or registration (in case of companies and registered bodies only).

► **For Partnership / Proprietorship Company:**

To open a current a/c on the name of any partnership or company, the following documents are required to fill up application form stating about the name and address of the firm.

We can get an idea by observing this chart



All the features are like CD A/C as no restriction imposed by the bank.

The Bank offers a reasonable rate of interest.

Figure-6.1: Kinds of Account

◆ **Bank activity:**

After selecting the type of account, customer needs to fill up a form which is known as account opening form. After fill up account opening form by customer the assistant officer done following job:

- Verify all information
- Entry all customer information into DBBL's online server
- After completion of entry assistant officer it sends to Second officer/Manager for authorization.
- If Second officer/Manager satisfies with customer information he gives authorization.
- Assistant officer gets new account number for certain customer after authorization

The procedure of opening account is given is given below:

Step 1	Receiving filled up application and signed by account holder in bank's prescribed form mentioning what type of account is desired to be opened
Step 2	<p># The form is filled up by the applicant himself / herself.</p> <p># Two copies of passport size photographs from individual are taken, in case of firms photographs of all partners are taken.(attested by the introducer)</p> <p>#Applicants must submit citizenship certificates: Photocopy of valid passport or ward commissioner certificate</p> <p># Application must sign in A/c opening form and KYC (Know Your Customer) form</p> <p># Introducer's signature and accounts number – verified by legal officer.</p> <p># Nominee name, signature and photograph one copy.</p>
Step 3	Authorized Officer accepts the application
Step 4	Minimum balance is deposited – only cash is accepted
Step 5	Account is opened and a pay-in-slip book is given

Table-6.2: Account procedure

After fulfilling the above formalities, DBBL Bank provides the customer pay-in-slip book that customer deposit their initial deposit.

◆ **Checkbook:**

In online banking it is difficult to issue cheque book immediately that is why it takes one or two days. A guarantee form is taken from the account holder when his book is lost, where he indemnifies the bank in this regard. A new requisition slip is given to him for a new cheque book. Only verification of senior officer will approve in this case.

◆ **ATM Card:**

An account holder gets a NEXUS Debit card at free of cost after opening account. It takes two or three weeks and sends him by mail.

◆ **SPECIAL CAUTION MUST BE TAKEN FOR THE FOLLOWING CUSTOMERS:**

In the name of individual	The client has to fill up an account opening form. Terms and conditions are printed on the back of the form. The form contains the declaration clause, special instructions etc.
In joint name	In this type, the formality is same as individual account, but in the special instruction clause, either or survivor“ or „former or survivor“ clause is marked
Proprietorship	In addition, the customer has to submit the valid Trade License and Tax Paying Identification Number (TIN) along with the application.
Partnership Firm	<ol style="list-style-type: none"> i. A copy of notarized partnership deed certified by all the partners or Registered partnership deed. ii. Resolution of the partners regarding account opening. iii. Photographs attested of those who will operate. iv. Trade license. v. Mandate as to operation of the account.
Public Limited Company	<ol style="list-style-type: none"> i. Certificate of Incorporation ii. Copy of Memorandum and Articles of Association duly certified by the Register of Joint Stock Companies. iii. Certificate of Commencement iv. Form-xii and schedule X - duly certified by the Register of Joint Stock Companies. v. Copy of Resolution of the Board of Directors
Private Limited Company	<ol style="list-style-type: none"> i. Certificate of Commencement is not necessary ii. Certificate of Incorporation iii. Copy of Memorandum and Articles of Association iv. Copy of Resolution of the Board of Directors

Table-6.3: Special Cushions of GB

◆ **Account inquiry:**

A customer can obtain the statement of his account by the submission of an application in prescribed balance inquiry receipt. DBBL not charges any amount for this statement.

◆ **Transfer of an A/C:**

Account holder may transfer his account from one branch to another branch. For this he/she must apply to the manager of the branch where he is maintaining account. Then manager sends a request letter to the manager of the branch where the account holder wants to transfer his account. With his request he sends original copy of account opening application and specimen Signature Card and photocopy of application for transferring the account with the balance remained account. But now-a-days customer need not transfer their account from one branch to another branch. They can make transaction any DBBL branch with truly on-line facility.

◆ Closing of an A/C:

The closing of an account may happen:

- a. If the customer is desirous to close the account
- b. If DBBL finds that the account is inoperative for a long duration.
- c. If Garnishee Order is issued by the court on DBBL.

To close the account, the cheque book is to be returned to the bank. DBBL takes all the charges by debiting the account and the remaining balance is then paid to the customer. Necessary entries are given to the account closing register and computer.

Bill Collection & Section

Customers do pay and receives bill from their counter party as a result of transaction. DBBL collects the bills on behalf of their customers. Collection mechanisms in DBBL are clearing, Outward Bill for Collection (OBC), Inward Bills for Collection.

◆ Clearing

When the bill is within the range of the clearinghouse it is sent for collection through clearing section. As far as safety is concerned customers get crossed cheque for the transaction Crossed check can't be encashment from the counter; rather it has to be collected through banking channel i.e., clearing. If a client of DBBL received a check of another bank that is located within the clearing range and deposit the instrument in his account at DBBL, then DBBL will collect the money through clearing house. After received the check DBBL will credit client account. However, the amount is credited in the customer a/c but he will not get the money until the check is honored.

▶ Procedures for collection:

- a. "Received" seal is stamped on the cheque
- b. Crossing of the cheques are done
- c. Proper endorsement is given
- d. "Clearing" seal with date is given
- e. Cheques are sorted bank wise and entries are given to the software-**NIKASH2** (Provided by Bangladesh Bank)

▶ Function in the Clearing House:

- a. The clearinghouse is an assembly of the locally operating scheduled banks for exchange of checks, drafts, and other demand instruments drawn on each other and received from their respective customers for collection.

- b. The house meets at the appointed hour on all working days under the chairmanship of the central bank. The clearinghouse sits twice in a working day.
- c. The members submit the claimable checks in the respective desks of the banks and vice-versa.
- d. Consequently, the debit and credit entries are given.
- e. At the end, the debit summation and the credit summation are calculated. Then the banks clear the balances through the check of Bangladesh Bank.
- f. The dishonored checks are sorted and returned with return memo.
- g. If the instruments are dishonored then they are sorted again and sent back to the returning house along with their return memo.
- h. Later on all the instruments of DBBL which were claimed by other banks are sorted and delivered to respective branches.

◆ **Outward Bills for Collection (OBC):**

If the bill is beyond the clearing range then it is collected by OBC mechanism. Customer deposit cheque, drafts etc. for collection, attaching with their deposit slip, Instrument within the range of clearing are collected through local clearing house, but the other which are outside the clearing range are collected through OBC mechanism. A customer of DBBL of any branch is depositing a cheque, of Sonali Bank Cox's Bazar. Now as a collecting bank DBBL will perform the following task;

▶ **Procedure:**

- a. Depositing the cheque along with deposit-slip
- b. Crossing of the cheques are done indicating particular branch as collecting bank.
- c. Endorsement "Payee's A/C will be Credited on realization" is given
- d. Entries are given in the Outward Clearing Register (OBC)

Collecting bank can collect it either by its branch or by the drawer's bank. They will forward the bill then to that particular branch. OBC number will give on the forwarding letter. Now following procedures will take place in case of the following two cases.

Foreign remittance collects by clearing:

- ❖ Foreign remittance prepare payment order prepare/fill-up debit voucher with whole amount fill up credit voucher with whole amount fill up credit voucher by individual party amount fill up debit voucher with whole amount send PO with forwarding letter
- ❖ Fund Transfer charge fill up the debit voucher/party debit fill up the credit voucher/single credit for commission for vat
- ❖ Cash Pick up fill up cash debit voucher get at least two sign of client behind cash debit voucher verify signature get sign form manager & operational manager

Specific responsibilities of the job

Throughout the tenure of my internship, I was involved in accounts opening section, clearing section and store management section. During this period, my specific responsibilities were as follows:

- To assist the clients in opening new accounts
 - Scan the photographs
 - Scan the signature of the new customers
- To assist customers in order to fill up the IPO forms and provide relevant information
- To maintain database of the cheques, name of the customers and amount of the money received or paid.
- To collect the accounts payable cheque
- To write the credit vouchers for remittance that transfers through the cheque
- To write the cash vouchers for remittance identified by the PIN code, passport and National ID
- To maintain the OBC register
- To write pay order instrument.
- To provide customer's product related information.
- To provide assistance support according to the needs of the customer
- To check the balance of the customers
- To provide balance statement to the special customers

Different aspects of job

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 start working in account opening, clearing and store management section. Different aspects of my job are summarized below:

- In one hand, I was assigned to provide account opening related information to the new customers. Everyday, one of my responsibilities was to capture new or existing information related to account opening and then, disseminate those information to the clients who are interested to open accounts in DBBL
- On the other hand, I was assigned to keep a database of the information collected. I had been maintaining a database of clearing cheques. Alongside, I prepared and fill up new and existing files for the department.

- In addition, I carried money to the local office of DBBL. This proves that I was trustworthy.

Critical observations and recommendations

- There are fewer employees than actually needed to provide services properly. Sometimes, it seemed that the employees are over loaded.
- Due to the over load of work, employees might get de-motivated and retention ratio might decrease.
- Customers, sometimes, seems very annoyed due to the poor service of ATM booth.
- There are many customers who request services after the normal banking hour. This happens due to the acceptance of the similar events before.
- Some of the customers consider the general employees as their subordinates. This happens due to the top management's over patronization of the customers.
- Physical working environment was not at satisfactory level.
- Management does not provide much emphasize on the employees which de-motivates the employees.
- The new target-which is around 400 new accounts per week- of account opening, has always been a tough target for the responsible employees.

CHAPTER 5: THE PROJECT

5 Project

Summary

The internship program is done on the purpose of learning banking more thoroughly and applies the learning in the real life situation. The project paper identifies various types of loan products and then compare these products with that of other banks. Thus, the project infers the strength and weakness of DBBL. In preparing the project, I mainly depend on the primary data; however, some information was collected from the secondary sources. To sustain in the highly competitive market, DBBL has come up with new product lines named “Life line”. The life line includes two types of products categorized as loans without security and loans with minimum security. The report summarizes the features and borrower’s eligibility for the life line products. While comparing the interest rates of life line products with that of HSBC, it was found that DBBL is in better position. This implies that DBBL is trying to capture market share which is currently captured by HSBC. Based on the findings, some recommendations have been made in the end of the report.

Description of the project

The project is based on my critical observation while working in the loans and advancement division of DBBL. The project reveals the various types of loan scheme and the criterion to get the loan. Then, I tried to compare the schemes with that of HSBC bank. Based on the analysis, the report made some recommendations.

Objective of the project

Objectives regarding this study are as follows:

-  To apply theoretical knowledge in the practical filed and dealing with the customers to gather practical knowledge.
-  Understanding the environment, functions and management of the loan department of DBBL.
-  To learn banking more thoroughly
-  To fulfill academic requirement
-  To find the length and variety of loan products and to analyze the lending procedures
-  To identify major strengths and weaknesses of DBBL in retail products in respect to other banks
-  To identify problems in personal loan disbursement of DBBL
-  To recommend for the successful operation of the department and delivery of the services.

Methodology

For preparing this paper, I used both Primary and Secondary data.

Primary data

Most of the necessary information has been collected by from the personal observation and one to one discussion with the relevant officials. Throughout the tenure of my internship, I worked in different departments and that gave me a great opportunity to collect information and learn more.

Secondary data

The details of the bank and the selected department have been collected from secondary sources. The relevant information of other private banks has been collected from annual reports, web pages and other published documents.

Limitations

Although it has been tried on the level best to make this report based on facts and complete information available, there are some limitations that are inevitable. They are following:

 The main obstacle while preparing this report was time. As the tenure of the internship program was only three months, it was not possible to highlight everything deeply.

 Confidentiality of information was another barrier that hindered the study. 

Sufficient records, publications were not available as per my requirement.

 Because of being private limited companies, SCB, DBBL and others banks keep some information restricted. Therefore the comparison mayn't be satisfied fully.

Life Line: The services

To sustain in the highly competitive market, DBBL has been endeavoring to come up with new products which are essential for individual and family life. Life line is not an exception. This is a product category specially designed to meet up the need of everyday life. DBBL considers the product line in the following way:

“A complete series of personal credit facilities to add more color in very step of your life”

The life line products can be divided into two parts, namely clean credit line and secured credit lines.

Clean Credit Lines

This type of credit line does not require any cash security or any personal guarantee.

Health Line: health line credits are given mainly for hospitalization or other emergency medical needs or to purchase body fitness equipments

Education Line: education loans are given for Higher education purposes, for tuition fees or other Educational expenses and to purchase of computer etc.

Professionals Line: targeted to purchase of Professional equipments and for Office renovation/decoration

Marriage line: Marriage line credit are designed to meet marriage expenses for himself/herself and Marriages in the family

Travel Line: travel line credits are given for Honeymoon trip, abroad or in the country or for any Family trip, abroad or in the country

Festival Line: To enjoy festive period Gift for the family / in laws / relatives

Dreams come True line: these are special credit lines designed to purchase TV, Fridge, Furniture, Home Theatre, Motor Cycle, AC etc. Or to decorate/renovate own Home/Car.

Care Line: care loans are for the fulfillment of parents need/dream and to purchase economy car for the family

General Line: if there is any other legitimate purpose which does not fall under the above specific lines, then DBBL calls it general line loans.

Secured Credit Lines:

Consumers enjoy flexible facilities with minimum security it requires.

Auto Line: Auto loan is for purchasing a new / re-conditioned car or Refinancing of

availed car

Home Line: Home loan is usually disbursed for the following categories:

- To purchase a flat
- Refinancing of owned house property
- Home renovation
- Extension / construction of building

Full Secured Lines: for family purpose or any other valid purposes, full secured loans are disbursed.

DBBL Clean Credit Line (no cash security, no personal guarantee)

Product Features & Credit Criteria

Features

Purpose	Any valid purposes for individuals																				
Target Customers	Any credit worthy individuals like : <ul style="list-style-type: none"> • Salaried executives • Doctors, architects, engineers, Chartered Accountant, Consultant and IT professionals etc. • Businessperson 																				
Loan Amount (minimum and maximum)	<p>Range: TK. 25,000/- TK.1, 000,000/- or 10 times of gross monthly income, whichever is lower.</p> <table border="1"> <thead> <tr> <th><u>Types</u></th> <th><u>Amount</u></th> <th><u>Salary</u></th> <th><u>Range</u></th> <th><u>Salary times</u></th> </tr> </thead> <tbody> <tr> <td>Unsecured</td> <td>TK300,000/-</td> <td>10K – 24K</td> <td>5</td> <td></td> </tr> <tr> <td>10% -25% Secured</td> <td>TK450,000/-</td> <td>25K – 49K</td> <td>7</td> <td></td> </tr> <tr> <td>25%⁺ Secured –</td> <td>TK1,000,000/-</td> <td>50K+</td> <td>10</td> <td></td> </tr> </tbody> </table> <p>times</p> <p>However, DBR* must be supportive with income and EPI* as per our income assessment policy.</p> <p>Monthly Income = Gross Monthly Salary or Monthly Business income + 60% income of other proven sources like rental income etc.</p>	<u>Types</u>	<u>Amount</u>	<u>Salary</u>	<u>Range</u>	<u>Salary times</u>	Unsecured	TK300,000/-	10K – 24K	5		10% -25% Secured	TK450,000/-	25K – 49K	7		25% ⁺ Secured –	TK1,000,000/-	50K+	10	
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10% -25% Secured	TK450,000/-	25K – 49K	7																		
25% ⁺ Secured –	TK1,000,000/-	50K+	10																		
Interest Rate (Floating)	Clean : @17.50% With 30% security : @17.00% With 50% security : @16.50%																				
Processing Fee	1.00% of the loan amount or TK1,000/- whichever is higher																				
	12 to 24 months up to TK 74,999																				

Repayment Tenor	12 to 36 months from TK75,000 to Tk199,999/- and 12 to 48 months for loan amount TK200,000/- and above (As per clients will ,affordability and our credit assessment criteria)
Disbursement	Credit to the customer's deposit account with us.
Repayment	System will auto debit installment from customer's deposit account.
Installment Deferment	Upon customer application, installment deferment allowed once in a year.
Repayment Options	1. Equal payment Installment (EPI) 2. Interest and Principal Installment (IPI)
Advance / Partial Pre Payment	Allowed after 6 months & At least minimum 25% of the principal outstanding loan amount. Q Fee: TK500/- flat
Early Payment fee	Early full and final settlement is allowed. Q Fee: @1% of the principal outstanding or Tk1,000/- whichever is higher Q Principal Outstanding below TK10,001/-, Fee is "NIL"
Overdue charge	Additional 3% p.a. or TK100 whichever is higher (3 days grace period allowed)
Stamp charges & VAT	All relevant Stamp charges & VAT (as per Govt. rules) will be on borrower's account and will be debited from the account at the time of disbursement.
Top-ups	Customer can avail more than one loan from DBBL if income and DBR supports. [Separate, new loan account will be created in the case of top-up, i.e., will not be an additional drawdown over existing loan account]

* **DBR = Debt Burden Ratio** * **EPI = Equated Periodic Installment**,

* **IPI=Interest Principal Installment**

Borrower Eligibility

Borrower Eligibility	
Nationality	Bangladeshi
Age	➤ Minimum Age of applicant – 22 Years ➤ Maximum age of borrower at the end of loan tenure, 60 years or retirement age whichever is earlier.
Length of Service/ Business/ practice	Salaried Executives: Minimum 2 years of experience and at least 6 months employment with present employer (permanent status only) Professionals: Minimum 1 year of practice in the profession Businessman: Minimum 1 years of business establishment
Minimum Monthly Income	Salaried: TK10,000/-(Gross monthly Income) Self-employed/businessman: TK30,000/- (Average Monthly Income) Additional Income :

	<p>Rental Income : TK8,000/- (60% will be considered with valid income proof)</p> <p>Co-applicant (Family members only) : at least TK 20,000/- together with valid income proof)</p>
Debt Burden Ratio	<p>Value based Maximum DBR will be considered as follows:</p> <p>Gross Monthly Income 10,000 -24,999 : DBR 30%</p> <p>Gross Monthly Income 25,000-74,999 : DBR 40%</p> <p>Gross Monthly Income 75,000+ : DBR 50%</p> <p>Net Monthly Income = Monthly Salary or business income + other income (spouse income or rent income) supported by documents less Tax, PF and other applicable deduction by the employer.</p> <p>DBR Calculation : (Monthly Installment for the proposed loan + any other Live Loan installment with other Financial Institutions + 1% of credit card/OD limit) / Net Monthly Income</p> <p>Note: 1% of the Credit Card will go into DBR calculation if the applicant owns a credit card.</p>
Co-Applicant	<ul style="list-style-type: none"> • Family Members only
Identification and Income Documents	<ol style="list-style-type: none"> 1. Passport or Voter identity or driver license or Ward Commissioner's certificate 2. Bill Copy of T&T or mobile phone to verify current address 3. Photograph 4. Business card / Office ID 5. Letter of introduction as per DBBL format 6. Salary Slip or account payee salary account statement in case of salaried executives 7. Rent or Lease Agreement of house / property (if applicable) 8. Tax documents, if any (IT88, TIN certificate etc.) 9. Copy of Trade License, Memorandum of Articles of Association etc. 10. Bank Statement for minimum 12 months for businessman <p>Note: In case of existing Deposit account holder of DBBL, passport/voter ID/ward commissioner certificate will not be required.</p>
CIB status	Unclassified status in CIB Report
Contractual Salaried person	We may consider contractual salaried person on a case by case basis. However the loan tenor will not exceed the contract period.

Security (Liquid Securities):

'Liquid Securities' means securities readily convertible into cash without recourse to a court of law. Liquid Securities for the purpose of these regulations shall mean realizable value of bank

deposits, certificate of deposits, certificate of investments, Government securities, shares of listed companies on the active list of stock exchanger, ICB units and certificates of mutual funds. These securities should be in possession of the banks with perfected lien.

(Source: BB Prudential Regulations for Consumer Financing, under section „Definition“ point 5.)

Security Documents & Acceptable Security

Additional Securities & Documentations	<p>General requirements:</p> <ul style="list-style-type: none"> - Demand promissory note - Letter of set-off - Signed undated cheques of DBBL Deposit account (3 cheques equivalent of 3 months Instalments each and 1 cheque equivalent to total instalment payable for the loan) - Irrevocable Letter of Authority and Authorisation to execute the undated cheques - Authorisation of disclosure of information at the time of loan application verification and at the time of loan/s become overdue <p>Others (as appropriate):</p> <ul style="list-style-type: none"> - Letter of continuation if loan tenor is more than 3 yrs - Charge over Securities over TD/FDR/Deposit Scheme (if applicable) - Letter of Authority to encash securities (if applicable) - Letter of Comfort from the Family Member if required to minimize Risk Factor. - Any other valid income proof (rental agreement etc.)
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Credit Assessment and Approvals

Credit Application Processing

Applications are sourced at the branches through Retail Sales & Service units/Sales Executive/Corp. Retail Customer RM, and Branch Managers, targeting existing customers, Power Account holders and via cold calls and market sales approach. Applications are forwarded via Branch Retail Sales & Service Unit/ BM/SMB and Retail Sales & Services Unit. Credit assessment and disbursement will be done by Retail Banking Division.

The facilities are approved as per the Delegated Lending authorities under their internal lending limits. These include the MD, AMD, DMD (Admin.) and Head of RBD lending Authority.

Credit Authority Matrix

Clean / Partial Secured

Limit (Taka)	MD	AMD	DMD (Admin.)	Head of RBD
General Lending Authority	-	1,000,000/-	800,000/-	500,000/-

* Any deviation of the product will be referred to higher Authority for consideration and to be approved by Managing Director (MD).

Verification requirements

At the time of assessment of an application the contact point verification (telephone, residence, references etc) is generally carried out over the telephone by the assessment officers.

Case to case basis the verification is passed to the external verification agents.

Collection and Write-offs – As per Central Bank Guidelines

Use of Lawyers/External Agents

Lawyers

The Bank's enlisted legal advisors will be used for legal issues.

Third Party Verification Agents

Verifications will be conducted both in-house and through external verification agents. We will introduce verification agency who will verify the applicant's addresses, phone numbers, employment details etc.

DBBL Clean Credit Line (no cash security, no personal guarantee)

Power: Product Features & Credit Criteria

Features

Purpose	Any valid purposes for individuals								
Target Customers	Salaried executives having salary account with DBBL (Power A/C only)								
Loan Amount (minimum and maximum)	<p>Range: TK. 25,000/- TK.1, 000,000/- or 10 times of gross monthly income, whichever is lower.</p> <table border="0"> <thead> <tr> <th><u>Salary Range</u></th> <th><u>Salary Times</u></th> </tr> </thead> <tbody> <tr> <td>10K – 24K</td> <td>6 times</td> </tr> <tr> <td>25K – 49K</td> <td>10 times</td> </tr> <tr> <td>50K+</td> <td>12 times</td> </tr> </tbody> </table> <p>However, DBR* must be supportive with income and EPI* as per our income assessment policy.</p> <p>Monthly Income = Gross Monthly Salary + 60% income of other proven sources like rental income etc.</p>	<u>Salary Range</u>	<u>Salary Times</u>	10K – 24K	6 times	25K – 49K	10 times	50K+	12 times
<u>Salary Range</u>	<u>Salary Times</u>								
10K – 24K	6 times								
25K – 49K	10 times								
50K+	12 times								
Interest Rate (Floating)	<p>Only Salary assignment : @15.50%</p> <p>Salary with Terminal Benefit/Security (25%) : @15.00%</p> <p>Salary with Terminal Benefit/Security (50%+) : @14.50%</p>								
Processing Fee	0.75% of the loan amount or TK750/- whichever is higher								

	In case of taking over/settlement of loan facility from other FI/Bank, processing fee will be waived up to the settlement amount. For top-up/additional amount processing fee will be charged as per prevailing rate.
Repayment Tenor	12 to 24 months up to TK74,999 12 to 36 months from TK75,000 to Tk199,999/- and 12 to 48 months for loan amount TK200,000/- to TK499,000/- 12 to 60 months for loan amount TK500,000/- and above
Disbursement	Credit to the customer's salary account with us.
Repayment	System will auto debit installment from customer's salary account.
Installment Deferment	Upon customer application, installment deferment allowed once in a year.
Repayment Options	1. Equal payment Installment (EPI) 2. Interest and Principal Installment (IPI)
Advance / Partial Pre Payment	Allowed after 3 months & At least minimum 25% of the principal outstanding loan amount. Q Fee: NIL
Early Payment fee	Early full and final settlement is allowed. Q Fee: @1% of the principal O/S or Tk1,000/- whichever is higher Q Principal Outstanding below TK10,001/-, Fee is "NIL"
Overdue charge	Additional 3% p.a. or TK100 whichever is higher (3 days grace period allowed)
Stamp charges & VAT	All relevant Stamp charges & VAT (as per Govt. rules) will be on borrower's account and will be debited from the account at the time of disbursement.
Top-ups	Customer can avail more than one loan from DBBL if income and DBR supports. [Separate, new loan account will be created in the case of top-up, i.e., will not be an additional drawdown over existing loan account]

* DBR = Debt Burden Ratio * EPI = Equated Periodic Installment,

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Borrower Eligibility

Borrower Eligibility	
Nationality	Bangladeshi
Age	➤ Minimum Age of applicant – 22 Years ➤ Maximum age of borrower at the end of loan tenure, 60 years or retirement age whichever is earlier.
Length of Service	Permanent employees.
Minimum Monthly Income	Salaried: TK10,000/- (Gross monthly Income) Additional Income : Rental Income : TK8,000/- (60% will be considered with valid income)

	proof) Co-applicant (Spouse only) : at least TK 20,000/- together with valid income proof)
Debt Burden Ratio	Value based Maximum DBR will be considered as follows: Gross Monthly Income 10,000-24,999 : DBR 30% Gross Monthly Income 25,000-74,999: DBR 40% Gross Monthly Income 75,000+ : DBR 50% Net Monthly Income = Monthly Salary + other income (spouse income or rent income) supported by documents less Tax, PF and other applicable deduction by the employer. DBR Calculation : (Monthly Installment for the proposed loan + any other Live Loan installment with other Financial Institutions + 1% of credit card limit) / Net Monthly Income Note: 1% of the Credit Card limit will go into DBR calculation if the applicant owns a credit card.
Co-Applicant	<ul style="list-style-type: none"> • Family members only
Identification and Income Documents	<ul style="list-style-type: none"> ○ Bill Copy of T&T or mobile phone to verify current address ○ Photograph ○ Business card / Office ID ○ Letter of introduction as per DBBL format ○ Salary Slip ○ Rent or Lease Agreement of house / property (if applicable)
CIB status	Unclassified status in CIB Report
Contractual Salaried person	We may consider contractual salaried person on a case by case basis. However the loan tenor will not exceed the contract period.

Security (Liquid Securities/Terminal Benefit):

DBBL acceptable Terminal Benefit and liquid securities

'**Liquid Securities**' means securities readily convertible into cash without recourse to a court of law. 'Liquid Securities for the purpose of these regulations shall mean realizable value of bank deposits, certificate of deposits, certificate of investments, Government securities, shares of listed companies on the active list of stock exchanger, ICB units and certificates of mutual funds. These securities should be in possession of the banks with perfected lien.

Security Documents & Acceptable Security

Additional Securities & Documentations	<p>General requirements:</p> <ul style="list-style-type: none">- Demand promissory note- Letter of set-off- Signed undated cheques of DBBL Deposit account (3 cheques equivalent of 3 months Instalments each and 1 cheque equivalent to total instalment payable for the loan)- Irrevocable Letter of Authority and Authorisation to execute the undated cheques- Authorisation of disclosure of information at the time of loan application verification and at the time of loan/s become overdue <p>Others (as appropriate):</p> <ul style="list-style-type: none">- Letter of continuation if loan tenor is more than 3 yrs- Lien on Terminal benefit- Corporate Guarantee- Charge over Securities over TD/FDR/Deposit Scheme (if applicable)- Letter of Comfort from the Family Member if required to minimize Risk Factor.- Any other valid income proof (rental agreement etc.)
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The facilities are approved as per the Delegated Lending authorities under their internal lending limits. These include the MD, AMD, DMD (Admin.) and Head of RBD lending Authority.

**Credit Authority Matrix:
Power Line**

Limit (Taka)	MD	AMD	DMD (Admin.)	Head of RBD
General Lending Authority (GLA)	-	-	1,000,000/-	800,000/-

- * Any deviation of the product will be referred to higher Authority for consideration and to be approved by Managing Director (MD).

Verification requirements

At the time of assessment of an application the contact point verification (telephone, residence, references etc) is generally carried out over the telephone by the assessment officers. Case to case basis the verification is passed to the external verification agents.

Collection and Write-offs – As per Central Bank Guidelines

Use of Lawyers/External Agents

Lawyers

The Bank's enlisted legal advisors will be used for legal issues.

Third Party Verification Agents

Verifications will be conducted both in-house and through external verification agents. We will introduce verification agency who will verify the applicant's addresses, phone numbers, employment details etc.

DBBL Clean Credit Line (no cash security, no personal guarantee)

Power plus Line: Product Features & Credit Criteria

Features

Purpose	Any valid purposes for individuals								
Target Customers	<p>Salaried executives :</p> <ul style="list-style-type: none"> • Power a/c having corporate relationship with DBBL & CITI NA. • Employee of DBBL & CITI NA <p>And on a case by case basis :</p> <ul style="list-style-type: none"> • Power a/c of other MNCs, DBBL acceptable Corporate business houses • Having salary assignment of UN bodies/Donor Agencies/Embassies etc. 								
Loan Amount (minimum and maximum)	<p>Range. TK 25, 000/- . TK.1, 000,000/- or 12 times of Gross Salary, whichever is lower.</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th><u>Salary Range</u></th> <th><u>Salary Times</u></th> </tr> </thead> <tbody> <tr> <td>10K – 24K</td> <td>8 times</td> </tr> <tr> <td>25K – 49K</td> <td>10 times</td> </tr> <tr> <td>50K+</td> <td>12 times</td> </tr> </tbody> </table> <p>However, DBR* must be supportive with income and EPI* as per our income assessment policy.</p> <p>Monthly Income = Gross Monthly Salary + 60% income of other proven sources like rental income etc.</p>	<u>Salary Range</u>	<u>Salary Times</u>	10K – 24K	8 times	25K – 49K	10 times	50K+	12 times
<u>Salary Range</u>	<u>Salary Times</u>								
10K – 24K	8 times								
25K – 49K	10 times								
50K+	12 times								
Interest Rate (Floating)	<p>Only Salary account : @14.00%</p> <p>Salary with Terminal Benefit/Security (25%) : @13.50%</p> <p>Salary with Terminal Benefit/Security (50%+) : @13.00%</p>								
Processing Fee	<p>0.50% of the loan amount or TK500/- whichever is higher</p> <p>In case of taking over/settlement of loan facility from other FI/Bank, processing fee will be waived up to the settlement amount. For top-up/additional amount processing fee will be charged as per prevailing rate</p>								
Repayment Tenor	<p>12 to 24 months up to TK74,999</p> <p>12 to 36 months from TK75,000 to Tk199,999/- and</p> <p>12 to 48 months from TK200,000 to Tk499,999/- and</p> <p>12 to 60 months for loan amount TK500,000/- and above</p> <p>(As per clients will ,affordability and our credit assessment criteria)</p>								
Disbursement	Credit to the customer’s salary account with us.								
Repayment	System will auto debit installment from customer’s salary account.								
Installment Deferment	Upon customer application, installment deferment allowed once in a year.								
Repayment Options	<p>3. Equal payment Installment (EPI)</p> <p>4. Interest and Principal Installment (IPI)</p>								

Advance / Partial Pre Payment	Allowed after 3 months & At least minimum 25% of the principal outstanding loan amount. Q Fee: NIL for power line
Early Payment fee	Early full and final settlement is allowed. Q Fee: @1% of the principal O/S or Tk1,000/- whichever is higher Q Principal Outstanding below TK10,001/-, Fee is “NIL”
Overdue charge	Additional 3% p.a. or TK100 whichever is higher (3 days grace period allowed)
Stamp charges & VAT	All relevant Stamp charges & VAT (as per Govt. rules) will be on borrower’s account and will be debited from the account at the time of disbursement.
Top-ups	Customer can avail more than one loan from DBBL if income and DBR supports. [Separate, new loan account will be created in the case of top-up, i.e., will not be an additional drawdown over existing loan account]

Borrower Eligibility

Borrower Eligibility										
Nationality	Bangladeshi									
Age	<ul style="list-style-type: none"> ➤ Minimum Age of applicant – 20 Years ➤ Maximum age of borrower at the end of loan tenure, 60 years or retirement age whichever is earlier. 									
Length of Service	Permanent employees.									
Minimum Monthly Income	<p>Salaried: TK10,000/- (Gross monthly Income)</p> <p>Additional Income :</p> <p>Rental Income : TK8,000/- (60% will be considered with valid income proof)</p> <p>Co-applicant (Spouse only) : at least TK 20,000/- together with valid income proof)</p>									
Debt Burden Ratio	<p>Value based Maximum DBR will be considered as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Gross Monthly Income</td> <td style="width: 20%;">10,000-24,999</td> <td style="width: 40%;">: DBR 30%</td> </tr> <tr> <td>Gross Monthly Income</td> <td>25,000-74,999</td> <td>: DBR 40%</td> </tr> <tr> <td>Gross Monthly Income</td> <td>75,000+</td> <td>: DBR 50%</td> </tr> </table> <p>Net Monthly Income = Monthly Salary + other income (spouse income or rent income) supported by documents less Tax, PF and other applicable deduction by the employer.</p> <p>DBR Calculation : (Monthly Installment for the proposed loan + any other Live Loan installment with other Financial Institutions + 1% of credit card limit) / Net Monthly Income</p>	Gross Monthly Income	10,000-24,999	: DBR 30%	Gross Monthly Income	25,000-74,999	: DBR 40%	Gross Monthly Income	75,000+	: DBR 50%
Gross Monthly Income	10,000-24,999	: DBR 30%								
Gross Monthly Income	25,000-74,999	: DBR 40%								
Gross Monthly Income	75,000+	: DBR 50%								

	Note: 1% of the Credit Card limit will go into DBR calculation if the applicant owns a credit card.
Co-Applicant	<ul style="list-style-type: none"> • Family members only
Identification and Income Documents	<ul style="list-style-type: none"> ○ Bill Copy of T&T or mobile phone to verify current address ○ Photograph ○ Business card / Office ID ○ Letter of introduction as per our format ○ Salary Slip ○ Rent or Lease Agreement of house / property (if applicable)
CIB status	Unclassified status in CIB Report
Contractual Salaried person	We may consider contractual salaried person on a case by case basis. However the loan tenor will not exceed the contract period.

Security (Liquid Securities/Terminal Benefit/Corporate Gtee.):

DBBL acceptable Terminal Benefit/Corporate Guarantee and liquid securities

'Liquid Securities' means securities readily convertible into cash without recourse to a court of law. Liquid Securities for the purpose of these regulations shall mean realizable value of bank deposits, certificate of deposits, certificate of investments, Government securities, shares of listed companies on the active list of stock exchanger, ICB units and certificates of mutual funds. These securities should be in possession of the banks with perfected lien.

Security Documents & Acceptable Security

Additional Securities & Documentations	<p>General requirements:</p> <ul style="list-style-type: none"> - Demand promissory note - Letter of set-off - Signed undated cheques of DBBL Deposit account (3 cheques equivalent of 3 months Instalments each and 1 cheque equivalent to total instalment payable for the loan) - Irrevocable Letter of Authority and Authorisation to execute the undated cheques - Authorisation of disclosure of information at the time of loan application verification and at the time of loan/s become overdue <p>Others (as appropriate):</p> <ul style="list-style-type: none"> - Letter of continuation if loan tenor is more than 3 yrs - Lien on Terminal benefit - Corporate Guarantee - Charge over Securities over TD/FDR/Deposit Scheme (if applicable) - Letter of Comfort from the Family Member if required to minimize Risk Factor. - Any other valid income proof (rental agreement etc.)
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Credit Assessment and Approvals

Credit Application Processing

Applications are sourced at the branches through Retail Sales & Service units/Sales Executive/Corp. Retail Customer RM, and Branch Managers, targeting existing customers, CRC and via cold calls and market sales approach. Applications are forwarded via Branch Retail Sales & Service Unit/ BM/SMB and Head of Retail Sales & Services. Credit assessment and disbursement will be done by Retail Banking Division.

The facilities are approved as per the Delegated Lending authorities under their internal lending limits. These include the MD, AMD, DMD (Admin.) and Head of RBD lending Authority.

Credit Authority Matrix: Power plus Line

Limit (Taka)	MD	AMD	DMD Operations	Head of RBD
General Lending Authority (GLA)	-		10,000,000/-	800,000/-

- * Any deviation of the product will be referred to higher Authority for consideration and to be approved by Managing Director (MD).

Verification requirements

At the time of assessment of an application the contact point verification (telephone, residence, references etc) is generally carried out over the telephone by the assessment officers. Case to case basis the verification is passed to the external verification agents.

Collection and Write-offs – As per Central Bank Guidelines

Use of Lawyers/External Agents

Lawyers

The Bank's enlisted legal advisors will be used for legal issues.

Third Party Verification Agents

Verifications will be conducted both in-house and through external verification agents. We will introduce verification agency who will verify the applicant's addresses, phone numbers, employment details etc.

Credit Assessment and Approvals

DBBL Auto Line

Product Features & Credit Criteria

Features

Purpose	Purchase of new and reconditioned vehicles for personal use only. Refinance of an own availed car (Date of purchase no later than 1 year)		
Target Customers	Any credit worthy individuals like : <ul style="list-style-type: none"> • Salaried executives • Doctors, architects, engineers, Chartered Accountant, Consultant and IT professionals etc. • Business person 		
Loan Amount (minimum and maximum)	Minimum TK. 100,000/-. Maximum TK.2, 000,000/- or LTV90% whichever is lower. However, DBR* must be supportive with income and EPI* as per our income assessment policy. Monthly Income = Gross Monthly Salary or Monthly Business income + 60% income of other proven sources like rental income etc.		
Interest Rate (Floating)	General Line	Power Line	Power Plus
	Regular : @15.00%	@14.50%	@14.00%
	With 25% security : @14.50%	@14%	@13.50%
	With 50% security : @14.00%	@13.50%	@13.00%
	With 100% security : @13.00% (or TD rate +2% spread)		
Processing Fee	General : @1.00% of the loan amount Power Line : @0.75% of the loan amount Power Plus Line : @0.5% of the loan amount With 100% Liquid security : Flat Tk.2,000/- In case of taking over/settlement of loan facility from other FI/Bank, processing fee will be waived up to the settlement amount. For top-up/additional amount processing fee will be charged as per prevailing rate.		
Repayment Tenor	12 to 60 months (As per client's affordability and our credit assessment criteria)		
Disbursement	Vendor will receive a facility confirmation letter. On the basis of that vehicle will be registered with a lien mark (HP mark) in favor of DBBL. After registration & Comprehensive Ins. vendor will be paid the loan amount excluding the processing fee in the form of Pay order.		
Repayment	System will auto debit installment from customer's deposit account.		
Installment Deferment	Upon customer application, installment deferment allowed once in a year.		
Repayment Options	1. Equal payment Installment (EPI) 2. Interest and Principal Installment (IPI)		

Advance / Partial Pre Payment	Allowed after 6 months & At least minimum 25% of the principal outstanding loan amount. q Fee: TK500/- flat (for Power a/c – Nil)
Early Payment fee	Early full and final settlement is allowed. q Fee: @1% of the principal O/S or Tk1,000/- whichever is higher q Principal Outstanding below TK10,001/-, Fee is “NIL”
Overdue charge	Additional 3% p.a. or TK100 whichever is higher (3 days grace period allowed)
Stamp charges & VAT	All relevant Stamp charges & VAT will be on borrower’s account and will be debited from the account at the time of disbursement
Top-ups	Customer can avail more than one loan from DBBL if income and DBR supports. [Separate, new loan account will be created in the case of top-up, i.e., will not be an additional drawdown over existing loan account]
Type of Car	In case of reconditioned vehicle the car will not later than 5 years from the date of manufacture. Car Brand should match with LTV & Loan tenor

Borrower Eligibility

Borrower Eligibility	
Nationality	Bangladeshi
Age	<ul style="list-style-type: none"> ➤ Minimum Age of applicant – 23 Years ➤ Maximum age of borrower at the end of loan tenure, 65 years or retirement age whichever is earlier.
Length of Service/ Business/ practice	<p>Salaried Executives: Minimum 2 years of experience with 6 months employment with present employer (permanent status only)</p> <p>Power Line: Minimum 1 year of experience with 6 months employment with present employer.</p> <p>Professionals: Minimum 1 year of practice in the profession</p> <p>Businessman: Minimum 3 years of business establishment</p>
Minimum Monthly Income	<p>Salaried: TK25,000/-(Gross monthly Income)</p> <p>Self-employed/businessman: TK50,000/- (Average Monthly Income)</p> <p>Additional Income :</p> <p>Rental Income : TK8,000/- and above (60% will be considered with valid income proof)</p> <p>Co-applicant (Family members only) : at least TK 30,000/- together with valid income proof)</p>
Debt Burden Ratio	<p>Value based Maximum DBR will be considered as follows:</p> <p>Net Monthly Income 25,000-74,999 : DBR 40%</p> <p>Net Monthly Income 75,000+ : DBR 50%</p>

	<p>Net Monthly Income = Monthly Salary or business income + other income (spouse income or rent income) supported by documents less Tax, PF and other applicable deduction by the employer.</p> <p>DBR Calculation : (Monthly Installment for the proposed loan + any other Live Loan installment with other Financial Institutions + 1% of credit card limit) / Net Monthly Income</p> <p>Note: 1% of the Credit Card limit will go into DBR calculation if the applicant owns a credit card.</p>
Co-Applicant	<ul style="list-style-type: none"> Family members only
Identification and Income Documents	<ol style="list-style-type: none"> Passport or Voter identity or driver license or Ward Commissioner's certificate Bill Copy of T&T or mobile phone to verify current address Photograph Business card / Office ID Letter of introduction as per our format Salary Slip or account payee salary account statement in case of salaried executives Rent or Lease Agreement of house / property (if applicable) Tax documents, if any (IT88, TIN certificate etc.) Copy of Trade License, Memorandum of Articles of Association etc. Bank Statement for minimum 6 months for professionals/businessman <p>Note: In case of existing Deposit account holder of DBBL, passport/voter ID/ward commissioner certificate will not be required.</p>
CIB status	Unclassified status in CIB Report
Contractual Salaried person	We may consider contractual salaried person on a case by case basis. However the loan tenor will not exceed the contract period.

* **DBR = Debt Burden Ratio** * **EPI = Equated Periodic Installment,**

* **IPI=Interest Principal Installment**

Security (Liquid Securities/Terminal Benefit/Corporate Gtee.):

DBBL acceptable Terminal Benefit/Corporate Guarantee and liquid securities

'**Liquid Securities**' means securities readily convertible into cash without recourse to a court of law. 'Liquid Securities for the purpose of these regulations shall mean realizable value of bank deposits, certificate of deposits, certificate of investments, Government securities, shares of listed companies on the active list of stock exchanger, ICB units and certificates of mutual funds. These securities should be in possession of the banks with perfected lien.

Security Documents & Acceptable Security

<p>Additional Securities & Documentations</p>	<p>General requirements:</p> <ul style="list-style-type: none"> - Demand promissory note - Letter of Hypothecation over the car in the name of DBBL (HP marked in the Registration Copy) - Letter of set-off - Signed undated cheques of DBBL Deposit account (3 cheques equivalent of 3 months Instalments each and 1 cheque equivalent to total instalment payable for the loan) - Irrevocable Letter of Authority and Authorisation to execute the undated cheques - Irrevocable Letter of Authority and Authorisation to repossess the vehicle - Policy of first party comprehensive insurance - Authorisation of disclosure of information at the time of loan application verification and at the time of loan/s becomes overdue. <p>Others (as appropriate):</p> <ul style="list-style-type: none"> - Letter of continuation if loan tenor is more than 3 yrs - Lien on Terminal benefit - Corporate Guarantee - Charge over Securities over TD/FDR/Deposit Scheme (if applicable) - Letter of Comfort from the Family Member if required to minimize Risk Factor. - Any other valid income proof (rental agreement etc.)
<p>Mandatory Documents</p>	<p>Car Quotation to be addressed to the Client and to be accepted by the customer and should be valid at the time of application. Car Quotation shall contain the price, Model, Year of manufacture, engine and chassis number in full and any additional car decoration items.</p>
<p>Verification</p>	<p>Branch will Physically verify and check the vehicle to be purchased in terms with the quotation & Registration Documents. On Case by Case basis verification of HP mark in the Registration copy shall be done by third Party verification agency.</p>
<p>Insurance Policy</p>	<p>First party comprehensive insurance in the name of “Customer Name & Account Dutch Bangla Bank Limited” at all time covering all risk that is standard for vehicle. Insurance Policy must be renewed every year and copy of the Insurance Policy must be submitted to DBBL prior to expiry. However, Bank will serve a notice, one month prior to expiry of the policy and client has to renew and submit the insurance policy, Ins. Certificate and money receipt before 7 days of expiry. Otherwise, Bank will renew the policy with the existing Ins. Co. (DBBL’s enlisted Insurance Company) and the cost will be paid by debiting the customer’s overdraft account which will be cross collateralised by hypothecation of the car.</p>
<p>Overdraft Account for Car</p>	<p>For availing car loan, customer has to have an overdraft facility (limit will be 10% of the car value or TK50, 000/- whichever is lower) cross</p>

Loan Facility	collateralized by hypothecation of the car to facilitate insurance coverage or any other requirement in relation with the car loan facility which will be determined by the bank. The interest rate of the OD facility will be equivalent to the car loan int. rate and interest will be charged quarterly.
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Credit Application Processing

Applications are sourced at the branches through Retail Sales & Service units/Sales Executive/Corp. Retail Customer RM, and Branch Managers, targeting existing customers, CRC and via cold calls and market sales approach. Applications are forwarded via Branch Retail Sales & Service Unit/ BM/SMB and Head of Retail Sales & Services. Credit assessment and disbursement will be done by Retail Banking Division.

The facilities are approved as per the Delegated Lending authorities under their internal lending limits. These include the MD, AMD, DMD (Admin.), Head of RBD lending Authority.

Credit Authority Matrix: Auto Line

Limit (Taka)	MD	AMD	DMD (Admin.)	Head of RBD
General Lending Authority (GLA)	-	-	2,000,000/-	1,600,000/-

* Any deviation of the product will be referred to higher Authority for consideration and to be approved by Managing Director (MD).

Verification requirements

At the time of assessment of an application the contact point verification (telephone, residence, references etc) is generally carried out over the telephone by the assessment officers. Case to case basis the verification is passed to the external verification agents.

Collection and Write-offs – As per Central Bank Guidelines

Use of Lawyers/External Agents

Lawyers

The Bank's enlisted legal advisors will be used for legal issues.

Third Party Verification Agents

Verifications will be conducted both in-house and through external verification agents. We will introduce verification agency who will verify the applicant's addresses, phone numbers, employment details etc.

**DBBL Home Line
Product Features & Credit Criteria**

Features

Purpose	<p>-To buy new or old house/ flat -To construct house/ apartment. -For renovation/alteration/extension of existing house/ flat -Taking over of the existing housing loan from other Bank/ Financial Institution. (The old house/Flat will be no later than 10 years old based on Approved plan date)</p>		
Target Customers	<p>Any credit worthy individuals like :</p> <ul style="list-style-type: none"> • Salaried executives • Doctors, architects, engineers, Chartered Accountant, Consultant and IT professionals • Business person 		
Loan Amount (minimum and maximum)	<p>Minimum TK. 200,000/-. Maximum TK.7, 500,000/- or LTV 70% whichever is lower. Renovation purposes : Maximum Tk.1,000,000/-</p> <p>However, DBR must be supportive with income and Installment as per our income assessment policy.</p>		
Interest Rate (Floating)	General/Power Line	Power Plus Line	
	Regular	: @14.50%	@14.00%
	With 25% security	: @14.25%	@13.75%
	With 50% security	: @14.00%	@13.50%
	With 100% security	: @13.00% (TD+2% spread)	
Processing Fee	<p>0.50% of the loan amount Flat TK.3,000/- only for 100% Liquid security In case of taking over/settlement of loan facility from other FI/Bank, processing fee will be waived up to the settlement amount. For top-up/additional amount processing fee will be charged as per prevailing rate.</p>		
Repayment Tenor	New Flat / Construction	: Maximum 15 Years	
	Old Flat/House	: Maximum 12 Years	
	Renovation	: Maximum 05 Years	
Disbursement	<p>The loan will be disbursed one-time or in installments as the client/DBBL deems fit. DBBL will disburse the loan after the client invests his own equity in the project. Branch to synchronize the project implementation schedule, progress of work and accordingly arrange drawdown of the facility.</p>		
Repayment	System will auto debit installment from customer's deposit account.		
Repayment Options	<p>1. Equal payment Installment (EPI) 2. Interest and Principal Installment (IPI)</p>		
Advance / Partial Pre	<p>Allowed after 6 months & At least minimum 10% of the principal outstanding loan amount or</p>		

Payment	TK100K whichever is higher Q Fee: TK1000/- flat
Early Payment fee	Early full and final settlement is allowed. Q Fee: @1% of the principal O/S or Tk5,000/- whichever is higher Q Principal Outstanding below TK25,001/-, Fee is “NIL”
Installment Deferment	Once in a year and deferred installment will be paid with last installment.
Overdue charge	Additional 3% p.a. or TK100 whichever is higher (3 days grace period allowed)
Stamp charges & VAT	All relevant Stamp charges & VAT will be on borrower’s account and will be debited from the account at the time of disbursement
Moratorium	Maximum 12 months (IDCP to be capitalized to the principal amount or the client can pay from own sources during or after the moratorium period)

Borrower Eligibility

Borrower Eligibility	
Nationality	Bangladeshi
Age	<ul style="list-style-type: none"> ➤ Minimum Age of applicant – 25 Years ➤ Maximum age of borrower at the end of loan tenure, 65 years or retirement age whichever is earlier.
Length of Service/ Business/ practice	<p>Salaried Executives: Minimum 3 years of experience with 12 months employment with present employer (permanent status only)</p> <p>Professionals: Minimum 2 year of practice in the profession</p> <p>Businessman: Minimum 4 years of business establishment</p>
Minimum Monthly Income	<p>Salaried: TK40,000/- (Gross monthly Income)</p> <p>Self-employed/businessman: TK50,000/- (Average Monthly Income)</p> <p>Additional Income :</p> <p>Rental Income: TK10,000/- and above (60% will be considered with valid income proof)</p> <p>Co-applicant : at least TK 50,000/- together with valid income proof</p>
Debt Burden Ratio	<p>Value based Maximum DBR will be considered as follows:</p> <p>Gross Monthly Income 40,000-74,999 : DBR 40%</p> <p>Gross Monthly Income 75,000 & + : DBR 50%</p> <p>Net Monthly Income = Monthly Salary or business income + other income (spouse income or rent income) supported by documents less Tax, PF and other applicable deduction by the employer.</p>

	<p>DBR Calculation : (Monthly Installment for the proposed loan + any other Live Loan installment with other Financial Institutions + 1% of credit card limit) / Net Monthly Income</p> <p>Note: 1% of the Credit Card limit will go into DBR calculation if the applicant owns a credit card.</p>
Co-Applicant	<ul style="list-style-type: none"> • Family members only.
Identification and Income Documents	<ol style="list-style-type: none"> 1. Passport or Voter identity or driver license or Ward Commissioner's certificate 2. Bill Copy of T&T or mobile phone to verify current address 3. Photograph 4. Business card / Office ID 5. Letter of introduction as per our format 6. Salary Slip or account payee salary account statement 7. Rent or Lease Agreement of house / property (if applicable) 8. Tax documents, if any (IT88, TIN certificate etc.) 9. Copy of Trade License, Memorandum of Articles of Association etc. 10. Bank Statement for minimum 12 months for professionals/businessman <p>Note: In case of existing Deposit account holder of DBBL, passport /voter ID/ward commissioner certificate will not be required.</p>
CIB status	Unclassified status in CIB Report

Security (Liquid Securities/Terminal Benefit/Corporate Gtee.):

DBBL acceptable Terminal Benefit/Corporate Guarantee and liquid securities

'**Liquid Securities**' means securities readily convertible into cash without recourse to a court of law. 'Liquid Securities for the purpose of these regulations shall mean realizable value of bank deposits, certificate of deposits, certificate of investments, Government securities, shares of listed companies on the active list of stock exchanger, ICB units and certificates of mutual funds. These securities should be in possession of the banks with perfected lien.

Security Documents & Acceptable Security

Additional Securities & Documentations	<p>General requirements:</p> <ul style="list-style-type: none"> - A Tripartite Agreement among the developer, the client and DBBL may be obtained if registration of the property is not yet completed. - Registered Mortgage of the property along with Registered Irrevocable General Power of Attorney authorizing DBBL to sell the property without the intervention of the court of law.
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	<ul style="list-style-type: none"> - Prior Permission or NOC, if applicable to Mortgage in favor of Dutch-Bangla Bank Limited from the relevant authority (Lesser) to be obtained prior to execution of above acts and deeds. - Undertaking from the borrower to the effect that if and when the property is rented out, rents receivables at the option of Dutch-Bangla Bank Limited will be assigned to Dutch-Bangla Bank Limited for such period as the house building loan remains outstanding and any shortfall of rental income to service DBBL's House Building Loan installment will be met by the client from his own sources. - Demand promissory note - Letter of set-off - Signed undated cheques of DBBL Deposit account (3 cheques equivalent of 3 months Instalments each, 3 cheques equivalent of 12 months Instalments each and 1 cheque equivalent to total instalment payable for the loan) - Irrevocable Letter of Authority and Authorisation to execute the undated cheques - Authorisation of disclosure of information at the time of loan application verification and at the time of loan/s become overdue <p>Others (as appropriate):</p> <ul style="list-style-type: none"> - Letter of continuation if loan tenor is more than 3 yrs - Lien on Terminal benefit - Corporate Guarantee - Charge over Securities over TD/FDR/Deposit Scheme (if applicable) - Letter of Comfort from the Family Member if required to minimize Risk Factor. - Any other valid income proof (rental agreement etc.)
Other Required Documents	<ol style="list-style-type: none"> a. Valuation Certificate of property/fixed assets offered as security from enlisted surveyor. b. Photocopy of original title deed. c. C.S, S.A, R.S, DCR, Mutation and latest math Porcha d. Mutation Khatian duly certified by AC Land. e. Photocopy of Mouza Map f. Photocopy of bia deeds. g. Registered partition deed, in case of ajmali land. h. Name of the land owner(s) along with their particulars mentioning age, qualification and detailed profession. i. Up to date Non-Encumbrance Certificate. j. Upton date ground rent receipt. k. No Objection Certificate from the concerned authority for mortgaging property (if applicable) l. Allotment letter of concerned authority for housing plot, if applicable. m. Layout plan of the building duly approved by the competent authority i.e. RAJUK/CDA/KDA/RDA/ Chairman, Pourashava/TNO. n. Forwarding letter of the approved layout plan of the building by the competent authority. o. A copy of Agreement between land owner & developer

	p. A copy of Agreement between land owner/developer & Purchaser.
Verification	Branch will Physically verify and check the site/Flat.

Credit Assessment and Approvals

Credit Application Processing

Applications are sourced at the branches through Retail Sales & Service units/Sales Executive/Corp. Retail Customer RM, and Branch Managers, targeting existing customers, CRC and via cold calls and market sales approach. Applications are forwarded via Branch Retail Sales & Service Unit/ BM/SMB and Head of Retail Sales & Services. Credit assessment will be done by Retail Banking Division and disbursement will be done by respective branches.

There will be two level of approval process:

- Customer level: For Customer level approval, he/she has to fulfill all the terms and conditions of the Home Line policy and as per assessment criteria of DBBL he/she will be eligible to avail the facility and this approval will be conveyed to the customer.
- Securitization/Documentation level: This includes vetting of property documents, valuation of the property by enlisted surveyor and site visit. Upon DBBL satisfaction final sanction letter will be delivered to the customer.

FMO Financing: As per Central Bank Circular no. FEPD(BRA)701/K1/2006-130 the loan can be considered under FMO financing for the purpose of flat purchase upto Taka 3 million.

The facilities are approved as per the Delegated Lending authorities under their internal lending limits. These include the MD, AMD, DMD (Admin.), and Head of Retail Banking Division lending authority.

Credit Authority Matrix:

Home Line

Limit (Taka)	MD	AMD	DMD (Admin.)	Head of RBD
5.6.1.1 General Lending Authority (GLA)	-	7,500,000/-	5,000,000/-	3,000,000/-

* Any deviation of the product will be referred to higher Authority for consideration and to be approved by Managing Director (MD).

Verification requirements: At the time of assessment of an application the contact point verification (telephone, residence, references etc) is generally carried out over the telephone by the assessment officers. Case to case basis the verification is passed to the external verification agents.

Collection and Write-offs – As per Central Bank Guidelines

Use of Lawyers/External Agents

Lawyers

The Bank's enlisted legal advisors will be used for legal issues.

Third Party Verification Agents

Verifications will be conducted both in-house and through external verification agents. We will introduce verification agency who will verify the applicant's addresses, phone numbers, employment details etc.

DBBL Full Secured Line

Product Features & Credit Criteria

Features

Purpose	Any valid purposes for individuals
Target Customers	Any Individuals
Loan Amount (minimum and maximum)	Minimum TK. 45,000/-. Maximum Unlimited or LTV 95% whichever is lower.
Interest Rate (Floating)	DBBL TD/Deposit Account : TD rate +2.5% Govt. Bonds/Others : @13%
Processing Fee	TK1,000/- (additional TK500/- for Other Bank issued Govt.Bonds)
Repayment Tenor	12 to 60 months
Disbursement	Credit to the customer account with us.
Repayment	System will auto debit installment from customer account.
Repayment Options	<ul style="list-style-type: none">• Equal payment Installment (EPI)• Interest and Principal Installment (IPI)• Bullet Payment with Quarterly Interest applications.
Advance / Partial Pre Payment	Allowed after 3 months & At least minimum 25% of the principal outstanding loan amount. Q Fee: NIL
Early Payment fee	Early full and final settlement is allowed. Q Fee: Tk1,000/- Q Principal Outstanding below TK10,001/-, Fee is "NIL"
Overdue charge	Additional 3% p.a. or TK100/- whichever is higher (3 days grace period allowed).
Stamp charges & VAT	All relevant Stamp charges & VAT (as per Govt. rules) will be on borrower's account and will be debited from the account at the time of disbursement.
Top-ups	Customer can avail more than one loan from DBBL. [Separate, new loan account will be created in the case of top-up, i.e., will not be an additional drawdown over existing loan account]

Against Bank Security	Other issued	Consideration on a case by case basis.
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Borrower Eligibility

Borrower Eligibility	
Nationality	Bangladeshi
Age	<ul style="list-style-type: none"> ➤ Minimum Age of applicant – 18 Years ➤ Maximum age of applicant - 65 years.
Co-Applicant	Family members only
CIB status	Unclassified status in CIB Report

Security (Liquid Securities):

'Liquid Securities' means securities readily convertible into cash without recourse to a court of law. Liquid Securities for the purpose of these regulations shall mean realizable value of bank deposits, certificate of deposits, Government securities. These securities should be in possession of the banks with perfected lien.

Security Documents & Acceptable Security

Additional Securities & Documentations	<p>General requirements:</p> <ul style="list-style-type: none"> - Demand promissory note - Discharged Securities (WEDB/Govt.Bonds etc.) - Charge over Securities over TD/FDR/Deposit Scheme etc. - Irrevocable letter of Authority to encash the securities. <p>Others (as appropriate):</p> <ul style="list-style-type: none"> - Letter of continuation if loan tenor is more than 3 yrs - Lien on Terminal benefit - Corporate Guarantee - Application for lien on security address to issuer (Other bank issued securities)
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Credit Assessment and Approvals

Credit Application Processing

Applications are sourced at the branches through Retail Sales & Service units/Sales Executive/Corp. Retail Customer RM, and Branch Managers, targeting existing customers, CRC and via cold calls and market sales approach. Applications are forwarded via Branch Retail Sales & Service Unit/ BM/SMB and Head of Retail Sales & Services. Credit assessment and disbursement will be done by Retail Banking Division.

The facilities are approved as per the Delegated Lending authorities under their internal lending limits. These include the MD, AMD, DMD (Admin.), and Head of Retail Banking Division lending authority.

**Credit Authority Matrix:
Full Secured Line**

Limit (Taka)	MD	AMD	DMD Operations	Head of RBD
General Lending Authority (GLA)	100,000,000/-	50,000,000/-	10,000,000/-	5,000,000/-

* Any deviation of the product will be referred to higher Authority for consideration and to be approved by Managing Director (MD).

Collection and Write-offs – As per Central Bank Guidelines.

CHAPTER 6: ANALYSIS

6 Comparison with other Banks

Home loan

<u>Bank Name</u>	<u>Product Name</u>	<u>Short Description</u>	<u>Rank</u>
AB Bank Ltd	House/Office Furnishing/ Renovation Loan	A. Loan Amount: Minimum Tk. 1, 00,000.00 & Maximum Tk. 10, 00,000.00. B. Charges: Application fee: Tk. 500.00, Processing fee: 1% on the approved loan amount or Tk. 2000.00 whichever is higher. C. Tenor: Min 12 months & Max 48 months. D. Rate of Interest: 16.50% p.a.	3
Dutch-Bangla Bank Ltd	Home Line	A. Loan range: BDT 20,000/- TO BDT 5,000,000/- or maximum 70% of the asset value, whichever is lower. B. Tenor: 1 to 15 years. C. Interest rate: 14.50 % D. Repayments: Equal monthly installments.	2
HSBC	Home loan	A. Age: At least 23 years, B. Minimum Monthly Income: o Salaried: BDT 40,000, o Self Employed: BDT 50,000. C. Interest Rate: 13%	1

Car loan:

<u>Bank Name</u>	<u>Product Name</u>	<u>Short Description</u>	<u>Rank</u>
AB Bank Ltd	Auto Loan	A. Loan Amount: 70% for the brand new car. 60% for the reconditioned car but must not exceed BDT 10,00,000.00 B. Charges Application fee: Tk. 500.00, Processing fee: 1% on the approved loan amount or Tk. 5000.00 whichever is higher. C. Tenor For Reconditioned Car: Max 36 months, For Brand new Car: Max 60 months D. Rate of Interest 14.50% p.a. - 17.50% p.a.	3
Dutch-Bangla Bank Ltd	Auto Line	A. Loan range: BDT 50,000/- TO BDT 1,000,000/-. B. Tenor: 1 to 5 years. C. Interest rate: 15 % D. Repayments: Equal monthly installments.	1
HSBC	Car Loan	A. Age: At least 23 years, B. Professional Experience: o Salaried: Employed for at least two years by a well-reputed company, o Self-employed: Business establishment for at least two years (with, adequate proof)	2

		C. Minimum Monthly Income: o Salaried: BDT 20,000, o Self Employed: BDT 50,000. Daintiest Rate: 16 %	
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CLEAN CREDIT LINE:

Education loan:

Bank Name	Product Name	Short Description	Rank
AB Bank Ltd	Education Loan	A. Loan Amount: Minimum Tk. 50,000.00. & Maximum Tk. 3, 00,000.00. B. Charges: Application fee: Tk. 500.00, Processing fee: 1% on the approved loan amount or Tk. 1000.00 whichever is higher. C. Tenor: Min 12 months & Max 36 months. D. Rate of Interest: 14.50% p.a. - 16.00% p.a.	1
Dutch-Bangla Bank Ltd	Education Line	A. Loan range: BDT 50,000/- TO BDT 1,000,000/- B. Tenor: 1 to 5 years. C. Interest rate: 17.50 % D. Repayments: Equal monthly installments.	2
HSBC	Student Loan	A. Age: At least 23 years, B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18, 000, - Self Employed: BDT50, 000, - Autopsy/CEPS: BDT15, 000. D. Interest Rate: 19 %	3

Health line:

Bank Name	Product Name	Short Description	Rank
HSBC	Medical loan	A. Age: At least 23 years , B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18, 000, - Self Employed: BDT50, 000, - Auto pay/CEPS: BDT15, 000. D. Interest Rate:19 %	2
Dutch-Bangla Bank Ltd	Health Line	A. Loan range: BDT 50,000/- TO BDT 1,000,000/- B. Tenor: 1 to 5 years. C. Interest rate: 17.50%	1

		D. Repayments: Equal monthly installments.	
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Professional Line:

Bank Name	Product Name	Short Description	Rank
HSBC	Professional loan	A. Age: At least 23 years, B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18, 000, - Self Employed: BDT50, 000, - Autopsy/CEPS: BDT15, 000. D. Interest Rate:19 %	2
Dutch-Bangla Bank Ltd	Professional Line	A. Loan range: BDT 50,000/- TO BDT 1,000,000/- B. Tenor: 1 to 5 years. C. Interest rate: 17.50 % D. Repayments: Equal monthly installments.	1

Marriage Line:

Bank Name	Product Name	Short Description	Rank
Dutch-Bangla Bank Ltd	Marriage Line	A. Loan range: BDT 50,000/- TO BDT 1,000,000/- B. Tenor: 1 to 5 years. C. Interest rate: 17.50 % D. Repayments: Equal monthly installments.	1
HSBC	Wedding loan	A. Age: At least 23 years, B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18, 000, - Self Employed: BDT50, 000, - Autopsy/CEPS: BDT15, 000. D. Interest Rate: 19 %	2

Travel line:

Bank Name	Product Name	Short Description	Rank
Dutch-Bangla Bank Ltd	Travel Line	A. Loan range: BDT 50,000/- TO BDT 1,000,000/- B.Tenor: 1 to 5 years. C. Interest rate: 17.50 % .D. Repayments: Equal monthly installments.	1
HSBC	Travel loan	A. Age: At least 23 years, B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18,000, - Self Employed: BDT50,000, - Autopsy/CEPS: BDT15,000, D. Interest Rate: 19%	2

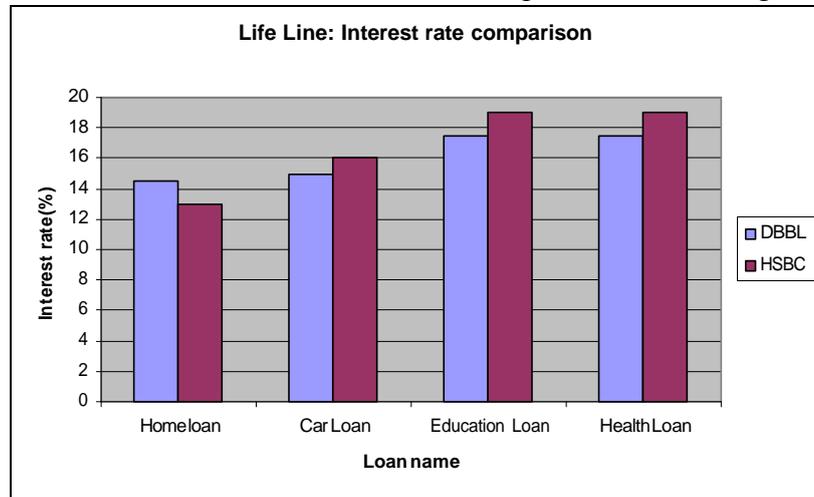
Dreams Comes True Line:

Bank Name	Product Name	Short Description	Rank
Dutch-Bangla Bank Ltd	Dreams Comes True Line:	A. Loan range: BDT 50,000/- TO BDT 1,000,000/- B. Tenor: 1 to 5 years. C. Interest rate: 17.50 % D. Repayments: Equal monthly installments.	1
HSBC	Motor Bike Loan	A. Age: At least 23 years, B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18, 000, - Self Employed: BDT50, 000, - Autopsy/CEPS: BDT15, 000. D. Interest Rate:19 %	2
	Furniture loan	A. Age: At least 23 years , B. Professional Experience: - Salaried: Employed for at least two years by a well-reputed company, - Self-employed: Business establishment for at least two years (with adequate proof). C. Minimum Monthly Income: - Salaried: BDT18, 000, - Self Employed: BDT50, 000, - Autopsy/CEPS: BDT15, 000. D. Interest rate : 19%	

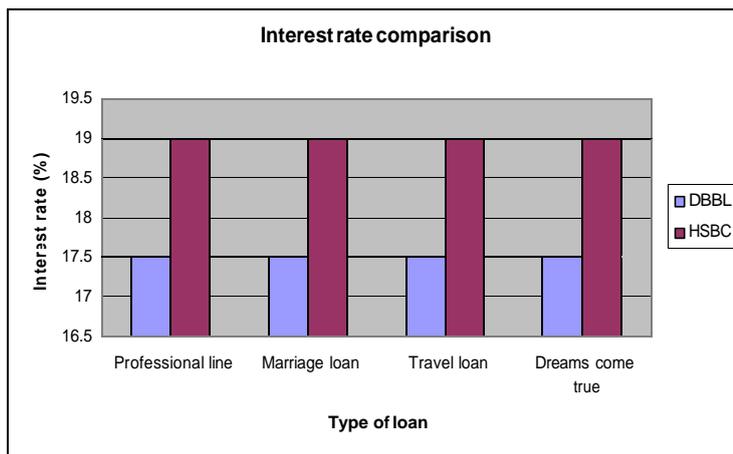
Interest rate comparison

The interest rate comparison is done to show the comparative position of the bank considering the similar products of other banks. Other than the home loan service, all other products have higher interest in HSBC than in DBBL.

HSBC maintains a steady state 19% interest for its life line products. During the study, it was found that HSBC is successful in keeping higher mark up due to its brand value to the customers. On the other hand, DBBL is still promoting its life line products to the customers and that's why, it



offers competitive price for the products. Since, the market is very much competitive and



uncertain; DBBL has to compete by both quality and price. One of the reasons behind the lower interest rate is the brand value of DBBL. As the brand value is not as same as HSBC or other multinational banks, it has to compromise the price of the products. However, over the period, DBBL has established itself as the quality

service provider. Having the highest number of ATM booths, it has become the most popular bank among the consumers. As a part of the expansion strategy, it is now offering lower interest rate for the products necessary in every day life. The aim is to make the clients loyal to the bank. This will help the bank to create a sustainable brand value and thereby, have a strong customer base in the long run.

Risk involved in the loans

The eligibility of the borrowers shows how much risk is involved in the loan products. The clean credit products are offered to the persons whose salary varies from 10000 (salaried person) to 30000 (businessman). In addition, the required age is just 22 years. This implies that there are risks involved in the process of disbursing loan without any collateral. Salaried persons are more secured than the businessmen. But the age requirement is too low for the business borrowers. A person of 22 years is presumed to have very limited management capability. So, there are risks of being failure in the business. This implies that the bank has to be very careful in terms of giving loans to the business persons without any collateral.

On the other hand, the secured credit lines are offered to the employees who are not less than 23 years of age. This criterion is set at 25 years for the businessman seeking loans. This implies that there are less risks involved as these businessmen are presumed to have better management capacity. So, chances are more to be successful in doing business with the loan money.

Industry interest rate versus Life Line rate

The current industry interest rate is around 16%-17% per year. However, some banks are charging more than that. HSBC is charging around 19% whereas DBBL is charging around 16.5%-17.5%. But, it is a matter of concern that the central bank has issued a guideline to keep the interest rate at 14% maximum for the term loans and working capital financing. This will create pressure for the commercial banks to lower down the interest rate. This will cut down the margin further for the banks. This also indicates that the market situation might change at anytime. So, there is risk of losing profit margin if the central bank intervened in the market.

There is another possible impact of lessening the interest rates. The middle class families will be more attracted to the life line products due to the low interest rate. This will lead to more sales and hence, more profit in future.

7 Recommendation

- Management should think about increasing the number of employees in the branch. It was found that the employees cannot provide quality services during the pick hours as there are fewer employees than what is needed. Sometimes, customers have to wait more than the usual time required for a service. In addition, some employees go for professional training. At that time, the bank does not have any alternative way of compensating the position. To fill up the gap, interns are recruited which actually lowers the quality of the services. Interns should be used for assisting the mainstream employees.
- ATM services should be improved. There are lots of complaints about the ATM service of DBBL. Everyday, employees including the management have to face the wrath of the customers. A considerable time and money are wasted due to the bad service of the ATM booths. DBBL has branded the bank as the highest number of ATM booths holders. This actually motivates the clients to deposit money in DBBL as it provides the opportunity to withdraw the cash at any time. However, if the bad service continues, then the clients will be de-motivated to deposit money in DBBL.
- The bank should develop culture of timeliness over the period. However, exceptional case should be considered. There are lots of services which DBBL cannot provide in specific time. There are situations when there is no scope of providing prompt service. Other than that, everyone of the bank must be prepared both mentally and physically for providing prompt service.
- Management should emphasize on the employee satisfaction. Employee satisfaction is supremely important in an organization because it is what productivity depends on. If your employees are satisfied they would produce superior quality performance in optimal time and lead to growing profits. Satisfied employees are also more likely to be creative and innovative and come up with a breakthrough that allows a company to grow and change positively with time and changing market conditions. Many employees are not satisfied due to the rough behavior of the management. The management never favors its employees while dealing with the customers.
- Physical working environment should be improved. Neat and clean working environment should be the top priority issue. A healthy work environment provides people with opportunities to meet work and personal goals. It was found during the internship period

that the branch lacks neat and cleanliness. Some of the customers also complained about the neatness of the fresh rooms. This sort of careless management of the physical working environment de-motivates employees to stay longer time in the branch. Customers also get annoyed by the fact. The bank should immediately look into the fact and take measures

- The satisfaction of their customer's needs is their prime focus and they want to achieve it by offering products and services. Dutch-Bangla Bank should analyze the need of the people in the locality in which the bank is operating. But for lack of cooperation customer dissatisfaction is increasing which may result of company's reputation loss, decrease in profit, cost increases, increase competitor.
- Business target should be material enough to motivate the employees. The normal practice of account opening is just 150 new accounts per week. But, the new target has been set at 400 new accounts per week. This is more than double of what is the usual practice. During the tenure of my internship, I have found that the employees are very much disappointed about the new target. My analysis reveals that the general employees might think about switching jobs as their performance will be evaluated based on the target achieved. Therefore, management should think the feasibility of the target they set.

8 Conclusion

Dutch-Bangla Bank Limited is one of the most potential Banks in the banking sector. It has a large portfolio with huge assets to meet up its liabilities and management of this bank is equipped with the export bankers and managers in all level of management. So it is not an easy job to find out the drawbacks of this branch.

It has been observed that DBBL started its banking services with a view to minimize the customer's needs by offering different products and services which are easy and affordable for all level of customers. To that extent, DBBL always emphasizes its customer services, product development, resource management, branch networking and the contribution to the economic development of the country. The bank also provides social services through DBBF as their social responsibility.

The success of a bank depends on the quality of the services it offers. All the commercial banks, therefore, try to provide quality services with competitive interest rates. DBBL is not an exception. Life line package has been developed with the same purpose. Although, the comparative analysis shows that DBBL 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.

9 Reference

- www.dbbi.com
- www.hsbc.bd.com
- BB Prudential Regulations for Consumer Financing, under section „Definition“ point 5