Internship Report
on
Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch

Submitted by:

Asfia Hridy Mony

ID: BBA2203027078

Program: Bachelor of Business Administration (BBA)

Major: Finance

Department of Business Administration

Sonargaon University (SU)

Submitted to:

Department of Business Administration

Faculty of Business

Sonargaon University (SU)

Submitted for the partial fulfillment of the degree of
Bachelor of Business Administration (BBA)



Sonargaon University (SU)
147/1 Green Road, Panthapath, Tejgaon, Dhaka

Date of Submission: September 05, 2026

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Md. Shoriful Islam

Associate Professor & Head

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Letter of Transmittal

September 05, 2026
Md. Shoriful Islam
Associate Professor & Head
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Subject: Submission of the Internship Report on **"Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch"**.

Dear Sir,
With due respect, I am pleased to submit my internship report titled **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch** as a partial fulfillment of the requirements for the Bachelor of Business Administration (BBA) program at Sonargaon University (SU). This report has been prepared based on my internship experience at Janata Bank PLC. Sonamia Market Branch and the knowledge gained during my academic studies. I have made every effort to follow the required guidelines and present the report in a clear, systematic, and comprehensive manner.
I sincerely hope that this report will meet your expectations and fulfill the academic requirements. I shall be grateful if you kindly accept this report. I will be pleased to provide any further clarification if required.
Thank you for your valuable time and consideration.
Sincerely yours,

.....
Asfia Hridy Mony
ID: BBA2203027078
Program: Bachelor of Business Administration
Major: Finance
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Declaration of Student

I am **Asfia Hridy Mony**, a student of the Bachelor of Business Administration (BBA) program with ID: BBA2203027078 at Sonargaon University (SU). I would like to sincerely declare that the report titled **"Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch"** has been prepared by me as a part of the requirements for the completion of my BBA program.

During the preparation of this report, I have made every effort to maintain academic integrity and ensure that all information, data, and references used in this report comply with ethical standards and proper citation practices. I also confirm that this report is my original work and has not been submitted previously to any other institution or organization for the purpose of obtaining any degree, diploma, or academic qualification.

Yours Sincerely,

.....

Asfia Hridy Mony
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Letter of Authorization

This is to certify that the Internship report titled **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch** has been prepared as a part of the completion of the Bachelor of Business Administration (BBA) program from the Department of Business Administration, Sonargaon University (SU).

The report has been carried out by **Asfia Hridy Mony**, bearing ID: BBA2203027078, under my supervision. The internship report and the information presented in this report will not be used for any other purposes without proper authorization.

The student has demonstrated sincerity, dedication, and responsibility throughout the preparation of this report. It has been a great pleasure working with him. I wish her every success in her future academic and professional endeavors.

.....

Md. Shoriful Islam
Associate Professor & Head
Department of Business Administration
Faculty of Business
Sonargaon University (SU)

Acknowledgement

I would like to express my heartfelt gratitude to all those who have supported and guided me throughout the journey of preparing this internship report titled **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch.**

First and foremost, I would like to express my sincere appreciation to my internship supervisor, **Md. Shoriful Islam**, Associate Professor & Head, Department of Business Administration, Sonargaon University (SU), for his valuable guidance, continuous support, encouragement, and constructive suggestions throughout the preparation of this report. His expertise and insightful feedback have played an important role in completing this report successfully. I am also grateful to all the respected faculty members of the Department of Business Administration, Sonargaon University (SU) for providing me with the necessary academic knowledge, support, and a favorable learning environment throughout my BBA program.

I would like to express my sincere appreciation to the management and employees of Janata Bank PLC. Sonamia Market Branch for their valuable cooperation, assistance, and support during my internship period. I am especially thankful to **Zahirul Alam** Manager & SPO for providing me with the necessary information, practical insights, and guidance regarding the credit risk management practices and loan operations of the bank.

I am also grateful to all the officers and staff members of Janata Bank PLC. Sonamia Market Branch who directly or indirectly contributed by providing the necessary information and support for the successful completion of this internship report. Their cooperation helped me gain practical knowledge about credit risk management, loan performance evaluation, and banking operations.

Finally, I would like to thank everyone who supported me throughout this academic journey and contributed to the successful completion of this report.

Executive Summary

Janata Bank PLC is one of the leading state-owned commercial banks in Bangladesh, playing a significant role in promoting economic development by providing a wide range of banking and financial services. The main objective of this report is to analyze the **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch**. Sonamia Market Branch and evaluate how effective credit risk management practices contribute to maintaining loan quality and improving the overall financial performance of the bank.This report has been prepared as a requirement for the completion of the Bachelor of Business Administration (BBA) program at Sonargaon University (SU). Janata Bank PLC. Sonamia Market Branch during 3 months. Throughout the internship period, I gathered practical knowledge regarding the bank's general banking activities, credit operations, loan approval procedures, risk assessment techniques, and loan monitoring practices.

The report focuses on the credit risk management framework of Janata Bank PLC. Sonamia Market Branch, including the procedures for evaluating loan applications, identifying potential credit risks, monitoring borrower's repayment performance, and minimizing non-performing loans (NPLs). It also analyzes the bank's loan performance by examining different aspects of credit management, such as loan classification, recovery procedures, credit policies, and regulatory compliance.

In this report, I have presented an overview of the bank's credit management system, loan portfolio, risk management practices, and their impact on the bank's financial performance. The analysis highlights how effective credit risk management helps maintain asset quality, reduce default risk, improve loan recovery, and ensure sustainable profitability while complying with the guidelines of Bangladesh Bank.

The final part of this report includes the major findings, recommendations, and conclusion based on my study. The recommendations are intended to strengthen credit risk management practices, improve loan performance, and enhance the overall efficiency of the bank's lending operations. This internship experience has enabled me to relate my academic knowledge of banking and finance to real-life banking operations and develop a better understanding of credit management practices in the commercial banking sector.

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List of Acronyms

Acronym	Full Form
AML	Anti-Money Laundering
ATM	Automated Teller Machine
BB	Bangladesh Bank
BBA	Bachelor of Business Administration
CAR	Capital Adequacy Ratio
CIB	Credit Information Bureau
CD Ratio	Credit-Deposit Ratio
CRM	Credit Risk Management
CRG	Credit Risk Grading
DPS	Deposit Pension Scheme
FDR	Fixed Deposit Receipt
HR	Human Resources
ICT	Information and Communication Technology
IT	Information Technology
KYC	Know Your Customer
L/C	Letter of Credit
LIM	Loan Against Imported Merchandise
LTR	Loan Against Trust Receipt
MD & CEO	Managing Director and Chief Executive Officer
MIS	Management Information System
NII	Net Interest Income
NPL	Non-Performing Loan
PLC	Public Limited Company
ROA	Return on Assets
ROE	Return on Equity
SND	Short Notice Deposit
SME	Small and Medium Enterprise
SWOT	Strengths, Weaknesses, Opportunities and Threats
TIN	Taxpayer Identification Number

Chapter-1:
Introduction

1.1 Background of the Report

Internship is an integral part of the Bachelor of Business Administration (BBA) program, designed to bridge the gap between theoretical knowledge and practical experience. It provides students with the opportunity to apply academic concepts in real-life business environments and develop professional skills required in the corporate sector. As a partial fulfillment of the BBA degree, every student is required to complete an internship program and prepare a report based on the practical experiences gained during the internship.

This internship report has been prepared on the topic **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch.** The report is based on practical exposure and observations gathered during the internship period at Janata Bank PLC, Sonamia Market Branch, one of the leading state-owned commercial banks in Bangladesh. The banking industry plays a significant role in the country's economic development by mobilizing savings, providing credit facilities, and supporting trade, commerce, and industrial growth. Among various banking functions, effective credit risk management is one of the most critical aspects because lending constitutes the largest source of income as well as the greatest source of risk for commercial banks.

Credit risk refers to the possibility that a borrower may fail to repay the principal amount or interest according to the agreed terms and conditions. Therefore, banks must adopt sound credit policies, proper appraisal procedures, continuous monitoring systems, and effective recovery mechanisms to minimize credit risk and maintain a healthy loan portfolio. In recent years, maintaining loan quality and controlling non-performing loans (NPLs) have become major concerns for the banking sector in Bangladesh.

Janata Bank PLC, Sonamia Market Branch has established comprehensive credit management policies and follows the guidelines issued by Bangladesh Bank to ensure prudent lending practices. The bank applies various risk assessment techniques before sanctioning loans and continuously monitors borrowers to reduce the probability of default. Evaluating the effectiveness of these practices is important for understanding the overall financial health and operational efficiency of the bank.

This report focuses on analyzing the credit risk management practices of Janata Bank PLC, Sonamia Market Branch and evaluating its loan performance using financial and operational indicators. It also incorporates practical knowledge acquired during the internship period to provide a comprehensive understanding of the bank's credit operations, lending procedures, and risk management strategies.

1.2 Objectives of the Report

General Objective

The general objective of this report is to analyze the **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch** based on practical observations and available financial information.

Specific Objectives

- To understand the overall credit management system of Janata Bank PLC, Sonamia Market Branch.
- To examine the credit risk assessment and loan approval procedures followed by the bank.
- To analyze the loan portfolio and loan performance of Janata Bank PLC, Sonamia Market Branch.
- To evaluate the bank's non-performing loan (NPL) management practices.
- To assess the effectiveness of loan monitoring and recovery mechanisms.
- To identify the challenges faced in credit risk management.
- To provide practical recommendations for improving credit risk management and loan performance.

1.3 Scope of the Report

The scope of this report is limited to the **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch**. It covers the bank's credit policies, loan approval procedures, credit risk assessment methods, loan monitoring process, loan recovery practices, and overall loan portfolio performance. The report also includes an overview of Janata Bank PLC, Sonamia Market Branch and practical experiences obtained during the internship period.

The financial analysis has been conducted using information collected from annual reports, Bangladesh Bank publications, official documents, and relevant secondary sources. Due to time and confidentiality constraints, the report does not cover all banking operations or confidential internal credit information.

1.4 Methodology and Data Collection

This report is descriptive and analytical in nature. Both primary and secondary data have been used to prepare the report.

Primary Data

Relevant primary data for preparing this report have been collected through the following ways:

I. Practical experience gained during the internship at Janata Bank PLC. Sonamia Market Branch.
II. Observation of daily banking activities.
III. Informal discussions with branch officials and employees.
IV. Personal participation in routine banking operations.

Secondary Data

Secondary data for this report has been taken as:

I. Annual Reports of Janata Bank PLC. Sonamia Market Branch.
II. Bangladesh Bank guidelines and circulars.
III. Official website of Janata Bank PLC.
IV. Books, journals, research articles, and previous internship reports.
V. Relevant publications related to credit risk management.

Data Analysis Techniques

The collected data have been analyzed through descriptive analysis, comparative analysis, ratio analysis, and graphical presentation where applicable to evaluate the loan performance and credit risk management practices of the bank.

1.5 Limitation of the Report

Although sincere efforts have been made to prepare this report, several limitations were encountered during the study. Following are the remarkable limitations:

I. The internship period was relatively short for conducting an in-depth analysis.

II. Confidential banking information could not be accessed due to organizational policies.

III. Some necessary information was unavailable because of privacy restrictions.

IV. The report mainly relies on secondary data for financial analysis.

V. Time constraints limited the opportunity for extensive field investigation.

VI. Employees were often busy with their official responsibilities, limiting detailed discussions.

Despite these limitations, every effort has been made to ensure the reliability, accuracy, and objectivity of the report.

1.6 Structure of the Report

The report has been organized into five chapters to ensure a logical and systematic presentation of the study.

Chapter One introduces the background, objectives, scope, methodology, limitations, and overall structure of the report.

Chapter Two presents an overview of Janata Bank PLC. Sonamia Market Branch, including its history, mission, vision, products and services, organizational structure, business operations, credit management policy, loan products, and SWOT analysis.

Chapter Three discusses the **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch**, including credit appraisal, loan approval, loan monitoring, recovery process, non-performing loans, and overall loan portfolio performance.

Chapter Four describes the internship duties, responsibilities, practical experiences, and learning outcomes acquired during the internship period.

Chapter Five summarizes the major findings of the study, provides recommendations for improving credit risk management practices, and concludes the report.

Chapter-2:
Organization Overview

2.1 Company History

Janata Bank PLC. Sonamia Market Branch is one of the largest state-owned commercial banks in Bangladesh. It was established on 26 March 1972 under the Bangladesh Banks (Nationalization) Order, 1972 (President's Order No. 26 of 1972) through the merger of two former commercial banks, namely United Bank Limited and Union Bank Limited, which were operating in the then East Pakistan. The bank was created with the objective of strengthening the country's banking sector and supporting national economic development through efficient financial services.

Over the years, Janata Bank has played a significant role in financing agriculture, industry, trade, export, import, and infrastructure development. It has continuously expanded its branch network across Bangladesh to ensure financial inclusion and provide banking services to both urban and rural populations.

In line with the government's banking sector reform initiatives, Janata Bank was corporatized and converted into Janata Bank Limited on 15 November 2007 under the Companies Act, 1994. Later, following the amendment to the Bank Company Act, the bank officially changed its name to Janata Bank PLC**.** in 2023.

Today, Janata Bank PLC. Sonamia Market Branch operates one of the largest banking networks in Bangladesh with hundreds of branches, including specialized branches and overseas operations. The bank offers a wide range of financial products and services to individuals, businesses, government organizations, and corporate clients. As a state-owned commercial bank, it continues to contribute significantly to the country's economic growth by supporting investment, facilitating international trade, mobilizing savings, and promoting sustainable development.

2.2 Vision

To become the effective largest commercial bank in Bangladesh by maintaining a stable growth strategy, delivering high-quality financial services, ensuring customer satisfaction, and contributing to national economic development. The vision reflects the bank's commitment to strengthening its market position while maintaining financial stability, operational excellence, and sustainable growth.

2.3 Mission

The mission of Janata Bank PLC. Sonamia Market Branch is to provide efficient, reliable, and technology-driven banking services that meet the diverse financial needs of customers. The bank aims to maximize shareholder value while maintaining transparency, accountability, and sound corporate governance. It is also committed to supporting industrialization, promoting exports, encouraging financial inclusion, and contributing to the socio-economic development of Bangladesh through responsible banking practices.

2.4 Products and Services

Janata Bank PLC. Sonamia Market Branch provides a comprehensive range of banking products and financial services for individual customers, businesses, corporate clients, and government organizations.

Deposit Products

- Current Deposit Account
- Savings Deposit Account
- Short Notice Deposit (SND)
- Fixed Deposit Receipt (FDR)
- Monthly Savings Scheme
- Pension Savings Scheme
- Various Deposit Pension Schemes (DPS)

Loan and Credit Facilities

- Industrial Loans
- SME Loans
- Agricultural Loans
- Consumer Credit
- House Building Loans
- Car Loans
- Education Loans
- Working Capital Finance
- Cash Credit
- Overdraft Facilities
- Export and Import Finance

Foreign Exchange Services

- Import Financing
- Export Financing
- Letter of Credit (L/C)
- Foreign Remittance
- Inland and Foreign Bills Collection
- Foreign Currency Accounts

General Banking Services

- Account Opening
- Cash Deposit and Withdrawal
- Cheque Clearing
- Pay Order
- Demand Draft
- Telegraphic Transfer
- Locker Service

- Utility Bill Collection
- Online Banking Services

Digital Banking Services

- Internet Banking
- Mobile Banking
- Debit Card Services
- ATM Services
- SMS Banking
- Electronic Fund Transfer

2.5 Organizational Structure

Janata Bank PLC. Sonamia Market Branch follows a hierarchical organizational structure that facilitates effective decision-making, operational efficiency, and accountability. The governance of the bank begins with the Board of Directors, which is responsible for formulating strategic policies and ensuring proper corporate governance.

The Managing Director and Chief Executive Officer (MD & CEO) is responsible for implementing the strategic decisions of the Board and managing the bank's day-to-day operations. The Deputy Managing Directors (DMDs), General Managers (GMs), Deputy General Managers (DGMs), Assistant General Managers (AGMs), Managers, and Officers perform operational and administrative functions at different levels.

The bank operates through various divisions, departments, regional offices, and branches across the country. Major departments include General Banking, Credit Division, Foreign Exchange Division, Human Resources, Finance and Accounts, Information Technology, Internal Audit, Compliance, Treasury, and Risk Management.

2.6 Business Operations

Janata Bank PLC. Sonamia Market Branch conducts diversified banking operations to serve individual customers, businesses, corporate entities, and government institutions. Its major operational activities include deposit mobilization, lending and investment, foreign trade financing, remittance services, treasury operations, and digital banking.

The bank plays a vital role in financing priority sectors such as agriculture, small and medium enterprises (SMEs), export-oriented industries, infrastructure projects, and government development programs. It also participates in various government-directed lending schemes to promote inclusive economic growth.

To enhance operational efficiency and customer satisfaction, Janata Bank Sonamia Market Branch has adopted modern banking technologies, centralized banking systems, automated clearing services, online banking, and digital payment solutions.

2.7 About Janata Bank PLC, Sonamia Market Branch

Janata Bank PLC, Sonamia Market Branch is a branch of Janata Bank PLC. that provides banking services to customers in Sonamia Market and its surrounding areas. The branch performs various general banking and financial activities and serves individuals, traders, businesspersons, salaried customers, and other local economic entities.

The major activities of the branch include:

- Deposit mobilization.
- Account opening and maintenance.
- Cash deposit and withdrawal.
- Cheque clearing.
- Local and foreign remittance services.
- Loan and credit facilities.
- Loan monitoring and recovery.
- Customer service.
- Pay Order and Demand Draft services.
- Other general banking activities.

The branch operates under the overall policies and procedures of Janata Bank PLC and complies with applicable Bangladesh Bank regulations.

Establishment

The establishment of Janata Bank PLC, Sonamia Market Branch represents the bank's effort to extend its banking services to customers and businesses in the surrounding area. The branch provides financial services that support savings, business transactions, credit requirements, and other economic activities of the local community.

For the final report, the exact date/year of establishment of Sonamia Market Branch should be included based on the official information obtained from the branch authority.
Year of Establishment of Sonamia Market Branch: 2001.

2.8 Loan Products and Credit Facilities

Janata Bank PLC. Sonamia Market Branch offers various loan products to meet the financing needs of different customer segments.

Major loan facilities include:

- Industrial Term Loan
- Working Capital Loan
- SME Loan
- Agricultural Credit
- Consumer Credit Scheme

- House Building Loan
- Car Loan
- Personal Loan
- Export Credit
- Import Finance
- Cash Credit (Hypothecation)
- Cash Credit (Pledge)
- Overdraft
- Packing Credit
- Loan Against Trust Receipt (LTR)
- Loan Against Imported Merchandise (LIM)

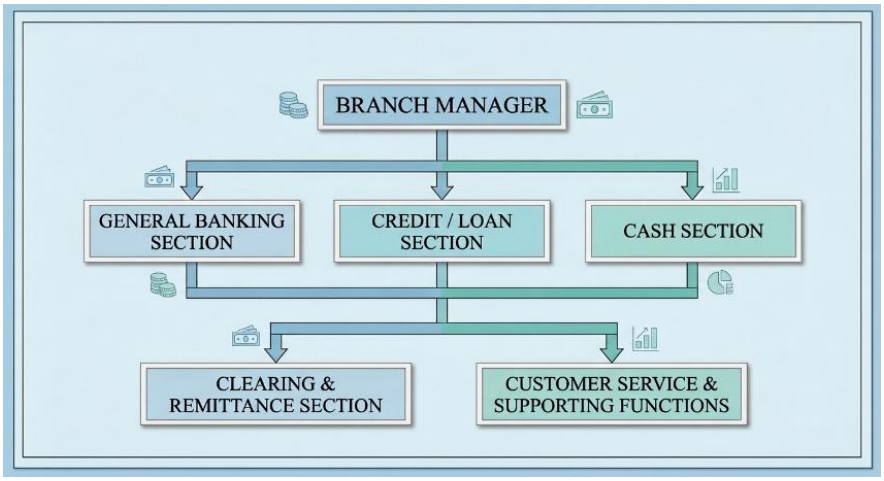
Each credit facility is sanctioned after proper appraisal, documentation, risk assessment, and approval according to the bank's credit policy.

Branch Management Structure of Janata Bank PLC, Sonamia Market Branch

The management structure of Janata Bank PLC, Sonamia Market Branch follows a hierarchical system under the overall leadership and supervision of the Branch Manager. The Branch Manager plays a central role in coordinating the activities of different sections and ensuring that the branch operates according to the policies, procedures, and guidelines of Janata Bank PLC.

The key officials and employees of different sections perform their respective responsibilities under the guidance and supervision of the Branch Manager. The major functional areas of the branch include General Banking, Credit, Cash, Clearing and Remittance, Customer Service, and administrative support functions.

The general management structure can be presented as follows:



The Branch Manager supervises and coordinates the activities of these sections. Each section has assigned officials who perform specific operational responsibilities. This hierarchical structure promotes accountability, coordination, internal control, and efficient service delivery. During the internship at Janata Bank PLC, Sonamia Market Branch, it was observed that the Branch Manager plays a leading role in supervising daily banking activities and coordinating the work of officials from different sections. The officials work collectively under the branch's established management structure to ensure smooth banking operations.

2.9 Credit Management Policy of Janata Bank PLC. Sonamia Market Branch

Credit management is one of the most important functions of Janata Bank PLC. Sonamia Market Branch. The bank follows a well-defined credit policy to ensure that loans are sanctioned based on prudent banking principles and in compliance with Bangladesh Bank guidelines.

The primary objectives of the credit management policy are to:

- Ensure quality lending decisions.
- Minimize credit risk.
- Maintain a healthy loan portfolio.
- Reduce non-performing loans (NPLs).
- Achieve sustainable profitability.

Before approving any loan, the bank evaluates the borrower's repayment capacity, financial strength, business feasibility, collateral security, and credit history. The bank also follows the Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines to ensure regulatory compliance. Regular monitoring, periodic loan reviews, and early warning systems are implemented to identify potential credit risks and take corrective measures before loan default occurs.

SWOT Analysis

SWOT analysis is a strategic management tool used to identify the internal strengths and weaknesses and the external opportunities and threats of an organization. The following SWOT analysis presents an overview of Janata Bank PLC based on its banking operations and business environment.

Strengths

- Strong position as a major state-owned commercial bank.
- Extensive branch network across Bangladesh.
- Large and diversified customer base.
- Wide range of banking products and services.
- Significant experience in commercial and development-oriented banking.
- Strong presence in government-related banking activities.
- Extensive experience in trade finance, agriculture, SME, and industrial financing.

Weaknesses

- High level of classified and non-performing loans remains a significant concern.
- Lengthy procedures can sometimes affect the speed of credit processing.
- Loan recovery may be delayed due to legal and administrative complexities.
- Some traditional documentation processes can reduce operational efficiency.
- Large organizational structure may create challenges in rapid decision-making.

Opportunities

- Expansion of digital and technology-based banking services.
- Growing demand for SME and agricultural financing.
- Increased use of data analytics in credit risk assessment.
- Expansion of financial inclusion programs.
- Development of modern loan monitoring and early-warning systems.
- Greater opportunities for improving loan recovery and asset quality.

Threats

- Increasing competition from private commercial banks and other financial institutions.
- Economic instability and inflation.
- Rising credit default risk.
- Changes in regulatory and monetary policies.
- Cybersecurity and technology-related risks.
- Market volatility affecting borrowers' repayment capacity.

Chapter-3:
Credit Risk Management and Loan Performance Analysis

3.1 Overview of Credit Risk Management

Credit risk management is one of the most critical functions of commercial banking because loans and advances constitute the largest portion of a bank's earning assets. Credit risk refers to the possibility that a borrower may fail to repay the principal amount and interest according to the agreed terms and conditions. Poor credit risk management may result in loan defaults, higher non-performing loans (NPLs), reduced profitability, liquidity problems, and reputational damage. Therefore, every commercial bank must establish an effective credit risk management framework to identify, measure, monitor, and control credit-related risks.
Janata Bank PLC follows a comprehensive Credit Risk Management (CRM) framework in accordance with the Credit Risk Management Guidelines issued by Bangladesh Bank. The framework ensures that every credit proposal is evaluated based on financial soundness, repayment capacity, collateral security, business viability, and compliance with regulatory requirements before any loan is sanctioned.

During the internship at Janata Bank PLC, Sonamia Market Branch, it was observed that credit risk management is treated as a continuous process rather than a one-time activity. Branch officials carefully review loan applications, verify customer information, assess collateral, and monitor loan accounts regularly to minimize credit risk. The branch follows the policies and operational procedures established by the Head Office while maintaining compliance with Bangladesh Bank regulations.

An effective credit risk management system not only protects the bank from potential financial losses but also improves asset quality, increases profitability, and strengthens customer confidence. Therefore, credit risk management has become a strategic function in achieving sustainable growth and financial stability for Janata Bank PLC Sonamia Market Branch.

3.2 Credit Risk Assessment Process

Credit risk assessment is the foundation of sound lending decisions. Before approving any credit facility, Janata Bank PLC conducts a detailed analysis of the borrower's financial condition, repayment ability, business prospects, and collateral security. The objective is to ensure that only financially capable borrowers receive loans and that the bank's exposure to risk remains within acceptable limits.

Based on observations at Janata Bank PLC, Sonamia Market Branch, the credit assessment process generally involves the following steps:

- Receiving the loan application from the customer.
- Collecting required documents such as National ID, Trade License, TIN Certificate, bank statements, financial statements, and business information.
- Conducting Know Your Customer (KYC) and Anti-Money Laundering (AML) verification.
- Obtaining the Credit Information Bureau (CIB) report from Bangladesh Bank.
- Evaluating the borrower's repayment capacity and cash flow.

- Assessing collateral security and legal ownership documents.
- Determining the customer's Credit Risk Grading (CRG).
- Preparing the Credit Appraisal Report.
- Forwarding the proposal to the appropriate approving authority.

The branch officials also evaluate qualitative factors such as management capability, business experience, market reputation, and future business potential before recommending any loan proposal.

A systematic credit assessment process significantly reduces the probability of loan default and contributes to maintaining a healthy loan portfolio.

3.3 Loan Approval and Disbursement Process

After the completion of the credit appraisal process, the loan proposal is submitted to the appropriate approving authority according to the delegated lending authority of Janata Bank PLC.

The loan approval process observed during the internship includes the following stages:

- Verification of the Credit Appraisal Report.
- Review of collateral valuation reports.
- Legal examination of mortgage and security documents.
- Assessment of repayment sources.
- Approval by the Branch Manager or Head Office depending on the credit limit.
- Issuance of the Sanction Letter.
- Acceptance of loan terms and conditions by the borrower.
- Completion of legal documentation.
- Execution of mortgage and charge documents where applicable.
- Loan disbursement through the customer's account.

At Janata Bank PLC, Sonamia Market Branch, branch officials ensure that no loan is disbursed until all legal formalities, documentation requirements, and regulatory compliance procedures have been completed. This practice minimizes operational and legal risks while ensuring transparency in lending operations.

3.4 Loan Monitoring and Recovery System

Loan monitoring is a continuous supervisory process that begins immediately after loan disbursement. Effective monitoring enables the bank to identify potential repayment problems at an early stage and take corrective actions before the loan becomes classified.

During the internship at Janata Bank PLC, Sonamia Market Branch, several loan monitoring activities were observed, including:

- Regular review of customer accounts.
- Monitoring installment payments.
- Reviewing borrowers' financial performance.
- Visiting business premises when necessary.
- Inspecting pledged or mortgaged assets.
- Monitoring loan utilization.
- Communicating with borrowers regarding repayment schedules.

When customers fail to repay installments on time, the branch initiates recovery procedures through reminder notices, telephone communication, meetings with borrowers, restructuring facilities (where applicable), and legal action under existing banking regulations if necessary. The effectiveness of loan monitoring directly influences loan recovery performance and helps reduce the volume of classified loans.

3.5 Non-Performing Loan (NPL) Analysis

Non-Performing Loans (NPLs) represent one of the most significant risks faced by commercial banks. According to Bangladesh Bank guidelines, a loan is classified as non-performing when the borrower fails to repay the loan according to the prescribed repayment schedule.
A high NPL ratio negatively affects a bank's profitability, liquidity, capital adequacy, and public confidence. Therefore, controlling NPLs has become one of the primary objectives of Janata Bank PLC, Sonamia Market Branch credit risk management strategy.

Major causes of NPLs include:

- Inadequate credit appraisal.
- Weak borrower selection.
- Business failure.
- Economic recession.
- Poor monitoring after loan disbursement.
- Diversion of loan funds.
- Political and market instability.
- Willful default by borrowers.

Janata Bank PLC continuously reviews classified loans, maintains required provisions according to Bangladesh Bank regulations, and implements various recovery strategies to improve loan quality. During the internship, it was observed that Janata Bank PLC, Sonamia Market Branch actively follows up with default borrowers to recover overdue loans and reduce classified loan balances.

3.6 Loan Portfolio Performance Analysis

Loan portfolio performance reflects the overall quality, profitability, and sustainability of a bank's lending activities. A diversified and well-managed loan portfolio contributes to higher income while reducing exposure to concentration risk.

The performance of Janata Bank PLC, Sonamia Market Branch loan portfolio can be evaluated using the following financial indicators:

- Growth of Total Loans and Advances.
- Sector-wise Loan Distribution.
- Loan Recovery Rate.
- Non-Performing Loan (NPL) Ratio.
- Provision Coverage Ratio.
- Credit-Deposit (CD) Ratio.
- Capital Adequacy Ratio (CAR).
- Return on Assets (ROA).
- Return on Equity (ROE).
- Net Interest Income.
- Cost of Credit.
- Loan Concentration Risk.

Analysis of these indicators helps determine whether the bank's lending strategy is effective and financially sustainable.

Based on annual reports and practical observations**,** Janata Bank PLC, Sonamia Market Branch has been emphasizing prudent lending, improved loan recovery, compliance with Bangladesh Bank regulations, and strengthening credit monitoring systems. At Janata Bank PLC, Sonamia Market Branch, branch officials regularly monitor loan accounts and maintain close communication with borrowers to improve repayment performance and maintain portfolio quality.

3.7 Credit Risk Management Challenges and Improvement Opportunities

Although Janata Bank PLC, Sonamia Market Branch has developed a structured credit risk management framework, several challenges continue to affect the efficiency of its lending operations.

Major Challenges

- High level of Non-Performing Loans (NPLs).
- Delay in loan recovery due to lengthy legal procedures.
- Incomplete or inaccurate financial information provided by some borrowers.
- Economic uncertainty and inflation.
- Political and market instability.
- Limited use of advanced credit analytics.
- Operational delays in credit processing.
- Increasing competition from private commercial banks.

Improvement Opportunities

To strengthen credit risk management and improve loan performance, Janata Bank PLC Sonamia Market Branch may consider the following initiatives:

- Strengthening borrower screening and financial analysis before loan approval.
- Expanding the use of automated Credit Risk Grading (CRG) systems.
- Increasing the use of data analytics and digital monitoring tools.
- Providing regular training for credit officers on modern risk management techniques.
- Enhancing early warning systems for identifying potential loan defaults.
- Accelerating the recovery process through stronger legal support and negotiation strategies.
- Diversifying the loan portfolio across different economic sectors.
- Strengthening internal audit and compliance monitoring.
- Improving coordination between branches and Head Office.
- Promoting responsible lending practices based on international banking standards.

Overall, effective implementation of these initiatives will enhance loan quality, reduce credit risk, improve operational efficiency, and strengthen the long-term financial performance of Janata Bank PLC. The practical experience gained at Janata Bank PLC, Sonamia Market Branch demonstrates that continuous monitoring, proper documentation, prudent credit appraisal, and proactive recovery efforts are essential for maintaining a healthy loan portfolio and achieving sustainable banking operations.

Chapter-4:
Internship Duties, Responsibilities, and Learning Points

4.1 Internship Overview

As a partial fulfillment of the Bachelor of Business Administration (BBA) program, an internship was undertaken at Janata Bank PLC, Sonamia Market Branch. The internship provided an excellent opportunity to gain practical exposure to the banking industry and to understand how theoretical knowledge acquired throughout the academic program is applied in real-world banking operations.

The internship period allowed the intern to observe the daily operational activities of the branch, interact with bank officials and customers, and become familiar with different banking functions, particularly those related to credit operations, customer services, account management, and loan processing. Throughout the internship, emphasis was placed on understanding the practical aspects of credit risk management and the procedures followed by the bank in evaluating, approving, monitoring, and recovering loans.

The internship also enhanced communication skills, analytical ability, professional ethics, and understanding of banking regulations, which are essential for a successful career in the financial sector.

4.2 Internship Duties and Responsibilities

During the internship at Janata Bank PLC, Sonamia Market Branch, several operational activities were observed and performed under the supervision of branch officials. Although the intern was not directly involved in managerial decision-making, active participation in routine banking activities provided valuable practical knowledge.

The major duties and responsibilities included:

General Banking Activities

- Assisting customers regarding account opening procedures.
- Observing the account opening and account closing process.
- Assisting in verifying customer information and required documents.
- Learning Know Your Customer (KYC) procedures.
- Observing Anti-Money Laundering (AML) compliance practices.
- Assisting customers with banking forms and documentation.
- Providing information regarding deposit products and banking services.

Credit and Loan Related Activities

- Observing the loan application process.
- Reviewing the required documents for loan applications.
- Learning the procedures of credit appraisal.
- Understanding Credit Risk Grading (CRG).
- Observing collateral verification procedures.
- Studying loan sanction and disbursement procedures.

- Learning the monitoring process of loan accounts.
- Observing classified loan management and recovery activities.
- Reviewing customer repayment records under the guidance of branch officials.

Customer Service Activities

- Assisting customers with general banking inquiries.
- Observing complaint handling procedures.
- Supporting customers in completing banking documentation.
- Maintaining professional communication with customers.

Administrative Activities

- Maintaining office files and records.
- Organizing banking documents.
- Assisting officers in preparing routine reports.
- Observing internal control procedures.
- Maintaining confidentiality of customer information.

These responsibilities provided practical exposure to the operational environment of a commercial bank and enhanced the understanding of credit management practices.

4.3 Departments Worked With

During the internship period, practical exposure was gained in several functional departments of Janata Bank PLC, Sonamia Market Branch. Each department performs a distinct role in delivering banking services efficiently.

I. General Banking Department

The General Banking Department is responsible for day-to-day banking operations. Activities observed included account opening, cash transactions, cheque clearing, remittance services, customer service, and maintenance of customer records.

II. Credit Department

The Credit Department was the primary area of observation during the internship. Activities included reviewing loan files, understanding credit appraisal procedures, studying borrower evaluation methods, observing loan documentation, monitoring loan accounts, and learning recovery procedures.

III. Cash Department

The Cash Department manages daily cash receipts and payments while ensuring proper cash balancing and security. Practical observation was made regarding cash handling procedures and customer transactions.

IV. Clearing and Remittance Department

This department is responsible for cheque clearing, demand drafts, pay orders, inward and outward remittances, and electronic fund transfers. The internship provided an understanding of clearing procedures and interbank transactions.

Exposure to these departments helped develop a comprehensive understanding of commercial banking operations and their interrelationships.

4.4 Practical Experience in Credit and Loan Operations

One of the most valuable aspects of the internship was gaining practical exposure to the credit and loan operations of Janata Bank PLC, Sonamia Market Branch.

During the internship, the following practical experiences were gained:

- Understanding different categories of loans and advances.
- Learning customer eligibility assessment procedures.
- Observing documentation requirements for different loan products.
- Understanding collateral security evaluation.
- Learning the Credit Risk Grading (CRG) process.
- Observing loan proposal preparation.
- Understanding approval authority and approval hierarchy.
- Learning loan disbursement procedures.
- Observing loan monitoring activities.
- Understanding classified loan management.
- Learning loan recovery strategies.

It was observed that every loan application passes through several verification stages before approval. Branch officials carefully analyze borrowers' repayment capacity, business performance, collateral value, and previous credit history before recommending any loan proposal.

The internship also provided practical knowledge regarding Bangladesh Bank's regulatory requirements, KYC procedures, AML compliance, and internal credit policies followed by Janata Bank PLC, Sonamia Market Branch.

4.5 Skills and Learning Outcomes

The internship significantly enhanced both technical knowledge and professional competencies.

Technical Skills

- Understanding commercial banking operations.
- Knowledge of credit risk management.
- Loan documentation procedures.

- Credit appraisal techniques.
- Loan monitoring and recovery process.
- Banking regulations and compliance.
- Customer account management.
- Documentation and record management.

Professional Skills

- Business communication skills.
- Customer relationship management.
- Teamwork and collaboration.
- Professional ethics.
- Time management.
- Analytical and problem-solving ability.
- Observation and reporting skills.
- Organizational skills.

Learning Outcomes

At the end of the internship, several important learning outcomes were achieved:

- Developed practical knowledge of banking operations beyond academic theory.
- Understood the complete credit lifecycle from loan application to recovery.
- Learned how credit risk is identified, evaluated, and controlled in commercial banking.
- Gained practical experience regarding customer service and professional workplace behavior.
- Improved confidence in handling banking documentation and communication.
- Understood the importance of regulatory compliance, KYC, AML, and internal control systems.
- Recognized the significance of maintaining loan quality and reducing non-performing loans (NPLs) for the financial sustainability of a bank.

Overall, the internship at Janata Bank PLC, Sonamia Market Branch successfully bridged the gap between academic knowledge and practical banking experience. The knowledge, skills, and professional exposure gained during the internship will contribute significantly to future career development in the banking and financial services sector.

Chapter-5:
Findings, Recommendations and Conclusion

5.1 Major Findings

Based on the practical experience gained during the internship at Janata Bank PLC, Sonamia Market Branch, together with the analysis of the bank's credit risk management practices and loan performance, several important findings have been identified.

Strengths Identified

- Janata Bank PLC, Sonamia Market Branch follows the Credit Risk Management (CRM) Guidelines issued by Bangladesh Bank before approving credit facilities.
- Proper Know Your Customer (KYC) and Anti-Money Laundering (AML) procedures are maintained during customer onboarding and loan processing.
- Loan proposals are evaluated through a structured credit appraisal process, including financial analysis, collateral assessment, and Credit Information Bureau (CIB) verification.
- Credit approval authority is clearly defined according to the delegated lending power of the bank.
- The branch maintains proper documentation and legal formalities before loan disbursement.
- Regular monitoring of loan accounts helps identify repayment irregularities at an early stage.
- Branch officials maintain professional relationships with customers and provide satisfactory banking services.
- The bank offers diversified loan products to meet the financing needs of individuals, SMEs, agriculture, trade, and corporate clients.

Weaknesses Identified

- Recovery of classified loans is often delayed due to lengthy legal procedures.
- The volume of Non-Performing Loans (NPLs) remains a major challenge for the banking sector.
- Credit processing may sometimes take longer because of extensive documentation and approval procedures.
- Some borrowers fail to provide complete and reliable financial information during loan assessment.
- Manual documentation in certain operational areas reduces overall efficiency.
- Continuous monitoring of some borrowers becomes difficult because of limited manpower and increasing loan portfolios.

Overall Findings

The study indicates that Janata Bank PLC, Sonamia Market Branch has established a comprehensive credit risk management framework that supports prudent lending decisions and regulatory compliance. During the internship at Janata Bank PLC, Sonamia Market Branch, it was observed that branch officials strictly follow internal credit policies and Bangladesh Bank guidelines while processing and monitoring loans. Although the bank faces several operational

and credit-related challenges, its structured lending procedures and continuous monitoring contribute positively to maintaining the quality of its loan portfolio.

5.2 Recommendations

Based on the findings of this study, the following recommendations are proposed to enhance the effectiveness of credit risk management and improve loan performance at Janata Bank PLC, Sonamia Market Branch.

Recommendations:

1. Strengthen borrower screening and financial analysis before approving any loan facility.
2. Increase the use of automated Credit Risk Grading (CRG) systems and digital credit assessment tools.
3. Implement advanced data analytics to identify early warning signals of potential loan defaults.
4. Improve monitoring of high-risk loan accounts through more frequent follow-up and field visits.
5. Enhance recovery strategies for classified loans by strengthening negotiation, restructuring, and legal recovery mechanisms.
6. Reduce loan processing time by introducing greater automation in documentation and approval procedures.
7. Provide regular professional training to credit officers on modern credit risk management techniques and Bangladesh Bank regulations.
8. Encourage greater diversification of the loan portfolio to minimize concentration risk.
9. Strengthen coordination between branch offices and Head Office to ensure faster decision-making and more effective risk monitoring.
10. Expand digital banking services and integrate technology into credit monitoring and customer relationship management.
11. Conduct periodic internal audits of credit files to ensure compliance with internal policies and regulatory requirements.
12. Promote financial awareness among borrowers regarding responsible borrowing and timely loan repayment.

Implementation of these recommendations will help improve asset quality, reduce credit risk, strengthen operational efficiency, and contribute to the long-term sustainability of Janata Bank PLC,Sonamia Market Branch.

5.3 Conclusion

Credit risk management plays a fundamental role in ensuring the financial stability and profitability of commercial banks. Since lending activities represent one of the major sources of income, effective identification, assessment, monitoring, and control of credit risk are essential for maintaining a healthy loan portfolio and minimizing financial losses.

This internship report titled **Credit Risk Management and Loan Performance Analysis of Janata Bank PLC: A Study on Sonamia Market Branch** was prepared based on practical experience gained at Janata Bank PLC, Sonamia Market Branch, together with information collected from annual reports, official publications, and other reliable secondary sources.

The study reveals that Janata Bank PLC, Sonamia Market Branch has developed a structured credit management system supported by Bangladesh Bank's regulatory framework. The bank follows systematic procedures for borrower assessment, loan approval, documentation, monitoring, and recovery. These practices contribute to improving loan quality and reducing overall credit risk.

The internship provided valuable opportunities to observe real-world banking operations, understand professional working environments, and relate academic concepts to practical applications. Exposure to credit appraisal, loan documentation, customer service, loan monitoring, and recovery activities significantly enhanced practical knowledge of commercial banking and financial risk management.

Despite challenges such as non-performing loans, lengthy recovery procedures, and increasing competition within the banking industry, Janata Bank PLC, Sonamia Market Branch continues to strengthen its credit management practices through improved monitoring, regulatory compliance, and technological development.

Overall, the internship experience at Janata Bank PLC, Sonamia Market Branch has been highly beneficial in developing professional competence, analytical ability, and practical understanding of banking operations. The knowledge and experience gained through this internship will serve as a strong foundation for future professional careers in banking, finance, and financial risk management.

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Appendix

Appendix A: Internship Completion Letter
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