

Evaluation of Small and Medium Enterprises Loan: The Case of Mercantile Bank Ltd.

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Abstract— The main motivation of the study is to evaluate the Small and Medium Enterprises (SMEs) Loan Mercantile Bank Ltd. (MBL) . This study is conducted by using secondary data collected from various websites, annual reports, manuals, and publications related to the SMEs loan. The major finding of this study is, MBL offers Chaka, Ananya, Chalti Muldhan, and Single Payment Loan as SMEs loan products. This study has also revealed that among the sample banks, MBL occupies the third and fourth positions as per SMEs loan disbursement and rate of recovery of the said loan. Moreover, it has also found that MBL doesn't have any customized schemes targeting various classes of people and the effective rate of interest is very high. Moreover, the terms and conditions of SMEs loan is also very inconvenient and MBL requires relatively more times in granting loans and advances to different parties. It critically discourages the persons who are inclined to get loan for their urgent purpose. Mode of disbursement, charge documents etc. creates bottleneck in SMEs loan approval process. MBL does not sanction loan to all sectors equally as they require, rather it concentrates its loan and advances within some limited fields and category. Therefore, it may be mentioned that MBL's SMEs loan performance is not up to the mark.

Keywords— SME, Chaka, Ananya, Chalti Muldhan.

I. Introduction

According to the Bangladesh Industrial Policy 2010, small and medium enterprises (SMEs) can be defined in the following ways:

Small enterprise may be manufacturing or service oriented. In manufacturing, small enterprise (SE) would be those with assets worth Tk 5 to 100 million and/or 25 to 99 workers, whereas in service industry and in business, small enterprises will be those which employ 10 to 25 and have assets worth Tk 500,000 to 10 million. Medium enterprise (ME) may be also manufacturing or service oriented. In manufacturing, medium enterprise would be those with assets worth Tk 100 to 300 million (minus land and factory building, and including replacement value) and/or 100 to 250 workers, whereas in service industry and in business, medium enterprises will be those which employ 50 to 100 workers and have assets worth Tk 10 to 150 million.

SMEs is the engine for entrepreneurial development which in sequence create a diverse spectra of economic activities, employment opportunities as well as produce enormous contributions to international transactions of a country

(Harif et al., 2011). SMEs play an important role in the economic development of many countries. Therefore, governments all over the world are giving remarkable emphasis on the development of the SME sector to accelerate economic growth (Olawale and Garwe, 2010). There is a rising recognition of SMEs to economic development of a nation. In numerous countries, SMEs make up the majority of business units and account for the utmost proportion of employment (Abor and Biekpe, 2007). SMEs may look small or negligible but are in reality the foundation of any economically stable nation. The potential payback of SMEs to any economy incorporate contribution to the economy in terms of output of goods and services, creation of employment at a comparatively low capital cost, provision of a vehicle for reducing income discrepancies, development of a pool of skilled and semiskilled workers as a basis for future industrial expansion, and so on (Terungwa, 2011). Approximately, 50% of SMEs do not raise the required fund from formal external sources, instead relying on trade credit from their suppliers or retained earnings. Half of SMEs which use at least one form of external finance most commonly use bank funding in the form of loans, credit cards or overdraft. A marginal SMEs use equity finances, from either venture capitalists or business angels. SMEs do not usually collect fund from capital or bond markets for the reasons of their size and the small amounts of money they are looking for (BIS, 2012). A basic problem in dealing with SME financing is inadequate information about the gap between the demand and supply of financial mechanisms at their disposal. The only evidence is in the form of complaints from SMEs themselves and this is complicated to use in analysis or for comparison (Silivestru, 2012).

Financial as well as development support formulated particularly for SMEs in Bangladesh is a new and forthcoming trend. After the rush forward of micro finance in the last two decades, SMEs have come to the glare of publicity in the financial sector for the reason of their involvement in economy and yet inadequate access to finance. Both the micro-finance institutions and banks are starting to understand the potential of this market and designing new financial products for it. Brac Bank launched credit for the SMEs in 2002 in recognition of

their exceptional requirement (Rabbani and Sulaiman, n.d.). Mercantile Bank Ltd. (MBL) is committed to provide high quality services to its constituents through different financial products and profitable utilization of fund and contribute to the growth of GDP of the country by financing trade and commerce, helping industrialization, boosting export, creating employment opportunities for the educated youth and encouraging micro-credit leading to poverty alleviation and improving the quality of life of the people and thereby contributing to the overall socio-economic development of the country. With a view to achieving the aforesaid objectives of the bank, SME Loan is of paramount importance as the greatest share of the total revenue of the bank is generated from it. The success of a bank, therefore, depends on how efficiently and judiciously it makes use of its available resources. In other words, prudent and efficient management of its credit portfolio is very essential for the success of a bank. The accepted standards relate to safety, liquidity and profitability of the advance whereas the dynamic factors relates to aspects such as the nature and extent of risk, interest or margin, SME loan spread and SME loan dispersal. In all business dealings, officers and employees must be guided by the principles of honesty, integrity and safe-guard the interest of the depositors and shareholders of the bank. They should strictly adhere to the Banking Laws, Rules and Regulations of the Govt. of Bangladesh / the instructions and guidelines issued by the Bangladesh Bank / Head Office from time to time which affect the business practices of the Bank. However, the key to safe, liquid, healthy and profitable credit operations lies in the quality of judgment used by the Executive's / Officers making lending decisions and their knowledge of the borrower and the market place. In formulating a SME loan judgment and making quality in SME Loan, the lending officer must be equipped with all information needed to evaluate a borrower's character, management competence, capacity, ability to provide collaterals and external conditions which may affect his ability in meeting financial obligations.

II. Literature Review

Abor and Biekpe (2007) have conducted a study on Small Business Reliance on Bank Financing in Ghana and have found that bank loans account for smaller than a quarter of SMEs' total debt financing, and the size and age of the firm, along with asset tangibility, have remarkable positive relationships with the bank-debt ratio. They have also got that earning power is significantly and negatively associated to the bank-debt ratio. King-Kauanui et al. (2006) have found in their study that training, performance appraisal And incentive compensation have positive impacts on SME performance, among these compensation having the highest effects Rani and Rao (2008) have found in their study that SMEs need special treatment through devising special instruments of credit for strengthening their competitiveness. Pasanen (2007) has mentioned that there is a strategic difference between organic and non-organic group regarding SMEs' growth

strategies in the light of their scale of operation, firm age, founders, and product and customer structures. Pullen, et al (2009) have found in their study that companies which give emphasis on incremental innovation and that achieve high overall innovation performance indeed share a pattern in their internal organization, while controlling for innovation type . Balling et al, (2009) have mentioned that asymmetric information between the lender and the borrower of firms may hamper lenders' readiness to provide finance. This in turn would hamper the borrowers' growth performance. Ferrando and Griesshaber (2011) have found in their study that only age and ownership are vigorous explanatory variables for firms' apparent financing obstructions while mixed results are found for size and economic branches. Ebringa, O. T. (2011) has revealed that for high information asymmetries, outsiders are reluctant to providing start-up financing to SMEs, whereas entrepreneurs often favor the benefits of self control to the extent that they are reluctant to outside funds at start-up. He has also mentioned that SME start-ups with higher leverage are not only more profitable, but also report higher growth in earnings over time. Saleh and Ndubisi (2006) have found that Malaysian SMEs still face many local and universal challenges in achieving economies of scale and competing internationally, namely the low level of technological capabilities and inadequate skilled human capital resources, a low level of technology and ICT penetration, low levels of research and development, a considerable orientation towards domestic markets, a high level of international competition, a high level of bureaucracy in government agencies, and internal sourcing of funds. Olawale and Garwe (2010) have revealed that the major hindrances regarding are growth of new SME are financial (internal), economical (external), markets (external), managerial (internal) and infrastructural (external) factors. Calice et al. (2012) have revealed that the SME segment is a strategic priority for the banks in Kenya, Tanzania, Uganda and Zambia and SMEs are thought a profitable business prospect and give a vital opportunity for cross --selling. They have found that various obstacles are constraining banks further involvement in SME segment, like SME-related factors, macroeconomic factors, business regulation, the legal and contractual environment, the lack of a more proactive government attitude towards the segment, some areas of prudential regulation and some bank-specific factors. Silivestru (2012) has mentioned that European SMEs are extremely dependent on the bank loans when it comes to financing their functions and attaining their growth desires and Romanian SMEs make no exception. Saleh et al. (2006) have revealed that SME financing may be studied from the supply side (banks') perspective, but not be constrained to a discussion on the quantum of loan, or other quantitative measures only. They have made some recommendations, namely the SME's personality; the viability of the SME's business and/or its industry; the SME's knowledge and competency; the financial position

of the SME; and the level of detail and preparation of the loan application. Isa and Terungwa (2011) have revealed in their study that there is no considerable deviation between the loan disbursed by banks to SMEs before and after the launching of SMEIS and the conditions for accessing SMEEIS funds is beyond the reach of the predominant SMEs in Nigeria. Rabbani and Munshi (n.d.) have revealed in their study that employment creation is more in enterprises with longer association with the Bank, enterprises in the manufacturing sectors and enterprises with a high initial labor force. They have also found that employment created after repeat loans have a greater positive effect on the wage bill when compared to employment created after first loans. Harif et al. (2011) have stated that there are 15 factors which are classified as financial and non-financial factors which are supposed to be vital in order for the banks to approve the SMEs business financing applications. Ahmed and Chowdhury (2009) have revealed in their study that the performance of Bangladeshi's SMEs particularly in the light of employee turnover rate, quality assurance, allocation of funds, marketing activities are considerably lower compared to the international standard. They have also identified that SMEs get insignificant support from government part.

III Objectives of the Study

The main objective of the study is to analyze the SME loan performance of MBL. In order to achieve the main objective, the specific objectives are as follows:

- a. To identify the SMEs loan products of MBL.
- b. To give a layout about the SMEs loan disbursement procedure.
- c. To expose SMEs loan management system of the said bank.
- d. To compare the performance of SME loan of MBL with some other commercial banks.

IV. Methodology of the Study

The study is the outcome of secondary data. Therefore, the required data have been collected from the secondary sources, namely journals, newspapers, magazines, books, websites and so on associated with SME sector. Moreover, the relevant data have been also collected from Bangladesh Bank, Ministry of Industries, Bangladesh Bureau of Statistics, MIDAS, Financial Institutions, and SME related organizations. Research papers and literature in the field of SMEs have been also discussed. Mercantile Bank Ltd., Prime Bank Ltd., Dhaka Bank Ltd., Eastern Bank Ltd., Dutch - Bangla Bank Ltd., and BRAC Bank Ltd. have been selected as sample banks for doing a comparative analysis regarding SMEs loan performance.

V. Findings and Discussion

V.1 SMEs Loan Products of MBL

A special credit scheme under the name and style "SME Scheme" has been introduced to extend credit facilities to the small and medium entrepreneurs of the country. The SME loan products of MBL are as follows:

SMEs Loan – Chaka

Small and Medium Entrepreneurs of our country are striving to play significant role in the steady growth of GDP through profitable expansion of existing business as well as setting up new venture in the competitive business world but most of the times they fail to address the same due to dearth of capital and with a view to overcome this situation and for achievement of justified level of business growth, Mercantile Bank is assisting SMEs customers offering 'Chaka' loan facility.

SMEs Loan – Ananya

It is women entrepreneur's loan. About 50% of our total population is women but their active role in the development flow of business as entrepreneur is not satisfactory and notable. For balanced & sustainable economic growth with inclusiveness all classes people of the society, active involvement of women in the business is immediately required and our bank has given highest priority for financing to the Women Entrepreneurs offering a loan facility 'Ananya'.

SMEs – Chalti Muldhan

Small and Medium Entrepreneurs need working capital at anytime to penetrate prevailing business opportunity and to run the existing business smoothly encountering the threat as well as exploring opportunities. However, in order to help SME customers to operate their business uninterruptedly, Mercantile Bank Limited has introduced continuous loan facility styled 'Chalti Muldhan'.

SMEs- Single Payment Loan

It is short term seasonal loan. Seasonal products/crops as well as religious and cultural festivals create short-term additional business opportunity for Small and Medium Entrepreneurs of our country. As such, they require special business arrangements in addition to conduct day to day business activities to cope up with seasonal demand that increase sale and profit. In order to patronize SME customers for capturing this seasonal business opportunity, MBL has introduced 'Single Payment Loan' facility. The following table shows the product of MBL's SMEs loan products:

Table 1: Product of SMEs Loan of MBL

Subject	SMEs Loan Products			
	Chaka	Ananya	Chalti Muldhan	Single Payment Loan
Size	Tk 0.50 -50.00 lac for SE Tk 0.50 -5.00 crore for ME	Tk 0.50 -50.00 lac for SE	Tk 0.50 -50.00 lac for SE Tk 0.50 -5.00 crore for ME	Tk 0.50 -50.00 lac for SE & ME
Segment	SE & ME	SE	SE & ME	SE & ME
Tenure	1 - 5 years	1 - 5 years	1 year	Maximum 9 months
Grace Period	Maximum 6 months	Maximum 6 months for term loan	Nil	N/A
Interest Rate	13%-15% p.a applicable as per mode of financing.	10% p.a	13% p.a	15% p.a
Penal interest	1 % higher on overdue amount	1 % higher over the usual rate on overdue amount.	2 % higher on overdue amount.	1 % higher on overdue amount.
Repayment	EMI or at lum sum on or before expiry as applicable	EMI or at lum sum on or before expiry as applicable	At lum sum on or before expiry	At lum sum on or before expiry
Security	PG, Cheques plus others as applicable	PG, Cheques plus others as applicable	PG, Cheques plus others as applicable	PG, Cheques plus others as applicable

Source: website of MBL

Ananya is the best product only for women entrepreneur. Its interest rate is lower than other product of SME loan in MBL. It have equal monthly installment. Over all best products is Chaka. It's loan size up to 5 core for initial business stage & duration 1-5 years. On the other hand it your business is running that time ultimate select Cholti Muldhon. Single payment loan is used for short term seasonal loan. SME require special business arrangements in addition to conduct day to day business activities to cope up with seasonal demand that increase sale and profit. In order to patronize SME customers for capturing this seasonal business opportunity, MBL has introduced single payment loan facility. But single payment loan interest rate much higher.

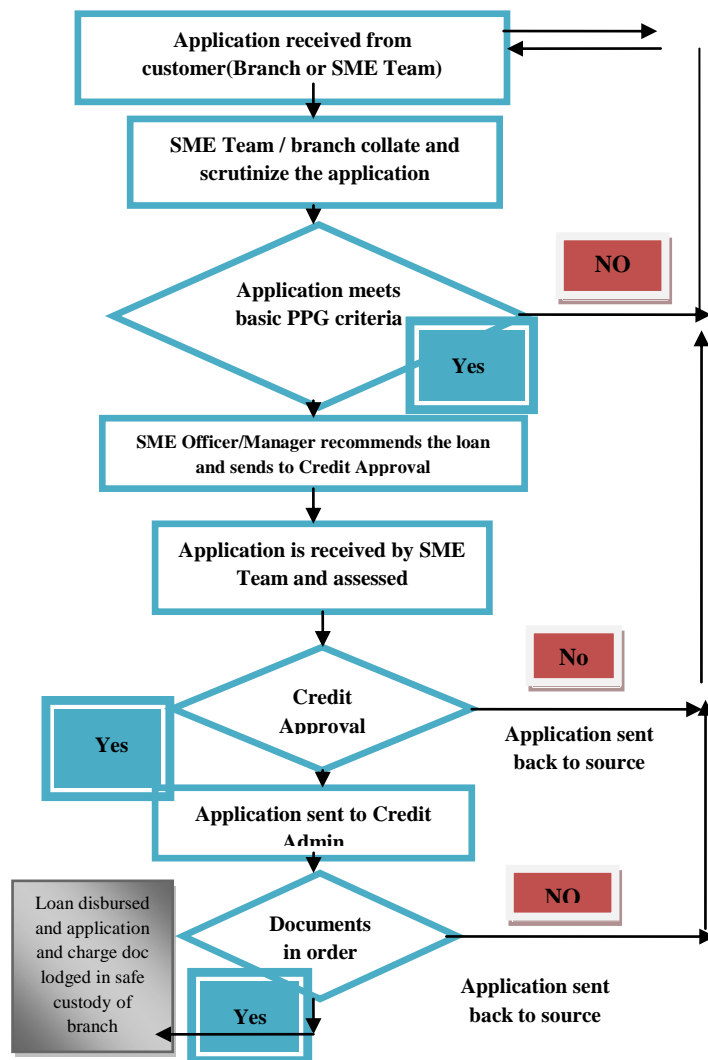
V.2 Documentation in SMEs Loan Processing

Financiers require some documents to process the SMEs loan, namely Personal Guarantee; Business Plan; Appraisal of Asset to be Financed; Purchase Agreement; Cash-Flow Projection; Personal Financial Statement; Formal Application for Financing; Business Financial Statement; TIN Certificate; Bank Solvency Certificate; VAT Certificate; Export License and so on.

V.3 Procedure of SMEs Loan Processing

The following figure demonstrates the procedure of SMEs loan processing:

Figure 01: Flow Chart of SME Loan Processing



Source: -

//www.mblbd.com/gb/creditdivision/smeloan/procedure//

Target Segments for SMEs Financing Table 2: Target Segments for SMEs Financing

S.L.	Sector
1	Hospitals and Clinics
2	It related business
3	Agricultural and Agricultural Development items
4	Fishing and fishing business promotion
5	Transportation and Communication
6	Forestry and furniture
7	Construction business and housing development
8	Leather marketing and leather goods
9	knitwear and readymade garments
10	Plastic and other synthetics
11	Entertainment

12	Photography
13	Hotel and tourism
14	Warehouse and container services
15	Printing and packaging
16	Gunning and Bailing
17	Pathological Laboratories
18	Cold Storage
19	Horticulture- Flower growing and Marketing
20	Food and oil processing plants
21	Higher education and expertise knowledge society
22	Telecommunication

V.4 Source: SME Foundation

Customer desire any segment by submit essential document to branch of Bank than they take initiate decision or send to Head office SME division. SME division takes decision by their own procedure. Finally customer get or nothing.

V.5 SMEs Loan Management System

SMEs team at Head Office process all activities to help branch related in obtaining CIB report, file preparations, document collation, site visit, verification, credit approval, credit monitoring and recovery and credit administration. Process flowchart of SME loan processing is given in the annexure. Simultaneously branches may independently select clients and process loan after obtaining all required formalities mentioned below. The disbursement of SME loans will be within their delegated power. They will also monitor and recover the SMEs loans as usual. Segregation of duties for SMEs financing Scheme is enumerated in details:

V.6 Credit Approval

SME team at Head Office is fully involved to help the branch(s) in preparing loan proposals; the loan application will be forward to Head Office by the branch. The loan is approved for disbursement through branches as per the existing power delegated by the Board of Directors. All approved applications must be checked against Bank's database to know whether the applicant is enjoying any other loan apart from the declared loans. A database of sanctioned, declined cases will be maintained by SME team in Head Office. Credit committee, head of credit risk management division and head of consumer, retail & SMEs banking division, of SME Team of Head Office approves all proposals through SME. However, branches will continue to sanction SME loan within their delegated power and forward loan applications to head office which are beyond their authority. The delegation of power for SME loan with collateral security, approved in 88th board meeting of MBL held on 9th July 2006, is as follows:

Table 3: Limit of SMEs Loan System
(Taka in Lac)

Executive Committee	MD	AMD & DMD Jointly	AMD/ DMD	SMEs Credit Head	Head of SMEs/Branch Manager
100.00	50.00	25.00	10.00	5.00	3.00

Source: www.mblbd.com/gb/creditdivision/smeloan/authormangement/

Credit Administration

- SMEs division at Head Office completes documentation of the loans sanctioned by them.
- After completion of the documentation SME division sends "disbursement order" to the branch for disbursement of the loan.
- Security documents of the SME loans sanctioned from Head Office must be signed by customer(s) in branch of disbursement and must be retained by them in original; a set of photocopy is required for sending to Head Office.
- A set of photocopy of loan documents must be retained by SME team Head Office, the disbursing branch retains the original one.

Time Requirement for Approval of Credit Proposals

- ❖ At Branch level : Branch authority as per their business delegation must take decision within maximum of 3 - 7 day
- ❖ At Head Office level : The Head Office Credit Committee(HOCC)/ Executive Committee of the Board of Directors/Board of Directors take decision within maximum of :
 - 5 – 7 days for simple type of facility
 - 15 – 30 days for Project Loan
 - 30 – 60 days for Loans under Syndication / Club finance etc.
- ❖ Sanction letter to be issued within 1 – 2 days time from the date of approval.
- ❖ In case of Large Loan, it must be reported to Bangladesh Bank.
- ❖ In case of the specific loans like Director's loan, prior approval from Bangladesh Bank to be obtained as per requirements / guidelines of Bangladesh Bank.

Monitoring and Recovery

- SME customers deposit regular loan installments in concerned branches.
- Branches send monthly statements of SME Lone to Head Office, within 7th day of following month.
- SME division at Head Office monitors and ensures recovery of all delinquent loans sanctioned by Head Office.

SMEs management system has proper accountability but they take huge time for SMEs loan sanction. It seriously discourages the persons who are inclined to get loan to meet up their urgent purposes.

Portfolio of SMEs Loan

Table 4: Portfolio of SMEs Loan of MBL

Sector	Amount	% of Total Disbursement
Manufacturing	44,584,784	5.05%
Service	57,562,928	6.52%
Trading	780,719,288	88.43%
Total disbursement	882,867,000	100%

Source: Annual Report of MBL, 2011.

The above table depicts that for SMEs loan, Mercantile bank gives more preference in trading sector but they can finance over manufacturing and service sector to expand service and Manufacturing sector. Manufacturing sector is very important for a country to improve economic growth and as well as service generation and create employment.

V.7 Portfolio Size of Different Bank in SMEs Sector

Table 6: Portfolio Size of Different Bank in SMEs Sector (Tk. in crore)

SL	Name of bank	Portfolio size
1	Prime Bank Limited (PBL)	10.80
2	Dhaka Bank Limited (DBL)	18.00
3	Eastern Bank Limited (EBL)	20.00
4	Mercantile Bank Limited (MBL)	16.38
5	Dutch- Bangla Bank Limited (DBBL)	6.63
6	BRAC Bank Limited (BBL)	25.72
Total		97.53

Source: Manual of MBL, PBL, DBL, EBL, DBBL, BBL, 2011

From the above table, it can be mentioned that BRAC bank has the highest investment in the SME sector followed by Eastern Bank Limited in second position. While the Prime bank Ltd., Dhaka Bank Ltd., Mercantile Bank Ltd. and Dutch- Bangla Bank Limited are third, fourth and sixth respectively.

V.8 Comparative Analysis of SMEs Loan of Six Commercial Banks

The following table represents the issues of comparative analysis involved in SMEs loan:

Table 7: Issues of Comparative Analysis Involved in SMEs Loan

Particulars	PBL	DBL	EBL	MBL	DBBL	BRAC
Loan size	01 lac-75 lac	1lac-50lac	1ac-300lac	2lac-50lac	3lac-50lac	3lac-30lac
Rate of Interest	18% p.a	17% p.a	18% p.a	12-15% p.a	15%-17% p.a	15% p.a
Loan processing Fee	.50% of the loan amount	-----	-----	TK 500	-----	.50% of the loan amount
Risk fund	-----	1%-2% of loan amount	-----	1% of loan amount	-----	-----
Supervision Fee	-----	1%-2% of loan amount	-----	1% of loan amount	-----	-----
Utilization Fee	.75% p.a (semiannually)	1.5% (quarterly)	-----	-----	-----	-----
Period of Loan	1yr – 5 yr	1yr – 3 yr	Upto 1	Upto 2-5 yrs	1.5yr – 5 yr	1yr – 3 yr
Mode of Finance	Term loan as	Term loan	Only worki	Term loan as	Only term	Only term

	well as working capital		ng capital loan	well as working capital	loan	loan
Primary Security	Personal guarantee	Personal guarantee	Personal guarantee	Personal guarantee	Personal guarantee	Personal guarantee
Secondary Security	Collateral security (provision depend on case to case basis)	Up to 5 lac collateral free(case to case above 5 lac and collateral mandatory)	Collateral security mandatory	Above 10.00 Lac Collateral security mandatory	Collateral security mandatory	Upto 8 lac collateral free & above 8 lac collateral is mandatory

Source: Manual of MBL, PBL, DBL, EBL, DBBL, BBL, 2011

The following table shows the comparative position of SMEs loan disbursement and rate of recovery:

Table 8: Comparative Position of SMEs Loan Disbursement and Rate of Recovery of SME loan

Particulars	PBL	DBL	EBL	MBL	DBBL	BRAC
Year of operation	2011	2011	2011	2011	2011	2011
Disbursement (Tk.)	108.44 crore	115.72 crore	300.59 crore	127.70 crore	116.38 Crore	950 Crore
Rate of recover	85%	87%	97%	87%	93%	92%

Source: Manual of MBL, PBL, DBL, EBL, DBBL, BBL, 2011

From the above analysis and findings of the study, it is obvious that there is a lot of market potential for MBL in SMEs loan. As it is become to know from the analysis that BRAC bank is the most dominant player in the market and except BRAC bank other players are more or less similar category. But since the market yields a high growth potential and BRAC bank having basic infrastructure and a larger customer base it is very difficult for the other bank to cope with BRAC bank unless they build some alliances to develop such infrastructure to serve the client at better service. Initially, it will require a huge concentration, but the bank is financially sound to incur such amount of investment in new line of business. Other than the investment MBL should improve their credit facilities, customer service, and add attractive features to the product to attract every class of people.

VI. Conclusion

There is discrimination in sanctioning sector wise breakup of loans and advances. SMEs are more popular and require things among the people of various classes, but MBL doesn't have any customized schemes targeting various classes of people and the effective rate of interest is very high. Moreover, the terms and conditions of SMEs loan is also very inconvenient and discourage people MBL takes relatively more times in granting loans advances to different parties. It critically discourages the persons who are inclined to get loan for their urgent purpose. Mode of disbursement, charge documents etc. creates bottleneck in SMEs loan approval process. Head Office takes much time in processing and approval of SMEs loan. Sometimes, the total sanctioning process takes month after month to take the final decision. MBL does not sanction loan to all sectors equally as they require, rather it concentrates its loan and advances within some limited fields and category. As a result, MBL cannot play vital role as a market leader in the SMEs loan market.

The following suggestions are put forward for present and future sustainability of the SMEs Loan of MBL:

For Banker

- ❖ SMEs loan sanctioning and disbursement procedure should be easy and flexible being considered the requirements of different classes of people.
- ❖ Amount of loan can be raised in proportion with the existing demand of people in SMEs loan, SMEs loan can be popular among the small trader and lower income group people like MBL DPS.
- ❖ MBL credit Policies can be revised being considered with the increase demand of telecom, transportation, Knit and packaging and plastic industry.
- ❖ Bottlenecks or barriers should be removed by taking advanced steps in mode of disbursement, charge documents and approval process.
- ❖ Business Power for sanctioning loans and advances can be increased at branch level.
- ❖ The Bank should have more conference in overseas, work shop, symposium, and seminar for more expansion of SMEs loan.

For Customer

- ❖ MBL customer should be used SMEs loans in various sector rather than specific scheme.
- ❖ Customer should be desire so that all the people can get loan according to their needs.
- ❖ In rural areas, Mercantile Bank should want the SMEs Loan to alginat the poverty and also increase the self relevance. It will act as a promotion policy.
- ❖ Customer use SMEs service center need to be added to fully take the advantage of the huge potential customer segments.

- ❖ The sectors where the bank is investing should need much concern and need a revision so that investments are not resulting in desired outcome.

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