

Investigating the Roles and Challenges of NBFIs in Loan Syndication: Strategies for Enhancing Efficiency and Risk Management

Internship Organization – IDLC Investments Limited

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Submitted in Partial Fulfillment of the Requirements for the Degree

Bachelor of Business Administration



December 2025



Internship Report Approval Form

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Internship Organization: IDLC Investments Limited

Internship /Project Report Topic: **Investigating the Roles and Challenges of NBFIs in Loan Syndication: Strategies for Enhancing Efficiency and Risk Management**

Term (Tick one):

☐ Spring 2025

☐ Summer 2025

☒ Fall 2025

SUPERVISOR APPROVAL

(Tick One)

☐ Approved

☐ Not Approved

☐ Partial Re-write

☐ Full Re-write

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Date 12th December, 2025

Letter of Transmittal

December, 2025
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Subject: Submission of Project Report on “Investigating the role and challenges of NBFI’s Loan Syndication: Strategies for Enhancing Efficiency and Risk Management”

Dear Sir,

With due respect, I would like to inform you that I have completed my Project on Investigating the role and challenges of NBFI’s Loan Syndication. The project report titled “Investigating the role and challenges of NBFI’s Loan Syndication: Strategies for Enhancing Efficiency and Risk Management” has been prepared for the fulfillment of my Project according to the prerequisites of my undergraduate program Bachelor of Business Administration (BBA) at University of Liberal Arts Bangladesh.

In this report, I have tried my best to compile the concepts which I have learned in my Bachelor of Business Administration along with practical insights and secondary information collected from relevant sources. I hope that this report will meet your expectations and will receive your kind consideration. I am looking forward to your valuable feedback.

Sincerely,
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Acknowledgment

I would like to thank several people who helped me complete this project and made the whole process easier for me. I am truly grateful to them. I am also thankful to Almighty Allah for giving me the patience, strength, and courage to finish this work on time.

I am very grateful to my supervisor, Kazi Md Tarique, PhD (Assistant Professor , ULAB School of Business), for his guidance and support. He gave me useful suggestions, motivation, and kind help at every stage of preparing and submitting this report. This study would not have been possible without his time, advice, and continuous encouragement.

I am also thankful for the help I received from online resources. I collected most of the necessary information, data, and documents for this report using the internet and search engines, which made my work much easier and more organized.

I would like to express my sincere thanks to my department head, Isa Mahmud Shovo, Head of Structured Finance and Green Product for his cooperation and support. He helped me with important information and guidance about loan syndication that was needed for this project. Finally, I am deeply thankful to my family and friends for their constant love and support. Their belief in me. Even though my experience is limited, I have tried my best to prepare a meaningful and thoughtful project report. Their support has been the main strength behind my journey and achievements.

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Investigating the Roles and Challenges of NBFIs in Loan Syndication: Strategies for Enhancing Efficiency and Risk Management

PART A: INTERNSHIP EXPERIENCE

Chapter 1: Internship Preparation

1.1 Motivation to Do Internship

To see how the things I studied in class actually work in professional life, internships have always felt like the bridge between theory and reality to me. When I got the opportunity to work at IDLC Investments Limited which is one of the country's most reputed financial institutions. It was a perfect platform to connect my academic learning with real corporate experience.

There are a few key reasons to do this internship. Firstly, to get practical exposure in the handling of structured finance and loan syndication in real business scenarios. This is the reason the topic of my research project focuses on "**Investigating the Roles and Challenges of NBFIs in Loan Syndication**" and my area of interest is aligned with this internship. I wanted to see how NBFIs like IDLC actually manage syndicate loans, assess the risks, and participate in large-scale project financing. This involves the building of professional skills. Like financial analysis, teamwork, and communication, which cannot be fully learned in classrooms. I also wanted to understand the corporate work culture and how responsibilities are distributed in a structured finance team. Finally, I wanted to network with professionals in the finance industry and get a better sense of possible career paths in investment and development finance.

This internship was my chance to learn, experience, and grow in a real business setting while exploring the challenges professionals face in the world of finance and investment.

1.2 Internship Search Process

The search process for my internship was both exciting and challenging. I started by researching organizations that specialize in finance, investment banking, and structured finance. The areas that directly relate to my field of study and career goals. I clearly remember I started researching NBFIs in my 10th semester as I made up my mind about doing my internship in a leading NBFIs of

Bangladesh. Then I shortlisted my preferable institutes and researched their requirements, time of internship openings. I also connected with ex interns to know more about the companies.

I applied through multiple channels:

- Checking company websites for internship openings
- Emailing HR departments directly
- Following updates on Facebook and LinkedIn pages of reputed financial institutions
- Reaching out to alumni and seniors who were already working in financial institutions

I have applied to multiple organizations and financial institutions. But the target was IDLC Finance Limited. At that time IDLC Investments Limited did not have any opening for Structured Finance Intern. So, I applied for the position of Finance Intern at IDLC Finance Limited. I applied through the google form link that was posted on the LinkedIn page of IDLC Finance Limited. They shortlisted my application and soon after, I was called for an interview.

1.3 Interview Experience

The interview process at IDLC Finance Limited was a smooth and professional experience. I had one interview round with the HR team. The panel was friendly and welcoming, which helped reduce my nervousness.

They started by asking about my educational background, followed by a few questions related to my understanding of the role of NBFIs in the financial sector. They also asked about my research interests and how I could contribute to their ongoing projects.

What impressed me most was how conversational the interview felt. It wasn't just about testing my technical knowledge, they wanted to know how genuinely interested I was in learning and contributing. They asked me about my part time job experience, and the extracurricular activities that I have done. Within a few days, I received a call from the HR department. They wanted to know if I wanted to do my internship under IDLC Investments Limited. As my minor is in economics this way I will be able to utilize my finance and economics knowledge efficiently. It was one of the happiest moments of my academic journey. I was so happy because I always wanted to utilize my finance and economics knowledge efficiently. I immediately said I was ready. And then the HR team instructed me to join one day after they called. They called me on 7th September and my joining was on 9th September, 2025.

1.4 Brief about Internship Organization

IDLC Investments Limited is a subsidiary of IDLC Finance Limited, one of the leading Non-Banking Financial Institutions (NBFIs) in Bangladesh. Established to focus on investment banking and structured finance, IDLC Investments provides a wide range of services including corporate advisory, issue management, portfolio management, and underwriting.

Value System: Integrity, innovation, and professionalism are some of the key values of the IDLC Group. The organization has been playing a leading role in the development of Bangladesh's capital market through public offering, private placement, and syndication of loans for large projects.

The Structured Finance Department that I was associated with deals largely with syndicated loans, project financing, bond structuring, and advisory. The team works in close tandem with other banks and NBFIs to provide finance for big-ticket industrial and infrastructural projects all over Bangladesh.

Chapter 2: Internship Details

2.1 Job Position and Responsibilities:

Being a Structured Finance Intern, I had a chance to be at a real financial structuring and documentation. I had the following important roles:

- **Loan Syndication Proposals and Presentations:** Helped to prepare and design PowerPoint presentations outlining an overview of the borrower profile, financing requirements, project specifications and the structure of the syndicate participation.
- **Green Bond Issuance and Preparation:** I have helped in the research and writing of documents about green bonds by studying regulatory frameworks, searching and identifying eligible green projects, and reviewing the best practices around the world. **Study on Bonds and Market Trends:** I have done research on several bonds and their performances in Bangladesh and this study was useful in team discussions and also evaluation of deals.
- **Supporting Documentation and Data Analysis:** I would be included in explaining the financial reports and credit assessment overview that would be provided to the prospective participants occasionally. Every assignment has made me understand how NBFI agencies such as IDLC mobilize a substantial amount of finance and assist in overseeing the danger of a deal involving syndication lending.

2.2 Takeaways from the Position:

This internship experience has been among the best learning events in my academic life. I got to know how the theoretical financial concepts can be used in the actual projects, whether it be the structuring of a loan and risk-sharing or coordinating with the investors.

Some of the lessons learned are as follows:

- Practical learning on loan syndication and bond issuance.
- Knowledge of the way risk assessment and documentation in structured finance is carried out.
- Developing communication and collaboration abilities by communicating with the team members frequently.

Being introduced to professional software in financial analysis. Above all I also understood the need to be accurate, professional and work in a team within the financial sector: all the presentation and documents needed to be accurate and well-structured with a perspective of compliance to the

regulations-something that made me far more detail-oriented and discipline-oriented. The integration of education learning to internship roles.

2.3 Relating Educational Learning to Internship Roles:

My education background gave me a good background in the process of working at IDLC. Other courses such as Project Finance, Corporate Finance, Security Analysis and Portfolio enabled me to have a feel of the financial mechanics behind the syndicated loans and bond market.

For example: I also learned about the diversification of risk and credit analysis, which are concepts that allowed me to understand that syndication enables lenders to be less exposed. Financial Institutions and Markets knowledge was directly applicable in explaining the role of NBFIs in the development of the economy. Analytical skills acquired by taking Research Methods and Quantitative Techniques courses assisted me to deal with market data and design of surveys to use in my research. In general, the internship demonstrated me the way how theoretical knowledge is applied to the real corporate decision-making.

Chapter 3: Self-Reflection

3.1 Like and Dislikes of the Workplace:

The work culture at IDLC Investments Limited is one of the best things about my experience of being an intern, all the members are very friendly, approachable and highly professional. I liked the way they were willing to mentor interns and engage the interns into productive work. I especially liked: The positive atmosphere, in which the seniors motivated learning and never feared to clarify complicated issues. The team-work and discussion culture in which teamwork was appreciated. The possibility to work on real-life projects, not on intern tasks. Well, I could not say that I did not like anything in particular, however, the workload could sometimes become quite busy, particularly when the deadline was approaching. Guidance and team spirit assisted to complete a task at that time as well. And my boss: DGM and Head Structured Finance Department- Isa Mahmud Shovo; he is a very friendly and cooperative boss. He bucks us to the office particularly when the workload is hectic. It makes us feel light and we are able to concentrate at work.

3.2 How I might improve myself and how they might make better use of me:

Considering what I would do in a better way, I believe I could have: I was more proactive in learning new and sophisticated financial modelling programs such as Excel macros and Bloomberg terminals. Been more active to seek feedback and investigate current projects outside my assigned duties. On the side of the organization, they could: Through a formal intern training program, introduce structured finance in different areas. The interns should be given opportunities to participate in client meetings once in a while, which would be invaluable learning exposure to negotiating and structuring of deals. All in all, the experience was that of value on both sides and it can be further enhanced with minor modifications so that future interns can have an even richer experience.

3.3 What they can do to make the experience better in the future to the interns:

There are several ways that IDLC can improve the environment that they offer to interns, which are: Providing brief orientation program with respect to services and investment products of IDLC. Each intern will be assigned a mentor or a buddy to interact with and provide feedback. Senior staff exposure-so the interns are exposed to the complete process of investing. Organizing knowledge-sharing meetings with top managers. Such minor projects go far in helping to bridge the gap between learning and career objectives to the interns. Chapter 4: Individual Development Strategy.

Chapter 4: Personal Development Plan

4.1 Personal Development Plan (Short and Long-term Goals):

Short-Term Goals (1-2 Years):

Enhance the technical competencies in financial modeling, Excel analytics, and presentation design. Learn more about loan syndication, corporate finance and capital markets. Full short professional courses in investment and risk management.

Long-Term Goals (3-5 Years):

Career in structured finance or investment banking where I will be able to work on large-scale financing projects. Educate to become a financial analyst or associate in one of the leading investment firms. Further my studies or achieve higher education qualifications like CFA or FRM to enhance my professional knowledge.

4.2 Skills that I am willing to learn in the future:

I intend to keep on training technical and soft skills:

Technical Skills: Excel, Financial Modeling, Project Evaluation, and Credit Risk Analysis, Advanced.

Soft Skills: Leadership, group teamwork, negotiation and professional communication. Another thing that I wish is to improve my research and analytical skills so that I can be useful in future projects within the finance sector. My experience at IDLC has enabled me to become more self-assured, driven and career-oriented in the long-term in the field of finance and investment.

Conclusion:

My experience with the IDLC Investments Limited has been one of the most transformative experiences in my life because it provided me with a real-life view of how loan syndication and issuance of various kinds of bonds were done by financial institutions. It also contributed to my personal development, professionalism, and understanding of my future career. The process of working on such an experienced and friendly team was entertaining to learn and I believe I was very lucky to get such a chance. I have no doubt that the knowledge, experience, and contacts that I will gain over the next three months will serve as a powerful foundation in my academic studies as well as my career ventures into the financial sector.

PART B: Data Collection (Qualitative Part)

Chapter 1: Introduction

1.1 Abstract:

This paper discusses the increased role of Non-Banking Financial Institutions (NBFIs) in syndicated lending in Bangladesh, their contribution, difficulties, and risk management techniques. With the rise in demand of financing of major projects, NBFIs have become major players and arrangers in syndication transaction particularly in infrastructure, manufacturing, telecommunications, real estate and hospitality. Therefore, the increasing role of NBFIs should also be considered since it contributes to financing large-scale projects and delivering funds when banks fail to supply them. They facilitate long-term financing and facilitate critical areas of the economy. The awareness of their role contributes to risk control and enhancing the financial system as well.

The key problems are the constant revision of the regulatory needs, the coordination issues between different syndicate members, unequal credit evaluation criteria, the inability to access long-term funds, liquidity stress, and the absence of unified documentation. These barriers notwithstanding, NBFIs use effective risk management initiatives, including thorough due diligence, collective credit diligence, compliance oversight, and post-disbursement oversight.

It is a mixed-method study, which involves qualitative interviews with the professionals in the industry and quantitative survey answers of the workers who have been engaged in the syndication activities. The results indicate that even though NBFIs have become a vital financial institution to mobilize big amounts of capital as well as fund long-term projects, it has a number of limitations.

The use of digital tools is on the rise, and the use of digital tools has enhanced efficiency though it is not uniformly implemented in institutions. These themes are also supported by the results given by the survey, which indicates that there is a strong agreement among the practitioners on the significance of NBFIs, the importance of risk-sharing, and the necessity of improved technology and processes in the syndication. The paper presents the conclusion that more efficient working of digital collaboration systems, standardization of documentation, better support of regulations, and international best practice are the main aspects of the improvement of the efficiency and loss reduction of the syndicated lending market in Bangladesh. Altogether, the results point out the growing yet changing role of NBFIs in funding the development-related and large-valued projects in Bangladesh.

1.2 Introduction:

The contribution of Non-Banking Financial Institutions (NBFIs) in Bangladesh cannot be downplayed these days, as they have become integrated with the financial system of Bangladesh, providing diversity to traditional banking institutions through diversified financial products and services. Over the last decade, NBFIs have been a pillar of financing industrial, infrastructural, and mega development schemes through syndicate loans, an associative financing arrangement where various financial institutions finance one borrower collectively. This approach allows for sharing of risk and resources among several lenders to allow financing of projects that are beyond one institution's lending power (Gadanecz, 2004).

All-time leading NBFIs such as IDLC Finance Limited, LankaBangla Finance Limited, and United Finance Limited have increasingly adopted syndicated lending to remain in tune with the rising demand for long-term project finance. Despite this trend, syndication of lending operations in Bangladesh has become more complicated over the years. Project delays in implementing projects, coordination problems among the institutions involved, and adapting regulator requirements have hindered the smooth operation of syndicated financing activities (Islam, 2020).

In addition, the recurring issues of the financial sector—i.e., rising levels of non-performing loans (NPLs), tight access to long-term financing, and declines in liquidity positions—have hindered NBFIs from operating efficiently and containing associated risks effectively. In particular, inefficiencies in implementation as well as increased default risk result from poor coordination between lead arrangers and participant institutions, coupled with the lack of standardized documentation and credit assessment processes (Khan & Chowdhury, 2022).

These concerns highlight the need for proper research on improving the functions of NBFIs and improving operational effectiveness in loan syndication. If these problems go unchecked, NBFIs will be faced with declining investor confidence, profitability issues, and limited involvement in major projects, which will eventually slow down the overall economic growth in Bangladesh. So, this study will investigate the role and problems of NBFIs in loan syndication and study how efficiency and risk management in the process can be enhanced. Employing a mix of qualitative and quantitative research, this research will bring to light syndicated lending's operational mechanisms and provide feasible recommendations for its effectiveness.

1.3 Research Objectives:

The general objective of this research is to explore and examine the role, challenge, and strategic reaction of Non-Banking Financial Institutions (NBFIs) in loan syndication in the Bangladeshi banking industry.

Specifically, the research shall accomplish the following objectives:

- To identify the major contributions of NBFIs in loan syndication and understand how they are facilitating large-scale project finance in Bangladesh.
- To explore the most critical issues and limitations of NBFIs in syndicated loan management, including operation, regulatory, and coordination problems.
- To assess the existing efficiency and risk management processes adopted by NBFIs in syndicated lending.

Chapter 2: Literature Review

2.1 Concept of Loan Syndication:

Loan syndication refers to the exercise where two or more institutions lend money simultaneously to a borrower, primarily for funding large-size projects involving significant levels of capital investments. The exercise allows lenders to spread financial exposure and minimize credit risk, with borrowers enjoying access to larger sources of finance (Gadanecz, 2004). Syndicated loans are typically arranged by a lead arranger who structures the terms of finance, negotiates with the borrower, and provides coordination with participant institutions. In developing countries like Bangladesh, syndicated lending has emerged as an important means of financing infrastructure, power, and industrial projects given that most commercial banks are bound by capital adequacy and single borrower limits of exposure (Rahman & Alam, 2021).

NBFIs' Functions in Loan Syndication

NBFIs in Bangladesh serve multiple functions in syndicated lending including acting as arrangers, participants, and underwriters. As arrangers, they structure the transaction, assess the credit quality of the borrower, and facilitate coordinating amongst participants. As participants, they bring in a fixed percentage of the loan amount and contribute to monitoring post-disbursement performance. According to Rahman and Alam (2021), NBFIs have become key intermediaries of investment finance in sectors where banks are constrained by capital rationing or sectoral-exposure capping. Leveraging their flexibility and expertise in structured finance, NBFIs mobilize funds into massive infrastructure and industrial projects critical to economic development.

Challenges Faced by NBFIs in Syndicated Financing

Though growingly active, NBFIs face numerous institutional and operational challenges in syndicated financing. Liquidity shortages, access to long-term capital being restricted, and rising cost of funds have a tendency to confine their ability to participate in big-ticket deals (Islam, 2020). In addition, differences in regulatory perceptions, poor credit risk analysis tools, and poor coordination of syndicate members also impede easy implementation of syndicated loans. Khan and Chowdhury (2022) reported that inadequate post-loan monitoring, non-standardized documentation, and information asymmetry between arrangers and participants are some causes of payment delays and increased default risk. The absence of advanced digital platforms to exchange information also cuts down transparency and effective communication, which is important for timely decision-making in syndicated financing.

Efficiency and Risk Management Strategies

Today's research emphasizes the significance of sound risk management frameworks and electronic collaboration tools towards efficient syndicated loans. Ahmed and Sultana (2023) are of the view that the use of electronic monitoring systems and standardized templates has the potential to enhance the flow of information among participants, thus reducing operational risks. And on top of this the application of full due diligence procedures, robust credit appraisal systems, and regular post-disbursement monitoring and the quality and stability of syndicated finance can be significantly improved. International best practice also recommends enhanced information-sharing systems, regular performance reviews, and cooperative decision-making to allow effective risk spreading and project success.

Accordingly, the literature shows that though NBFIs are now unavoidable intermediaries in syndicated lending, their long-run success hinges on improving coordination efficiency, risk-sharing mechanisms, and regulatory compliance. This research builds on these findings by empirically examining the Bangladesh experience of NBFIs, emphasizing the key bottlenecks, and recommending actionable policies for increasing efficiency and risk management in syndicated loan activities.

Chapter 3: Research Methodology

3.1 Research Design:

The research shall adopt a mixed-method research design incorporating both qualitative and quantitative approaches. The qualitative component shall be applied to explore the activities, experience, and issues faced by Non-Banking Financial Institutions (NBFIs) in loan syndication. This will help us understand the operational challenges and the situation more clearly and in detail. The quantitative part will measure how big these challenges are and how effective different strategies are in improving efficiency and managing risks. The utilization of the mixed approach will provide rich descriptive information as well as statistical information, leading to enhanced understanding of the topic under investigation. Method of Data Collection

The study will utilize primary and secondary sources of information.

Primary Data:

Qualitative Method:

Primary qualitative data will be collected via in-depth semi-structured interviews with the people in the structured finance and loan syndication department of NBFIs such as IDLC Investments Limited and other organizations. Their problems, experiences, and solutions regarding syndicated financing will be examined through interviews.

Quantitative Method:

Quantitative primary data will be collected through a standardized survey questionnaire that will be requested to be filled out by NBFIs' concerned departmental employees. This will include employees from IDLC Investments Limited and other NBFI. The survey will consist of close-ended questions in order to measure respondents' perceptions and attitudes towards efficiency, coordination, and risk management of loan syndication.

Secondary Data:

Annual reports, Bangladesh Bank publications, regulatory guidelines, and previous academic research on syndicated loans and NBFIs will be used to collect background information.

Sample Size and Sample Selection Method:

For the qualitative part, information will be collected from about 2 to 3 employees, such as relationship managers, credit analysts, and structured finance executives who work with syndicated loans. For the quantitative part, around 10 to 12 respondents from NBFIs will be

selected using a non-probability purposive sampling method, as the study targets people with relevant experience and expertise. This two-level sampling approach helps collect both detailed insights (qualitative) and wider opinions (quantitative) effectively.

Data Analysis Technique:

- Qualitative Analysis:

Interview answers will be analyzed thematically and coded to identify the most important patterns and recurring themes regarding NBFIs' strategic actions, challenges, and roles in loan syndication.

- Quantitative Analysis:

Survey questions answered will be statistically examined using descriptive statistical techniques of analysis (e.g., mean, percentage, and frequency) to quantify and report trends in respondents' attitudes. Findings from both methods will be compared and combined to develop comprehensive findings and actionable recommendations.

Chapter 4: Data Analysis and Interpretation (Qualitative Part)

The qualitative component of this research investigates the experiences, role, and challenges of NBFIs in the syndicated lending by conducting in depth interviews to key employees of IPDC Finance, LankaBangla Finance, and City Bank Capital. This method gives an in-depth insight into the operational practice, coordination, risk management policies and strategic points of focus through a lens of those professionals who have a direct responsibility of constructing and administrating the syndicated loans.

4.1 Data Analysis:

The interviews conducted with the employees working in IPDC Finance, Lanka Bangla Finance, and City Bank Capital showed that there are some similar themes about the role, challenges, and strategic development of NBFIs in terms of syndicated loans in Bangladesh. All the three institutions attested that NBFIs are increasingly becoming important in large-scale financing through the role of lead arranger, or being part of a syndicate in a loan. Their participation facilitates the provision of funds to finance big projects which single banks would not afford. They are so engaged especially in the sectors of infrastructure, manufacturing, real estate, telecom and hospitality, which contribute a substantial amount to the national economy. Whereas IPDC insisted on its pioneering way of organizing financing solutions, LankaBangla stressed its capacity to provide not only the Islamic but also the conventional financing schemes,

Accrding to an employee of LankaBangla Finance,

“At LankaBangla Finance, we are a key player in the arrangements of syndicated loans as a lead arbiter and as a member. We have the ability to structure sophisticated syndicated transactions that would meet the traditional and Islamic financing requirements.” – Interviewee A

City Bank Capital paid more attention to the latest high-value deals, particularly in the telecommunication field. In each of the three institutions, there was a lack of similar restrictions and operating constraints. The regulatory complexities experienced by each institution is contributed by the fact that the policy and compliance requirements imposed by Bangladesh Bank are regularly changed. Also seen to be common is the problem of coordination between the members of the syndicates especially due to difference in risk tolerance, due diligence processes, and approval timelines. One of the most significant industry-wide obstacles, as all interviewees

pointed out, is that there is no established standardization in documentation, which causes delays in the process of dealing.

According to an ex corporate business development intern of IPDC Finance,

“The lack of standardized documents between participating lenders also slows down the process.”- Interviewee B

There is also limited access to long-term funding and therefore NBFIs can hardly engage in very huge syndicated deals at a competitive price. Distinct issues were also raised: IPDC emphasized the challenge of raising cheap long-term capital, LankaBangla mentioned the liquidity restrictions in the changing market, and City Bank Capital mentioned the growing competition among viable projects.

There were also close similarities between risk management and efficiency strategies. All the three institutions use strict due diligence, joint credit analysis and monitoring after disbursements to minimize credit and operational risks. **According to an employee of City Bank Capital,**

“We have a risk management process which is founded on extensive financial and business due diligence, strong compliance systems, and regular exchange of information with other syndicate members.” Interviewee C

Timely sharing of information and communication between the members were cited as important drivers of success. Efficiency has been enhanced by the growing use of digital workflow and the use of electronic documentation though the level of implementation remains inconsistent in scope and sophistication. An example of this is the specialized credit risk management team of LankaBangla that has specialized in syndication, City Bank Capital has made significant investments in process automation initiatives and IPDC has put significant effort in the use of standardized templates and tracking tools.

Opinions and professional experiences expressed by the participants show that the key points in effective syndication practices are trust, transparency, and relationship management. Though collaboration has advanced because of the digital transformation and the development of skills within the entire industry, the coordination of institutional policies is a friction point.

According to an employee of LankaBangla Finance,

“LankaBangla works on building strong relationships with other financial institutions to make collaboration smoother. However, some challenges still remain, especially when different institutions follow different credit risk standards. Even so, the overall management process and post-disbursement monitoring have improved credit risk outcomes over time.” – Interviewee A

The syndicated lending activities are usually overwhelmed with delays due to the differences in reporting and institutional bureaucracies. Nonetheless, the respondents still admitted that collective risk appraisal will result in improved credit decisions as long as continuous coordination is observed.

Lastly, the three interviewees proposed similar strategies on how the syndicated market of loans can be strengthened. They highlighted the necessity of standardized documents and more digital collaboration instruments on the industry level to decrease the operational delays and processing uncertainty. It was also suggested that more regulatory support be given by training as well as knowledge-sharing forums. Also, the respondents suggested based on international best practices that include centralized digital syndication platforms in Malaysia and better credit scoring and risk-sharing models that are trending in the international markets. The institution-specific proposals were refined client solutions innovation offered by City Bank Capital, introduction of centralized credit rating that Lanka Bangla had suggested and more automation and compliance infrastructure as the priority of IPDC.

The interviews indicate that there is good compatibility in the contributions and issues encountered by NBFIs in the syndicated lending environment of Bangladesh. Although they contribute considerably to the mobilization of massive funding and economic growth, regulatory inconsistency, coordination malfunctions, poor standardization, and liquidity limitation limit their performance. Further digitization, regulatory reform and international best practices implementation seem to be the most significant strategic measures to increase the efficiency and risk management of NBFI-led syndicated loans in the future.

4.2 Findings:

The responses of the employees working in IPDC Finance, LankaBangla Finance, and City Bank Capital indicate that there are some general themes of the role, challenges, as well as the strategic priorities of NBFIs in the field of syndicated lending, in Bangladesh. The three institutions concurred that NBFIs are increasingly involved in the organization and the involvement in large syndicated loans, particularly in large infrastructure, manufacturing, telecommunications, real estate, and hospitality loans. Their participation assists in funding big

projects which an individual bank might not be in a position to do singly, and each institution comes with its own strength of IPDC and its focus on innovative financing structure, LankaBangla and its capability to provide both Islamic and conventional financing, and City Bank capital and its participation in big high value deals.

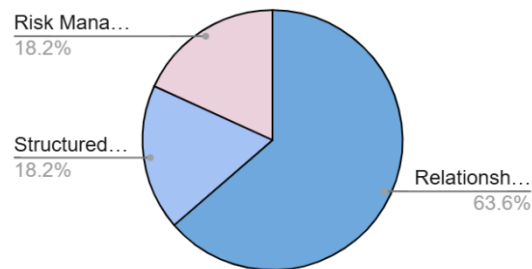
In all institutions, there are common problems. The Bangladesh bank has regulatory requirements which often vary resulting in compliance issues. **The problem of the coordination** between the members of the syndicate is also problematic as the risk appetite, the standards of due diligence and the approval schedules differ among the syndicated members. One of the biggest industry barriers is the **lack of standardized documentation** that slows down the process of the deals. The other problems involve the restriction of access to long-term funds, liquidity problems, and the growing competition over projects that can be viable. The institutions were also similar regarding the risk management practices. **Each of them is based on** adequate due diligence, effective compliance, shared credit ratings, and ongoing post-disbursement controls. **The timeliness of information sharing** and communication between the members of the syndicate was mentioned by the respondents as crucial. Digital tools and electronic documentation have brought about some gains in efficiency although they are not applied uniformly. **Individual actions** have also been made by institutions: LankaBangla has created a synthetic syndication department, City Bank Capital has invested in automation, and IPDC is based on standard templates and tracking systems.

In general, the aspects of trust, transparency, and good institutional relationship were found to be the most significant to be successful in syndication. Regardless of the delay in operations, which is brought about by the variation of internal processes, respondents have the impression that joint credit evaluation results in improved lending processes. In an effort to boost the syndicated loan market, they noted the necessity of standardized documents, increased use of digital collaboration systems, enhanced regulatory backing, and international best practice experiences, which include centralized digital systems and enhanced risk-sharing models.

Data Analysis and Interpretation (Quantitative Part)

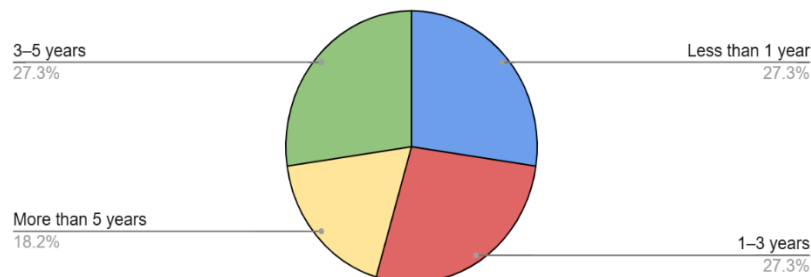
The quantitative section supports the qualitative results and does the survey of NBFIs employees, relationship managers, executives of structured finance, and risk officers. The survey is capable of capturing quantifiable information on the effectiveness, operations and risk sharing in the syndicated lending. This can be used to analyze trends and patterns within respondents and this will give a wider picture of the NBFIs syndicated loan market.

1. Job Position



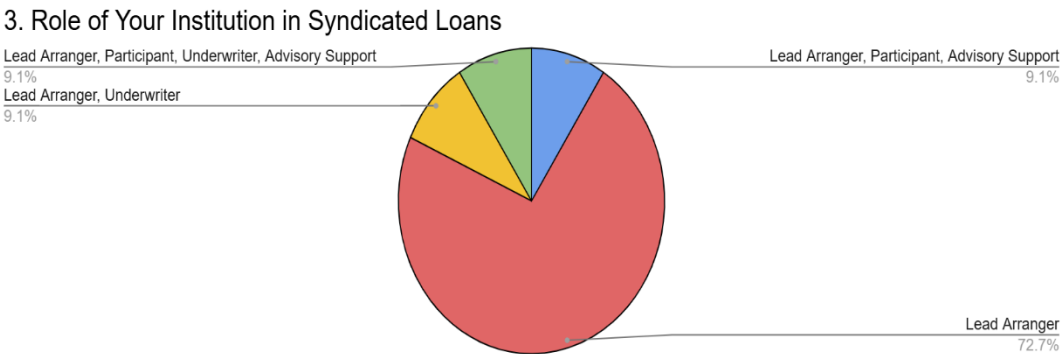
This chart indicates that the majority of the respondents work as Relationship Managers, with the lesser number of Structured Finance Executives and Risk Management Officers and no representation of strictly back-office positions. This implies that the survey represents the view of front office deal originators and risk-oriented practitioners that are actively involved in the process of negotiating, structuring, and monitoring syndicated loans, which enhances the practical applicability of the results.

2. Years of Experience in Structured Finance/Loan Syndication

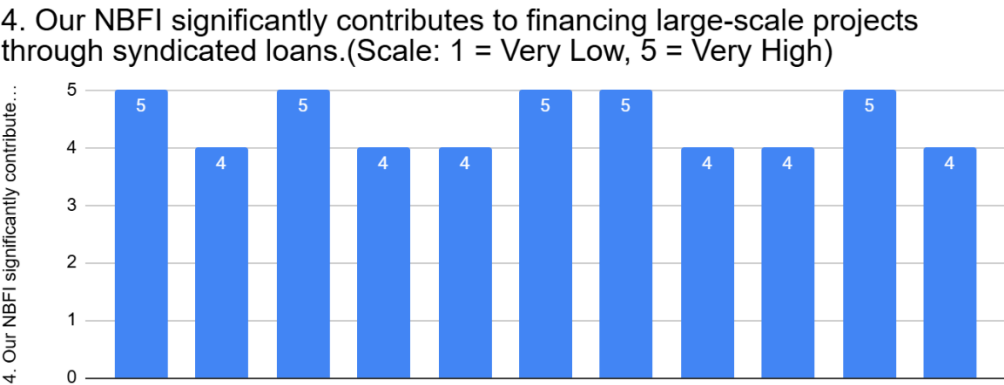


The experience graph presents an even distribution of responses in the categories of Less than 1 year, 1-3 years, 3-5 years and More than 5 years, with the participation of relatively young and

more experienced professionals being significantly noticeable. This combination indicates that impressions of syndicated lending are a combination of somewhat new perceptions of new employees as well as the experience of older executives and hence the findings are less skewed by one tenure group as opposed to another.

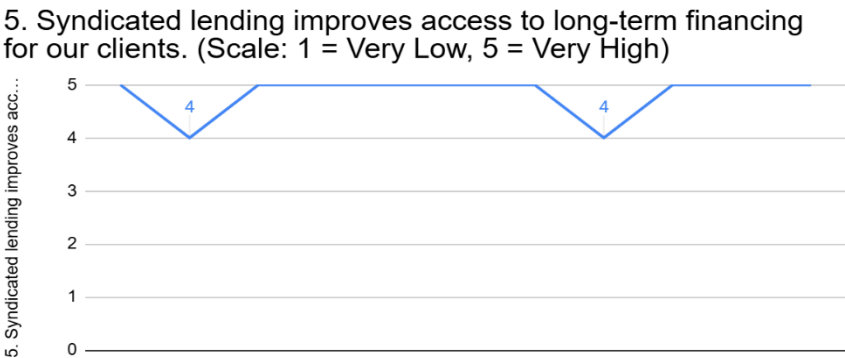


In this multiple-response graph, Lead Arranger is used in nearly all the responses, usually with "Participant" and in a few cases with Underwriter and Advisory Support. This trend reveals that NBFIs in my sample are not fringe players; they regularly set deals and even perform underwriting and advisory activities. It suggests that they have a big, multi-faceted presence through the whole syndication lifecycle.

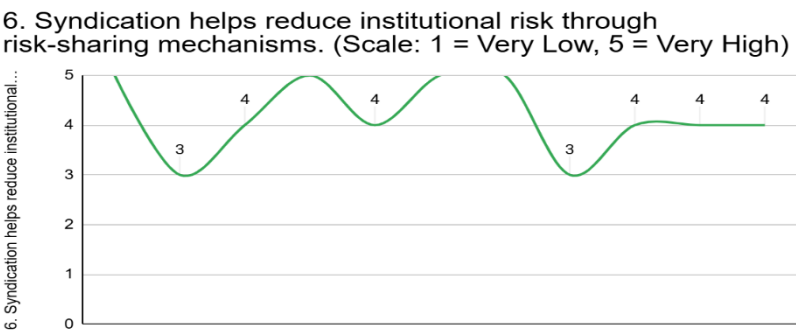


In the statement that the NBFI plays a major role in funding large scale projects by lending in large volumes of money by syndication, majority of the answers are at 4 and 5 on the 1-5 scale with

very minimal low answers. This is indication of unanimity that syndication is a significant avenue where NBFIs can join bigger ticket size and projects that would otherwise not be easily funded on standalone basis.

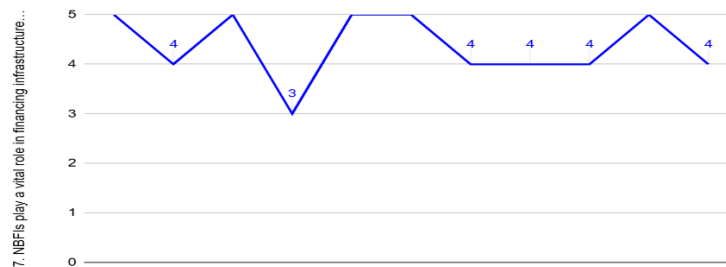


The Q5 graph indicates that most of the respondents either agree or highly agree that syndicated lending enhances access to long term funding to clients. This implies that the syndication process is perceived to be effective by the practitioners in longer tenor and project cash flow matching, which is essential in infrastructure and development projects.



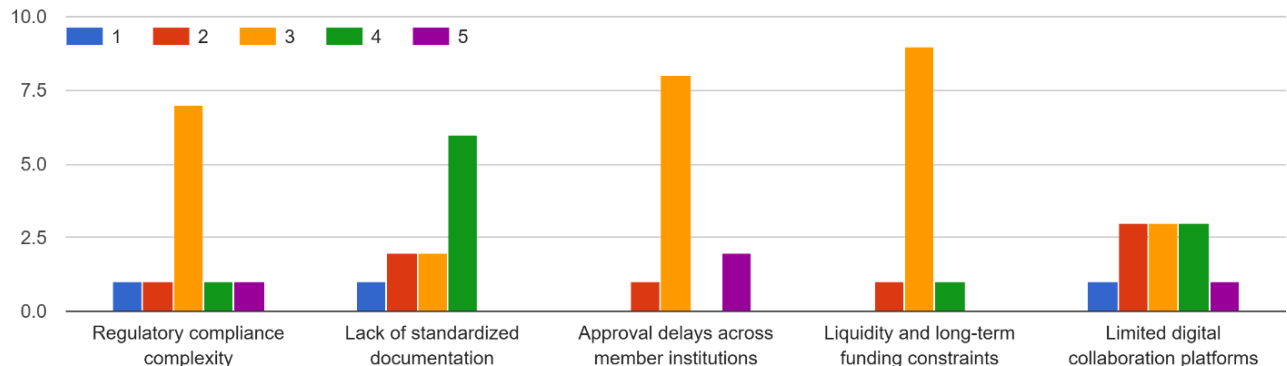
Here, the responses are once more clustering around 4 and 5, some of 3s, and very few very low scores. It demonstrates that the participants are of the opinion that risk-sharing arrangements in the syndicated loans are effective in diversifying the credit exposure among the institutions, even though a minor neutral segment indicates that the reduction of risk is not perceived as entirely satisfactory in practice by everyone.

7. NBFIs play a vital role in financing infrastructure, industrial, and development projects. (Scale: 1 = Very Low, 5 = Very High)



The Q7 indicates that there is a great deal of agreement that NBFIs are important in funding infrastructure and industrial and development projects with nearly all responding 4 or 5. This strengthens the premise that NBFIs are considered to play a central role in development oriented finance rather than being the add on lenders.

8. Rate the severity of the following challenges: (Scale: 1 = Very Low, 5 = Very High)



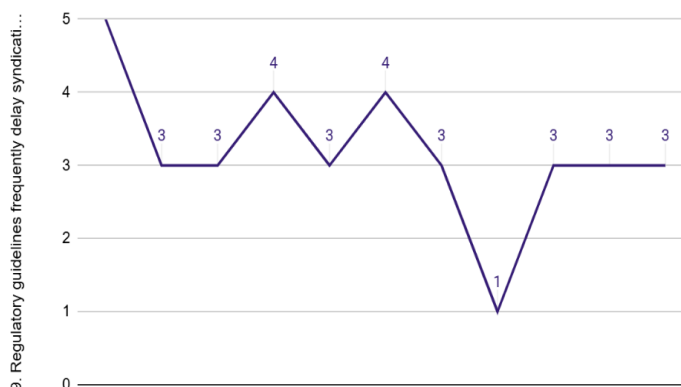
The grid graph of Q8 contains five sub-bars:

- **Regulatory compliance complexity:**
The majority of responses are in the 3-4, or even 5, range, which means that regulatory compliance is perceived as a moderately challenging problem, and not necessarily the most significant one.
- **Absence of standard documentation:** Ratings run around 3-4 showing that the problem of inconsistency in documentation is a common issue but differs with various institutions.
- **Delays in the approval process in member institutions:** This is rated between 3-4 and in some cases 5; this is known to be a major barrier to delay in closing deals.

- Liquidity and long-term funding constraints: The score is in the range of the middle to upper middle, which indicates that the lack of liquidity is also an issue but not a continuous concern as the secondary issue in comparison with process-related ones.
- Poor digital collaboration platforms: The scores are narrowing in 2-4 indicating that some respondents view these platforms as a big disparity whereas others are less bound indicating more or less digital adoption among NBFIs.

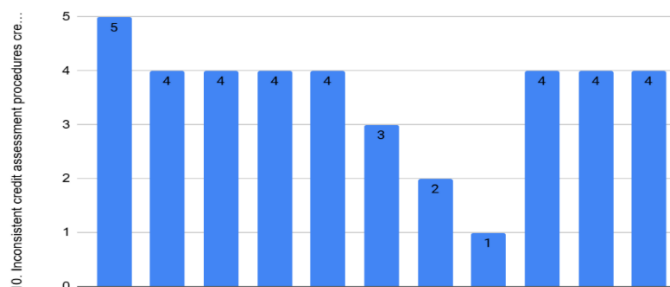
On the whole, the grid shows that the problems of procedural and coordination issues (documentation and approvals) are as threatening as the pure funding constraints.

9. Regulatory guidelines frequently delay syndication processes. (Scale: 1 = Very Low, 5 = Very High)



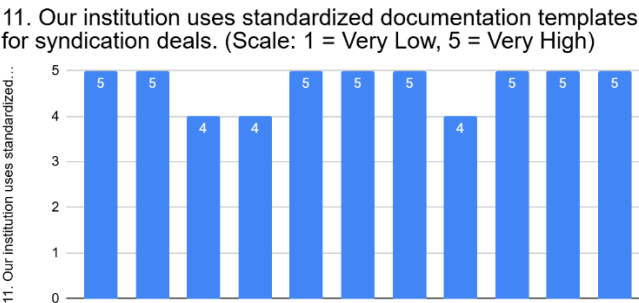
Q9 graph shows that the majority of the respondents will choose 3-4, and some will choose 5, and very few will choose 1-2. This is by the virtue of the fact that regulatory guidelines have come to be seen as a delaying factor even though not universally characterized as extremely high severity that calls on the need of more direct, less complicated approval channels.

10. Inconsistent credit assessment procedures create major barriers in syndication. (Scale: 1 = Very Low, 5 = Very High)

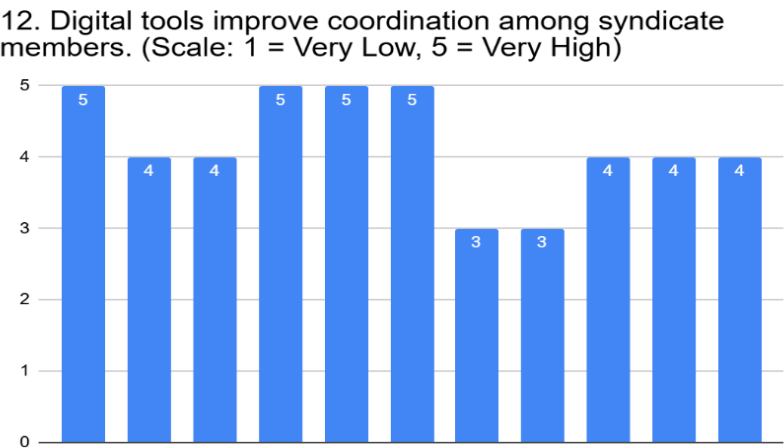


In the case of Q10, the answers are again grouped around 3-4 and it is evident that inconsistent credit assessment processes among the institutions is considered as a material source of obstacle to syndication. This is an indication that variations in internal risk appetite, models and

documentation standards make coordination difficult, which is similar to the documentation and approval issues in Q8.

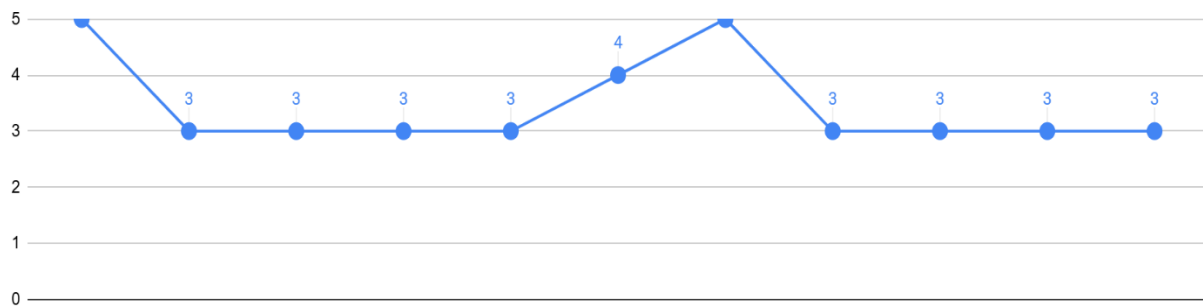


Q11 graph indicates ambivalent but rather positive scores (mostly 3-5) on the use of standardized documentation templates in institutions. It means that there are NBFIs that have implemented templates, and some have continued to use more ad hoc documents, which is why lack of standardized documentation is a challenge in Q8.



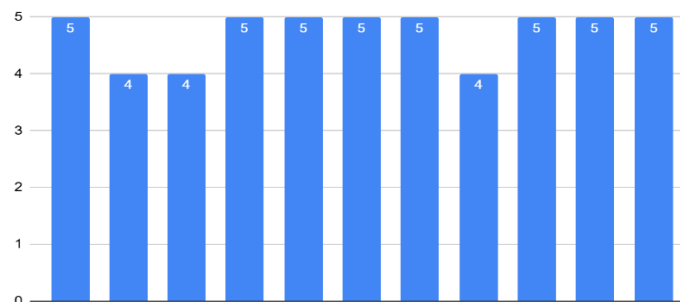
Reactions to Q12 are more towards 4 and 5 with minimal low scores. This implies that in locations where digital tools are operational, practitioners are finding ease of coordination among the syndicate members although previous ratings will reveal that general availability or maturity of such tools can yet be enhanced.

13. Joint credit assessments improve risk evaluation effectiveness. (Scale: 1 = Very Low, 5 = Very High)



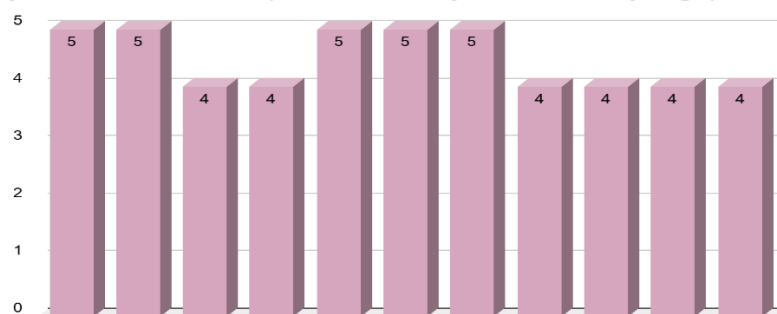
Q13 graph indicates that there is general agreement among the respondents that joint credit scoring enhances the risk assessment with the majority of the responses being 4 and a few 5. This is appreciation of mutual due diligence and information pooling albeit uneven procedures are a systemic problem.

14. Our institution follows effective post-disbursement monitoring methods.(Scale: 1 = Very Low, 5 = Very High)



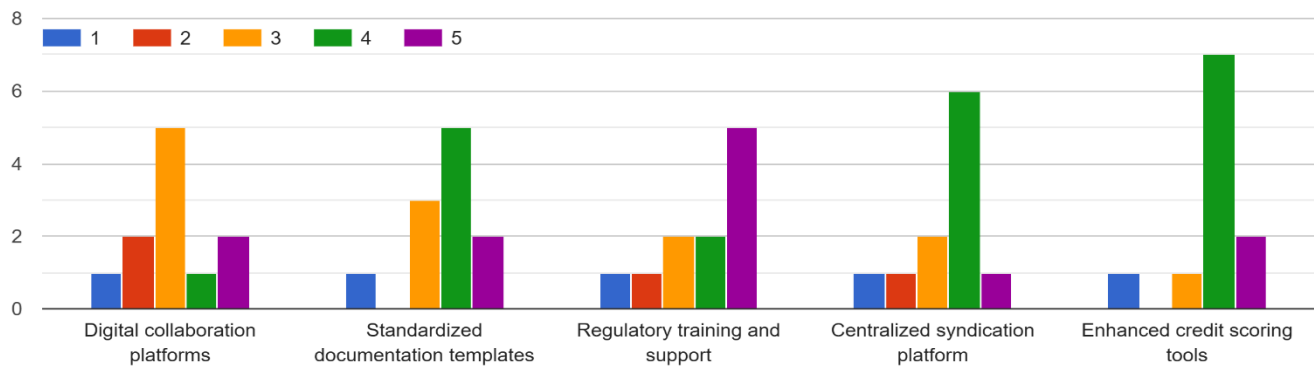
The distribution of Q14 scores is more varied with some having a range of 3 through 5 which show that some institutions are comfortable with their post-disbursement monitoring and still others are merely average. Such schizophrenia is indicative of disproportionate strength in continued practices of monitoring by NBFIs, which may influence the performance of syndicated portfolios at long-run.

15. Our risk management framework is efficient for handling syndicated loan risks.(Scale: 1 = Very Low, 5 = Very High)



The mid-to-high pattern is also similar in the Q15 graph, with 3-4s, and few 5s. This implies that respondents believe that their risk management framework is sufficient when it comes to risks in syndicated loans, however there is still the feeling that frameworks can be further enhanced.

16. Rate the importance of the following improvements: (Scale: 1 = Very Low, 5 = Very High)

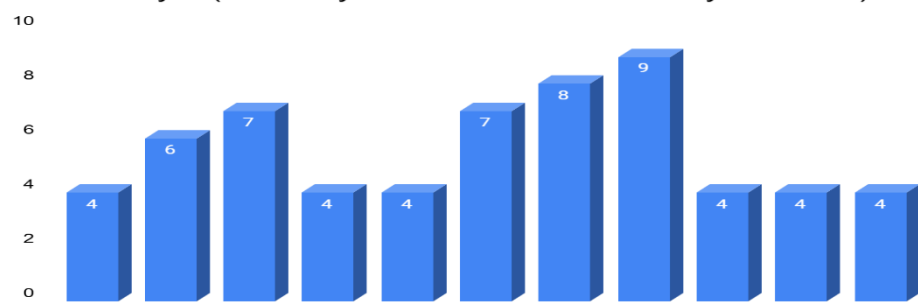


The Q16 grid indicates all of the five available improvement options with 4 and 5 as the dominant ratings:

- Particularly high scores of the importance are given to digital collaboration platforms and centralized syndication platform because of the high demand to integrate technology to control multi-party transactions.
- Standardized documentation templates and regulatory training and support are also high in their score, indicating that both process and knowledge gaps have to be addressed.
- Refined credit scoring tools are also rated as significant, indicating the desire to have more sophisticated tools on credit risk.

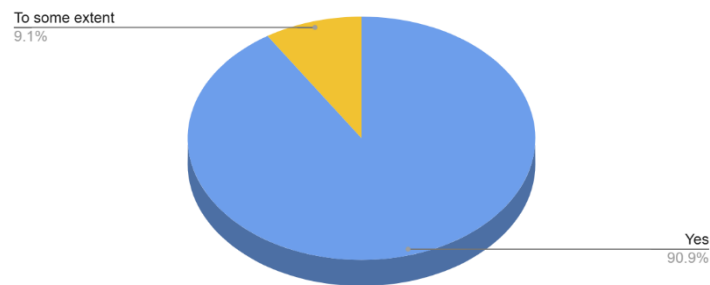
On the whole, digital, procedural and regulatory improvements are considered to be very important to respondents.

17. How satisfied are you with current syndication practices in the industry? (1 = Very Unsatisfied → 10 = Very Satisfied)



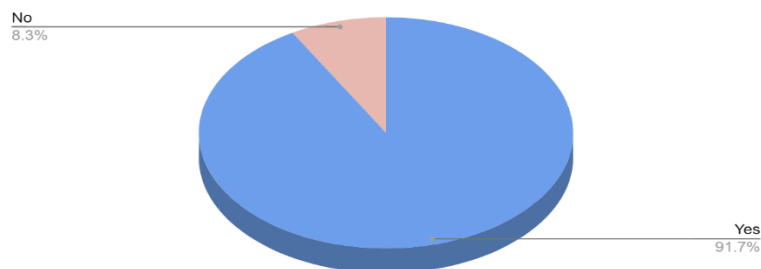
The potential satisfaction scale 1-10 scores indicate that the majority of the responses were centered around 4-8 with a few being higher and no higher dissatisfaction. This implies that the current syndication practices are viewed as average yet not the best, in line with the high demand improvements expressed in Q16.

18. Do you believe NBFIs have strong future potential in syndicated lending?



The Q18 graph (pie chart) consists of nearly all since responses of Yes, and then one to some extent and a very small number No. This shows a high rate of confidence amongst practitioners that NBFIs have a great potential in the future in syndicated lending even though there are still certain structural concerns remaining.

19. Would you recommend increased involvement of NBFIs in mega infrastructure financing through syndication?



Lastly, the Q19 graph indicates that all the respondents select the high end of the 1-5 scale (4 or 5), which means that it is strongly recommended that NBFIs involve themselves more in mega infrastructure financing by means of syndication. Together with Q18, this offers good empirical

backing of policy and strategic initiatives to increase the role of the NBFIs in large scale syndicated projects.

4.3 Findings:

According to the results of the survey, the majority of the participants also represent Relationship Managers with minor portions of Structured Finance Executive and Risk Management Officer.

- This is to show that the results include mostly the opinion of the front-office professionals who are directly engaged in originating, structuring, and monitoring syndicated loans. The respondents were also an equal representation of experience levels with less than one year to more than five years, which makes the respondents less biased by one group of tenure.

The answers point out that NBFIs are participants and significant participants in the syndicated loan market. Most of the institutions are often the Lead Arrangers although they are also other times the members of the syndicate, also underwriters and advisors.

- Majority of them strongly believe that due to syndication, NBFIs are able to finance large-scale projects that they would have not been able to finance on their own. They also admit that syndication enhances access to long-term funds, in particular infrastructural and development projects. Majority of the respondents hold that risk-sharing in syndicates is very effective in distributing credit exposure even though a small neutral group has considered that the advantages are not always ideal in practice.

The operational issues analysis demonstrates regular trends.

- The key barriers identified by the respondents were regulatory compliance, the lack of a standardized documentation, and delays in approvals of members. There was also liquidity and digital capabilities disparity, which were considered somewhat minor. The regulatory guidelines are often perceived to be time-consuming, and the lack of uniformity in the methods of credit assessment among the institutions complicates the process of coordination.
- Another issue associated with the implementation of standardized documentation templates, though not equally, is the unequal use of standardized documentation templates, whereby some NBFIs have formal documentation templates and others use ad-hoc documentation templates. In spite of these difficulties, the respondents reported slow efficiency gains. There is general consensus that digital workflow tools help in enhancing

coordination whenever present, but there is wide disparity in the rate of adoption across institutions. It is considered that joint credit scoring and information sharing have a positive effect on the better risk assessment. Nonetheless, the post-disbursement monitoring practices vary among institutions with a majority of the NBFIs being strong and the rest of the institutions being average in their practices. Risk-management structures are seen to be rated as satisfactory, though requiring further improvement.

When questioned on the way of improvement, digital collaboration platforms, centralized syndication, standardized documentation, and regulatory training were ranked as the most important responses by the respondents. Another point which they highlighted was the necessity of more powerful credit scoring instruments. These priorities demonstrate that practitioners would like to see technological, process, and regulatory enhancements stronger that would improve the environment of the syndicated lending. The level of satisfaction with existing syndication practices is fairly average with majority of the scores being between 4 and 8 out of 10 points. This indicates that the existing practices are operational yet not the best. Nevertheless, nearly all respondents hold that NBFIs will perform well in future in the field of syndicated lending, and all respondents unanimously suggest that NBFIs need to be more involved in funding major infrastructure projects. This would give a definite backing to the policies and strategies of increasing the participation of NBFIs in large-scale syndicated financing.

Chapter 5: Recommendations and Conclusion

5.1 Recommendations:

According to the results, the following recommendations may assist in strengthening the syndication market and increasing the role of NBFIs:

- Implement universal records in the industry.
- Absence of standardized documents is among the largest causes of delay.

The regulators or the industry associations must develop:

- Standard loan agreements.
- Popular due diligence checklists.

Create an online syndication system: A common web site such as those in Malaysia or Singapore would enable all members of the syndicate to:

- Share documents in real time Track deal progress
- Conduct joint due diligence
- Follow-ups on monitored loans once disbursed. This would address the majority of the coordination issues and minimize bottlenecks of operation.
- Enforce uniformity of regulation and upholding.
- Bangladesh bank ought to take into consideration: Solid and more predictable guidelines.

Faster approval processes:

- Routine training and NBFIs workshops.
- Regular regulation will decrease compliance lag time and assist in harmonizing the practices of the institutions.
- Enhance accessibility of long-term funds by NBFIs.

Overall Summary In lay terms, NBFIs are already performing valuable functions in the market of syndicated lending in Bangladesh though they can do a lot more. Through better regulation, paperwork, electronic systems, and cooperation, the whole industry may become quicker, safer, and more effective. NBFIs can become the driving force of financing development at large scale in the country with the proper support.

5.2 Conclusion:

In this paper, Non-Banking Financial Institutions (NBFIs) are currently taking a far larger and significant part in the syndicated lending in Bangladesh. Findings of the interviews, as well as the results of the surveys, testify to the fact that NBFIs are not side players anymore, and they organize, structure, underwrite, and even lead large syndicated loans. They have also become particularly significant in financing infrastructure, manufacturing, real estate, telecom and hospitality initiatives which single banks cannot finance.

The study also emphasizes that although NBFIs introduce powerful capabilities (e.g., innovative financing structure, Islamic and conventional financing, and automation-driven process) they also have some universal challenges. The largest issues are the changing regulatory conditions, the absence of standardized documents, delays connected with various approvals, in various institutions, and constraints of long-term funding. The difference in risk appetite and credit assessment standards also poses challenges in the coordination of the syndicate members.

The study concludes that NBFIs have strong risk management systems despite these challenges. The majority of institutions use strict due diligence, joint credit monitoring and post-disbursement surveillance. Long-term relationships, trust and transparency between institutions have been found to be a key to successful syndication. On the whole, qualitative and quantitative data indicate that NBFIs possess great opportunities to influence the future of a syndicated loan market in Bangladesh. Nevertheless, regulation, technology, documentation and collaboration should be improved in order to ensure that the system is faster, safer and more efficient.

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Appendices:

Interview Questions:

1. Major Contributions of NBFIs

- In your role, how does your institution contribute to syndicated loan arrangements for large-scale project finance in Bangladesh? Can you give examples of projects or sectors where NBFIs played an important role in syndication-projects that might not have been possible if only traditional banks were involved?

2. Critical Issues and Limitations

- What operational, regulatory, or coordination challenges have you faced in managing syndicated loans? How do these issues impact the pace, reliability, or outcome of syndicate financing arrangements?

3. Efficiency and Risk Management Processes

- What processes and strategies have your institution adopted to enhance efficiency in syndicated lending? How are credit risk and operational risk currently managed in your syndication deals?

4. Specialist Experiences and Opinions

- How would you compare your experiences in cooperation and coordination among syndicate members to best practices? In your opinion, what are the key challenges and opportunities for improving credit risk management in syndicate loan operations among NBFIs?

5. Strategic Measures for Enhancement

- What strategic measures do you recommend to improve overall efficiency and risk management in NBF-led syndicate loans? Are there policies, systems, or practices from international markets that you believe would enhance syndicated lending in Bangladesh?

According to an ex corporate business development intern of IPDC Finance, says there has been an increase in the number of domestic banks in the country since 2004

1. Major Contributions of NBFIs:

- In your role, how does your institution contribute to syndicated loan arrangements for large-scale project finance in Bangladesh? Can you give examples of projects or sectors where NBFIs played an important role in syndication-projects that might not have been possible if only traditional banks were involved?

In IPDC Finance, we deal with the syndicated loans with the focus of offering novel financial solutions to the large projects. As a matter of course, we are either lead arranger or participant and can apply our experience in the field of project and syndicated finance. The combination of funds raised by several institutions and the provision of custom financing solutions have been used to fund milestones in areas such as infrastructure, manufacturing and hospitality- to enable projects that might be beyond the capital base of one bank.

2. Critical Issues and Limitations:

- What operational, regulatory, or coordination challenges have you faced in managing syndicated loans? How do these issues impact the pace, reliability, or outcome of syndicate financing arrangements?

Managing syndicated loans often leads to several operational problems. One major issue is coordinating the approval processes and different risk preferences of all the partner institutions. Another challenge is keeping up with frequent changes in Bangladesh Bank's regulations, which makes compliance difficult. The lack of standardized documents between participating lenders also slows down the process. In addition, NBFIs regularly struggle to secure long-term funds at competitive rates, especially when handling large loan deals.

3. Efficiency and Risk Management Process:

- What processes and strategies have your institution adopted to enhance efficiency in syndicated lending? How are credit risk and operational risk currently managed in your syndication deals?

IPDC has made investments in online platforms and electronic documents to facilitate the process of syndication. Our risk management profile consists of strict due diligence, joint credit reviews and cross-institutional CIB checks. We further focus on open communication among the members of the syndicate and frequent monitoring after disbursement to make sure risks are realized and dealt with in a timely manner. Automation and standardization have moved towards increased efficiency of operations.

4. Professional Experiences and Views :

- How would you compare your experiences in cooperation and coordination among syndicate members to best practices? In your opinion, what are the key challenges and opportunities for improving credit risk management in syndicate loan operations among NBFIs?

Good communication, trust and proper protocols should be combined in effective syndication. At IPDC, relationships are a priority aspect and we have realized that cooperation is enhanced when processes are standardized. Nevertheless, the institutional differences might still result in friction and some delays. Collective appraisal is useful in terms of risk management though it needs continuous effort to uphold alignment and openness of all stakeholders.

5. Improvement Strategic Measures :

- What strategic measures do you recommend to improve overall efficiency and risk management in NBF-led syndicate loans? Are there policies, systems, or practices from international markets that you believe would enhance syndicated lending in Bangladesh?

To continue the improvement, it is important that standard templates should be introduced to industry and digital collaboration should increase. More forums and training led by the regulators would help as well to establish best practices. The successful examples in other countries, e.g. the centralized syndication platforms in Malaysia, may be used to learn how the market of the centralized syndicated loans may further develop in Bangladesh. Further compliance and digital transformation investment will be the key to future success in this field by IPDC.

Such reactions are realistic views and working strategies of an IPDC Finance employee involved in syndicated lending, always in line with your research interests, and always in sync with the industry situation that is presently taking place in Bangladesh.

According to an employee of LankaBangla Finance,

1. Major Contributions of NBFIs:

- In your role, how does your institution contribute to syndicated loan arrangements for large-scale project finance in Bangladesh? Can you give examples of projects or sectors where NBFIs played an important role in syndication-projects that might not have been possible if only traditional banks were involved?

At LankaBangla Finance, we are a key player in the arrangements of syndicated loans as a lead arbiter and as a member. We have the ability to structure sophisticated syndicated transactions that would meet the traditional and Islamic financing requirements. Our ability to organize several financial institutions allows the funding of large projects to develop those sectors which are financing infrastructure development, manufacturing, and real estate development thereby playing a significant role in the economic development of Bangladesh.

2. Critical Issues and Limitations:

- What operational, regulatory, or coordination challenges have you faced in managing syndicated loans? How do these issues impact the pace, reliability, or outcome of syndicate financing arrangements?

Some of the issues that we are usually involved with are regulatory compliance and operations coordination. The changing regulatory environment will demand us to be very dynamic and responsive to process changes to remain within the confines of the regulation whilst the organization tries to handle the expectation of the borrowers. The collaboration between the different members of the syndicate can at times cause delays because of varying risk reviews and approval processes. Also, liquidity limits and increase in cost of money restrict the magnitude with which we can participate in syndicated financing.

3. Efficiency and Risk Management Processes:

- What processes and strategies have your institution adopted to enhance efficiency in syndicated lending? How are credit risk and operational risk currently managed in your syndication deals?

To improve the efficiency, LankaBangla finance has integrated documentation standardization and advanced digital platforms to ease real-time communication among the members of the syndicate. We have strong risk management practices which are based on proper credit appraisal, in-depth monitoring and joint

decision-making in the syndicate. We have a special credit risk management team which makes sure that risks are controlled by the exercise of rigorous due diligence and continuous reviews of portfolios.

4. Specialized Experiences and Opinions:

- How would you compare your experiences in cooperation and coordination among syndicate members to best practices? In your opinion, what are the key challenges and opportunities for improving credit risk management in syndicate loan operations among NBFIs?

LankaBangla works on building strong relationships with other financial institutions to make collaboration smoother. However, some challenges still remain, especially when different institutions follow different credit risk standards. Even so, the overall management process and post-disbursement monitoring have improved credit risk outcomes over time.

5. Enhancement Strategic Measures:

- What strategic measures do you recommend to improve overall efficiency and risk management in NBF-led syndicate loans? Are there policies, systems, or practices from international markets that you believe would enhance syndicated lending in Bangladesh?

We believe that if the industry adopts more advanced digital collaboration tools, the syndicated loan market will become faster, more transparent, and easier to manage. Support from regulators in standardizing documentation and encouraging information sharing will also be very important. In addition, adopting best practices from successful global syndication markets—such as better risk-sharing frameworks and centralized credit rating systems—would benefit all stakeholders and help the sector grow.

According to an employee of City Bank Capital,

1. Major Contributions of NBFIs:

- In your role, how does your institution contribute to syndicated loan arrangements for large-scale project finance in Bangladesh? Can you give examples of projects or sectors where NBFIs played an important role in syndication-projects that might not have been possible if only traditional banks were involved?

At City bank capital, we are actively involved in the origination, structuring and arranging of loans through syndication to diverse landmark projects in Bangladesh. Our syndication team also makes partnerships within banks and financial institutions, combining the appropriate mix of resources to finance on a large scale- most recently we have seen a combination of partners to do a large scale finance such as the ADN Telecom syndicated loan. We have a strong understanding of the market and client-driven organizing that enables us to provide customized financing to industries such as telecom, infrastructure, and real estate.

2. Critical Issues and Limitations:

- What operational, regulatory, or coordination challenges have you faced in managing syndicated loans? How do these issues impact the pace, reliability, or outcome of syndicate financing arrangements?

We have difficulties with aligning different risk tolerance, approval process, and reporting criteria among the members of the syndicate. Flexibility and vigilance is also necessary when adjusting to the new regulatory requirements by Bangladesh Bank. Other times, documentation or due diligence processes vary and this slows down the decision-making process especially as the transactions become more complex and larger. Barriers may be further competition of viable projects and a small pool of long-term funding options.

3. Risk Management Processes and Efficiency:

- What processes and strategies have your institution adopted to enhance efficiency in syndicated lending? How are credit risk and operational risk currently managed in your syndication deals?

To enhance efficiency, City Bank Capital uses digital workflow tools, which minimize paperwork and make sure that all participants are updated timely at every step. We have a risk management process which is founded on extensive financial and business due diligence, strong compliance systems, and regular exchange of information with other syndicate members. We are also at the forefront in creating templates in the industry, and tracking systems that enhance the deal closing rates and reduce after-disbursement problems.

4. The Specialist Experiences and Opinions:

- How would you compare your experiences in cooperation and coordination among syndicate members to best practices? In your opinion, what are the key challenges and opportunities for improving credit risk management in syndicate loan operations among NBFIs?

Successful syndications are always based on the introduction of trust, transparency and professionalism in any negotiation. Personal experience demonstrates that most difficulties can be overcome with clear communication and understanding of the goals of the project, but the alignment of risk policies and reporting may be a difficult task. With time, multi-institutional collaboration has been made easier by enhanced digital platforms and skilled personnel, but the industry yet has space to streamline risk appraisal procedures.

5. Enhancement Strategic Measures:

- What strategic measures do you recommend to improve overall efficiency and risk management in NBF-led syndicate loans? Are there policies, systems, or practices from international markets that you believe would enhance syndicated lending in Bangladesh?

We suggest increasing the digital infrastructure of syndicated lending, common templates being used across the industry, and continuous education of all actors on the sector. The confidence and efficiency would

increase with a higher level of regulatory support of information sharing between institutions and credit risk evaluation. Basing on the best practices in the top regional markets and further innovation in client solutions will further empower the syndicated loan industry in Bangladesh.

Survey Questions:

Survey on Roles and Challenges of NBFIs in Loan Syndication:

SECTION 1: Respondent Information

1.Job Position (Multiple Choice)

- Relationship Manager
- Credit Analyst
- Structured Finance Executive
- Risk Management Officer
- Other: (Short Answer)

2.Years of Experience in Structured Finance/Loan Syndication (Multiple Choice)

- Less than 1 year
- 1–3 years
- 3–5 years
- More than 5 years

3.Role of Your Institution in Syndicated Loans (Checkboxes — allow multiple selection)

- Lead Arranger
- Participant
- Underwriter
- Advisory Support

SECTION 2: Contribution of NBFIs to Syndicated Loans

Instructions:

For Questions 4–7, use the following scale:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree

4.Our NBFIs significantly contributes to financing large-scale projects through syndicated loans.

(Linear Scale 1–5)

5. Syndicated lending improves access to long-term financing for our institution. *(Linear Scale 1–5)*
6. Syndication helps reduce institutional risk through risk-sharing mechanisms. *(Linear Scale 1–5)*
7. NBFIs play a vital role in financing infrastructure, industrial, and development projects. *(Linear Scale 1–5)*

SECTION 3: Challenges in Syndicated Lending

8. Rate the severity of the following challenges: *(Grid — Multiple Choice Grid)*

Scale: 1 = Very Low, 5 = Very High

Challenge	1	2	3	4	5
Regulatory compliance complexity	☐	☐	☐	☐	☐
Lack of standardized documentation	☐	☐	☐	☐	☐
Approval delays across member institutions	☐	☐	☐	☐	☐
Liquidity and long-term funding constraints	☐	☐	☐	☐	☐
Limited digital collaboration platforms	☐	☐	☐	☐	☐

9. Regulatory guidelines frequently delay syndication processes. *(Linear Scale 1–5)*
10. Inconsistent credit assessment procedures create major barriers in syndication. *(Linear Scale 1–5)*

SECTION 4: Efficiency & Risk Management Practices

Instructions:

Use 1 = Strongly Disagree, 5 = Strongly Agree

11. Our institution uses standardized documentation templates for syndication deals. *(Linear Scale 1–5)*
12. Digital tools improve coordination among syndicate members. *(Linear Scale 1–5)*
13. Joint credit assessments improve risk evaluation effectiveness. *(Linear Scale 1–5)*
14. Our institution follows effective post-disbursement monitoring methods. *(Linear Scale 1–5)*
15. Our risk management framework is efficient for handling syndicated loan risks. *(Linear Scale 1–5)*

SECTION 5: Strategic Improvements

16. Rate the importance of the following improvements: (Question Type: Multiple Choice Grid)

Scale: 1 = Not Important, 5 = Highly Important

Strategic Improvement	1	2	3	4	5
Digital collaboration platforms	☐	☐	☐	☐	☐
Standardized documentation templates	☐	☐	☐	☐	☐
Regulatory training and support	☐	☐	☐	☐	☐
Centralized syndication platform	☐	☐	☐	☐	☐
Enhanced credit scoring tools	☐	☐	☐	☐	☐

SECTION 6: Overall Satisfaction & Market Potential

17. How satisfied are you with current syndication practices in the industry?

(Linear Scale: 1 = Very Unsatisfied → 10 = Very Satisfied)

18. Do you believe NBFIs have strong future potential in syndicated lending?

(Multiple Choice)

- Yes
- No
- To some extent

19. Would you recommend increased involvement of NBFIs in mega infrastructure financing through syndication?

(Linear Scale 1–5)

(Optional Short Answer)

20. Any suggestion to improve efficiency or risk management in syndicated loans?

(Paragraph)

Copy Of company provided internship acceptance letter (attached)



Ref: IDLCIL-HR/AL/25/02

October 7, 2025

Jennifer Hossain
Director- International affairs, Alumni Affairs
& In-Charge-Career Services Office
University of Liberal Arts

Dear Madam,

INTERNSHIP

We are pleased to inform you that **Ms. Kazi Rukaia Afroz** has been selected for the Internship Program in our organization for a period of 3 months starting from **September 9, 2025**.

Mr. Isa Mahmud Shovo, Deputy General Manager, Structured Finance Department of our company is her supervisor.

Thank you.

Sincerely,

Syed Mohammad Rayhan
Assistant Manager
Human Resources
Email: SRayhan@IDLC.Com

Project Proposal Form

Name:	Kazi Rukaia Afroz
ID:	221011047
Semester (Spring/Summer/Fall)	Fall 2025
Department:	BBA
Supervisor's Name (Faculty):	Kazi Md Tarique , PhD
Project Title:	Investigating the role and challenges of NBFI's Loan Syndication: Strategies for Enhancing Efficiency and Risk Management

22nd October, 2025

Student's signature & date

Supervisor's signature & date

Plagiarism Check

PART B (Internship Report) Kazi Rukaia Afroz.docx

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