

A Study of Pawning Lending Recovery of Advance Portfolio in ABC Bank

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Considering the global effect due to fall of gold prices, it is necessary to protect the bank as well as customer who borrowed urgent financial needs based on gold-back lending. As a result it is essential to take up risk mitigation measures through risk management process. Available literature reveals that, there are many methods introduced to mitigate gold-bank loans risks and banks still have not considered implementing measures to mitigate possible risks likely to occur. Hence main purpose of this study is to analyze pawning lending recovery of advance portfolio on ABC Bank. In order to identify the factors that affect to gold-bank loans risks, researcher, and responses to eighty questionnaires were collected from bank staff covering three regions namely, North, East and Gampaha. Data were analyzed using Statistical Package of Social Science (SPSS). Mainly the there is a difference among the bank staff attitude towards minimizing lending risks and provide policy makers to re-think in their planning to take suitable timely action. Hypothesis developed proved that there is a relationship and this has been proved with the correlation between advance portfolio of pawning lending managerial decision, risk analysis, risk management and high margin lending. These findings could directly benefit to application of other regions as a risk mitigation measure. Also results will appropriate to use for other banks for possible actions to be taken for risk mitigation in pawning lending recovery process.

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