AN INTERNSHIP REPORT
ON

"General Banking Activities of Janata Bank Limited"

A Study on M.K. Road Corporate Branch, Jessore

276
01.7.12

(This paper has been prepared for submission into the Faculty of Post Graduate Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur, as a partial requirement for fulfillment of the MBA Degree Program.)

Submitted To

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DEPARTMENT OF MARKETING
HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY UNIVERSITY, DINAJPUR-5200

October 2011

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BY

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Hajee Mohammad Danesh Science & Technology University, Dinajpur

October 2011

Dedication

This Internship Report

Is

Dedicated to

My Honourable Parent and Respectable Supervisor of Internship Program of MBA

JANATA BANK, M.K.RD,CORP, BR, JESSORE

JANATA BANK LIMITED

M.K. Road Corporate Branch, Jessore, BANGLADESH.
Telephone No. 68591,65082,66109
Fax.No. 042168593.Swift No.JANBBDDHJMK.

Ref :JBL/M.K.ROAD/MR/2011 Date : 11.09.2011

"To Whom It May Concern"

This is to Certify that Mr. Sabbir Ahmed, student of MBA Program, ID NO-0905106, Marketing Department of Hajee Mohammad Danesh Science & Technology University, Dinajpur. He attended internship Program from 9th june'2011 to 11th September'2011 at Janata Bank Limited M.K.Road Corporate Branch, Jessore.

I wish him every success in life.

(MD. MUSTAFIZUR RAHMAN)
ASSTT. GENERAL MANAGER
JANATA BANK LIMITED
M.K.ROAD CORP. BR. JESSORE

D.O.(E).18

Letter of Transmittal

23 October, 2011

Jamal Uddin
Assistant Professor
Chairman
Department of Marketing
HSTU, Dinajpur-5200.

Sub: Submission of Internship Report

Dear Sir,
I am pleased to submit the Internship Report as a part of MBA program. I tried my best to present this Internship Report on **"General Banking Activities of Janata Bank Ltd.., M.K. Road Corporate Branch"** according to your guideline. I tried my best to work sincerely to cover all aspects regarding the matter. Practical exposure is very essential for orientation with the real world-working arena. I have learned a sound knowledge and understand on the basic operation of the bank. Through I faced some limitations to prepare the report due to scarcity of organized data, time limitation. I have thoroughly enjoyed in preparing this Internship report which has contributed significantly to my understanding on the essentials and importance practical knowledge.

I sincerely hope that you will appreciate my effort.

Yours truly

Sabbir Ahmed
.....
Sabbir Ahmed
ID No-0905106
MBA (Major in Marketing)
Department of Marketing
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EXECUTIVE SUMMARY

This report is prepared on the basis of my three months experience at Janata Bank Ltd., M.K. Road Corporate Branch, Jessore. During this time helped me a lot learn about the practical knowledge of a financial institution. This report has been presented based on my inspection and experience gathered from the branch. The overall approach of the report is a descriptive one as it goes into the depth of service quality of Janata Bank Ltd.. Here both primary and secondary information were used. Interview was the basic techniques comply to collect primary data from any people within the organization. Information about the varieties of activities within the correspondent-banking department was collected trough interview. Among the secondary sources to collect data regarding the company's performance over the past five years are publications, Annual reports of Banks Ltd. Different circulars and papers of National Banks Ltd, Term papers of JBL training manuals, Guidelines for Foreign Exchange Transactions, General Banking Operation manual, Banking Lecture sheet within the organization helped me to gather data about the organization. The first chapter of the report describes the introductory words of the Thesis report and second chapter depicts structures of the organization and the profile of the Janata Bank Ltd.. The third chapter contains general banking activities finally chapter four and five describes recommendations and conclusion.

Preface

An International Program in arranged to bridge the gap between theory and practice. Without theoretical knowledge practice can not yield expected results. On the other hand, without practical knowledge theoretical one has no meaning. As part of my internship program I have been sent to the Janata Bank Ltd.. (M.K. Road Corporate Branch) to acquaint with the practical situation prevailing at the time of accomplishment of the activities lying with the general banking.

The Report is like an abstract of all that I have learned during the practical period. I have tried my best to make this report meaningful. I hope that this report would be able to portray the overall achievement of my internship program as well as some indications to the management of the Janata Bank Ltd.. (M.K. Road Corporate Branch).

I shall be glad if this report serves its purpose effectively and efficiently.

Forgive me for the errors that might have crept in spite of the best of my efforts.

Acknowledgement

*For the very first of all I would like to express my gratefulness and harmony to the **ALLMIGHTY ALLAH** the supreme authority of the Universe, without Whom we would be nothing. Next I would like to express my kindness to my **Beloved Parent** whose continuous inspiration enrages me to make a right move in my life.*

A single individual can achieve no noble objective. Words actually will never be enough to express how grateful I am nevertheless will try my level best to express my heart full gratitude towards some respected persons for their advice, suggestions, direction and cooperation which have enabled me to have an experienced in the dynamic environment such like in banking sector.

*First of all I would like to thank my supervisor **Jamal Uddin**, without whose help, suggestion and cooperation the total report will be valueless.*

*The very first person of Janata Bank Limited to whom I would like to convey my gratitude is the Assistant General Manager **Md. Mustafizur Rahman** Janata Bank Limited, M. K. Road Branch for his kind consideration to give me an opportunity to complete my internship at Jamuna Bank Limited. I would also be thankful to **Sultana Begum Siddiqua**, Executive Officer, Remittance Department of Janata Bank Limited, M.K. Road Branch for his kind cooperation. Some other key persons of Jamuna Bank Limited, M.K. Road Branch whose valuable advice and kind cooperation helped me to gather more knowledge. The respected personnel are **MD Shahidul Islam** Principal Officer, Foreign Exchange Department, **Mrs Jahanara Begum**Officer(Remittance)and **Mr. Badrul Islam**, Officer, Foreign Exchange Department, **Mr. Md. Mir Hossain**, General Banking Department.*

I would like to thank from the deep of my heart to those people who are related with making of this report and make it a success.

At last but not the least, the Stamford University, Bangladesh for giving me an opportunity to complete my BBA degree and give me a scope to gather practical experience and enrich my knowledge.

*May **ALLMIGHTY ALLAH** bless all of them.*

Sabbir Ahmed

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Chapter 1

INTRODUCTION

CHAPTER 1

INTRODUCTION

Bank is very old institution that is contributing toward the development of any economy and is treated as an important service industry in the modern world. Economic history shows that development has started everywhere with the Banking system and its contribution towards financial development of a country is the highest in the initial stage. Modern Bank plays an important part in promoting economic development of a country. Bank provides necessary funds for executing various programs in the process of economic development. They collect savings from large masses of people scattered throughout the country, which in the absence of banks would have remained ideal and unproductive. These scattered amounts are collected, pooled together and made available to commerce and industry for meeting the financial requirements. Main functions of banking department are the followings: Account opening system, Account section, Collection and clearing, Saving Bank Account, Current Account, Short Term Deposit Account. Local remittance Section: Pay order, Demand Draft, Telegraphic Transfer, Call Deposit Account. Janata Bank Ltd. also provides different types of DPS like monthly savings Scheme (MSS), Monthly Benefit Scheme (MBS). Janata Bank Ltd. provides the entire general banking facilities like LC, Clearing, and Forwarding, It also provide Loan for businessman.

1.1 Banking Scenario in Bangladesh

The March 1971 Bangladesh was a part of Pakistan known as East Pakistan. A nine month liberation war results in the creation of Bangladesh on 16th December 1971.At the end of the liberation war, the banking sector of Bangladesh as in totally disarray. With exception of two local banks incorporated in then East Pakistan, all the bigger local banks became in operational. Liberation war left these banks divided and without any corporate office to guide their Head office as located outside Bangladesh territory. The overseas banking relationships with these banks were also shattered under such situation. Two local banks and a few branches of the then Pakistani banks

were functioning in the country. Starting with such a humble and chaotic condition, the banking sector of Bangladesh has grown to a great extent.

In the middle of 2001 there were 52 scheduled Banks. But at the end of 2001, two foreign banks, "Standard Charted Bank" and ANZ Grind Lays Bank PLC" merged as standard Chartered Grind Lays

Indicators	**All Banks**
No. of Banking Branches	6,228
Deposits (Excluding Inter-bank)	
a)Total Deposits:	1,000,026
Urban	820,300
Rural	179,726
b)No. of Accounts	31,002,627
Advances (Excluding Inter-bank)	
c) Total Deposits:	835,963
Urban	736,566
Rural	99,396
d) No. of Accounts	7,599,515

1.2 Background of the study:

The Internship is very helpful to bridge the gap between the theoretical knowledge and real life experience as the part of the Masters in Business Administration (MBA) program. This report has been designed to have a practical experience through the theoretical understanding. For the completion of thesis I have been placed in Bank named "Janata Bank Ltd.". I decided to work on the practices of general banking activities of the bank. The report focuses on the practices of the general banking activities.

1.3 Objectives of the report:

The objective of the thesis is to familiarize students with the real business situation, to compare them with the business theories & at last stage make a report on assign task. The main objectives of this report are:

- To explore General Banking activities of Janata Bank Limited
- To explore foreign exchange activities of Janata Bank Limited
- To study the existing overall banker customer relationship

1.4 Methodology of the Study

This report is based on qualitative measurement. Secondary sources of data were used to prepare this report. This report has been prepared on the basis of experience gathered during the period of internship.

To perform the study data sources are to be identified and collected, the data are to classified, analyzed, interpreted and presented in a systematic.

- Annual Report (2009, and 2010) Janata Bank Ltd.
- Website of the Janata Bank Ltd.
- Various book articles about general banking activities.

1.5 Limitation:

The present study was not out of limitations. But it was a great opportunity for me to know the banking activities of Bangladesh specially Janata Bank Ltd. The study carried on has the following limitations:

- The main constraint of the study is inadequate access to information, which has hampered the scope of the analysis required for the study.
- Some problems create confusions regarding verification of data.

- The time is insufficient to know all activities.
- It was very difficult to collect the information from various personnel for their job constraint.
- As some of the fields of banking are still not covered by our courses, there was difficulty in understanding some activities.
- Because of the limitation of information, some assumption was made. So there may be some personal mistake in the report.

Chapter 2

COMPANY PROFILE

CHAPTER 2

COMPANY PROFILE

2.1 Background of Janata Bank Ltd:

Janata Bank Ltd. has its prosperous past, glorious present and prospective future. Established as the first private sector Bank fully owned by Bangladeshi entrepreneurs, JBL has been flourishing as the largest private sector Bank with the passage of time after facing many stress and strain. The member of the board of directors is creative businessman and leading industrialist of the country. To keep pace with time and in harmony with national and international economic activities and for rendering all modern services, JBL, as a financial institution automated all its branches with computer network in accordance with the competitive commercial demand of time. Moreover, considering its forth-coming future the Bank has been rearranging. The expectation of all class businessmen, entrepreneurs and general public is much more to JBL. Keeping the target in mind JBL has taken preparation to open new branches by the year 2000-2001.

The emergence of JBL in the private sector is an important event in the Banking area of Bangladesh. When the nation was in the grip of service recession, Govt. took the farsighted decision to allow in the private sector to revive the economy of the country. Several dynamic entrepreneurs came forward for establishing a bank with a motto to revitalize the economy of the country.

Janata Bank Ltd. was born as the first hundred percent Bangladeshi owned Bank in the private sector. From the very inception it is the firm determination of Janata Bank Ltd. to play a vital role in the national economy. We are determined to bring back the long forgotten taste of banking services and flavours. We want to serve each one promptly and with a sense of dedication and dignity.

The president of the people's Republic of Bangladesh Justice Ahsanuddin Chowdhury inaugurated the bank formally on March 28, 1983 but the first branch at 48, Dilkusha Commercial Area, Dhaka started functions on March 23, 1983.The second branch was

opened on 11th May 1983 at Khatungong, Chittagong. Today we have total 76 Branches all over Bangladesh.

Considering the need for remittance by the expatriates Bangladeshis residing abroad the Bank during the year established drawing arrangement with the Pacific Bank Berhad, Malaysia (now May Bank), Security Exchange Company Limited, State of Kuwait and Dalil Exchange, State of Bahrain.

Our Bank invested 25% equity in Gulf Overseas Exchange Company LLC, a joint venture Exchange Company in Oman, operating since November 1985 under the management of our Bank. The Bank received Riyal Omani 12, 450 equivalent to TK. 1.74 million as dividend for the year 2000.

A representative Office was established in Yangon, Myanmar in October, 1996 by our Bank and obtained permission from the Government of Bangladesh to handle border trade with Myanmar. Opportunities are being explored for further business avenues there.

Now JBL is on line to establish trade and communication with the Prime Inter Janata Bank Ltd. companies oh the world. As a result JBL will be able to build a strong root in inter Janata Bank Ltd. horizon. Bank has been drawing arrangement with well conversant money transfer service agency "Western Union". It has a full time arrangement for speedy transfer of money all over the world.

Banking is not only a profit-oriented commercial institution but it has a public base and social commitment. Admitting this true JBL is going on with its diversified banking activities. JBL introduced Monthly Savings Scheme, Special Deposit Scheme, Consumer's Credit Scheme and Savings Insurance Scheme etc. to combine the people of lower and middle-income group.

2.2 Mission:

Efforts for expansion of JBL activities at home and abroad by adding new dimensions to their banking services are being continued unabated. Alongside, they are also putting highest priority in ensuring transparency, account ability, improved clientele service as well as to their commitment to serve the society through which they want to get closer and closer to the people of all strata. Winning an everlasting seat in the hearts of the people as a caring companion in uplifting the national economic standard through continuous up gradation and diversification of their clientele services in line with national and international requirements is the desired goal they want to reach.

2.3 Vision:

Ensuring highest standard of clientele services through best application of latest information technology, making due contribution to the national economy and establishing themselves firmly at home and abroad as a front ranking bank of the country are their cherished vision.

2.4 Objectives of the Bank:

- Alongside up gradation and diversification of banking service to provide maximum satisfaction to the respected clients, nourishing saving habit among the general people by offering them attractive savings oriented products, thereby assisting economic development.
- To build up a deep-rooted and harmonious banker-customer relationships by dispensing prompt and improved services to the clients.
- Use the hard-earned investment of their valued shareholders. Simultaneously, play their due part in developing a vibrant capital market by ensuring more effective participation of the Bank in the share market.
- To make best use of latest technologies for giving the clients a taste of modern banking so as to encourage them to continue and feel proud of banking with JBL.
- Respond to the need of the time by participating in syndicated large loans financing, thereby expanding the area of investment of the Bank.

- To gain confidence of all quarters involved in the economic development of the country through pursuance of a policy of continuous adjustment and coordination of the Bank's external trade programmers with the dynamism inherent in the international trade and payments system.

2.5 Business goal:

To patronize, sponsor and encouraged games and sports, entertainment and other socio-economic activities alongside providing the best services to the client.

2.6 The Future Thrust:

- Full duplex on-line Banking
- Introducing more innovative products and services
- Opening new branches
- Expansion of business network at home and abroad
- SMS Banking
- Introduction of new liability/Asset products

2.7 Corporate Culture:

Employees of JBL share certain common values, which helps to create a JBL Culture.

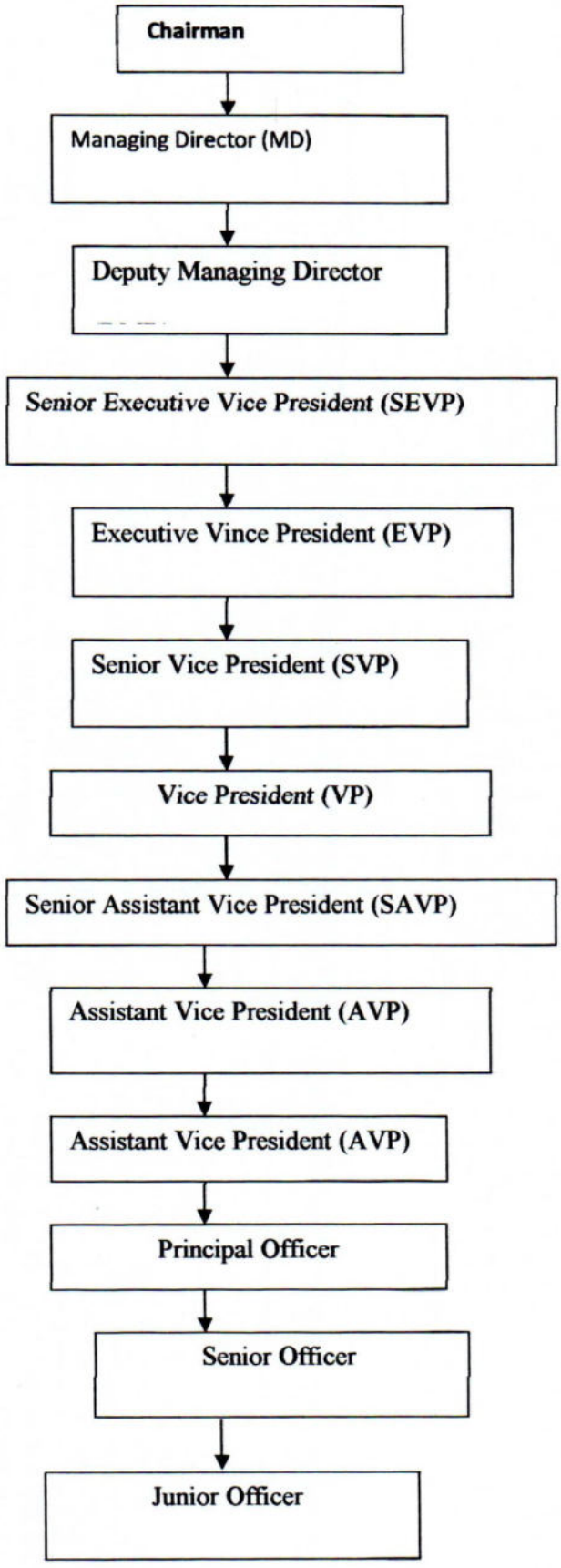
- The client comes first
- Search for professional excellence
- Openness to new & new methods to encourage creativity
- *Quick decision making*
- Flexibility and prompt response
- A sense of professional ethics

2.8 Growth and Development of JBL:

The JBL carries out all traditional functions, which a commercial bank performs such as mobilization of the deposit, investment of funds, financing exports and import business, trade and commerce and industry. The bank earn profit TK 275.07 million in the year 1997 and TK 400.64 million in the year 2001. However profit decreased in the year 1999 TK 197.55 million than the year 2004 TK 36896.64 million at the end of the year 2004, total advanced made by the bank was TK 15055.90 million and TK

20223.64 million at the end of the year 1997 and 2004 respectively. Foreign exchange business handled by the bank; import business was TK 18082.40 million in the year 1997 and TK 19264.50 million in the year 2003 and TK 18964.45 million in the year 2004. Export business is increasing continuously that is TK 12651.80 million in the year 1997, TK 21869.00 million in the year 2003 and TK 23071.00 million in the year.

2.9 Management Hierarchy of JBL:



2.10 PRODUCT & SERVICES OF JANATA BANK LTD. LTD

Products & Services:

Product and services is the main assets of any organization. The following product and services are available of Janata Bank Ltd.

- Consumer credit Scheme
- Special Deposit Scheme
- Monthly Saving Scheme
- Saving Insurance Scheme
- Credit Card
- Western Union Money Transfer
- JBL ATM Service
- JBL Power Card

2.11 Consumer Credit Scheme:

Janata Bank Ltd. Consumer Credit Scheme gives clients a great opportunity to buy household and office items on easy installments. This scheme gives clients the advantage of part payment to cope with the high price tags of many necessary home and office appliances.

Television, Refrigerator, VCR, Personal Computer, Photocopier, Washing Machine, Furniture, Microwave Oven, Car, and a number of other expensive items are now within their buying range. With this scheme JBL makes better living possible for people living on fixed income. Customers can buy those home and office equipment's without over taxing their budget.

2.12 Special Deposit:

For most of the people on fixed income the opportunity to supplement their monthly earning is a golden one. And JBL Special Deposit Scheme gives a customer just that. Under this scheme, customers can deposit money for a term of 5 years. The deposited money is fully refundable at the expiry of the term. At the same time, during the term period they can enjoy a monthly profit corresponding to their deposited amount. As for instance, under this scheme a deposit of Tk, 55,000/- gives a monthly income of Tk.500/-.

Deposited Amount	Monthly Benefit
Tk. 55,000/-	Tk. 500/-
Tk. 1,10,000/-	Tk. 1,000/-
Tk. 1,65,000/-	Tk. 1,500/-
Tk. 2,20,000/-	Tk. 2,000/-

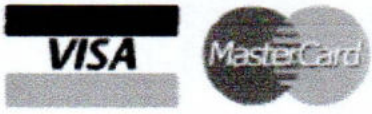
2.13 Monthly Savings Scheme:

This scheme is specially designed for the benefit of the limited income group members. This helps to accumulate small monthly savings into a significant sum at the end of the term. So, after the expiry of the term period the depositor will have a substantial amount to appreciate on.

A monthly deposit of Tk.500/- or Tk.1000/- for 5 or 8 years period earns in the end. Tk37, 896 /- or Tk.75, 791/- respectively.

Monthly Installment	Return after 5 years	Return after 8 years
Tk. 500/-	Tk. 37, 896	Tk. 70849/-
Tk. 1,000/-	Tk. 75,791	Tk141697/-
Tk. 2000/-	Tk. 1,51,583	Tk. 2,83,570
Tk. 3000	Tk. 2,27,348	Tk. 4,25,091
Tk. 4000	Tk. 3,03,166	Tk. 5,66,788

2.14 Credit Card:



Credit card is the newest concept in our country. In our country Credit card was first introduced by the Janata Bank Ltd. ltd. Master card and VISA card are name of popular credit card band. Credit card is safe, instant and universal money. Janata Bank Ltd. ltd issued two types of credit card, which is as follows: -

2.15 Local master and visa card: -

Local master and visa card are two types, such as "gold card" and "silver card".

Gold card limit is 50000 taka to 1000000 taka

Silver card limit is 10000 taka to 45000 taka

2.16 Requirement for local credit card:

- FDR.STD account Loan
- Tax identification number
- *Two copy passport size photo*

2.17 International master and visa card:

It has also two types, such as gold card and silver card.

- *For international purpose gold card limit is $ 4000 above*
- For international purpose silver card limit is $ 2000 blow $4000

2.18 Requirement for international credit card:

- *Pass port photocopy (first five pages)*
- Two copy passport size photo.
- TIN number
- FDR, STD, SB account lien

2.19 JBL ATM Services:

ATM means automated teller machine. JBL ATM card give opportunity to their customer that they can withdraw their money at any time, any days even holidays. By using ATM subscriber can give various utility bill such as telephone, gas, electricity bills etc. actually ATM card is a debit card. Janata Bank Ltd. has introduced ATM service to its Customers. The card will enable to save their valued customers from any kind of predicament in emergency situation and time consuming formalities. JBL ATM Card will give their distinguished Clients the opportunity to withdraw cash at any time, even in holidays, 24 hours a day, and 7 days a week.

2.20 Charges for ATM card:

ATM cardholders have to pay 1000 taka annually and in the case of card lost subscriber also pay additional 300 taka.

2.21 JBL Power Card:

It is a prepaid card. No need of any account of JBL branch. Application form available at any JBL branch and card centre. No annual fee for the first year. Renewal fee Tk 200.00 only. Local card limit 1000at minimum or its multiple. International card limit-US$ 500.00 at minimum. Refill through any JBL branch. Drawing cash from JBL ATMs free of charge & from ATMs under Q-Cash network-Tk 10.00 per transaction from other ATM-Tk 100.00. Loading fee for international card will be charged @1% of the loaded amount. Cash withdraw fee (abroad) 2% of the cash drawn amount or US $.2.00, whichever is higher. Accepted at all VISA POS merchants. Cash withdrawal at all ATM booths bearing VISA and Q-Cash logo.(Except HSBC Bangladesh), Utility bill payment. It is a prepaid card. No need of any account of JBL branch. Application form available at any JBL branch and card centre. No annual fee for the first year. Renewal fee Tk 200.00 only. Local card limit 1000at minimum or its multiple. International card limit-US$ 500.00 at minimum. Refill through any JBL branch.

2.22 Western Union Money Transfer:

Joining with the world's largest money transfer service "Western Union", JBL has introduced Bangladesh to the faster track of money remittance. Now money transfer between Bangladesh and any other part of the globe is safer and faster than ever before. This simple transfer system, being on line eliminates the complex process and makes it easy and convenient for both the sender and the receiver. Through JBL - Western Union Money Transfer Service, your money will reach its destination within a few minutes.

2.23 *Saving Insurance Scheme*:

This is an uncertain World and the threatening silhouettes of future catastrophes are always looming around. This JBL scheme gives your family protection against the insecurities of the world. This scheme is the first of its kind in Bangladesh. It

combines the benefits of regular savings and insurance scheme; so, you get the usual rate of interest on the deposited amount while you enjoy the protection of a comprehensive insurance coverage. Under this scheme, the beneficiary get equal the deposit in case of natural death of the account holder whereas in the event of accidental death of the account holder the beneficiary will receive twice the deposit. As for example, if a customer picks up Easy Class (Tk.50, 000/-) he/she will get Tk.50, 000/- for natural death and Tk.1, 00,000/- for accidental death apart from his/her deposited amount and interest.

2.24 SWIFT and REUTERS:

The Bank has in its use the latest information technology services of SWIFT and REUTERS. L/C advising, transferring and quick transfers of remittances as well as other financial correspondences have become very easy & speedy with the installations of SWIFT.

2.25 Small credit program for disbursement:

JBL has been continuing its small credit programme for disbursement of collateral free agricultural loans among the poor farmers of Barindra area in Rajshahi district for improving their lot. Alongside banking activities

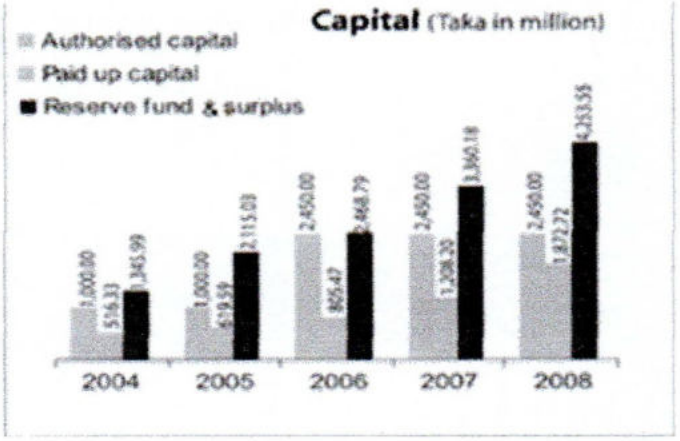
2.26 *Support to foreign investors:*

Janata Bank Ltd. has now acquired strength and expertise to support the banking needs of the foreign investors. JBL stepped into a new arena of business and opened its Off Shore Banking Unit at Mohakhali to serve the wage earners and the foreign investors better than before.

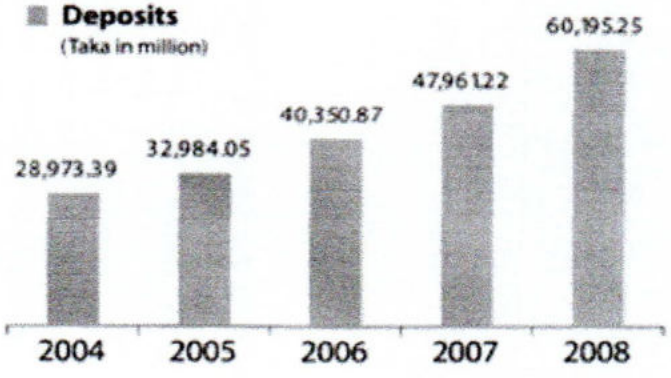
2.27 Transparency and accountability:

Transparency and accountability of a financial institution is reflected in its Annual Report containing its Balance Sheet and Profit & Loss Account. In recognition of this, JBL was awarded Crest in 1999 and 2000, and Certificate of Appreciation in 2001 by the Institute of Chartered Accountants of Bangladesh.

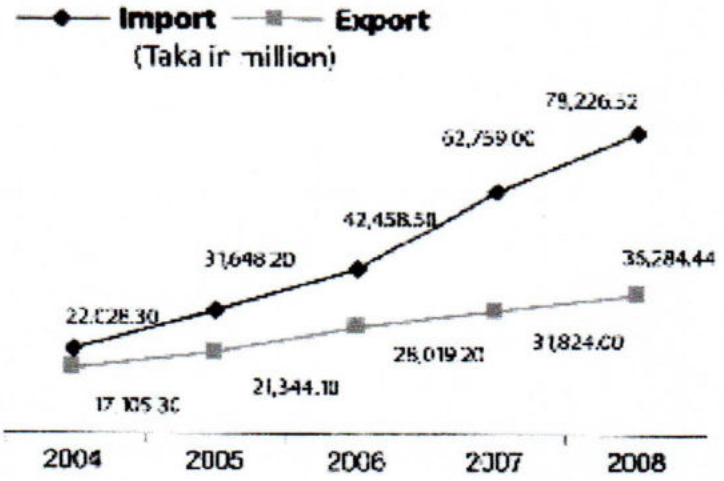
2.28 Financial performance:



Stock Dividend of 55 percent was declared for the year 2007 which increased the paid-up capital of the bank from Tk. 1,208.21 million to Tk. 1,872.72 million in 2008 while its authorized capital was Tk. 2,450 million. The statutory reserve enhanced by Tk.565.60 million in 2008 after maintaining 20 percent pre-tax profit. The total equity of shareholders of the bank stood at Tk.6, 126.30 million at the end of the year 2008.



The deposit base of the bank registered a growth of 25.51 percent it the reporting year over the last year and stood at Tk.60, 195.20 million. Expansion of branch network, competitive interest rate and innovative deposit products contributed to the growth. The customers of the bank were individual's corporations, financial institutions government and autonomous bodies etc.



The Bank opened a total number of 21,210 LCs amounting USD 1,130.96 million in import trade in 2008 with a growth of 25 percent over the previous year. The main commodities were scrap vessels, rice, wheat, edible oil, capital machinery, petroleum products, fabrics & accessories and other consumer items. The Bank has been nursing the export finance with a special attention since its inception. In 2008 it handled 16,234 export documents valuing USD 531.03 million with a growth of 14 percent over the last year. Export finances were made mainly to readymade garments, knitwear, frozen food and fish, tanned leather, handicraft, tea etc.

2.29 Social responsibility

Employment:

JBL has been continuously creating new fields of employment every year by way of expansion of its business activities and branch network in 2007, the bank created employment for 238 personnel's.

Education:

Janata Bank Ltd. Foundation was established in 1989 for fulfilling responsibilities for welfare of the society .It has been running the Janata Bank Ltd. public School and college in Moghbazar, Dhaka. In 2008, 53 students appeared at the SSC Examination among them 25 students achieved Golden A+ and 32 students appeared at the H.S.C. examination among them 4 students achieved Golden A+. The bank has been accommodating prospective graduates recognized universities for completing their internship. JBL also awarded stipend and scholarship to the brilliant children of the employees of the bank.

Sports & culture:

Nation Bank has a tradition of patronizing and sponsoring sports and cultural of the country. The "Janata Bank Ltd. Volleyball league -2007" was arranged under patronization of the Bank. JBL has been arranging annual picnic for gathering and recreation o its executives, officers and staff.

Disaster relief:

Janata Bank Ltd. always extends its helping hands and stands by the suffering and helpless people in times of natural calamities. In 2007, Janata Bank Ltd. donated Tk. 40.00 Lac to help the victims of flood, Tk. 20.00 Lac for relief operation for landslide victims and Tk. 50.00 Lac for Sider victims to the relief fund of the Chief advisor and the Army Chief. The Bank has also taken a pilot project for post flood agricultural rehabilitation at Sirajgonj. On 10th March 2009 a Payment Order for Tk.25.00 Lac has been handed over to the honourable Prime Minister as donation/financial assistance to the bereaved family members of the martyred Army Officers killed in

the BDR carnage held on 25th February 2009. On 1st April, 2009, JBL donated Tk. 24.00 Lac to the honourable Prime Minister to hand over the same to the family members of the martyred Army Officer which will be paid to 5 (five) families @ Tk. 40,000/- per month to each family for 1 year which will continue for 10 years. Thus total amount of donation will be Tk. 2.40 Crore.

Others:

JBL always maintain their corporate social responsibility in various ways. JBL always appreciate various kinds of fair, festival and other gatherings organized by different private or public sectors.

Chapter 3

PROJECT PART

CHAPTER 3

PROJECT PART

3. General Activities of Janata Bank Ltd. (M.K. Road Corporate Branch, Jessore).

The general Banking performs the most important and basic work of a Bank. It is the heart of banking activities. Bank provides the services to the customer by general banking. Because funds are mobilized, cash transaction are made, remittance accounting activities are done here.

The general banking of Janata Bank Ltd. performs various activities. The following departments are under general banking.

1. Dispatch
2. Cash Department
3. Account Opening
4. Remittance
5. Bills & Clearing
6. Accounts & Reconciliation
7. Loans & Advances
8. Foreign exchange operation
9. Foreign remittance

3.1 Dispatch:

The Bank every day receives and sends documents by dispatch. Here they open every closed envelope. When any documents receive or sent both time have to give entry in register book. There are two parts of dispatch.

- ❖ Inward mail
- ❖ Out ward mail

3.2 Inward mail:

When Bank receives any documents it is called inward mail. It usually comes through local currier or FedEx, DHL and so on. First task of inward mail is opening of closed envelopes then entry of registered letters in inward mail register. After register delivery against acknowledgement of receipt.

3.3 Out ward mail:

Out ward mail means sent documents from bank to the outside. It sent either hand to hand or currier

3.4 Cash Department:

Cash is lifeblood of every financial activity. Bank, as a financial institution, which accepts surplus money from the people as deposit, and give them opportunity to withdraw the money by cheque. Through cash department bank receive the deposit and paying the cash on demand. The main functions of this section are following:

- Cash receipt
- Cash payment

3.5 Cash receipt:

When customers want to deposited his money then he deposited it by deposit slip in the cash counter. After receiving money and deposit slip from client, officer done following functions, which is, arrange at sequentially: -

- Officer ensure that all the writing on deposit slip have been right.
- Then count money and write denomination in the backside of the deposit slip.
- Then officer put cash receive seal on the carbon copy of the deposit slip main copy as well.
- Officer put his signature on the both copy.
- Then give entry in receive register book

3.6 Cash payment process:

When depositor wants to withdraw his money then he present or order cheque for withdrawing cash from cash counter. At first deposit holder present his cheque on the computer desk. Then the authorized officer checks that cheque and amount has been balance in his account. When every things right then the amount has been debited from the depositor account on which the cheque has been drawn. If there is any doubt in the signature, which has been appeared on the specimen signature card, has verified. When everything is ok then payment seal put on the cheque. Then bearer has signed on the backside of the cheque and authorized officer made payment. The authorized officer must have to maintain cash payment register. Following give the components of cash payment register book:

- Cheque number
- Account number
- Payment amount
- Authorized signature
- Payment date.

3.7 Account Opening Department:

Another function of the banking is A/C opening. The established a banker and customer relationship account opening is the first step. Opening of account binds the banker and customer into contractual relationship. A bank has to maintain different types of accounts for different purposes. Janata Bank Ltd. offers the general deposit products in the form of various accounts.

- Saving Account.
- Current Account.
- Short term deposit Account.
- Fixed deposit Account.

3.8 Saving account (SB):

Savings account is that account whose interest rate is higher than current account and saving account holder can withdraw several times in a week. Savings account can be open by individual, joint name or club, society, association etc.

Requirements for opening individual saving account:

- Three copies pass port size photo
- National ID card
- Pass port no (if any)
- TIN number (if any)
- Require an introducer who has an account in the JBL, Elephant road branch.
- Name of nominee and a passport size photo with attested by introducer
- Two signatures on the specimen signature card

Requirements for opening joint saving account:

- Two copies pass port size photo (both parties)
- The amount can be received by any person signature or both
- National ID card
- Pass port no (if any)
- TIN number (if any)

Rules for opening saving account:

- Account opening money at least 1000 taka
- If deposit holder wants to close his account then he should pay 100 taka as cancellation charge.
- Savings account interest rate is 6 %
- Depositor can withdraw money as wish he/she can in a week if available in his or her account.
- In the case of savings account Chequebook is 10 leaves.

3.9 Current account (CD):

Current account is that type's account where depositor can withdraw his deposited money at any time there is no restriction. Current account can be divided into following such as: -

- Proprietorship current
- Partnership
- Limited Companies
- Trustees/ clubs/ association/ and different types of institution etc.

Following are given the requirements which are need for opening current account:

For proprietorship current account:

- Introducer (Current Account holder)
- Two copies passport size photograph duly attested by the introducer.
- Trade license
- Valid passport
- Seal of the firm.
- TIN & VAT Certificate.

For current partnership account:

- Introducer (Current Account holder)
- Two copies passport size photograph all partners duly attested by the introducer
- Trade license
- Valid passport
- Seal of the firm.
- Partnership Deed or agreement
- TIN & VAT Certificate

Current account for limited companies:

- *Introducer (Current Account holder)*
- Two copies passport size photograph all partners duly attested by the introducer
- Seal of the company.
- TIN & VAT Certificate
- Other required Papers and documents as noted over leaf of the A/C opening form.
- Power of attorney
- Resolution of the board of directors

Following documents which is certified by the chairman of the company:

- List of the directors
- Certificate of commencement of business
- Certificate of incorporation

Janata Bank Ltd. offer different types of account for their target groups. These are as follows:

- Monthly saving scheme (MSS)
- Fixed term deposit account (FDR)
- Short term deposit account (STD)
- Special deposit scheme (SDS)

Following are broadly explaining all this types of accounts: -

3.10 Monthly saving scheme (MSS):

Monthly saving scheme (MSS) is specially offer for limited income group peoples, students. This MSS account help to accumulate in hand sum amount at the end of maturity date of MSS.

MSS has two phrases, such as: -

Monthly instrument	Received after 5 years	Received after 5 years
Tk. 500	Tk. 40,100	Tk. 1,12,500
Tk. 1,000/-	Tk. 75,791	Tk1,41,697/-
Tk. 2000/-	Tk. 1,51,583	Tk. 2,83,570
Tk. 3000	Tk. 2,27,348	Tk. 4,25,091
Tk. 4000	Tk. 3,03,166	Tk. 5,66,788

3.11 Fixed term deposit account (FDR):

Fixed term deposit (FDR) application form has been used both for application form and as a credit voucher for the bank. In the case of FDR specimen signature card used and client give three signatures on the specimen signature card. In the case of FDR it is clearly mention that when this amount will be withdrew account holder receive principle amount plus interest. FDR account holder gets a FDR slip that is provided by the JBL officer. FRD slip contains name of account holder, deposited amount, and interest rate, and time of maturity. If depositor withdraws his money before maturity date he does not get any interest. If account holder lost FDR slip then indemnity bond is required to issue a duplicate FDR slip.

FDR account can be open by individually or joint name. In the case of FDR holder death, his nominee will get the amount. Following are given the interest rate according to the maturity date:

Maturity date	**Interest rate**
For 3 months	7.75%
For Above 6 months	8.00%

3.12 Short-term deposit (STD):

Short tram deposit account interest is calculated at daily basis and its interest rate is 4.50%.

Document required for opening short term deposit:

- *Two copies of pass port size photo*
- TIN number
- Require an introducer who has an account in the JBL, Elephant road branch
- Trade license

3.13 Special deposit scheme (SDS):

Under SDS client can deposit for five years and his deposited money is fully refundable. Under this SDS depositor enjoy a monthly profit corresponding to their deposited amount.

Following are given the structure of SDS and their monthly benefit: -

Deposited amount	Monthly profit
55000	500
110000	1000
165000	1500
220000	2000
275000	2500
330000	3000

Document requirements for SDS:

- Two copies of pass port size photo
- Mentioning nominee with address and relation
- Require an introducer who has an account in the JBL, Elephant road branch

3.14 Issuing chequebook:

There are three types of cheque book in the Janata Bank Ltd. ltd. those are:-

- Ten leaves cheque book: -Ten leaves cheque book use only for savings account.
- Twenty leaves cheque book: -Twenty leaves cheque book is use for current account.
- Fifty leaves cheque book: - Fifty leaves cheque book use for current account but this is provided those depositors who are loyal customer or those whose transaction has done randomly.

Chequebook issue to a new account holder:

New account holder has to fill up an application form, which is provided by JBL. After verifying depositor signature the authorized officer put branch seal and put his signature then date, name of the account holder, account number, cheque number are recorded in the register book. When all this function is successfully completed the client gets his chequebook and put his signature on the register book.

Chequebook issue to existing account holder:

When a existing deposit holder wants to withdraw a new cheque book then he should be give a requisition slip to the bank which he get from previous cheque book then authorized officer verifying deposit holder signature. After verifying signature authorized officer put breach seal, and his signature on new cheque book then date, name of account, account number, cheque no, are recorded in the register book then client get his cheque book and put his signature on the register book.

3.15 In the case of lost Chequebook:

It has been observed that when a cheque book has been lost by the account holder, the account holders have to give an application to the branch manager for providing a cheque book. After verifying sign he gets a cheque book.

3.16 Remittance:

Remittance means transfer of money from one place to another. It is one of the safest ways to transfer money from one place to another. Janata Bank Ltd. ltd has 91 branches so they have strong network through whole country and they can easily reemit money most of the districts with in the country.

For transferring money Janata Bank Ltd. offer different instruments such as:-

- *Telegraphic transfer (TT)*
- Pay order (PO)
- Demand draft (DD)

3.17 Telegraphic transfer (TT)

Telegraphic transfer (TT) is the quickest and self-way of transferring money from one destiny to another destiny. It is done by telephone massage, telex massage. The message is authenticated by prefixing of suffixing a cheque cipher. A cheque cipher for any remittance is worked out on test key table and a code block, which is allowed only authorized officer.

Elements of the test code for TT:

- *Code for name*
- Code for amount
- *Code for date*
- Code for branch

This test code is generally given by the authorized officer because it is confidential.

TT Sending

Requirements for sending TT: -

- Client should have account in National at Elephant road branch and sending place.
- Client should paid commission, VAT and telex charge

Procedure for sending TT:

When client want to transfer money from JBL, M.K. Road Corporate branch to JBL, to Agrabad branch then following ways he should follow: -

- At first collect TT form remittance division
- Deposit money in cash department, which he mentioned in TT form.
- Then client collect cost memo from remittance division, this cost memo works as evidence in favour of client.

The authorized officer put test code and registers it in the TT payment register book then authorized officer send massage to the Agrabad branch by telephone or telex. This massage contains Client account number, test number, amount.

Commission of TT:

- Up to 25000 commissions is 25 taka
- Above 25000, for every one thousand pay one taka as commission.

VAT: - 15% of commissions

Telex charge: - It is always 40 taka

3.18 In the case of advisor pay:

If authorized officer received TT massage for advisor pay the debit voucher is same and credit voucher has to be changed, which as follows: -

3.19 Pay order (PO)

Pay order is an order by an issuing branch or bank upon client for made payment of the amount mentioned there in that named pay on according to client order. Pay order issued only for local payment.

For issuing a PO, following formalities are to be maintained. These are:

- Duly filled up the application form by the customer
- Deposit money either in cash or by cheque with necessary charges
- Prepare the instrument and make necessary entries in the PO register where payees name, date, PO no and so are noted.
- Deliver the instrument to the customer after scrutinized and approved by authority by taking signature of the customer on counterpart.

3.20 Demand draft (DD)

Characteristics of demand draft (DD):

- It is drawn on one branch upon another branch of the same bank
- Its payment cans only that whose name is mentioned in the pay orders.

Commission:

Up to 25000 taka commission 25 taka

Above 25000 taka every one thousand carry 1 taka

VAT: - VAT is 15% of commission.

Clearing and Bills Department:

Cheque, pay order, demand draft, collection of amount of other banks on behalf of its customer is a basic function of a clearing department.

3.21 Clearing:

Clearing is a system by which a bank can collect customers fund from one bank to another bank through clearing house.

Clearing house:

Clearing house is a place where the representative of different banks gets together to receive and deliver cheque with another bank.

Normally Bangladesh bank performs the clearing house. Where there is no branch of Bangladesh bank so that Sonali bank performs this function.

Procedures for collection:

- *Putting the receive seal on the cheque.*
- Putting crossing seal on the cheque.
- "Payee's A/C credited" endorsement is given.
- Entry is given in the outward clearing register.
- Clearing seal is given
- Cheques are sorted bank wise and entries are given to the computer.
- Entries are given in the clearing house register before dispatching to the clearing house

After clearing process some instruments is made cleared and some instrument might be retuned. Then local principle office sends a credit advice and all instruments those have been the whole clearing process takes time three working days.

After receiving credit advice M.K. Road Corporate branch authorized officer has to respond on the "credit advice" (IBCA) send by local office. IBCA bears the documents of the total amount of instruments received by the local office from M.K. Road branch. IBCA has described that JBL M. K. Road branch general accounts have credited.

3.22 Return cheque

In the time of clearing process some instruments might be returned.

Reasons for cheque return or dishonoured

- *Insufficient fund*
- Nor arrange for
- Effect not cleared .may be presented
- Exceed arrangement
- Full cover not received
- Payment stopped by drawer
- Payee's endorsement irregular/ illegible/ required
- ...Payee's endorsement irregular required bank's conformation
- Drawer's signature differs/ required
- Alternation in date/ figure/ words require drawer's full signature.
- Cheque is past dated/ out of date/ multi date
- Amount in word and figure different
- Crossed cheque must be presented through bank
- Clearing stamp required/ requires cancellation
- Addition to bank discharge should be authenticated
- Cheque crossed" account payee's only"
- Collection bank's discharge irregular/ required

The dishonour cheque entry in the return register & the party is informed about it. Parties signature is required in the register to deliver the dishonour cheque.

If the cheque is dishonour due to insufficiency of funds then bank charges TK. 50 only as penalty.

3.23 Outward bill for collection (OBC)

When any cheque received by Janata Bank Ltd., M.K. Road corporate branch but it drawn on another bank or another branch of Janata Bank Ltd., which is situated outside of Dhaka city, then it must be OBC (other bank collection). How OBC function has done that given below at sequentially:-

- Give an endorsement seal on the backside of that cheque.
- Put OBC seal and BOC serial number

- Entry in the OBC register with OBC no, name of account, drawn on, cheque no, amount
- Send a forwarding letter with the cheque of that drawn bank. Following are given a format of forwarding letter:-
- Following a given a format of forwarding letter.

3.24 Accounts division

Accounts division is the most important for all banks. In accounts division maintain all types of accounting procedures of M.K.Road Corporate branch and support the branch to take different types of initiatives by providing various data and information.

Functions of Accounts division: -

- Prepare daily statement of affairs
- Give posting of voucher in computer.
- Maintain transfer book
- Prepare supplementary
- Prepare daily, weekly, monthly, and quarterly, half yearly and annual statement
- Reconciliation of CIBTA
- Prepare advice
- Prepare incomes and expenditures statement
- All administrative work
- When accounts officer receive any types of voucher then he has to identify whether it are
- Clearing
- Cash
- Transfer

Clearing

When accounts officer receive clearing voucher then he send it to the clearing division.

Cash

When accounts officer receive cash voucher then payment made by clients.

Transfer

When accounts officer receive transfer voucher that means this amount should be transfer one account head to another account head. In this case accounts officer register it in register book before computer posting. Before register this voucher in register book officer put a serial number that is register in register book. In transfer register book contains debit and credit side, particulars and amount.

End of banking hour accounts officer calculate the transferred amount and debit balance and credit balance should be equal and he make sure that the debit balance and credit balance of transfer, clearing and cash position should be same figure. Every day accounts division prepared daily statement affairs and send them to the every department.

3.25 Reconciliation

The reconciliation division collects all the CIBTA (Computerized Inter Bank Transaction Advice) related voucher. Foreign exchange division take some voucher which is related to their division and rest of the vouchers are supposed to make advice. Before written advice, accounts officer slotting those vouchers according to IBCA (Inter Branch Credit Advice) IBDA (Inter Branch Debit Advice) responding and originating wise. When all are complete then those are posting in computer and take a print of originating and responding sheet and make extract.

- ***Extract:*** *- extract needs to reconciliation all transaction between* M.K. Road Corporate branch and all other branch of JBL through IBCA and

IBDA. Extract are two types such as, Extract for originating and responding credit entries and extract for origination and debit entries.

3.26 Loan & Advance division:

Advance division is heart for any bank. A big portion of income of the Janata Bank Ltd. ltd is comes from this advance division. This income comes from different types of investment of depository money. Investment decision is the most important which is taken by the management of the Janata Bank Ltd. ltd. JBL advance division play a vital role for economical development.

JBL has an investment committee they are responsible following things: -

- To ensure the cash liquidity requirement and can this cash liquidity meet depositor requirement.
- To identify new investment portfolio and this is profitable for the Janata Bank Ltd..
- To examine bank's deposit, investment and identify their surplus money.
- They should be active for recovery their substandard, doubtful and bed loan.
- They should be take short-term investment but this investment return is comparably high.
- They should aware about market study and existing portfolio of investment.
- They should aware to identify new sources of investment.

Consideration factors for loan:

When Janata Bank Ltd. gives loan that time they should consider some factors, such as

- Safety
- Security
- Liquidity
- Adequate yield
- Diversity of risk

Safety:

Safety is the most important for sanctioning loan. At the time of repayment borrower may be unable to pay the loan amount. That's why when bank-sanctioning loan they have to take collateral security from the borrowers.

Security:

Banker should be aware in the selections of security for their loan. They should properly evaluate the value of security it should not less than or equal to loan Amount.

Liquidity:

When banker sanctioning any loan then they should ensure the liquidity position of Janata Bank Ltd.

Adequate yield:

Banker should select those investment which interest rate is higher then savings Interest rate.

Diversity of risk:

Bank should not invest in one or two sector. If it is happened then their investment risk is higher then market risk. Bank should maintain investment portfolios for reducing their risk. In this case when one investment makes loss another investment will cover that loss.

Types of loan:

By the nature of loans are three types. Following describe different types of loan are:-

Current loan:

Current loan is also called revolving credit. Current loan holder can withdraw or deposit money in his account in several times with in the loan period. If loan holder *wants to renew his loan amount then it can be done with the authorization of the bank.*

Current loan duration time is one year and interest is charged by quart lay basis. End of the duration period loan holder must have to pay loan amount with the interest.

Current loan is two types:

- *Cash credit* (CC)
- Security over draft (SOD)

Cash credit (CC):

Nature of cash credit: -

- Its duration is one year.
- Interest charged quarterly
- End of the duration loan holder must have to pay loan amount with interest rate.
- Risk fund and service charge is not needed for cash credit.
- Collateral security is essential for cash credit
- Cash credit is offer for those peoples whose need working capital or there is a shortage in their capital.

Secured over draft (SOD)

Nature of secured over draft (SOD): -

- SOD loan issue against FDR or Work order
- Duration of land is one year
- Bank issue letter of lies if loan is against FDR
- SOD loan is offering for those persons whose need money to meet his financial obligation.
- Secured over draft (SOD) loan are two types:
- SOD (G) against work order
- SOD Bid Bond.

SOD (G) against work order Sometimes SOD loan is issued against work order for complete the work. For issuing SOD loan remaining value of work is important and

this loan gives on the basis of bills receivable. When SOD issued against work order party gives the power of attorney for draw the cheques. SOD against work order loan involves three parties such as bank, loan holder, and work giver.

Bills receivable calculation following ways: -

{Total value of work- (17.5% of work value+ cheque receive)}= bills receivable.

Charge documents for SOD against work order: -

- *Promissory note (DP note)*
- Letter of arrangement
- Letter of continuity
- Letter of guarantee.

SOD (Bid Bond)

SOD (Bid Bond) is gives for those borrowers who want to participate any bid for collect work. In SOD Bid Bond payment is making by the pay order. If borrower gets that work then interest is charger of that amount. If borrower does not get that work then he deposit that amount which he has issued by pay order.

Charge documents for SOD (Bid Bond): -

- *Promissory note (DP note)*
- Letter of arrangement
- Letter of continuity
- Letter of guarantee.
- Letter of disbursement

SOD against FDR

Some times JBL give SOD loan against FDR. In this case the loan amount is 80% of FDR account. In SOD against FDR interest rate is 3% more then FDR interest rate. This loan is more secured then other types of loan. In the case of SOD loan against FDR party gives Power to the bank if borrower unable to pay loan amount then bank can withdrawn his loan amount from parties FDR account.

Charge documents for SOD against work order: -

- Promissory note (DP note)
- Letter of arrangement
- Letter of continuity
- Letter of attorney
- Letter of Lien

In this charge document describe that client arrange all the loan documents and he does not bound by Janata Bank Ltd. to take loan. Here he also promise that bank have right to cancel the loan facility at any time. In the even of the loan facility being cancelled by Janata Bank Ltd. client must be pay all dues together with all other charge.

- Letter of disbursement: -

By this charge document client request to the bank for disburse the loan amount credited to client accounts.

- Letter of continuity: -

In this charge document describe that client agree to continue loan until repayment of loan amount.

- Letter of hypothecation: -

Letter of hypothecation describe that bank will remain in force until closed by the bank and to be secured by goods to be hypothecated with the bank. Letter of hypothecation is an agreement between the borrowers and Janata Bank Ltd. for following factors: -

- Security
- Balance due to the date
- Borrowers not to encumber or past with the goods.
- Inspection
- Borrower to pay rent
- Insurance

- Margin
- Interest rate
- Repayment
- Sales of goods
- Letter of guarantee: - Letter of guarantee ensure that borrower give guarantee to the bank that he will pay all dues including other charges in due time.

Letter of lien:

It is ensure that borrower give guarantee to the bank he will repay all the dues including other charges. If borrower is unable to prepayment of loan amount then bank can debating borrower FDR account which is mention in loan application.

Letter of hypothecation (bills):

This charge document is use in import and export. This document ensure that bank and client negotiating any bill of exchange.

Counter guarantee:

This document ensure that client give counter guarantee on the letter of guarantee that borrowers will pay any claim of JBL.

Purpose of this charge document:

All these documents should be correctly is takes for the safety of JBL loans this documents works as a legal documents when documents or produce in the court. For effective documentation bank should be follows following steps: -

- Prepare a list of document
- Verify by the legal advisor.
- It document is more then one page then signature required for Every page.

- Eyewitness
- Date should correctly mention.

Phase thirteen:

Loan amount disburse after all required documents are filled by the borrowers.

Phase fourteen:

At last JBL should be monitor borrower account and repayment nature.

Payment procedure:

In the case of current loan interest is calculate by the basis of product such as: -

Product = outstanding balance * no of days

*Interest= (product * interest rate)/360*

Consumer credit scheme (CCS)

Janata Bank Ltd. offers consumer credit scheme to the consumers to buy different household items. Now consumers can easily purchase different items such as TV, VCR, PC, Washing machine, car etc on instalment basis by taking CCS loan from Janata Bank Ltd. ltd.

Charge documents for CCS loan:

Promissory note (DP note)

- Letter of arrangement
- Letter of undertaking to pay monthly instalments under CCS
- Letter of hypothecation
- Letter of disbursement
- Personal grantee of borrower.

Employees house building loan (EHBL)

The employee of JBL can take house-building loan from bank but the range of loan amount depends on person's designations. Simple interest rate is charge on employee's house building loan and interest rate is 8%.

House building loan (HBL)

Janata Bank Ltd. provide house-building loan for their target groups. In the case of HBL interest rate is 14.5%. For HBL loan bank keep land as a collateral security for their safety.

Foreign Exchange Department:

Foreign exchange is the means and methods by which rights to wealth in a country's currency are converted into rights to wealth in another country's currency. There are three kinds of foreign exchange transaction.

1. Import
2. Export
3. Remittance

According to import and export control Act, 1950, the office of Chief controller of import export provides the registration (IRC) to the importer. In an international business buyers and sellers are unknown to each other. So seller always seeks to security for the payment of his exported goods. Bank gives guaranty to the exporter that it will pay if buyer does not pay. This guaranty is called 'Letter of credit'. This is the contract between importer and exporter, which is legal shape by the bank.

Parties to the L/C:

Importer: who applies for the L/C?

Issuing bank: Which open L/C on behalf importer?

Confirming bank: the bank, which adds its confirmation to the credit and it, is done at the request of issuing bank.

Advising bank: The bank is situated in exporter's country.

Negotiating bank: This is the bank, which negotiates the bills and pays the amount of the beneficiary. The advising and beneficiary bank may or may not same.

Accepting bank: It is the bank, which the bill will be drowned.

Reimbursing bank:

It is the bank would reimburse the negotiating bank after getting payment.

Steps for L/C operation:

Registration with CCI&E:

- For engaging in international trade every trader must be registered with the Chief controller of importer & exporter.
- By paying specified registration fees to the CCI&E the trader will get IRC/ERC (import/export registration certificate) to open L/C with a bank.

Determination of terms and credit:

The terms of the letter of credit are depending upon the contract between importer and exporter. The terms of credit specify the amount of credit, name, and address mode of shipment and destination, nature of credit, expiry date and so on.

Proposal for opening of L/C:

The proposal contains the following particular

- The bank account
- Nature of the business
- Required amount of limit
- Payment terms and condition
- Goods to be imported
- Offered security
- Repayment schedule

Submit an application of opening a L/C:

For opening **L/C** the importer is required to fill up a prescribed application form provided by the banker.

Opening a L/C by the bank:

- ❖ Receive filled up application form
- ❖ Collects credit report of exporter
- ❖ Bank then issues credit by air mail/SWIFT followed by L/C advise as asked by the opener through his foreign corresponded.

Shipment of goods and lodgement of document by exporter:

- ❖ Then exporter sends the goods to the importer's country
- ❖ Sends the documents to the L/C opening bank through his negotiating bank. Generally the following documents are sent to the opening banker with L/C

1. Bill of exchange
2. Bill of loading
3. Commercial invoice
4. Certification of origin
5. Packing list
6. Advice details of shipment
7. Vessel particulars
8. Shipment certificate

Janata Bank Ltd. (M.K. Road Corporate Branch,Jessore.)

***Operation of* M.K Road Corporate Branch**

The Operations of M.K. Corporate Road Branch are performed under several functional departments. Functions of all departments are briefly mentioned are as follows:

1. Job design
2. Job rotation
3. report on employees performance for increments
4. Prepare leave plan
5. Monitor overall banking functions
6. Preparation of daily statement

7. Preparation of supplementary
8. Transfer of all transaction for adjusting
9. Maintain and adjust all branches accounts
10. Preparation of monthly and quarterly statements to head office and Bangladesh Bank
11. All dealing with reconciliation report

3.28 Ratio Analysis

The Bank performance Evaluation entails interactions between the environment, internal operation, and external activities. The prime object of management is to maximize the value of the banks equity shares by making an operational risk-return trade off. Realising this bank management usually develops a comprehensive plan in order to define objectives, goals, budgets, and strategies that will be consistent with the maximization of the share value. Financial ratios comprising accounting items present a historical configuration of bank returns and risk.

3.29 Analysing Bank performance with financial ratio:

Financial are constructed by forming ratios of accounting data contained in the bank's Reports of income (i.e. profit & loss) and condition (i.e. balance sheet). Ratio analysis is a powerful tool of financial analysis. A ratio is defined as "the indicated quotient of two mathematical expressions" and as" the relationship between two or more things". In financial analysis, a ratio is used as a benchmark for evaluation the financial position and performance of a bank. A wide variety of financial ratios can be calculated to assess different characteristics of financial performance. To evaluate a financial ratio for a bank, comparison with peer group banks are also used. Also, it is beneficial to track the ratio over time relative to other banks. Even without comparison with other bank, ratio trends over time may provide valuable information about the bank performance. The ratios commonly used by bank analysis to evaluate different dimensions of financial performances of a bank are given below:

3.30 Profitability Analysis:

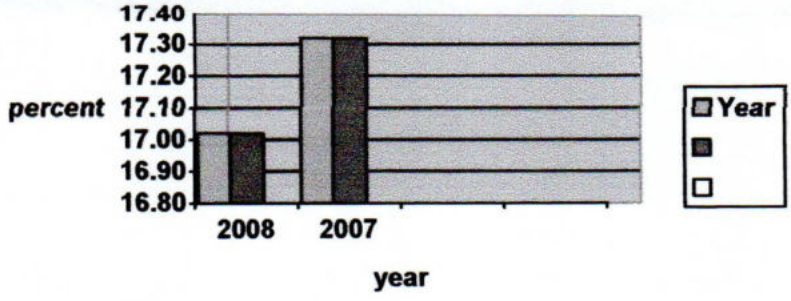
To measure the performance of the bank it is important to measure some of the ratios to get a clear picture about the bank activities. Some of the important ratios are Return on investments (ROI), Return on Equity (ROE), Profit Margin and Asset Utilization ratio.

Table:

Ratios	2008	2007
Current Ratio	1.10%	1.16%
Assets Turnover (ROA)	2.22%	2.09%
Profit Margin	17.02%	17.32%
ROI	8.25%	6.62%
ROE	43.85%	27.44%
Debt Equity	81.92%	79.83%

3.31 Profit Margin Ratio:

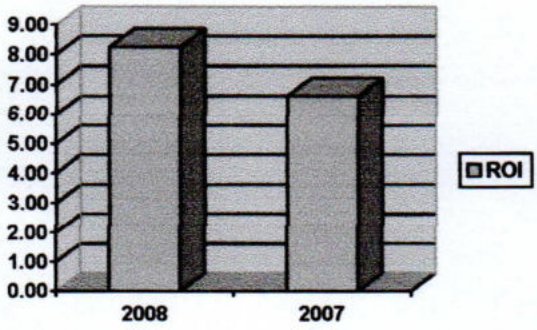
The profit margin ratio gives some ingredients to judge the ability of management to control expenses, including taxes, given a particular level of operating income.



If profit margin of a bank increase then stability of bank increases. Here JBL profit margin of 2008 slightly lower than that of 2007. Only 0.3% decreases profit margin than the previous year, it is not so harmful. This may cause due to the decrease of evaluation of taka against dollar and delinquency of loan.

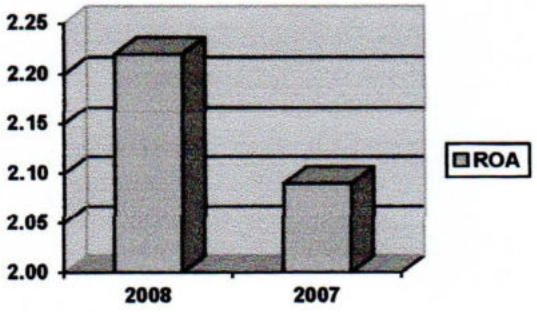
3.32 Rate of Return on Investment (ROI)

The Rate of Return of Investment is frequently used to evaluate bank management. The ROI measures the ability of management to utilize the real and financial resources of the bank to generate returns. It indicates net income per taka of total investments owned during the period.



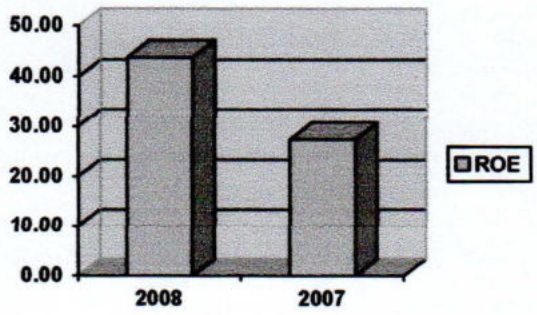
3.33 Rate of Return on Assets (ROA)

The rate of return of assets is frequently used to evaluate bank management. The ROA measures the ability of management to utilize the real and financial resources of the bank to generate returns. It indicates net income per taka of total assets during the period.



3.34 Rate of Return on Equity (ROE)

The rate of return on equity is considered as well as judgement in analyzing a bank's financial health. ROE shows what contribution the equity capital on net income. It measures the percentage return on each dollar of stockholders equity is the aggregate return to stockholders before disbursing dividends.



Higher the return, better the condition, as bank can add more to retained earnings and pay more In cash dividends when profits are higher.

3.35 Foreign Exchange

The import and export trade of our country is regulated by Chief Controller of Import and Export (CCI&E). No person who has been granted registration by the CCI&E shall indent, import or export any thing into or out of Bangladesh except in cases of exemption issued by the government.

Business person in our country can import product from another country, for this transaction they transfer Letter of Credit. In this part we will discuss about import procedure as general basis because this procedure is accepted world wide.

Letter of Credit:

Letter of credit is a written undertaking issued a bank (Guaranteeing payment) at the request of buyer (Importer) to the seller (Exporter) to pay at sight or a determined future date, up to a stated sum of money, within a prescribed validity of the instrument (L/C) and against stipulated shipping documents.

There are different types of L/C:

Circular letter of credit: It is issued by a bank at the request of this customer for availing credit facility from beneficiary or draws his traveling expenses from banks in different places. But with the introduction of Travelers Cheques and Credit Card, issuing of circular L/C is now outdated.

Revocable credit:

It is credit, which can be revoked or cancelled at any time without the consent or notice of the beneficiary.

Irrevocable credit: This credit cannot be revoked, revised or amended/ changed without the consent of all the parties i.e. the buyer, seller, issuing bank and confirming/ advising bank.

Red-clause or packing credits: Which bears an endorsement by opening bank on the credits in "Red-Ink" a clause authorizing the confirming or negotiating bank to pay the beneficiary against his drafts alone coupled with his simple promise to provide the documents in future. "Packing" because the merchandise bought in the interior is shipped to the ocean port, assembled and packed for over as shipment. Subsequently, bank can reimburse the amount by negotiating the shipping documents plus interest accrued.

Revolving credit:

An L/C can be revolving credit provided the wording will permit the amounts of drawings to be again available to the beneficiary within the validity period. Clause of opening bank to advising bank. The amount paid under this credit become available to you upon your receiving from us advice to this effect. The amounts paid under this credit are again available to you automatically until the total of the payments reaches a fixed amount. L/C opening branch doesn't need to get permission from HO to open L/C each time if it is in the limit.

Stand by letter of credit: It is a contractual agreement between one bank to another or a bank to its customers to provide agreed amount of funds as per arrangements set in the agreement. Applicable only in case of subsidiaries of a bank abroad when they like to borrow from others in that country since Parents Company is restricted by the law of the land to issue guarantee for its subsidiary company.

Participants of L/C opening:

Importer: A company can import finished goods or purchase raw materials to produce the product.

Exporter/ Beneficiary:

Those who supply raw material or finished goods.

Issuing bank:

L/C opening bank is called issuing bank or L/C opening bank. Some time issuing bank also does the work of advising.

Advising bank:

Advising bank will receive the L/ C and send it to exporter or negotiating bank

Reimbursement bank: Issuing bank can pay to the negotiating directly or through reimbursement bank. In this bank, issuing bank has an account, which is called "a/c. in this a/c issuing bank deposit required amount for L/ C payment.

Add confirmation:

Supplier may want to receive payment from a specified and reputed organization through that bank they will collect their payment.

Syndicate financing: It may be difficult for a small bank to finance for a big amount of L/C. In this, few banks may finance circumstances L/C.

Indenter:

An exporter may have an agent in the importing country. Then they do all process and they send "Indent" to the importer. Indent includes all information required by importer as types of product, price, quantity, shipment date, negotiating bank etc.

Import procedure:

At the request of the buyer, issuing bank opens L/C on behalf of importer. Advising bank in the seller's/ exporter's country advice L/C to the beneficiary. The issuing bank may also request advising bank to confirm the credit.

The advising bank will advise/ inform the exporter that the L/C has been issued.

As soon as the seller/ exporter receive L/C and are satisfied with the terms and conditions, they take initiative for shipment of goods.

After making shipment, the exporter submits documents to negotiating bank for negotiation along with L/C copy.

Negotiating bank scrutinizes the documents and if satisfied, then they send the documents with forwarding letter to the L/C opening bank.

After receiving documents, the opening bank checks the documents and if no discrepancy is found, makes payment directly to the negotiating bank or through reimbursement bank.

Required documents for L/C opening:

A request letter for L/C opening with margin, amount of product and total cost IRC (Import Registration Certificate): It is issued by CCI&E, which will certify that the company has included itself as an importer.

TIN (Tax Identification No): Company gives their tax regularly or not, this information will be known from tax identification no.

Pro-forma invoice/ Indent: Three copies duly accepted. Exporter sends "Performa Invoice" to the importer, which contains types of product, price, quality, shipment date, negotiating bank etc.

Insurance cover note: An insurance company must insure imported product.

VAT registration: Whether company submit VAT on their product or not.

Trade license: A valid trade license if expiry date is over they must renew it. Membership certificate by Chamber of Commerce & Industry or Register trade association.

L/ C application (Provided by bank)

LCA form (L/C authorization form)

IMP form (Import permission): It is issued by CCI&E which will identify whether the product is authorized to import or not.

Banker's solvency certificate

Approval of Drug Administration in case of importing pharmaceutical raw material and packing materials etc.

Banker will consider following documents to open a L/ C:

Proper assessment of applicant's credit worthiness, integrity, past performance etc.

3.36 Findings

SWOT Analysis:

Strengths:

- Name recognition within the community
- Large customer base
- Community involvement/increasing presence in the market
- Management knowledge of industry

- Financial condition: Strong capital and asset quality
- Regulatory performance is strong and positive
- Fine environment in side of the branch
- Co-ordination and co-operation among the staff
- Attractive Location
- Old Bank so greater reliance to customer

Weaknesses:

- Lack of technological resources as well as Internet banking
- Lack of knowledge of customer profile
- Insufficient focus on quality customer service and mortgage banking
- Overall market share needs to grow Opportunities:
- Cross-selling existing customers
- Growth in commercial business
- Increase market share through growth of loan portfolio
- Increased presence by means of additional ATMs
- Niche markets (under-served ethnic markets, bank at work, etc.)
- Enhanced business development in all product areas and promotion of those products
- Strategic marketing towards customers of large merging banks
- Attracting candidates for acquisition over the next few years
- Potential market for internet banking
- Insurance products
- Initiation of concept of Firs generation Banking

Opportunities:

- Regulatory environment favouring public sector.
- Development.

Threats:

- Strong community bank competition Non-bank competition
- Inefficiencies within the operations of the bank
- Possibilities of more stringent regulations
- Lack of appeal to younger, Student, affluent potential customers
- Political instability of the country
- Lack of Flexibility to adopt to any change
- The continuing increase in non-bank competitors offering similar services.
- Continued deregulation and globalization of services.
- Increased technological innovation and technology costs in order to compete effectively.
- How to differentiate and appropriately price services such as origination, structuring and administration.
- Consistent risk pricing and Basle Committee capital requirements for credit risk.

From the above discuss we can say that Janata Bank Ltd. is one of the largest public Bank of the country, and M.K.Road Corporate Branch is the Important Branch of this Bank. Overall Performance of M.K. Road Corporate Branch is satisfactory. But to face challenges of Globalization Janata Bank Ltd. Ltd. should to restructure its operation to improve as a first generation bank.

Chapter 4

RECOMMENDATION

CHAPTER 4

RECOMMENDATION

Recommendation:

As an internee it's difficult for me to give any recommendation with my little working experience but I have tried as my best to give best recommendations above shortcomings (its may be or may not be suitable for JBL.

- JBL can change their working environment by creating positive attitude to their employees & they should change their interior decoration
- JBL should give more freedom to their branches for taking decisions & their head office should take decisions more quickly
- JBL should build separate loan recovery division if it happen then their classified loan amount will reduce and they can invest more
- JBL should go through the on line banking as early as possible for better service to the customer
- JBL should increase own investment in different sectors as like Islamic bank limited if they can increase their own investment then their cost of capital will reduce
- JBL human resource department should train their employees with computer knowledge & their HRD should arrange training program frequently a JBL management should take decision more quickly
- JBL should use group incentives so that employee can share their experiences & strength & can work smoothly
- Their statement should be computerized which is cost effective & safe
- They should increase promotional campaign & they should participate in social activities for creating good image in target customer mind.

JBL should give the quick services to the customer by the help of modern technology.

Chapter 5

CONCLUSION & REFERENCES

CHAPTER 5

CONCLUSION

It would not be appropriate to draw any definite conclusion right now. So the result of the study should be taken as indicative rather than conclusive.

In thereport, it is found that the branch provides all the conventional banking services as well as some specialized financing activities to the economy.

General Banking is engaged in cash receipt and payment, Cheque clearing, local remittance etc. The amount of deposit in M.K. Road Corporate branch is very high because the area is big business area of Jessore.

Loans and Advance department analyses the credit proposal and disburse credit if the proposal is sound. As specialized financing, it provides term finance to medium and small-scale industries.

Foreign Exchange department of this branch is very efficient. Every day, this branch opens a lot of L/Cs. The Senior Principle Officer, Senior Officer of this department is sound. They can handle the work excellently.

Thus by providing these various services the M. K. Road Corporate branch of Janata Bank Ltd. is playing an important role in the banking system and in the payment system of Bangladesh.

Janata Bank Limited
Balance Sheet
as at 31 December 2010

PROPERTY AND ASSETS	Note	2010 Taka	Dec' 31.2009 Taka (Re-Stated)*	Jan'01. 2009 Taka
Cash	3			
Cash in hand (including foreign currencies)		4,126,838,534	3,611,730,895	4,036,224,616
Balance with Bangladesh Bank and it's agent bank(s) (including foreign currencies)		13,470,754,109	12,920,117,768	12,490,948,085
		17,597,592,643	16,531,848,663	16,527,172,701
Balance with other banks and financial institutions	4			
In Bangladesh		1,955,393,176	2,215,123,115	3,523,399,750
Outside Bangladesh		4,211,898,340	1,908,304,371	2,456,393,565
		6,167,291,516	4,123,427,486	5,979,793,315
Money at call on short notice	5	3,607,144,341	5,733,529,807	7,088,744,458
Investments	6			
Government		52,365,407,137	70,617,630,895	57,255,466,440
Others		5,148,595,610	1,915,572,787	568,059,547
		57,514,002,747	72,533,203,682	57,823,525,987
Loans and advances	7			
Loans, cash credit, overdrafts, etc.		201,992,193,398	157,540,717,889	137,184,639,985
Bills purchased and discounted		23,740,013,131	8,818,767,730	7,493,543,403
		225,732,206,529	166,359,485,619	144,678,183,388
Fixed assets including premises, furniture and fixture	8	6,299,906,482	2,685,195,290	2,446,425,915
Other assets	9	28,315,781,897	26,960,467,708	30,682,473,480
Non-banking assets		-	-	-
TOTAL PROPERTY AND ASSETS		345,233,928,155	294,727,158,255	265,226,319,244
LIABILITIES AND CAPITAL				
Liabilities				
Borrowings from other banks, financial institutions and agents	10	50,488,931	31,565,952	587,633
Deposits and other accounts	11			
Current accounts and other accounts		51,538,944,043	49,424,716,702	42,563,114,833
Bills payable		3,238,018,927	2,604,256,004	2,433,587,338
Savings bank deposits		82,657,203,480	72,351,530,297	68,045,122,155
Fixed deposits		149,132,723,984	121,794,543,476	108,293,926,408
Bearer certificates of deposits		-	-	-
Other deposits		-	-	-
		286,566,890,434	246,175,046,479	221,335,750,734
Other liabilities	12	38,226,221,808	33,595,800,525	36,758,590,982
Total liabilities		324,843,601,173	279,802,412,956	258,094,929,349
Capital/shareholder's equity				
Paid-up capital	13.2	5,000,000,000	5,000,000,000	2,593,900,000
Statutory reserve	14	4,187,614,331	2,623,234,587	1,491,956,374
Legal reserve	15	62,678,337	52,892,954	44,946,031
Assets revaluation reserves	16 (i)	4,251,013,927	1,476,203,820	1,497,793,563
Foreign investment revaluation reserves	16(ii)	115,800,000	115,800,000	115,800,000
Revaluation reserve for HTM	16 (iii)	367,649,079	269,376,532	168,726,898
Revaluation reserve for HFT	16(iv)	1,238,393,681	3,668,437,453	310,084,893
Surplus in profit/(loss) account	17	5,167,177,626	1,718,799,953	908,182,136
Total shareholders' equity		20,390,326,982	14,924,745,299	7,131,389,895
TOTAL LIABILITIES & SHARE HOLDERS' EQUITY		345,233,928,155	294,727,158,255	265,226,319,244

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ABBREVIATIONS

MBA	: Master of Business Administration
HSTU	: Hajee Mohammad Danesh Science and Technology University
JBL	: janata Bank Limited
SWOT	: Strength, Weakness, Opportunity, and Threat
MSS	: Monthly Savings Scheme
MBS	: Monthly Benefit Scheme
TIN	: Tax Identification Number
STD	: Short Term Deposit
SDS	: Short Deposit Scheme
TT	: Telegraphic Transfer
PO	: Pay Order
DD	: Demand Draft
OBC	: Outward Bills for Collection
CC	: Cash Deposit
SOD	: security Over Draft
CCS	: Consumer Credit scheme
HBL	: House Building Loan
SME	: Short and Medium Enterprise
DPS	: Deposit Pension Scheme
TT	: Telegraphic Transfer