

AN INTERNSHIP REPORT
ON
“General Banking Activities of Janata Bank
Limited, Dhakeshwari Branch, Dhaka-1000”

SUBMITTED BY

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Master of Business Administration (Evening)

*(This report has been prepared for submission into the Faculty of
Postgraduate Studies, Hajee Mohammad Danesh Science &
Technology University, Dinajpur, as a partial requirement for
fulfillment of the MBA (Evening) Program*



FACULTY OF BUSINESS STUDIES
HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY
UNIVERSITY, DINAJPUR-5200

OCTOBER, 2016

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ON

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(EVENING)



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OCTOBER, 2016

Letter of Transmittal



20 October, 2016

Sourav Paul Chowdhury

Assistant Professor

Department of Management

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Subject: Submission of the internship report.

Dear Sir,

With due respect and humble submission, I would like to inform you that, it is a great pleasure for me to submit this report on "General Banking Activities of Janata Bank Limited, Dhakeshwari Branch, Dhaka-1000". As a requirement for M.B.A (Evening) program. During preparing this report, I have gather extended knowledge on working procedure of credit & loan and advance section of Janata Bank Limited. I also got an in-depth understanding and experience, working with their banking activities at Janata Bank Ltd (Dhakeshwari Branch).

It was my great pleasure & honor that I got the opportunity, working with them.

Sincerely Yours

.....

Md. Zahangir Alam

Student ID: E140503038, 3rd Batch

M.B.A (Evening) Major in Finance

HSTU, Dinajpur.

Student's Declaration



I hereby declare that the report of internship "General Banking Activities of Janata Bank Limited, Dhakeshwari Branch, Dhaka-1000" by me after the completing of 90 days internship with Janata Bank Limited at Dhakeshwari Branch and a comprehensive study of General Banking Activities of Janata Bank Limited and its implementation.

I also declare that this paper is my original worked and prepared for academic purpose which is a part of M.B.A (Evening) and the paper may not be used in actual market scenario.

Md. Zahangir Alam
Student ID: E140503038, 3rd Batch
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Supervisor's Declaration



I hereby declare that the concerned report "General Banking Activities of Janata Bank Limited, Dhakeshwari Branch, Dhaka-1000" is an original work by Md. Zahangir Alam, M.B.A (Evening), Major in Finance, Student ID: E140503038, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, completed his internship under my supervision and submitted for the fulfillment of the requirement of the degree of Master of Business Administration (M.B.A.) Evening, (Major in Finance) at HSTU, Dinajpur.

Sourav Paul Chowdhury
Assistant Professor & Supervisor
Department of Management
HSTU, Dinajpur.

Co-Supervisor's Declaration



I hereby declare that the concerned report "General Banking Activities of Janata Bank Limited, Dhakeshwari Branch, Dhaka-1000" is an original work by Md. Zahangir Alam, M.B.A (Evening), Major in Finance, Student ID: E140503038, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, completed his internship under my supervision and submitted for the fulfillment of the requirement of the degree of Master of Business Administration (M.B.A.) Evening, (Major in Finance) at HSTU, Dinajpur.

Rafia Akhtar
Associate Professor & Co-Supervisor
Department of Management
HSTU, Dinajpur.

Acknowledgement



At the very beginning, I would like to express my deepest gratitude to Almighty Allah for giving me the strength and composure to finish the task within the schedule time. Internship program is an integral part of M.B.A. (Evening) degree. Every M.B.A (Evening) student is being placed into different organization to learn something within the pre-stipulated time by observing their organizational daily practices. In this regard my internship was arranged at Janata Bank Limited, Dhakeshwari Branch at Dhaka-1000. With deliberate counseling of my intern supervisor Sourav Paul Chowdhury, Assistant Professor, Department of Management, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur.

I am also grateful to my honorable co-supervisor Rafia Akhtar, Associate Professor, Department of Management, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur for her important suggestions and co-operation for prepare this report. 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, Hajee Mohammad Danesh Science and Technology University, Dinajpur for giving me an opportunity to complete my MBA (Evening) degree and give me a scope to gather practical experience and enrich my knowledge.

May Allah bless all of them.

Author

Executive Summary



The report has been prepared based on primary and secondary data collected from the different JBL Officials of Dhakeshwari Branch and the experience gathered by myself during my working tenure in this Bank. The key parts of the report are credit risk and credit management, principles of sound lending, recovery of classified loans and advances, present credit position of JBL, performances evaluation, problem identification and recommendations. The discussion in the report discloses some problems and I tried my best to recommend some ways according to me as well as the employees of different banks and creditors and depositors. The credit risk management process of Janata Bank Limited is quite commendable. Systematic and timely monitoring and appropriate documentation are tried to be maintained. Customer satisfaction level is quite good. Informal conversation with some customers reveals that they approve the credit evaluation and management process of Janata Bank Ltd. Filing procedure is not maintained in a definite and clear manner. It is difficult to locate the documents in a chronological and sequential manner. A definite practice, though mentioned in the credit policy is not always maintained by the credit officials. In the light of the above findings, some recommendations are proposed such as An uninterrupted network system has to be ensured. It will save the officials from much hassle and will save time. The credit sanction procedure should be made quicker since competition is very hard in today's business world. People do not want to wait for three to four weeks on an average to get a loan which is even protected by security. The limitations of the study are include as The credit policies and manuals of JBL are of confidential nature and thus it is difficult to collect the necessary literature and documents within this short time. The bank officials though helpful in every respect do not have much time to explain the internal procedures.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Banking has a long and rich history. It started as a result of people's need. And with ages it has been playing an important role in fulfilling the dire needs of businessmen and others. As the size and complexities of business is increasing day by day banking sector is also providing various innovative services with basic functions to increase size but to reduce the complexities.

Modern banking is a result of evolution driven by changing economic activities and life styles. Entering in to a new millennium, banking needs have become more diverse and exotic than ever before. It is known now that commercial bank is a profit maximizing institution. Hence it should provide loans to those sectors in which its return is higher. But the nationalized commercial banks are conducting banking business with different purposes. The main purpose is not just to make profit but also to maximize the social benefit. The main functions of commercial banks are as follows:

A commercial bank collects and manages deposits. It provides cheque facilities and interests for its customer deposits which may be either demand or time deposits of different maturity.

A commercial bank extends credit to a great variety of borrowers through loans as well as by purchasing securities that are either fully or partly financed by commercial banks.

Commercial banks provide a variety of other services to their customers as for example remittance facilities, credit information about customers, financial advice, collection of debts and dues etc.

Banks also provide a number of trust services to their customers. These

services may either corporate trust services, which arise in connection with the issue of bonds; personal trust services under which they manage property on behalf of their clients or corporate pension funds that provide retirement benefit for their employees.

1.2 Origin of the Study

This report has been prepared as a part of the internship program, which is an integral part of the BBA Program. Under this program a student has to take a total of 128 credits. A student has to take a 3-month internship program to an organization. This will give a practical orientation of his/her theoretical study. After completion of the program she/he has to submit an internship report to the department and defend the report. So this report is originated as part of the course requirement of the BBA program.

This report on "General Banking System of Janata Bank Limited" was assigned by academic supervisor Sourav Paul Chowdhury, Assistant Professor, Department of Management, HSTU, Dinajpur.

1.3 Statement of the Problem

Janata Bank Ltd. is one of the largest commercial banks, which plays a vital role in the economic development of the nation through saving and credit. It diverts and allocates the funds in all over the country, which are aimed to develop country's economy and add national wealth.

This study answers the following questions:

What are the necessary documents to open an account? How different types of accounts are opened?

How different types of accounts are closed? How DD, TT, PO are issued and cancelled?

1.4 Objectives of the Study

The objectives of the study are as follows:

1. To reveal the general banking activities of Janata Bank Limited, Dhakeshwari Branch, Dhaka
2. To find out the problems (if any) relating to the general banking activities of Janata Bank Limited, Dhakeshwari Branch, Dhaka-1000
3. To recommend some suggestions based on findings

1.5 Methodology of the Study

The methodology of the study has been designed in the following ways:

1. Data Sources

- (a) Primary Sources
- (b) Secondary Sources

2. Data Collection Methods

The primary data has been collected in the following ways:

Direct communication with clients Sharing the experience and knowledge of my colleagues.

The secondary data has been collected in the following ways:

Annual report of Janata Bank Ltd. Web site of Janata Bank Ltd.

3. Data Analysis Technique

After collecting the data, it was analyzed by Microsoft word. Then the findings were made. Based on the findings, the present situation was explained and recommendation was made.

1.6 Limitations of the Study

The present study was not out of limitations. But as an internee it was a great opportunity for me to know the banking activities in Bangladesh - especially of Janata Bank. Some constraints are appended bellow:

Lack of Information or Data: Adequate and in-depth well-organized information is not available for access. Though the officials tried to assist, sometimes their working pressure couldn't give me proper assistance what I needed. There is some information which need special permission from top level is not always achievable.

Time Constraint: It is something like impossible to cover the entire Overall Banking Performance and performance phenomena exploiting a three month time period while an employee or an officer is awarded with one or two year probationary period to do his or her particular job.

Secrecy of Information: Some of the information needed to explore the current marker scenario of the company was not disclosed.

Comparison Status: I have had no opportunity to compare the foreign exchange banking system of the Janata Bank with that of other contemporary and common size banks. I had compared the banks that information is available. It was mainly because of the shortage of time and internship nature.

Lack of Experience: Though I have prepared many reports before, I had no experience of internship. So inexperience is one of the main constraints of the study.

CHAPTER 2

COMPANY PROFILE

2.1 Background

Janata Bank, one of the largest commercial bank in the country, was established under Bangladesh Bank (Nationalization) Order 1972 (Presidency Order of 1972). By taking over branches of former United Bank Limited and Union Bank Limited, were two private banks performing class banking over the country. After the birth of Bangladesh on 16th December 1971, newly formed Janata Bank for mass banking got special facilities from the government to work as nationalized commercial bank all over the country. With the increase of responsibility and by virtue of performance within a few years, it becomes the largest commercial bank of the country with 872 branches including 4 overseas branches at United Arab Emirates. It is linked with 1202 foreign correspondents all over the world.

2.2 Corporate Information

Name of the Company	: Janata Bank Limited
CEO & Managing Director	: S.M. Aminur Rahman
Legal Status	: Public Limited Company
Registered Office	: Janata bhaban 110, Motijheel Commercial Area, Dhaka, Bangladesh
Authorized Capital million),	: Tk. 20000 million (approx. US\$ 289.85
Paid up Capital	: Tk. 5000.00 million,
Reserve	: Tk.8202.00 million
Total asset 2009)	: Tk. 282423.00 million (as on 30 th Nov

Number of Branches : 872 br. including 4 overseas branches at U.A.E

Phone Number : 9551337, 9565384, 9567675, 9560000, 9560027-

30, 95556245-49

Website : www.janatabank-bd.com

2.3 Awards

Recently The Bank has been recognized internationally and domestically for it's good performance.

International Award -"World's Best Bank Award-2009 in Bangladesh

Janata Bank Limited was awarded Best Bank-Bangladesh in the Global Finance, World's Best Bank Awards, 2009 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Strategic relationships, Customer Service, Competitive pricing and innovative products.

International Award -"World's Best Bank Award-2008 in Bangladesh

Janata Bank Limited was awarded Best Bank-Bangladesh in the Global Finance, World's Best Bank Awards, 2008 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Strategic relationships, Customer Service, Competitive pricing and innovative products.

International Award -"World's Best Bank Award-2007 in Bangladesh

Janata Bank Limited was awarded Best Bank-Bangladesh in the Global

Finance, World's Best Bank Awards, 2007 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Customer Service, Product innovation and Advanced Technology.

International Award -"World's Best Bank Award-2006 in Bangladesh

Janata Bank Limited was awarded Best Bank-Bangladesh in the Global Finance, World's Best Bank Awards, 2006 by New York based Financial Magazine "Global Finance". "Global Finance" has identified winning banks based on number of criteria including growth in Assets, Profitability, Customer Service, Product innovation and Advanced Technology.

Besides the above mentioned awards, Janata Bank has achieved numerous awards from the beginning of its establishment.

2.4 Management

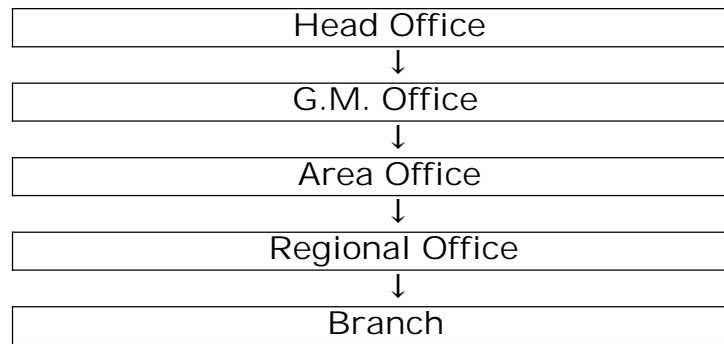
The management of the bank is vested on a Board of Directors, subject to overall supervision and directions on policy matters by the board that is constituted in terms of Bangladesh Bank (Nationalization) Order 1972. Board of Directors, constituted by 13 (Thirteen) members, has authority to organize, operate and manage its affairs on commercial consideration within the Board Policy of government. There are directors appointed by the government. Other members of the Board including M.D are also government appointed out of that at least three have the experience in the field of Finance, Banking, Trade, Commerce, Industry and Agriculture. The managing director is the chief Executive of Bank.

2.5 Organization

Janata Bank is the largest commercial bank of the country. It has 860 branches through out the country and abroad to serve the nation. There

are 4 overseas branches at U.A.E. The Head Office of the bank is located at Janata bhaban 110 Motijheel C/A, Dhaka. It has 15 GM, 77 DGM 192 AGM, 576 First AGM, 1037 SEO, 3085 EO and 460 AEO. Principal Offices are headed by First AGM and each department is headed by AGM.

Figure: 2.1 Functional Hierarchies



2.5.1 Corporate Profile

Janata Bank Limited

Corporate Profile

As on 23.09.2014

Genesis	Janata Bank Limited, the 2nd largest State Owned Commercial Bank (SCB) in Bangladesh, is playing pivotal role in overall financial activities of the country. The Bank emerged as 'Janata Bank' by combining the erstwhile United Bank Limited and Union Bank Limited under the Banks Nationalization Order (President's Order 26) of 1972 and was restructured as a limited company in November, 2007. Since inception in 1972 the Bank has commendably contributed to the socio-economic development of Bangladesh and helped structuring solid financial ground of the country as well. Janata Bank runs its business with 900 branches across the country including 4 overseas branches in United Arab Emirates.
Legal Status	Public Limited Company(governed by the Bank Companies Act 1991)
Chairman	Professor Dr. Abul Barkat
Managing Director & CEO (Current Charge)	Omar Farooque
Company Secretary Registered Office	Md. Mosaddake-UI-Alam Janata Bhaban, 110, Motijheel Commercial Area, Dhaka-1000, Bangladesh.

Authorized Capital (31.12.2013)	BDT. 20,000 Million.
Paid up Capital (31.12.2013)	BDT. 19,140 Million.
Operating Profit (31.12.2013)	BDT. 12,127 Million.
Credit Rating	By Alpha Credit Rating Limited (On the basis of Audited Balance Sheet- 2012,2011,2010,2009 & Other Information) Rating Mode Long Term Short Term Government Support AAA AR-1 Without Government Support A+ AR-2 Outlook Stable Date of Rating 19 September' 2013 Expiry Date 18 September' 2014
Employees (31.12.2013)	15485
Branches	900
Subsidiary Companies	1. Janata Capital and Investment Company Limited 2. Janata Exchange Company SRL, Italy
Phone PABX	9560000, 9566020, 9556245-49, 9565041-45, 9560027-30
FAX	88-02-9554460, 9553329, 9552078
SWIFT	JANB BD DH
Website	www. janatabank-bd.com
E-mail	md@janatabank-bd.com

2.6 Number of Branches

List of Area

SL.	Name	Address
	Area Office Division: Dhaka	
01	Dhaka	22/6, Dhakeshwari Rd, Dhaka 1211, Tele: 2709
	Mymensing	Mymensing Area Office 44, K.C.Roy Road, P.S. Outuwaly Dist. Mymensing Phone -54769, 55744
	Jamalpur	P.O. - Station Road P.S. Sadar Dist. - Jamalpur Postal Code -2000 Tele - 3542, 3018
	Narayangonj	Post Box No--13, Bangabandhu road, Dist. -Narayangonj Tele:--7633924,7633925
	Tangail	Pradhan Sarak P.O - Tangail P.S - Tangail Dist - Tangail Postal Code -1900 Tele-54231,53732
	Division: Chittagong	
	Noakhali	Area Office, Noakhali P.O. - Noakhali P.S.- Noakhali Sadar Dist – Noakhali Postal Code :3800 Tele : 5643, 5616
	Division: Khulna	
	Jessore	Jess Tower 39 - M.K.Road P.O. - Jessore P.S. - Jessore Sadar Dist. - Jessore

		Postal Code - 7400 Tele: 73447, 6041
	Khulna	Janata Bank Bhaban 8, K.D.A. Commercial Area Dist - Khulna Postal Code - 9100 Tele : 722247, 724413
	Kushtia	18/25 Raja Pramad Bhushan Dev Roy Road P.O: Mohini Mills P.S: Kushtia Dist.: Kushtia Post Code : 7001 Tele : 54243, 53059
	Division: Rajshahi	
	Bogra	Area Office, Gohail Road Dist. - Bogra Postal Code - Tele---6624, 3449, 5415
	Pabna	Court Road, Pabna Post Code : 6600 Telephone: 6366, 6368, 5172
	Rajshahi	Area Office, Rajshahi Kakoli House 97/85, Greater Road Kazihata, Rajshahi Post Code : 6000, Tel-774570, 9003491
	Divission: Rangpur	
	Dinajpur	Maldahapatti P.O. - Dinajpur P.S. - Kotwali Dist. -Dinajpur Postal Code : 52 Tele : 4507 , 5110

List of Branch

Local Office	1
Corporate-2 Branch	41
Overseas Branch	04
Grade-1 Branch	204
Grade-2 Branch	209
Grade-3 Branch	294
Total Branches :	872

2.7 Number of Employees

Name & present place of posting of Managing Director, Deputy Managing Director & General Manager of Janata Bank Limited:

SL.	Name	Designation	Telephone No.	E-Mail Address
01.	S.M. Aminur Rahman	CEO & Managing Director	Off -880-2-7169287	<i>md@janatabank-bd.com</i>
02.	Md. Golam Sarwar	Senior Consultant (Deputy Managing Director)	Off -880-2-9552348 Res-880-2-8252666	<i>dmdch1@janatabank-bd.com</i>
03.	Md. Nurul Amin	Deputy Managing Director	Off- 880-2-9551216	<i>dmdch3@janatabank-bd.com</i>
04.	Tapon Kumar Ghosh	Director (DMD), Janata Bank Training Institute	Off -880-2-9333922	<i>jbti@janatabank-bd.com</i>
05.	Shihabuddin Md. Shahjahan	General Manager (Divisional Office, Dhaka South)	Off- 880-2-9558509 Res-880-2-	<i>jbd-dhk@janatabank-bd.com</i>

			9359250	
06.	Md. Ayet Ali	General Manager (Special Assets Management Division)	Off- 880-2-9556217 Res-880-2-7542865	<i>gmch2@janatabank-bd.com</i>
07.	Dr. Hafiz Md. Hasan Babu	General Manager (IT) (IT & MIS Division)	Off- 880-2-7175433 Res-880-2-9571911	<i>hasanbabu@janatabank-bd.com</i>
08.	M. Zahirul Alam, FCA	General Manager(Audit) (Internal Audit Division)	Res-880-2-9666535	<i>zahirul@janatabank-bd.com</i>
09.	Bhismadev Mondal	General Manager (Khulna Division)	Off- 880-41-721080	<i>jbdkln@bttb.net.bd</i>
10.	Md. Sirajul Islam	General Manager (Law & Compliance Division)	Off- 880-2-9554842	
11.	Md. Alamgir	General Manager	Off- 880-2-	
	Miah	(Divisional Office, Dhaka North)	9567465	

12.	Md. Aminul Islam	General Manager (Local Office)	Off- 880-2- 9553106	<i>lo@janatabank- bd.com</i>
13.	Md. Mohsin	General Manager (Rangpur Division)	Off- 880- 0521- 62277	
14.	Md. Abu Bakar Siddique	General Manager (Human Resources Division)	Off- 880-2- 9553330	
15.	Md. Awlad Hossain	General Manager (Rajshahi Division)	Off- 880- 0721- 775725	
16.	Noor Muhammad	General Manager (Accounts & Financial Management Division)	Off- 880-2- 7175218	
17.	Md. Daud Ahmed Sikder	General Manager (Corporate and Retail Customer Division)	Off- 880-2- 9554842	
18.	Md. Mamtaz Uddin Maishan	General Manager (Chittagong)	Off- 880-31- 715392	

		Division)		
19.	S. M. Masud UI Alam	General Manager (Comilla Division)		
20.	Md. Golam Faruk	General Manager (Barisal Division)	Off- 880- 431- 64860	
21.	Md. Lutfor Rahman	General Manager (Sylhet Division)	Off- 880- 821- 714938	

Statement of approved post, present manpower, vacant post and additional manpower of Janata Bank Limited as on May, 2013

Summary

Designation Type	Approved Post	Working Manpower as on May, 2013	Vacant Posts as on May, 2013	Excess Posts as on May, 2013
1st Class	5398	4315	1083	-
2nd Class	6723	3948	2775	-
3rd Class	3629	2016	1613	-
4th Class	2071	2809	-	738
Total Manpower:	17821	13088	4733	

2.8 Vision

To become the effective largest commercial bank in Bangladesh to support socio-economic development of the country and to be a leading bank in South Asia.



2.9 Mission

Maintaining stable growth strategy by providing innovative and quality services to the valued customers, attaining highest level of professionalism, performing operations with high standard of business ethics and ensuring good corporate governance with the ultimate aim of creating a vibrant, sustainable and strong capital market in Bangladesh.



2.10 New Services Scheme

Financing IT

Sector Financing of

Industries Ready
 Cash Windows for
 SMEs Loan to
 Travel Agencies

Loan to Diagnostic
 Centers NRB Escrow
 Account NRB Gift
 Cheque

2.11 Interest Rate

Janata Bank diversified its rate of interest on loan and advances in compliance with the interest rate policy declared by the government in 2005. To encourage the agricultural sector the rate of interest fixed to 2.0-16.0 percent and to increase the rate of industrial production and services industry, the rate of interest rate is fixed to 9.0-11.0 percent and 13.0 percent. Rate of interest of Janata Bank is given below:

Table: 2.1 Interest rate of Janata Bank

Year	Deposit				Loan and Advance		
	Savings Account	term deposit account	deposit account	account	Agricultural sector	Industrial sector	Consumer loan
2010	5.00 %	3.50 %	7.00-8.00 %	00	2-8%	12.0-14.00%	14.00%

Source: from deposit and advance officer of Respective branch.

2.12 SWOT Analysis of Janata Bank

Each and every organization should be aware of their strengths, weaknesses, opportunities and threats. This analysis is known as SWOT analysis. The central purpose of SWOT analysis is to identify strategies that fit or match a company's resources and capabilities according to the demand of environment in which company operates. So the strategic alternatives generated by a SWOT analysis should be built on company's strengths in order to exploit opportunities and counter threats and to correct weaknesses.

SWOT analysis explains environment of an organization in two broad ways. They are:

- a) Internal Environment Analysis: It includes strengths and weaknesses.
- b) External Environment Analysis: It includes opportunities and threats.

SWOT analysis – Janata Bank

During my internship period in Janata Bank I have found some aspects relating to the Bank's strengths, opportunities, weaknesses and threats, which I think, affect the bank's performance. These are given below:

Strengths

As a large bank, it has qualified and experienced manpower. Branch location is suitable for business.

Bank's assets position is quite satisfactory and now there is no fund crisis.

Bank has requisite wealth to sustain in the various challenges of

market economy

Being a nationalized banking organization, it always gets government support in all of its operations.

Weakness

As many employees retired from the bank, there is a crisis for manpower in the bank. Bureaucrat official process hampered the daily internal workflow.

Lack of motivation for the workers.

Low salary structure for the employees.

In some cases management-employee relation is not good.

Opportunities

Expansion of new investment areas.

Scope for automation will open a big door of opportunity. In case of fund crisis Janata Bank gets government support. The bank undertakes need-based training program.

Threats

Newly developed privatized and foreign banks.

Facing a great competition with other commercial banks and financial institutions. Loan recovery systems are very weak.

Policies are not practiced properly.

2.13 Computer Service

To ensure qualified customer service Janata Bank has started computerization corporate client service and one stop service. 139 Major branches have already been computerized and a massive computerization program is going on. Janata Bank Limited, first among the Nationalized

Commercial Banks in Bangladesh, has introduced One Stop Service. To facilitate the foreign exchange service, Janata Bank has launched Janata bank first among the nationalized commercial bank, has introduce ATM service system in its 12 branches. The bank launched Website, Reuter Service, Internet Service and Ready Cash Service. The bank has taken a plan to launch shared ATM system in various important places.

2.14 Computerization

Janata Bank starts its computerization process at December, 1989. After that it expands its computerization process by establishing RISE system (RS 16000) OS/2, LAN etc. Up to this month 139 branches are computerized system. Besides this, 'One Stop' is being given in its 23 branches. Moreover, Janata Bank is serving to the customers in the following ways:

Foreign exchange business and standard of customer services are being increased and speed up of information flow by using the computerization system LAN (Local Area Network) and WAN (Wide Area Network).

It has established Janata Exchange Company Sri. 100% owned subsidiary company of Janata Bank Limited established in 2002. JEC sends money from Rome through Electronic Fund Transfer (EFT) system by which Beneficiaries at Dhaka city get remittances on the next working day of remittances from Rome & Milan. Beneficiaries at other 63 District towns & other locations where courier services are available get remittances on the 2nd working days of remittances from Rome & Milan. The beneficiaries, who are maintaining accounts with other Janata Bank Limited branches in Bangladesh, will be able to withdraw money within 1 to 3 days of sending remittances.

Recently SECI established a web based remittance software in UAE.

Janata Bank Wage Earners Corporate Branch established electronic link with its branch in Middle East Branch through which remittance is sent. Besides this, five electronic links are in implementation process in Oman,

Qatar and Bahrain.

IFRMS (Instant Financial Reconciliation and Massaging System) has enabled the bank to remit fund by DD, TT and Inter Branch Debit/Credit advice. This has been started as an experimental but this system will be started among 300 branches soon.

2.15 Government Intervention

Financial services have traditionally been the subject of close government scrutiny and it is expected that exchange rates, interest rates and terms of credit should be monitored in the public interest. In recent years governments have tried to use interest rates, credit regulations and informal controls on banks as a means of managing the supply of money in the economy in an effort to increase or reduce consumer spending and to hold or promote investment in business. From 1976 to now, these policies have added a new dimension of risk and uncertainty to financial markets, which have already fluctuated for various reasons such as inflation, exchange rate, oil crisis etc.

Sometimes government is a big problem for the nationalized bank in Bangladesh. Government forced to the nationalized bank to lend to government's priority sector, state-owned sectors, state-owned enterprises, sick industries, borrowers with political influence as well as provide exemption schemes to fulfill its pre-election commitment. The loan exemption program of 1986-87 and 1991-92 are 11.37% and 25.56% respectively of total bank loan outstanding. As a result nationalized commercial banks are burdened with very large classified loans (32% of total loans) against which very large provisions are made which affect profit position very adversely. Classified loan in the country's banking sectors on June 30, 1996 was 33.0% of total loans. It was 34.9% on December 31, 1993. Net income of local bank is reduced drastically for maintaining very large provisions for bad debts and interest suspense accounts.

2.16 Personal Banking

Janata Bank Limited extends all the major personal banking facilities and services to its customers with its skilled manpower and largest network of around 860 branches covering all the urban and remote rural areas of Bangladesh.

Janata Bank Ltd. provides Local and Foreign Remittance in the quickest possible time. Foreign Remittance is available in both T.C and taka draft.

1. Transfer of fund from one branch to another by

- | | |
|------------------------|------------|
| - Demand Draft | saving A/C |
| - Mail Transfer | FDR A/C |
| | Trade |
| - Telegraphic Transfer | Finance |

2. Transfer of fund on Standing Instruction Agreement

3. Collection of cheques through clearing house.

4. Issuance of payment order.

5. Locker facilities for safe keeping of valuable.

6. Corporate client services with computerized systems at selective branches.

2.17 Training

Janata Bank Training Institute 107/2, kakrail Dhaka-1000, training institutions in Rajshahi, and comilla have been conducting training program covering total banking activities in order to impart training to all categories of officers and staff of Janata Bank.

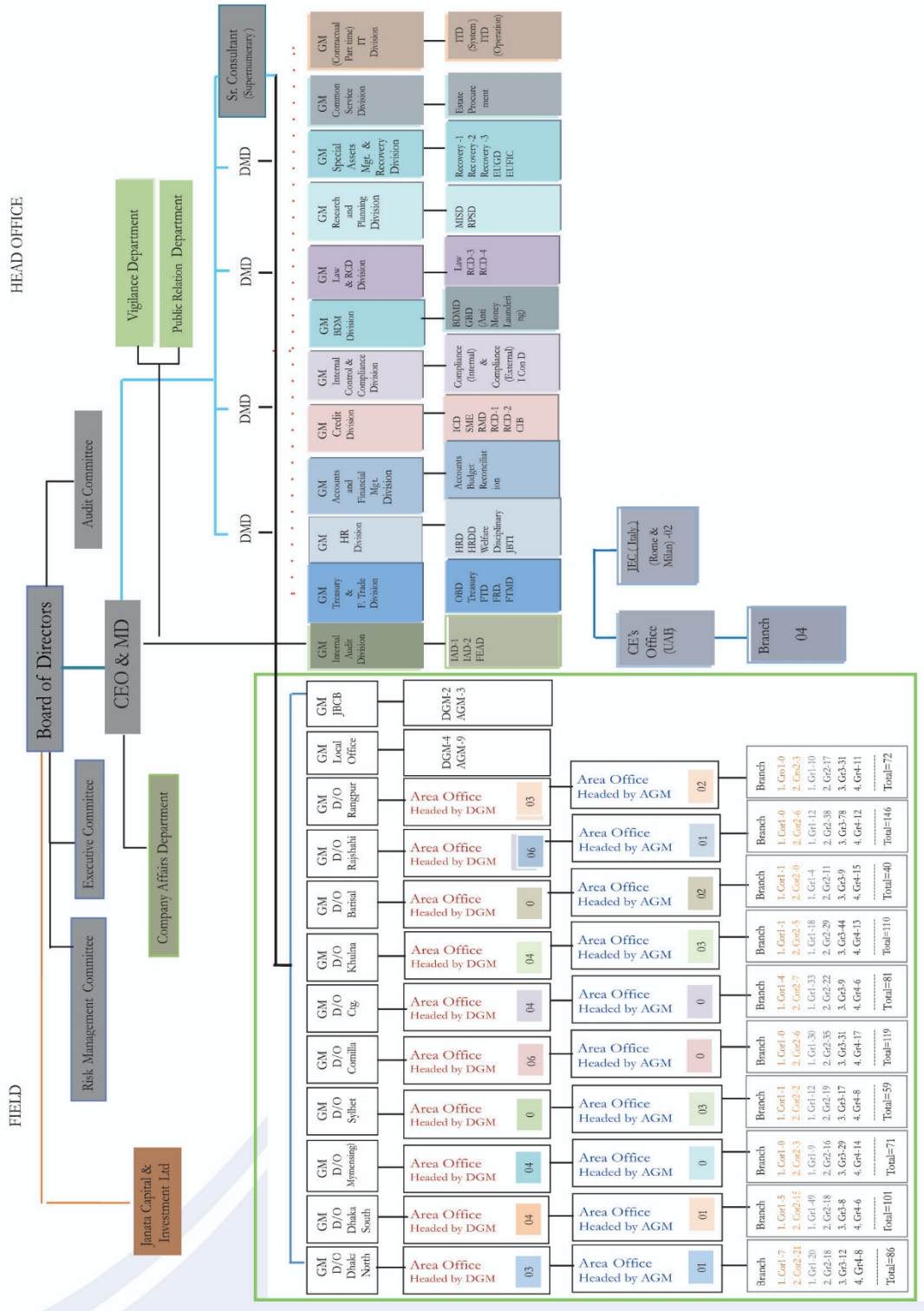
2.18 Library Facilities

With the objective of enriching knowledge and efficiency of the officers and staff of Janata Bank, it has a central library. Library is situated in

06th floor of its Head Office Building. It has turned into a modern library by extending its facilities. It has been enlarged with the latest books on banking, Foreign Exchange, Computer, Management, Accounting, Agriculture, Finance, Economics, Religion, Literature and many other disciplines.

2.19 Corporate Organogram

Corporate organogram is basically the organizational chart of the bank which shows the structure and relationship among different segments. Organogram illustrates relations between Board of Directors, different management units and departments of head office, branches and other controlling offices and employees of the banks as a whole. We can have a proper idea of approved manpower of different units and their reporting chain.



CHAPTER 3

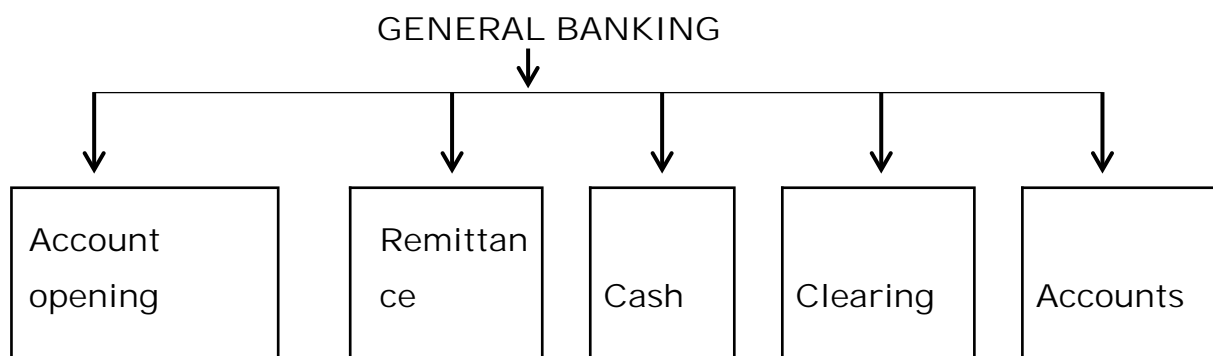
GENERAL BANKING ACTIVITIES OF JANATA BANK LIMITED

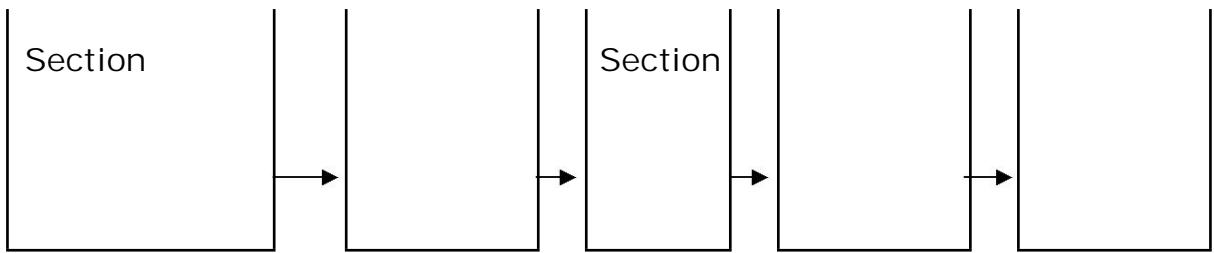
General Banking Activities

General banking provides the foundation of banker customer relationship through opening account. This is the most busy department and the daily transaction of concerned to the customers for drawing or depository money, Selling of instruments, collection of their instruments providing other additional services to them and keep customer section busy. Officers of this dept should possess the required behaviors for optimum satisfaction of the customers. The Bank provides different type of accounts and special type of savings scheme under general Banking. For proper functioning and excellent customer service this department is divided into various section namely as follows

3.1 Definition of General Banking

General banking department performs the core functions of bank, operates day-to-day transactions of banking operation. Every day it receives deposits from customers and meets their demand for cash. It opens new accounts, remits customer's money from one place to another through issuing bank draft, pay order, telegraphic transfer, collects all bill like Local cheque collection, Inward bill collection and outward bill collection for customers. Since bank is bound to provide these services everyday, general banking is also known as retail banking.

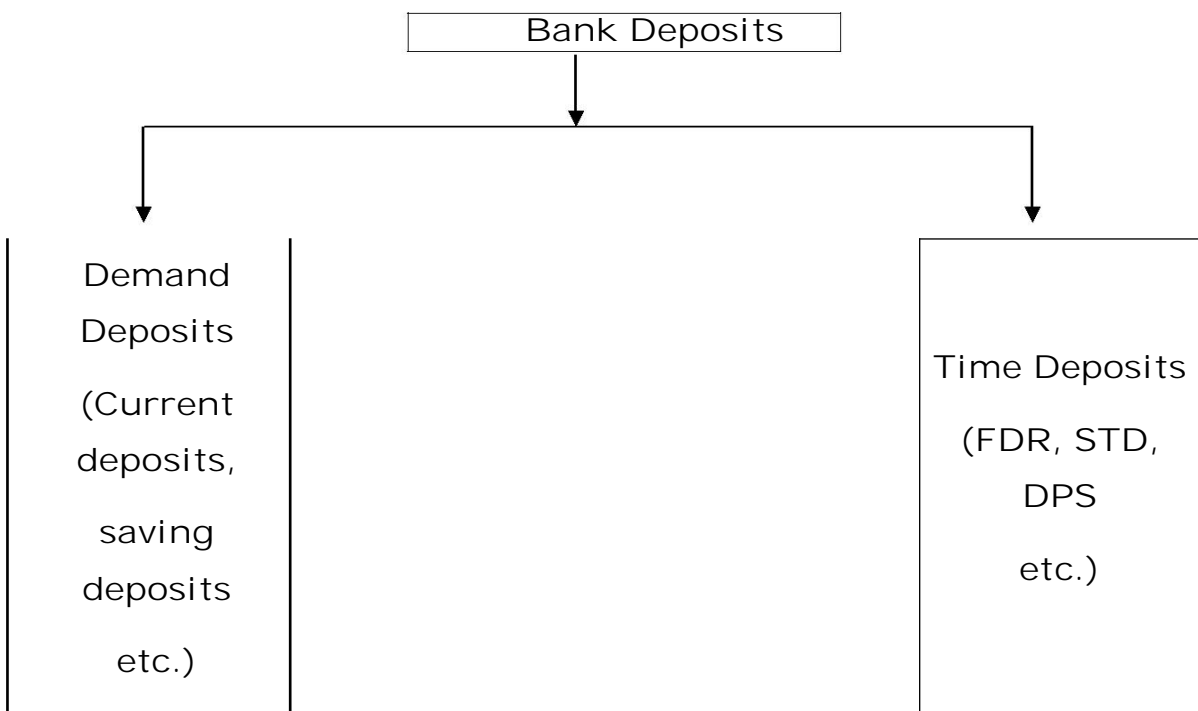




3.2 Collection of Deposit

Deposits are life-blood of a commercial bank. Without deposits there are no businesses for the commercial banks. Accepting deposits is one of the most important classic functions of commercial banks. Bank deposits can be broadly classified as follows:

1. Demand Deposits and
2. Time Deposits



Demand deposits can be withdrawn without any prior notice, e.g. current deposits. Janata Bank Dhakeshwari Branch accepts demand deposits through the opening of

Current Account

and Savings Bank
Account

On the other hand a deposit that is payable at a fixed date or after a period of notice is called 'Time Deposit'. This branch accepts time deposit through

Fixed Deposit Receipt
(FDR) Short Term
Deposit (STD)

Janata Bank Deposit Scheme
(JBDS) Sanchoy Pension
Scheme (SPS)

While accepting these deposits, a contract is done between the bank and the customer. When a banker opens an account in the name of a customer, there needs a contract between them. This contract will be valid only when both parties are agreeing to enter in to the contracts. As account opening initiates the fundamental relationship and the banker has to deal with different kinds of persons with different legal kinds of persons with different legal status and different personality and mentality, the officials of the branch remain very much cautious and vigilant about the competency of the customers.

3.3 Procedures for Opening of Accounts

Before opening of a current or saving account, the customers must complete the following formalities.

1. Application on the prescribed form
2. Furnishing photographs (two copies)
3. Introduction by an account holder
4. Putting three specimen signature in the 'Specimen Signature Card'

5. Mandate (if necessary)
6. Voter ID card number.
7. Voter ID card of Nominee
8. Photograph of Nominee attested by account holder (1 copy)

After doing the above formalities, the branch provides the customer a pay-in-slip and a cheque-book. The cheque-book may be of 10 pages, 20 pages, 50 pages or 100 pages depending on the type of account the customer has opened. A customer has to fill up the 'Requisition Slip' for cheque-book. Then a new cheque-book will be filled with the account number of the customer and name of the branch in each page of the cheque-book. Then name and account number of the customer are registered in the 'Cheque-book Issue Register'. The requisition slips are maintained and recorded as vouchers. The serial number of the cheque-book is also entered in the computer for maintenance of records and to prevent any attempt of forgery.

3.4 Application Form for Current and Saving A/C

Followings are the contents of the application form for opening saving and Current A/C in Dhakeshwari Branch

1. Name of the Applicant:
2. Father's/ Husband's Name
3. Nationality
4. Occupation
5. Date of Birth
6. Present Address

7. Permanent Address
8. Introducer's Address
9. Information about the Nominee
10. Special Instruction for Operation of the A/C
11. Initial Deposit
12. Specimen Signature of the Applicant
13. Voter ID Number

In the case of joint A/C the following headings are additional in the form-

1. Operational Instruction of the A/C
2. Signature

In the case of partnership A/C, the following headings are additional in the form

1. Partners' Signatures
2. Partners' Names

3.5 Relevant Documents for Current and Saving A/C

Types of attached documents usually vary with the nature of the A/C being opened. Followings are the list of documents that should be enclosed with the 'A/C Opening Form' for opening account for different kinds of A/C openers:

In case of Club/Society

- a. Up-to-date list of office bearers
- b. Certified copy of resolution for opening and operation of A/C
- c. Certified copy of by laws and regulations/constitution

- d. Copy of government approval (if registered)

In case of Co-operative Society

- a. Copy of by laws duly certified by the co-operative officer
- b. Up-to-date list of office bearers
- c. Resolution of the executive committee as regards of the A/C
- d. Certified copy of certificate of registration issued by registrar, co-operative society

In case of Non-government College/School/Madrasha/Muktab

- a. Up-to-date list of the members of the governing body/managing committee
- b. Copy of resolution of the governing body/managing committee authorizing opening and operation of the A/C duly certified by gazetted officer

In case of Trustee Board

- a. Prior approval of head office of the bank
- b. Certified copy of deed of trust, up-to-date list of members of the trustee board and certified copy of the resolution of trustee board to open and operate the A/C

In case of Minor's A/C

- a. Putting the word 'Minor' after the title of the A/C
- b. Recording special instruction of operation for the A/C
- c. The A/C opening form is to be filled in and signed by either of the parents or the legal guardian appointed by the court of law and not

by the minor

In case of Limited Company

- a. Certified true copy of the memorandum and articles of association of the company
- b. Certificate of incorporation of the company for inspection and return with a duly certified photocopy for bank's records
- c. Certificate from registrar of joint stock companies that the company is entitled to commence business (in case of public limited company for inspection and return) along with a duly certified photocopy for bank's records.
- d. Latest copy of balance sheet
- e. Extract of the resolution passed in the general meeting of the company for opening of the A/C and authorization for its operation duly certified by the Chairman/Managing Director of the company
- f. List of Directors with addresses
- g. Authorized signature

General conditions or rules in respect of operating Current/Saving A/C in Dhakeshwari Branch are as follows

- a. A minimum balance of tk500 and tk1000 must be maintained in the Saving and Current A/C respectively.
- b. A suitable instruction by an introducer acceptable to the branch is required.
- c. Recent photographs of the A/C openers duly attested by the introducer must be produced
- d. Withdrawal of deposit can be made two times in a week in case of saving A/C

- e. For Saving A/C, an application must be submitted to the branch authority if withdrawal is tk50, 000 or more but customer rarely follow this rule.
- f. Interest rate for Saving bank A/C is 5% per year

3.6 Fixed Deposit Receipt (FDR)

Fixed deposits are deposits in which an amount of cash is deposited in bank for a fixed period specified in advance. Hence these deposits are time deposits or time liabilities. Normally, the money on a fixed deposit is not repayable before the expiry of the fixed period. At the time of opening the deposit account, the banker issues a receipt acknowledging the receipt of money on deposit account. It is popularly known as FDR. Necessary documents for opening a FDR A/C in Dhakeshwari Branch are as follows-

- FDR form
- FDR card

Photo of the Nominees attested by the A/C holder

The 'Fixed Deposit A/C Opening Form' contains the following headings-

- Amount in figures
- Period
- Rate of interest
- Beneficiaries name and address
- Special instruction in case of joint A/C
- Information about nominees
- Address of the applicants

Specimen
signatures

FDR number

After opening a FDR A/C, it is usually recorded in the 'FDR Register'. In the case of Fixed Deposit Account, the bank needs not hold a cash reserve to repay money to the customers. The payment will be made after the completion of a certain period. Hence, Janata Bank Ltd offers a high interest rate in Fixed Deposit Account. The interest rates followed by Janata Bank Ltd for Fixed Deposit Account are-

Period	Interest rates
For 3 months to > 6 months	@7.00%
For 6 months to > 12 months	@7.50%
For 12 months to > 24 months	@7.75%
For 24 months to > 36 months	@8.00%

Normally a customer is not allowed to withdraw money before the expiry of the fixed period in case of Fixed Deposit Account. However, Janata Bank Ltd. allows its customers to withdraw fixed deposit amount at any time after giving a short notice. In this case the customers will get interest rate by the following ways-

If withdrawal happens before 3 months, there will be no interest. If withdrawal happens before 6 months, 3 months' interest rate. If withdrawal happens before 1 year, 6 months' interest rate.

If withdrawal happens before 2 years, 1 years' interest rate. If withdrawal happens before 3 years, 2 years' interest rate.

In case of 'Before Maturity Encashment' interest rate is calculated for the days from the date of opening the FDR account. The FDR becomes renewed automatically in Janata Bank Ltd. if the customer does not withdraw it within 7 days of maturity. In case of encashment of FDR (say for tk. x) in maturity, following accounting treatments are applied-

Interest on FDR A/C -----Cr (say tk p)

Excise Duty on FDR-----Dr (say tk q)

10% income tax on interest-----Dr (say tk r)

FDR A/C-----Dr (tk {x+p-q-r})

Cash A/C-----Cr (tk {x+p-q-r})

If the customer wants to draw the interest only, then the following entries are given-

Interest on FDR A/C-----Dr

Cash A/C-----Cr

Some other important factors in case of FDR A/C are as follows-

FDR is not negotiable instrument.

The legal position of a banker in respect of a fixed deposit is that of a debtor who is bound to repay the money only after the expiry of the fixed period.

Cheques are not permitted for Fixed Deposit Account. Fixed Deposit Accounts are subject to Income Tax Act.

3.7 Short Term Deposit (STD)

In Short Term Deposit Account, the deposit should be kept for at least seven days to get interest. The interest offered by for STD is less than that of savings deposit. For this type of account, frequent withdrawal is discouraged and it requires prior notice. STD is also called 'Seven Days Notice Current A/C'.

STD	Interest Rate
Up to 10 core	3.50%
Above 10 core	3.60%

In Dhakeshwari Branch, customers are given an instruction that their current accounts will be debited whenever the deposited amount crosses a certain limit and this amount will be transferred to the STD account. The branch follows this instruction by giving the following entries-

Customer's Current A/C-----Dr

Customer's STD A/C-----Cr

3.8 Janata Bank Deposit Scheme (JBDS)

According to this scheme, a person of minimum 18 years old can open any 'Janat Bank Deposit Scheme A/C' by depositing at least tk.500 or maximum tk.20000 in each month for 10 years term. After maturity of the term, the depositor can withdraw the total deposited amount with interest or can withdraw by monthly installment. The depositor has to deposit the specified amount for him/her by the 11th day of each month either in cash or cheque. In respect of JBDS account, the depositor can select more than one nominee for claiming the deposited money after his/her death. No joint account is allowed in this scheme.

The main characteristics of JBDS are as follows-

A system of secured income has been confirmed by JBDS for the depositor in their old age who invested money from their early incomes.

A scope of proper and exact utilization of money is possible by JBDS.

The total deposited amount with interest will be given to the investors and this is certain.

The JBDS gives the investors a chance of bearing the educational or marital expenses of their adult sons or daughters.

The total invested money in JBDS is absolutely income tax free. The earning from JBDS is not considered while charging the annual income tax.

In JBDS, a 8.5% compounding interest rate is applied and it is usually calculated on yearly basis.

Account holder can take lone on JBDS and Interest rate for loan id 2% more than JBDS rate (8.5% + 2% = 10.5%)

A depositor can withdraw the total amount of money (Principal + Interest) at the expiry of the certain period.

For JBDS, the payment systems in case of maturity of an account are as follows:

Amount of monthly installment	Period (years)	Payment in case of maturity of the period (tk)	Total Payment (tk)
500	10	60000	94609
1000	10	120000	188218
2000	10	240000	375435
5000	10	600000	937088
10000	10	1200000	1873176
20000	10	2400000	3745352

Source: Deposit Department, Dhakeshwari Branch.

3.9 Sonchoy Pension Scheme (SPS)

Janata Bank Ltd. initiated this 'Janata Bank Ltd. Sonchoy Pension Scheme' in order to improve the socio-economic conditions of the professionals of all levels. This system is based on a monthly basis. The main characteristics of SPS are as follows-

Duration of the account in this scheme is either five or ten years.

Amounts of installments are tk.100, tk.200, tk.300, tk.400 tk500, or tk.1000

Any person of minimum 18 years old can open a SDPS account in a

specific form as provided by Janata Bank Ltd. in any branch. No lunatic is allowed to open this kind of account.

A depositor should deposit his/her monthly installment by the 01th day of each month. If the 10th day is a public holiday, then deposit in next working day is allowed. The installment can be deposited either by cash or by cheque.

The interest rates are, for five years duration 8.5% compounding interest rate and for ten years duration 9% compounding interest rate. In both cases interest is calculated on yearly basis.

The depositor can have one or more nominees. In case of more than one nominee, the depositor can determine the portion of amount of money for each nominee.

A customer can stop operation of his/her SPS A/C at any time according to his or her own discretion. In this respect, the bank charges tk.25 to the customer. If she/he stops the account within one year, no interest will be given. If he stops the account after one year but before three years, 5% simple interest will be given. If he cancels his account after three years but before five years, 7% simple interest will be given. If he withdraws his account after five years, then 8.5% simple interest will be given.

3.10 Transfer of Account to another Branch

The account holder requests to transfer his accounts by giving the following instructions-

Reasons for transfer the account

Address of the branch at which customer wants to transfer the account

The unutilized cheque book will be returned to the transferring branch before transfer of account

After verification, the approval of the manager for transferring the account is obtained and then the specimen of the forwarding letter of transferee branch will be sent. After the application is received duly approved from the manager, the branch transfer the account based on the following entries-

Customer's Account-----	
	-- Dr
Transferee Branch Account-----	
	---- Cr
Service charge(income) -----	
	---- Cr

3.11 Closing of an Account

The following circumstances are usually considered in case of closing an account or justifying the stoppage of the operation of an account-

Notice given by the customer himself or if the customer is desirous to close the account

Death of the customer

Customer's insanity and insolvency

If the branch finds that the account is inoperative for a long period If Garnishee Order is issued by the Court of Law on the bank branch

Before the account is closed the manager will approve the application and closing charge being incidental charge which should be debited to the account. To close the account, the cheque book is to be returned to the branch. Accounting entries will be-

Customer's Account-----	
---	Dr
Account Closing Charge (income) ---	Cr

3.12 Bank Remittance

Remittances of funds are one of the most important aspects of the commercial banks in rendering services to its customers. Among various services rendered by the commercial bank to its customers, remittance facilities are very well known and popular. The word 'Remittance' means sending of money from one place to another place through post or telegraph. Banks extend this facility to its customers by means of receiving money from one branch of the bank and making agreement for payment to another branch within the country. In general there are two types of bank remittance-

1. Inward remittances and
2. Outward remittances.

The remittance facilities of a commercial bank enable its customers to avoid risk arising out of theft or loss in carrying cash money from one place to another or making payment to someone in another place. Banks take the risk and ensure payment to the beneficiary by charging the customer.

Chart for Bank Remittances Flow



Considering the urgency and nature of transaction, the modes of bank remittances may be categorized as follows-

- | | |
|--------|-------|
| Demand | Draft |
| (DD) | Mail |

Transfer (MT)

Telegraphic Transfer (TT)

The following register books are maintained for remittance purpose-

DD, MT, TT Issue Register

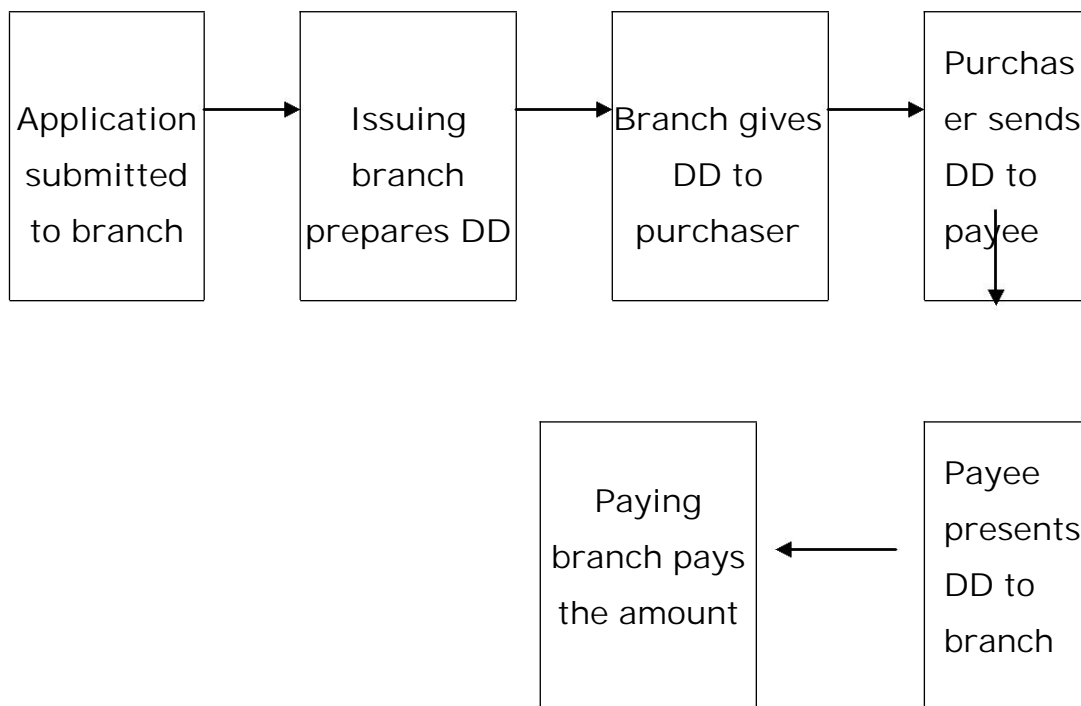
DD, MT, Advice Received
Register DD, MT, TT
Payment Register

DD Ex-Advice Payment Register

3.13 Demand Draft (DD)

Demand Draft (DD) is an instruction payable on demand. It is a negotiable instrument issued by the branch of a bank containing an order to another branch of the same bank to pay fixed sum money to a certain person or order of demand. This instrument can be purchased by a customer from a particular bank for himself and can be handed over to the purchaser for delivery to the beneficiary. The payee or beneficiary will claim the amount of money in the instrument by producing the same to the concerned paying branch. Demand draft may be paid in cash to the payee on proper identification or the amount may be credited to his account (in case of A/C holder of the bank). Banks issue draft for nominal commission. The commission depends upon the amount to be transmitted. The purchaser of the DD needs not to be a customer or account holder of the bank.

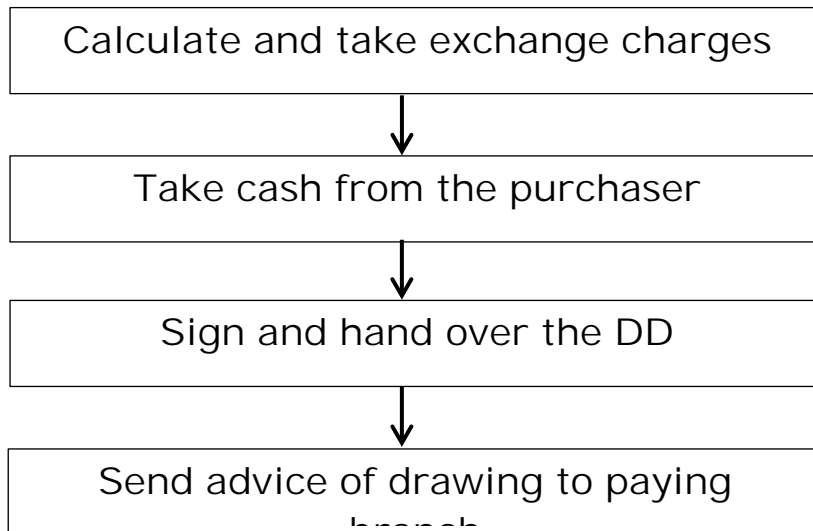
Flow chart for a DD



3.13.1 Issuing of Demand Draft

While issuing a DD, an official must be confirmed about the existence of the branch where the DD is to be issued by the applicant or purchaser. Application on bank's prescribed form (F-117) for DD is duly filled and signed by the applicant. Thereafter, the applicant will be asked to deposit the amount mentioned in the DD and exchange/commission computed correctly at the prescribe rate. On receipt of cash, a voucher is passed and scrolled by at least two officers. Then the DD is issued and recorded in the 'DD Issue Register' filling the appropriate columns. The DD application is treated as credit voucher of SBG A/C by showing credit entry against the paying branch. For any of DD issued, a relative DD Advice is sent to paying branch where the Advice is converted into Voucher. Dhakeshwari Branch charges tk.1.50 for per tk.1000 as its commission for DD. The minimum commission is tk.15. The procedure of issuing a DD against cash could be shown by the flow chart in the following ways-

Accept application/pay-in-slip signed by the purchaser



Flow Chart for DD issue against cash

Accounting entries will be-

Customers Account-----	Dr
SBG Account-----	Cr
Income Account (Commission) ---	Cr

3.13.2 Procedure of Demand Draft Payment

After receiving the DD advices from different branches, the paying bank will verify the genuineness of the advices by verifying test numbers and signatures. Beside this, payment of drafts can be made without the advice of the issuing bank and at that time payment is called 'Acceptance Payment'.

Total amount of advice is debited to SBG A/C and credited to draft payable A/C. That is-

	D
SBG A/C-----	r
	C
Draft payable A/C -----	r

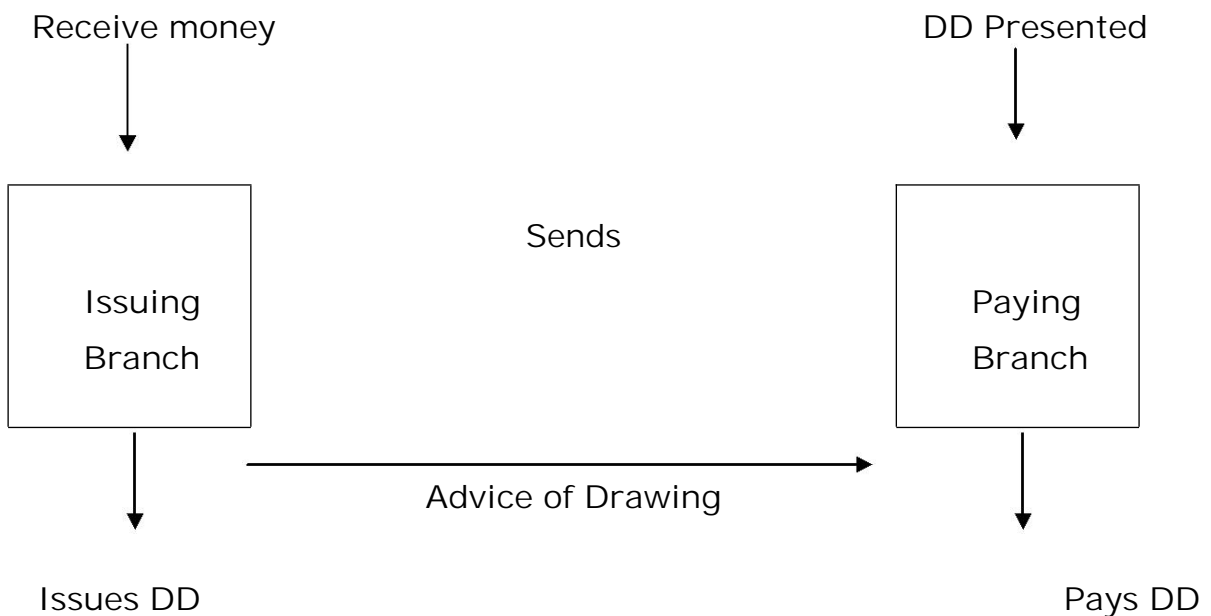
On production of DD by the beneficiary, payment will be made by the following ways-

Draft payable A/C-----Dr

SBG A/C-----Cr

If the payment is to be made before receiving of the DD advice, DD payment is recorded in the Ex-advice payment register by debiting the Draft Payable Ex-advice A/C (DD paid without advice). On receiving of the advice, it will be entered into the DD, MT Advice Receive Register and the amount will be credited to Draft Payable A/C. Before making payment of the DD, the paying branch will ascertain the genuineness of its issuance as well as genuineness of payee. The following flow chart depicts the payment procedures of DD-

Flow Chart for DD Payment



3.13.3 Cancellation of Demand Draft

In some cases, the purchaser of the bank draft may ask the issuing branch to return the amount of DD stating its non-requirement. In these cases, the issuing branch will obtain a written application from the

purchaser whose signature must be tallied with the signature obtained earlier. An amount of tk.25 be recovered from the purchaser as 'Cancellation Charge' and will be credited to the Commission A/C. The purchaser will acknowledge receipt of the proceeds writing the words 'Received Payment by Cancellation' and will sign on revenue stamp affixed on the draft. In this case, payment is made by debiting the SBG A/C and a relative cancellation advice is sent to the paying branch.

3.13.4 Issuing of Duplicate Demand Draft

If DD is lost, the issuing branch may issue a duplicate DD. But before issuing a duplicate DD, the branch issued to observe the followings-

Verify purchaser's signature on the DD application slip
Take indemnity bond from purchaser

Clearance from paying branch whether the DD is already paid or not to be obtained
DD cancellation advice to be sent to the paying branch

Lastly the duplicate DD is issued and the word 'DUPLICATE' in red ink is stamped in the front side of the DD block.

3.14 Mail Transfer (MT)

The facility of sending money by mail is available to customers who have accounts with the bank. The remitter deposits the amount that will be transferred from the remitting branch with small commission. An advice is issued by the branch to another branch for crediting the specified amount to the account of the payee maintained with the bank. It is a non-negotiable instrument and generally is not handed over to the customer rather sent through post office to the concerned branch. Remittance of money by Mail Transfer is relatively cheaper, quite safer and more convenient. Mail Transfer is effective not only within the country but also for international remittances. For local MT (say within the area of Dhaka) special 'MT Register Book' is maintained as in like DD. MT is normally issued from branch to branch of the same bank. Normally the mail

charge is tk.15 for any amount. From tk.1 to tk.20000 commission is tk.20 and for above tk.1 added for every tk.1000.

The payment procedures for MT are as follows-

1. MT is received directly from the issuing branch by post and the payee does not present it for payment.
2. The paying branch checks the name and account number of the payee in MT to determine whether it agrees with the name and account number maintained in the paying branch.
3. The paying branch verifies the signatures of the authorized officials of the issuing branch.
4. MT is entered in the 'DD, MT, TT Payment Register'.
5. No commission is deducted.
6. If everything related to MT is correct then the passing officer will pass the MT by putting signature on it and the voucher is credited to the respective beneficiary's account.

3.15 Telegraphic Transfer (TT)

Telegraphic Transfer (TT) is another widely used mode for remittances of funds. TT is quicker than DD or MT. If an applicant wants to remit the amount urgently to the payee in another city or district he may request the issuing branch to send it by TT. For TT a branch sends a telegram instead of airmail. The branch usually recovers from the telegram charges in addition to the usual service charges. A TT could be express or ordinary and it is always sent in coded-form. Corporate branch follows the following procedures in case of TT issuing-

1. The customer deposits money in the branch.
2. The customer obtains a cash memo containing TT serial number.

3. TT serial number, notifying party name are mentioned in the telex message.
4. The telex department confirms transmission of the telex.

Accounting entries for TT

Cash/Client's account-----	Dr
SBG account-----	Cr
Income account (commission) -----	Cr

Procedures for the incoming TT

After receiving the telex, it is decoded at first. Then the TT serial number, test number are verified. A credit voucher in favor of the beneficiary's account is prepared and passed.

For TT telephone charge is tk.25 and tk.1-20000 commission is tk.20 and above it tk.1 added as commission for each tk.1000. 15% vat taken on comission.

3.16 Payment Order (PO)

Payment Order (PO) is an instrument that contains an order for payment to the payee only in the case of local payment whether on behalf of the bank or its constituents. In the beginning stage, PO was issued only to affect local payments of bank's own obligations but at present it is also issued to the customers. They purchase PO to deposit money. PO is in the form of receipt which is signed by the two officials. The money of PO is deposited to the bank's own account named 'Payment Order A/C'. Payment of this instrument is made from the issuing branch. PO is not transferable; therefore it can only be paid to-

The payee on identification

The payee's banker who could certify that amount and credit that amount to the payee's A/C

A person holding the letter of authority from the payee whose signature must be authenticated by the payee.

For below tk.1000 the commission is tk.20 and for tk.1001 to tk.100,000 the commission charge is tk.30 and for above tk.100,001 it will be tk.50.

Remittance	Commission (tk)	VAT (tk)
DD	20 to 100	15%
MT	20 to 100	15%
TT	20 to 100	15%

Accounting entries: PO by cash

Cash A/C-----Dr
 Bill Payable-----Cr
 PO commission-----Cr

Accounting entries: PO by cheque

Cheque A/C-----Dr
 Bill Payable-----Cr
 PO Commission-----Cr

3.17 Operation of Cheque

A cheque, signed by the drawer is an unconditional order in writing and drawn on a specified bank. Bank will pay a certain sum of money to the cheque bearer. A cheque involves three parties-

1. The drawer
2. The drawee (the bank) and
3. The payee (to whom the cheque is to be paid)

The following procedures are usually done for passing a cheque-

A clerk scrutinizes the cheque for the date, the amount and the signature and then he gives the drawer of the cheque a token number and he also writes that number at the back side of the cheque. He then passes the cheque to the ledger-keeper after giving a seal.

The ledger-keeper again scrutinizes the cheque for his satisfaction. He then debits the amount in the ledger book and passes the cheque to the authorized officer. The authorized officer verifies the signature of the account holder very carefully to protect any kind of fraudulent activities and passes it to the cash officer for payment.

The drawer of the cheque presents the token in the 'Cash Payment Counter' and the cashier makes payment after verifying the token. The cashier may want another signature to compare with the previous one.

3.18 Stopped Cheque

In case of stopped cheque the following formalities are done-

The accountant keeps the 'Stopped Cheque Register' and reserves the pertinent documents.

After receiving a letter or telegram for stopping the payment of cheque, the time of its receipt is noted down by the accountant.

The ledger-keeper and the officials are also informed immediately. Lastly the cheque is stopped.

3.19 Collection of Cheque

In Dhakeshwari Branch cheques of its customers are received for collection. In case of received cheque, the following points are followed carefully-

The cheque should not carry a date older than the receiving date for more than six months. In that case the cheque will be a 'stale cheque' and it will not be allowed for collection. Again the date of cheque should not be more than one day forward than the receiving date.

The amount in figures and words in both sides of the pay-in-slip should be same and they will also be same in the cheque.

The name mentioned in cheque should be same in both sides of the pay-in-slip and in the cheque.

The cheque must be crossed.

For the collection of cheques the branch can be divided in to three sections-

1. Short Credit (SC)
2. Local Short Credit (LSC)
3. Clearing.

3.19.1 Clearing

Janata Bank Ltd is a schedule bank. According to the Article 37(2) of the Bangladesh Bank Order, 1972, the banks that are member of the Clearing House are called as 'Schedule Banks'. The schedule banks clear the cheques drawn upon one another through the clearing house. This is an arrangement by the central bank where the representatives of the

banks gather to clear the cheques everyday. The place where the banks meet and settle their dues is called the clearing house. The clearing house sits for two times in a working day.

3.20 Clean Cash Book

The clean cash book is the abstract of each day's transactions classified under the General Ledger heading. Clean Cash Book is written to-

Test the arithmetical accuracy of one day's transaction. Consolidate one day's transaction.

Help position in the General Ledger.

Test the closing cash balance of the branch.

The procedures for writing the clean cash book are as follows-

1. At first the writer sees that the books are checked and authenticated by the authorized officials properly.
2. The clean cash book should be checked daily from the subsidiary register by an authorized supervising official.
3. Each morning the manager will scrutinize the whole of the previous day's vouchers.
4. All vouchers should be collected by the clean cash book writer and handed over to a supervising official.

3.21 The General Ledger

After successful completion of the entry in clean cash book, all the balances of the account heads are transferred to the General Ledger which is the final and the most crucial part of accounting system of the branch. The debit side of the clean cash book is transferred to the credit side in the general ledger book and the credit side of the clean cash book is transferred to the debit side in the general ledger. A weekly/monthly

statement is prepared in F-12 form by the branch and is sent to the Head Office. The figures of F-12 form are collected from General Ledger. The accounts in the branch's General Ledger are as follows-

Janata Bank Ltd General Account
(SBG A/C) Fixed Deposit Account

Short Term Deposit
Account Saving Bank
Account

Call deposit
Account Current
Account

Pay Order Account

Drafts Payable
Account Demand
Loan Account
Cash Credit
Account

Foreign Bill Purchase & Negotiable
Account Bills for Collection
Account

Forced Loan Against Back to Back
Loan Account Advance Against
Merchandise Account

Discount
Account
Interest
Account
Exchange
Account

Commission
Account Charges
Account

Profit & Loss
Account
Stationary
Account

3.22 Role in Respect of Report on Corporate Social Responsibility (CSR)

JBL Chairman Professor Dr. Abul Barkat handed over cheque for BDT 20 million to Honorable Prime Minister Sheikh Hasina as donation for victims of Rana plaza accident on 14 May 2013.

3.22.1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) has become a key initiative and an essential tool in the development of the third world countries throughout the globe. Primarily CSR starts with the consideration of social implications by anybody corporate, which ultimately reflects through its initiatives towards the betterment of the disadvantaged people of a society. As a stakeholder of the society, the Bank is keen to augment CSR activities gradually for building a better society and cleaner environment beyond its financial commitments and regulatory obligations. Considering importance of CSR, Bangladesh Bank since June 2008 officially started encouraging towards mainstreaming CSR in banks and financial institutions of Bangladesh. As we all know, United Nations has set eight goals (popularly known as Millennium Development Goals; such as eradicating extreme poverty and hunger, achieving universal primary education, promoting gender equality & empowering women, reducing child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability and developing a global partnership for development) in its millennium summit held at

the UN Head Quarters, New York, USA in 2000 and Bangladesh is one of the signatories to achieve those goals by 2015. Keeping these in mind, the bank has aligned the CSR activities partially with those goals.

The following table projects the year and category-wise contribution under CSR Programme. JBL Chairman professor Dr. Abul Barkat handed over cheque for BDT 20 million to Honorable Prime Minister Sheikh Hasina as donation for victims of Rana plaza accident on 14 May 2013.

(BDT in Million)

Category	Year wise Contribution					Total
	2009	2010	2011	2012	2013	
Education & Research	5.54	6.77	12.41	28.32	79.53	132.57
Health & Treatment	4.18	15.99	21.89	34.78	38.06	114.9
Poverty Reduction & Rehabilitation	1.8	14.37	5.24	13.06	94.38	128.85
Subsidy against interest-free loan disbursed to the poor, marginal farmers	-	11.1	7.5	5	10	33.6
History, Culture & Tradition	2.85	9.64	12.58	12.86	39.76	77.69
Information Technology	0.2	2.92	6.58	14.58	20.31	44.59
Natural Calamity	2.5	0	0.33	0.07	2.39	5.29
Miscellaneous	-	0.49	2.27	4.71	7.85	15.32
Total Contribution	17.07	61.28	68.8	113.38	292.28	552.81
Total Beneficiary	73	528	1,844	3,211	3,995	9,651

Some key indicators of JBL from 2000 to 2013

2000	10467	8095	2717	4800	3078	955	83.12	1.12	16947	898	800	259.4
2001	12506	9329	2832	5466	3238	1288	40.25	1.12	16692	900	800	259.4
2002	13889	9974	2943	5888	3445	1996	123.98	1.48	16330	870	800	259.4
2003	13859	10146	2264	6047	4286	2138	212.00	2.09	15993	847	800	259.4
2004	15103	10778	1797	7492	5462	2433	231.20	-	15705	847	800	259.4
2005	16889	12446	1424	7291	5839	2657	330.10	-	15321	847	800	259.4
2006	18294	13849	1775	12880	7089	2926	421.30	-	14772	848	800	259.4
2007	19863	12120	1985	8406	7185	3679	496.30	168.10	13860	848	800	259.4
2008	22133	14467	1714	12941	8541	4592	700.30	314.50	13379	849	800	259.4
2009	24617	16635	1403	11852	8865	5619	857.81	298.20	13122	851	2000	500.0
2010	28656	22573	1182	18374	11851	5264	1203.64	490.70	12826	861	2000	500.0
2011	36167	25780	1504	19728	15375	7228	1572.20	444.50	15020	873	2000	812.5
2012	40977	30534	5320	18828	15652	10009	1453.38	(1528.0)	15071	888	2000	1100.0
2013	47854	28575	3177	17667	15325	10398	1212.71	955.14	15485	897	2000	1914.0

CHAPTER 4

DHAKESHWARI BRANCH AT A GALANCE

4.1 Title:

Janata Bank Ltd.

Dhakeshwari Branch,

Dhaka-1000.

4.2 Location:

At the central point of Industrial area in Dhakeshwari;

Dhaka-1000.

Bangladesh.

4.3 Contact info:

Telephone NO: +880231-63398

E-mail: jbfecb@janatabank-bd.com

Fax: N/A.

4.4 NO. Of Employee:

Approximately 21 Employees, Stuffs & Sub-Stuffs are working here.

4.5 List of Employee's Name & Designation:

1. Md. Faridul Ajad (FAGM & Manager of the branch).
2. Md. Saiful Alam (SEO & Asst. Manager; Incharge of Volt Management & Remittance).
3. Md. Saiful Islam (EO & Advance Incharge).
4. Mr. AKM Monjurul Hoque (AEO & Incharge of A/C Section).
5. Md. Fajlul Kader (AEO & Chief Cashier).

6. Mr. AKM Rajjak Ali (AEO & Asst. Chief Cashier).
7. Mr. Komol krishno Roy (AEO & Deposit Incharge).
8. Mrs. Saieda Firoja Begum (AEO & Asst. of A/C Department).
9. Mr. Abu Mohammad Rakibul Hasna t(AOG-2 & Asst. of A/C Department).
10. Md. Hasan Ali (AOG-2 & Pledge Security Incharge).
11. Md. Saiful Islam (AOG-2 & Pledge Security Incharge).

4.6 No. of A/C:

- Total No. Of A/C: Approximately 250.
- Deposit A/C: Approximately 170-180.
- Loan A/C: Approximately 80-90.

4.7 Products & Services:

Deposits:

- Current Deposit.
- Savings Bank Deposit.
- Special Notice Deposit.
- Fixed Deposit.
- Deposit Pension Scheme.
- JBDS.
- JBMSS.
- JBSBS.
- JBMAP
- JBDBS.
- JBMBS.
- School Banking.

Retail Product:

- Pay Order Issue.
- DD.
- TT.
- MT.
- SDR.

- Electric Bill Collection.
- Price Bond.
- ✚ Loan/Credit Services:
 - Rural Credit Supervision.
 - Service Loan.
 - House Building Loan (Stuff).
 - Electric Product Loan (Stuff).
 - Motor Vehicle Loan (Stuff).
 - Overdraft Security Loan.
 - Cash credit (CC) Loan.
 - Pledge & Hypothecation Loan.

CHAPTER 5

FINDINGS, RECOMMENDATIONS AND CONCLUSION

5.1 Findings of the Study

During my report preparation I have gone through several departments of General Banking and detected some problems from my own practical experience as follows:

1. The newly prescribed account opening form is very much informative. It takes about half an hour to properly fill in the form. When four or five people come at the same time to account opening purpose, it is very difficult for the relevant officer to provide satisfied service to the client.
2. According to some clients, introducer is one of the problems to open an account. If a person who is new in the city wants to open account, it is a problem for him/her to arrange an introducer of SB or CD account holder.
3. Lengthy process of issuing cheque book, Pay order, Bank draft cause. Job responsibilities are not specified to each and every employee of this division.
4. Insufficient modern sophisticated technology change such as use of new software there are few staff who are lacking in computer knowledge and are not efficient enough to finish every task immediately. So, before utilizing new technology proper training should be arranged.
5. Inadequate skilled manpower in Janata Bank Ltd, because there is lack of proper training arrangement of employees in the general

banking section. For example, most of the new recruited employees learn their job tasks by observing their senior employee.

5.2 Recommendations

In the light of findings, the recommendations are as follows:

1. The form should be precise with the quality information to the points of the client rather unnecessary or vague information. This can create the opportunity to serve more people in short time.
2. If the interested clients have proper documentation in favor of his/her identity then there should be probation for avoiding introducer.
3. Bank should formulate simple process for issuing cheque book, Pay order, Bank draft.
4. To hire and install sufficient modern sophisticated technology because of present market demand of the customer and the educated customers now want technology based banking but customs are confused about services.
5. To recruit sufficient skilled manpower because the bank employees should communicate properly with customers about their deposit and other schemes.

5.3 Conclusion

As the largest nationalized commercial bank Janata Bank Ltd is operating every corner of the country providing the banking services to different classes of customers. The area where there is no branch of any bank of the modern competitive banking sector, there one can find a branch of Janata Bank.

Banks play an active role for the development of the country. Janata Bank Ltd has made commendable improvement over the past years. I am proud to get an opportunity to continue my internee and my career in my

organization. I tried to gather experience in General Banking and summarize all the information within the report. It will also be helpful for the bank management if they carefully analyze the problem and consider recommendation in this paper and take necessary actions for corrective measures.

General Banking is one of the main departments of any bank. To take any banking services, one has to fulfill all the requirements of this department first. The nature of the relationship between a banker and a customer depends upon the service rendered by the personnel of general banking department. General Banking department usually give optimum services to their customers though they have some limitations. If the management of the bank can turn these limitations positively then they can attain the ultimate goal. I am certain that the experience that I get through my internship in Janata Bank will help me a lot in my future banking profession.

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