

INTERNSHIP REPORT
ON
“GENERAL BANKING SYSTEM OF IFIC
BANK LIMITED”

SUPERVISED BY

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SUBMITTED BY

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ID: E140503009
MBA (Evening), 3rd Batch
Major in Marketing
HSTU, Dinajpur

This internship report is submitted to the faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, in partial fulfillment of the requirements for the degree of MBA (Evening)



FACULTY OF BUSINESS STUDIES

HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY
UNIVERSITY, DINAJPUR-5200

OCTOBER, 2016

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Supervisor

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Master of Business Administration (Evening)



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OCTOBER, 2016

*DEDICATED TO
MY
RESPECTABLE
PARENTS
AND
HONOURABLE
TEACHERS*

IFICB/DINJ/HRD/2016/1619

October 20, 2016

TO WHOM IT MAY CONCERN

We are pleased to certify that **MD. ABUL HASNAT**, Student ID No.E140503009, a student of **Hajee Mohammad Danesh Science and Technology University, Dinajpur**, under **MBA (Evening) Program** has successfully completed his **45 (Forty five) days'** internship program (From **24th August to 7th October,2016**) at IFIC Bank Limited, Dinajpur Branch, Dinajpur.

During this period **MD. ABUL HASNAT**, has gathered various practical knowledge in different stream of modern banking operation and revealed his efficiency and expertise in the desk of General Banking of IFIC Bank Limited.

We wish him success in his career.



(Md. Mostaque Hossain Chowdhury)
Vice President & Manager

LETTER OF TRANSMITTAL

24 October, 2016

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

Subject: **Submission of Internship Report**

Dear Sir,

It is my great pleasure that I am going to submit the report on “**General Banking System Of IFIC Bank Ltd**”. I have tried my best to follow your guidelines in every aspect of planning and preparing my report. I have collected what I believe to be most important information to make my report as specific & coherent as possible. I enjoy the challenge of preparing the report as it has provided me with an opportunity to increase my understanding about General Banking.

I earnestly thank you for your guidance during the preparation of this report. I will be grateful to you if you accept the report. Your support in this regard will be highly appreciated.

Sincerely yours,

Md. Abul Hasnat

ID: E140503009

MBA (Evening), 3rd Batch

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STUDENT'S DECLARATION

The discussing report is the terminal formalities of the internship program for the degree of Master of Business Administration (Evening), Faculty of Business Studies at Hajee Mohammad Danesh Science and Technology University, Dinajpur which is compact professional progress rather than specialized. This report has prepared as per academic requirement after successfully completing the 45 days internship Program under the supervision of my honorable supervisor

Sourav Paul Chowdhury, Assistant Professor, Department of Management. It is my pleasure and great privilege to submit my report titled “**General Banking System Of IFIC Bank Ltd**”, as the presenter of this report; I have tried my level best to get together as much information as possible to enrich the report. I believe that it was a fascinating experience and it has enriched both my knowledge and experience.

I believe everyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspects and also some minor mistake such as syntax error or typing mistake or lack of information. Please pardon me for that mistake and clarify these of my further information on those matters.

Md. Abul Hasnat

ID: E140503009

MBA (Evening), 3rd Batch

Major in Marketing

HSTU, Dinajpur

DECLARATION OF SUPERVISOR

It's my Pleasure to Certify that Md. Abul Hasnat, Student ID: E-140503009, MBA (Evening) Major in Marketing, 3rd Batch has Successfully Completed MBA (Evening), Internship report titled "**General Banking System Of IFIC Bank Ltd**" under my Supervision and Guidance. He has not copied from any other Work. This is an Original Work.

Therefore, He is directed to submit his Report for Evaluation. I wish his Success at every sphere of his Life.

Sourav Paul Chowdhury

Assistant Professor

Department of Management

HSTU, Dinajpur

DECLARATION OF CO-SUPERVISOR

It's my Pleasure to Certify that Md. Abul Hasnat, Student ID: E-140503009, MBA (Evening) Major in Marketing, 3rd Batch has Successfully Completed MBA (Evening), Internship report titled "**General Banking System Of IFIC Bank Ltd**" under my Supervision and Guidance. He has not copied from any other Work. This is an Original Work.

Therefore, He is directed to submit his Report for Evaluation. I wish his Success at every sphere of his Life.

Abul Kalam

Assistant Professor

Department of Marketing

HSTU, Dinajpur

ACKNOWLEDGEMENT

A lot of effort and study has been involved in preparing this report into reality. I would like to remember the name of the Almighty Allah who has created us and given us knowledge, time and energy for completing my Internship Program.

With a great pleasure, I would like to express my deep sense of gratitude to the management of IFIC Bank Limited for their valuable and helpful support.

I would like to thank Md. Mostaque Hossain (VP & Manager), for giving me a chance to work in Dinajpur Branch of IFIC Bank, I am also grateful to Md. Ruhul Amin (SAVP), Md. Sohel Perves (Principal Officer), S.M Alim Al Razi (Senior Officer), MS. Salma Sultana (Officer), MS. Naznine Mahmud (Officer), MS. Mahmuda Khatun (Officer), Md. Mukul Miah (Officer) of Dinajpur Branch. Without their help it would have not been possible for me to complete the internship program easily.

Then I would like to thank Md. Mostaque Hossain (VP & Manager), again who was my honorable supervisor and Md. Sohel Perves (Principal Officer & in charge of General Banking of IFIC Bank Ltd, Dinajpur Branch), my instructor of the internship program. He was always at my side with his ever-extending helping hand, guidance, enthusiasm and inspiration and above all, flexibility of work.

I would also like to express my thanks to all employees of IFIC Bank, Dinajpur Branch, who have helped me by contributing their time and providing me with information related to the topic. I appreciate their consideration.

Finally, I would also like to express heartfelt gratitude to Sourov Paul Chowdhury, Assistant Professor, Department of Management, HSTU Dinajpur for his guidelines and feedbacks on the report procedure.

EXECUTIVE SUMMARY

The principal reason of banks chartered by the government and the central bank is to make loans to their customers. Banks are expected to support their communities with an adequate supply of credit for all legitimate business and financial needs of consumer and to price that credit reasonably in line with competitively determined interest rates. Indeed, making loans is the principal economic function of banks to fund consumption and investment spending by businesses, individuals, and units of government. How well a bank performs its function has a great deal to do with the economic health of any region, because banking performance support the growth of new businesses and jobs within the banks trade territory and promote economic vitality. Moreover, bank loans often seem to convey positive information to the marketplace about a borrower's credit quality, enabling a borrower to obtain more and perhaps somewhat cheaper funds from other sources.

The internship report is a partial requirement for the Master of Business Administration (Evening). As a part of internship program, I was placed at Dinajpur Branch of IFIC Bank Limited. During the three months internship program I have learned extensively about commercial banking operation.

This report explores IFIC Bank's activities as one of the leading non-government organization. This report contains information about all commercial activities that the bank deals with. I have mainly focused on General Banking system of IFIC Bank Limited in this report.

General banking operation includes all the general activities performed by the bank. I have discussed about different types of account holder and different types of account such as Saving Account, Current Account, Fixed Deposit Rate (FDR), Pension Saving Scheme (PSS) & other existing accounts with their rates and other activities of General Banking in detail.

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CHAPTER 1

INTRODUCTION

1.0: Introduction

An internship is a work-related learning experience for individuals who wish to develop hands on work experience in a certain occupational field. Most of the internships are temporary assignments that last approximately three months up to a year.

With the development of economies and globalization, exposure to international business and culture is becoming a necessary and valuable experience for college graduates entering the job market. An international experience in an academic program brings a sign Agrarian edge to individuals when seeking career employment. Employers are always looking for persons who are self-confident, worldly and knowledgeable of a multicultural world. Successful completion of an international internship will further develop characteristics, which are desired by companies in the real business world.

In the business environment at home and abroad there are lots of financial institution, business firms, and industries which provide this facility towards us. If we were far from the facility of internship then a wide gap would take place between our study and experience. I think this is an extremely valuable asset for us.

An internship is an excellent way to determine if the industry and the profession is the best career option to pursue. Interns not only gain practical work experience in a field that they intend to pursue but also build experience in international platforms. It helps individuals to combine theory with practical work experience. Internships helps develop professional work habits; provides an understanding of corporate cultures, gives an opportunity to analyze international business settings, offers platforms to compare differences in work styles.

The students of business do this usually for three months. In our country there are many banks particularly the esteemed private sector banks, and elite business firms provide this program of internship. In this respect I have done my internship in IFIC Bank Ltd. the one of the most renowned private bank in Bangladesh. I am thankful to IFIC Bank Ltd. for giving me this tremendous opportunity.

1.1: Background

The internship program is required for the student of EMBA. It is a program with duration of 45 days. Students who have completed all the required courses are eligible



for this program. In the internship program I was attached to the IFIC Bank Ltd, Dinajpur. Branch for 45 days.

This report originates to fulfill the requirement of studying EMBA Program at HSTU. This program has been designed to facilitate the students with basic theoretical and practical knowledge in the job activities in the context of Bangladesh as well as worldwide.

Since the EMBA program is an integrated, practical and theoretical method of learning, this program is required to have practical exposure in any kind of business organization. This report has been prepared on practical orientation.

1.2: Objective of the report:

The primary objective of this report is to comply with the requirement of my course. But the objective behind this study is something broader. The principal intent of this report is to analyze the trends of modern banking and their customer's satisfaction. Objectives of the study are summarized in the following manner:

- To identify the present state of IFIC Bank Limited.
- To get an idea about the financial strength of IFIC bank.
- To find out the problems exist in general banking department.
- To describe General Banking, SMS Banking, ATM facilities, loan & other facilities provided by it.
- To provide the recommendation for improvement.

1.3: Methodology of data collection:

For achieving the specific objective of this study, I have collected the related data both from primary & secondary sources.

1.3.1: Primary data have been collected from:

- Interviewing and interacting with the customers of IFIC Bank.
- Observing different organizational activities.
- Conversation with the staffs of this bank.

1.3.2: Secondary data have been collected from:

- The annual reports of IFIC bank.
- Different papers of the bank.
- Various records of the bank, unpublished data.
- Different textbooks, journals, booklets and
- Web site of IFIC bank.

1.4: Limitations of the study:

- The internship was based upon only IFIC bank, Dinajpur Branch, so the report doesn't show all branches' activity of IFIC bank in depth.
- Although I have obtained wholehearted co-operation from employees and customers of IFIC bank, Dinajpur branch but they could not manage enough time to deal with my report.
- The annual report and web sites are the main secondary sources of the information but this information was not enough to complete the report.
- The main limitation for me was that relevant data and document collection was difficult because of the confidentiality of the administration.

CHAPTER 2

COMPANY PROFILE



2.0: Bank's Vision:

To be best private commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity

2.1: Bank's Mission:

Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for.

We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.

We want to be the leader among banks in Bangladesh and make our indelible mark as an active partner in regional banking operating beyond the national boundary.

In an intensely competitive and complex financial and business environment, we particularly focus on growth and profitability of all concerned.

2.2: Core Values:

Integrity: Upholding integrity in all that we do, always, everywhere.

Fairness: Striving to offer the best to our customers equitably with transparency.

Innovation: Encouraging and nurturing creativity.

Commitment: Committed to excellence in customer service and maximization of stakeholders' value through teamwork.

2.3: Objectives of the IFIC Bank Limited:

1. To strive for sound business growth by ensuring customer satisfaction through quality and timely services
2. To manage and operate the Bank in the most efficient manner to ensure achievement of goal
3. To maintain adequate capital flow to support further growth
4. To ensure effective and efficient risk management for sustainable business growth
5. To diversify loan portfolio through structured finance and expansion of Corporate, SME, Agricultural and Retail businesses
6. To mount state-of-the-art technologies and adopt innovative ideas for financial inclusion
7. To groom human resources for serving customers efficiently
8. To increase brand visibility by creating positive image of the Bank
9. To be a trend-setter in serving the society and remain responsive to the environment
10. To ensure sound corporate governance
11. To facilitate mobility in banking by up gradation of Internet and Mobile Banking
12. To add value for all stakeholders.

2.4: Corporate profile:

Particulars	Details
Name of the Company	International Finance Investment and Commerce Bank Limited (IFIC)
Logo of the Company	
Legal Form	IFIC Bank Limited was incorporated in Bangladesh and registered with the Registrar of Joint Stock Companies and Firms as a public company limited by shares.
Company Registration Number	4967, Dated October 08, 1976
Authorized Capital	Tk. 20,000 million
Paid up Capital	Tk. 3460.50 million
Listing Status	Listed with Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) in 1986 and 1997 respectively.
Market Category	'A' Category
Tax Payer Identification Number (TIN)	210-200-0537, LTU, Dhaka.
VAT Registration Number	9021077014
Registered Office	BDBL Bhaban (8th – 10th & 16th - 19th floor) 8 Rajuk Avenue, Dhaka-1000 Tel: 9563020-29, Fax:9562015 Swift: IFIC BD DH E-mail: info@ificbankbd.com Web:www.ificbankbd.com
Subsidiary Company	IFIC Securities Limited IFIC Money Transfer (UK) Limited
Off-shore Banking Unit (OBU)	IFIC Bank Ltd.- OBU Federation Branch, FBCCI Building60, Motijheel C/A, Dhaka.
Auditors	Howladar Yunus & Co. Chartered Accountants
Legal Advisor	Mr. Ahsanul Karim
Tax Consultants	Adil & Associates
Credit Rating Agency	Credit Rating Agency of Bangladesh (CRAB) Limited
Name of Chairman	Salman F Rahman
Name of Managing Director & CEO	M. Shah Alam Sarwar
Name of CFO	S. M. Abdul Hamid
Name of Company Secretary	A.K.M. Mozharul Hoque
No. of the Employees	2422
No. of Branches	106
No. of SME Service Center	01
No. of Shareholders	40295
Investor Relations	BDBL Bhaban (10th floor) 8 Rajuk Avenue, Dhaka-1000 Hotline Number: 9563020

2.5: Time line of IFIC Bank Limited:

Year	Advancement
1976	Established as an Investment & Finance Company under arrangement of joint venture with the Govt. of Bangladesh.
1980	Commenced operation of Foreign Exchange Business in a limited scale.
1982	Obtained permission from the Govt. to operate as a commercial bank, set up its first overseas joint venture (Bank of Maldives Limited) in the Republic of Maldives (IFIC's share in Bank of Maldives limited was subsequently sold to Maldives Govt. in 1992)
1983	Commenced operation as a full-fledged commercial bank in Bangladesh.
1985	Set up a joint venture Exchange Company in the Sultanate of Oman, titled Oman Bangladesh Exchange Company (subsequently renamed as Oman International Exchange, LLC)
1987	Set up its first overseas branch at Karachi in Pakistan
1993	Set up its second overseas branch at Lahore in Pakistan
1994	Set up its first joint venture in Nepal for banking operation, titled Nepal Bangladesh Bank Ltd.
1999	Set up its second joint venture in Nepal for lease financing, titled Nepal Bangladesh Finance & Leasing Co. Ltd. (which was merged with NBBL in 2007)
2003	Set up a new Bank in Pakistan, NDLC-IFIC Bank Ltd. (Subsequently renamed as NIB Bank Ltd.) and the Overseas Branches of IFIC and a local leasing company, NDLC were amalgamated with and into it.
2005	Acquired MISYS solution for real time online banking application. Core Risk Management implemented.
2007	Launched VISA branded Credit Card (completed full range of cards i.e. Debit, Credit & Prepaid by 2010)
2010	Set up Offshore Banking Unit (OBU)
2011	Established a fully owned subsidiary exchange company named IFIC Money Transfer (UK) Ltd.
2012	Inauguration of 100th Branch at Tejgaon-Gulshan Link Road in Dhaka.

2.6: Board of directors:

Salman F Rahman	Chairman
Mohammad Lutfar Rahman	Director
Monirul Islam	(Independent Director)
Syed Anisul Huq	(Independent Director)
Mohammed Nayem Syed	(Independent Director)
Jalal Ahmed	(Govt. Nominated Director)
A.R.M. Nazmus Sakib	(Govt. Nominated Director)
Arijit Chowdhury	(Govt. Nominated Director)
M. Shah Alam Sarwar	Managing Director & CEO

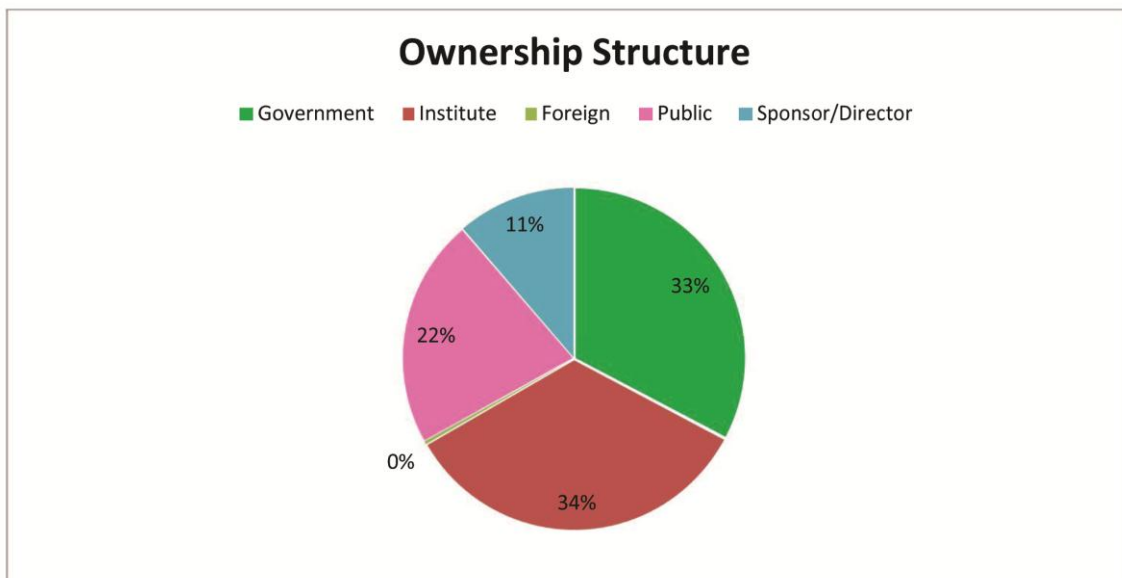
2.7: Management Hierarchy:

CHAIRMAN
VICE CHAIRMAN
DIRECTOR
MANAGING DIRECTOR (MD)
DEPUTY MANAGING DIRECTOR (DMD)
SENIOR EXECUTIVE VICE PRESIDENT (SEVP)
EXECUTIVE VICE PRESIDENT (EVP)
SENIOR VICE PRESIDENT (SVP)
FIRST VICE PRESIDENT (FVP)
VICE PRESIDENT (VP)
SENIOR ASSISTANT VICE PRESIDENT (SAVP)
FIRST ASSISTANT VICE PRESIDENT (FSAVP)
ASSISTANT VICE PRESIDENT (AVP)
SENIOR STAFF OFFICER (SSO)
STAFF OFFICER (SO)
GRADE ONE OFFICER (GR-1)
GRADE TWO OFFICER (GR-2)
CASH OFFICER
COMPUTER OFFICER



2.8: Ownership Structure:

Previously IFIC Bank Ltd was Government owned bank. Now the government of the Peoples Republic of Bangladesh holds 32.75 % of shares of the bank. Different institute of the country holds 33.91% of the shares, Foreign 0.28%, Sponsor/Director holds 11.31 % and the rest of the 21.75 % is held by the general public. The founder of IFIC Bank Ltd was Jahurul Islam of Islam Group of Industries. He was the first Chairman and A.S. F. Rahman was first Vice Chairman.



Board of Directors of the Bank is a unique combination of both private and Government sector experience. Currently it consists of 13 Director. Of them eight represent the sponsors and general public and four officials in the rank and status of Additional Secretary/Joint Secretary represent the Government.

The nine members of the Board of Directors are responsible for the strategic planning and overall policy guidelines of the Bank. Further, there is an Executive Committee of the Board to dispose of urgent business proposals.

Besides, there is an Audit Committee in the Board to oversee compliance of major regulatory and operational issues.

The CEO and Managing Director, Deputy Managing Directors and Head of Divisions are responsible for achieving business goals and overseeing the day to day operation.



The CEO and Managing Director is assisted by a Senior Management Group consisting of Deputy Managing Directors and Head of Divisions who supervise operation of various Divisions centrally and co-ordinates operation of branches

Key issues are managed by a Management Committee headed by the CEO and Managing Director. This facilitates rapid decisions

There is an Asset Liability Committee comprising member of the Senior Executives headed by CEO and Managing Director to look into all operational functions and Risk Management of the Bank.

2.9: Historical Background:

International Finance Investment and Commerce Bank Limited (IFIC Bank) is banking company incorporated in the People's Republic of Bangladesh with limited liability. It was set up at the instance of the Government in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial institutions abroad. In 1983 when the Government allowed banks in the private sector, IFIC was converted into a full fledged commercial bank. The Government of the People's Republic of Bangladesh now holds 32.75% of the share capital of the Bank. Directors and Sponsors having vast experience in the field of trade and commerce own 11.31% of the share capital and the rest is held by the general public.

The Bank had been widely welcome by the business community, from small entrepreneurs for forward-looking business outlook business outlook and innovative financing solutions. Thus, within this very short period it has been able to create an image for itself and has earned significant reputation in the country's banking sector as a bank with vision.

General banking department is the 'Heart' of the banking activities. It performs the core functions of the bank, operates the day-to-day transaction. It is the storage point for all kinds of transaction of foreign exchange department, loan and advances department and itself. IFIC Bank provides different types of accounts and special types of schemes under general banking.



The sponsors of IFIC Bank Ltd. are leading entrepreneurs of the country having stakes in different segments of the national economy. They are eminent industrialists and businessman having wide business reputation.

2.10: Financial Highlights:

Taka in Million

	2012	2013	2014	2015	2016
Authorized Capital	1,600	5,350	5,350	5,350	20,000
Paid-up Capital	1,341	1,744	2,180	2,768	3,460
Reserve Fund	1,856	2,454	3,569	3,834	3,407
Deposits	36,092	50,018	54,660	73,106	92,433
Loans & Advances	33,018	37,794	47,563	64,641	77,160
Investments	5,230	9,083	8,835	12,199	15,671
Gross Income	5,527	6,494	8,921	10,244	13,991
Gross Expenditure	3,905	4,535	5,094	7,525	11,284
Net Profit before taxation	1,317	1,650	3,167	1,861	1,390
Import Business	50,337	43,717	62,467	71,517	80,710
Export Business	66,557	54,244	55,981	83,846	84,147
Foreign Remittance	12,277	13,145	13,455	12,724	14,305
Number of Employees	2,110	2,193	2,315	2,385	2,422
Number of Branches	74	82	95	99	106
Number of Shareholders	31,915	34,152	37,773	38,007	40,295



2.11: Products & Services of IFIC Bank Ltd:

Deposit Products:

AMAR Account:

Features

- Deposit and Loan (Overdraft) is enabling in a single account.
- Interest Rate – From Tk.10,001/- To 50,000/- 2.50%;
Tk.50,001/-To1,00,000/-3.50%;
Above Tk.1,00,000/- 4.00%.
- SMS banking facility
- Internet banking facility

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID – NID/DL/Passport
- Proof of address – copy of utility bill

Sanchita-Female Savings Account:

Features

- Interest will be calculated @4.50% on the Daily Balance and to be credited to account on Monthly Basis.

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID -NID/DL/Passport
- Proof of address – copy of utility bill



Super Saving Plus - More Money:

Features

- A special type of savings account, gives monthly return on your savings deposit
- Interest rate:
 - Below Tk. 10,000/- 0%
 - Tk. 10,000 – 1,00,000/-4.00%
 - Tk.1,00,001-2,00,000/-4.25%
 - Above Tk.2,00,000/- 4.50%
- Insurance Coverage up to Tk. 500,000.00 for accidental death and Tk. 50,000.00 for normal death
- Interest will be calculated on the daily balance and paid at month end

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID -NID/DL/Passport
- Proof of address – copy of utility bill

Fees and Charges

- A/C Maintenance Fee: Nil
- Cheque book fee - Tk. 4/leaf
- Closing charge of Tk. 200

Current Account:

Features

- Non-interest bearing checking account



- VISA Debit Card
- 24 hour access to ATMs. Wider access to Q-cash ATMs with free of charge
- SMS banking Facility
- Internet banking facility

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID- NID/DL/Passport
- Proof of address – copy of utility bill

Fees and Charges

- A/C Maintenance Fee: Tk.500 Half Yearly
- Cheque Book Fee: Tk.4/leaf
- Debit card fee: Tk.600
- Closing charge: Tk. 300

Fixed Deposit Receipt (FDR):

Features

- A term deposit account, guarantees interest on deposit
- Interest rate:
 - 1 Year 6.00%, 6 Months 5.75%; 3 Months 5.50%
- Flexible tenor: 1Y, 3M, & 6Months
- 90% loan facilities

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID –NID/DL/Passport
- Proof of address – copy of utility bill

Monthly Income Scheme:

Features

- A special kind of fixed deposit offers flexibility & comfort of having monthly return on investment.
- Interest rate:
 - 3 Years 7.00%
- Flexible tenor: 1 year, 2 years, 3 years
- Loan facility up to 90.00%

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID-NID/DL/Passport
- Proof of address – copy of utility bill

Fees and Charges

Nil



Double Return Deposit Scheme (DRDS):

Features

- Interest rate: Quarterly @ 6.99%
- Principal Amount will be doubled after 10 Years.
- Loan Facilities up to 90% of Principal Amount.

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID-NID/DL/Passport
- Proof of address – copy of utility bill

Fees and Charges

Nil

Millionaire Dream Plan (MDP):

Features

- Be millionaire in 4Y/ 5Y/ 7Y and/or 10 Years with IFIC Bank
- Flexible installment size – 4Y: Tk.17,930, 5Y: Tk.13,820, 7Y: Tk.9,150, 10Y: Tk. 5,705.
- Loan Facilities up to 90% of Principal Amount.
- In case account is closed within a year, only principal amount will be paid to the client

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy



- Copy of photo ID-NID/DL/Passport
- Proof of address – copy of utility bill

Fees and Charges

Nil

Pension Savings Scheme (PSS):

Features

- Interest rate: 7.50%
- Duration of 3 years/ 5 years
- Income tax rebate
- Loan facility up to 90% of deposited principal amount
- Can receive full payment after maturity or option for a pension on monthly basis.

Requirement

- Photograph – 3 copies
- Nominee photo – 1 copy
- Copy of photo ID -NID/DL/Passport
- Proof of address – copy of utility bill

Fees and Charges

Nil

Maturity Table: Pension Savings Scheme (PSS):

Monthly Installment	After 03 Years	After 05 Years
500	20,171	36,266
1,000	40,343	72,533
2,000	80,685	1,45,065
3,000	1,21,028	2,17,598
5,000	2,01,713	3,62,664
10,000	4,03,426	7,25,327
15,000	6,05,139	10,87,991
20,000	8,06,852	14,50,654
25,000	10,08,566	18,13,318
50,000	20,17,131	36,26,636

School Savings Plan – A Plus

Features

- Easy monthly installment based scheme account for school going students
- Interest rate 10%
- Flexible tenor: 3 years & 5 years
- If the student under this scheme get A+ on SSC/HSC examination will get additional benefit as Scholarship.

Requirement

- 2 copy photo of minor student
- Student ID
- 2 copies photograph of guardian
- Copy of photo ID -NID/DL/Passport of guardian
- Proof of address – copy of utility bill

Fees and Charges

Nil

Maturity Table: School Savings Plan – A Plus:

Initial Deposit	Monthly Installment	After 05 Years	After 07 Years
4,000.00	1,000.00	78,135.00	1,15,940.00
6,000.00	1,500.00	1,17,202.00	1,73,909.00
8,000.00	2,000.00	1,56,270.00	2,31,879.00
10,000.00	2,500.00	1,95,337.00	2,89,849.00
12,000.00	3,000.00	2,34,405.00	3,47,819.00
15,000.00	5,000.00	3,83,528.00	5,71,477.00

2.12: Corporate Banking:

IFIC Bank is offering specialist advices and products to corporate clients to meet diverse demands of the changing market scenario. The bank has an extensive branch network all over the country to expedite the client’s business growth. The bank facilitates the clients to face the challenges and realize opportunities. The bank’s main focus is relationship based banking and understanding corporate and institutional business environments. Products and services for corporate clients include: Working Capital Finance, Project Finance, Term Finance, Trade Finance, Lease Finance, Syndication Loan etc.

2.13: Retail Banking:

Retail Banking is mass-banking facility for individual customers to avail banking services directly from the wide branch network all over the country. The bank provides one-stop financial services to all individual customers through its innovative products & services to cater their need. With a view to provide faster and more convenient centralized online banking services, now, all its branches have been brought under the real time online banking system.

IFIC Bank offers a wide variety of deposit products, loan product & value added services to suit the customer’s banking requirements. Products and services for individual customer include:

Consumer Finance, Deposit Product, Card, NRB Account, Student File, SMS Banking etc.

2.14: SME Banking:

The growth of Small and Medium enterprises (SMEs) in terms of size and number has multiple effects on the national economy, specifically on employment generation, GDP growth, and poverty alleviation in Bangladesh. At present, Small & Medium Enterprise sector is playing a vital role in creation of new generation entrepreneurs and 'Entrepreneurs Culture' in the country. Experience shows that borrowers of small enterprise sector prefers collateral free loan since normally they cannot offer high value security to cover the exposure.

To facilitate SME sector of the country, IFIC Bank provides collateral free credit facilities to the small & medium entrepreneurs across the country whose access to traditional credit facilities are very limited. The bank is offering 15 different products for selected target groups, such as - Easy Commercial Loan, Retailers Loan, Muldhan Loan, Women

Entrepreneur's Loan (Protyasha), Transport Loan, Working Capital Loan, Project Loan, letter of Contractor's Loan, Bidder's Loan, Working Capital Loan, Project Loan, Letter of Guarantee, Letter of Credit Loan against Imported Merchandize (LIM), Loan against Trust Receipt etc.

2.15: Agricultural Credit:

Bangladesh is an agro-based country and majority of the population is dependant on Agriculture. Although maximum of the total population is dependant on agriculture, its contribution to GDP has gradually come down. Moreover, every year a huge amount of food grain and other agricultural products are imported to meet the demand of the country. In order to achieve desired growth in agriculture sector of the country the bank is committed to increase present loan portfolio in agricultural sector. IFIC Bank is offering Agriculture Loan products namely –

- i) Krishi Saronjam Rin - for Agriculture Equipments
- ii) Shech Saronjam Rin - for irrigation equipments
- iii) Poshupokkhi & Motsho Khamar Rin - for Live Stock & Fish Culture &
- iv) Phalphasali Rin - for Fruit Orchard for individuals & group at micro level.

2.16: Lease Finance:

Lease means a contractual relationship between the owner of the asset and its user for a specified period against mutually agreed upon rent. The owner i.e. the Bank is called the Lessor and the user i.e. the customer is called the Lessee. Lease finance is one of the most convenient source of financing of assets viz. machinery, equipment vehicle, etc.

IFICBL, the highly capitalized private Commercial Bank in Bangladesh has introduced lease finance to facilitate funding requirement of valued customers and growth of their business houses.

Its lease facility is extended to the items like Industrial Machinery, Luxury bus, Mini bus, Taxi cabs.

2.17: Lease items:

- Vehicles like Luxury Bus, Mini bus, Taxi Cabs, Cars, Pick-up, CNG three wheeler, etc.
- Industrial Machinery & Equipment. Medical Equipment.
- Machinery for Agro-based Industry. Construction Equipment.
- Office Equipment.
- Generators, Lifts & Elevators for commercial place.
- Sea or River Transport.
- Computer for IT Education Center.

2.18: Treasury & Capital Market:

IFIC Bank Limited is devoted to capital Market of the country and offers world standard brokerage services for individual and institutional investors. The Bank is responsible for origination of sales, buy and trading of securities of Capital markets. It aims to provide relevant support to its customer with sophisticated and innovative financial solutions and delivering the highest quality of services. It has a seat in Dhaka Stock Exchange Limited.

The Treasury Division of IFIC Bank is engaged with Cash Management, Liquidity Planning and Liquidity Protection. It is also conscious to protect all the bank's Assets and Profits against loss due to domestic as well as global financial realities, particularly Interest and Exchange Rate fluctuations. The Treasury Department is also regarded as a Profit Center, which generates income by trading instruments in the Financial Market.

To manage treasury unit as profit centre, along with guidance from regulatory authorities, the bank equipped itself with clear policies, fit organization structure, deployment of trained staff, modern infrastructural facilities and technological initiatives.

- Major functions of treasury division of IFIC Bank are –
- Fund Management
- Management of Statutory Requirement Investment
- Trading of Foreign exchange & Money Market Instruments Asset Liability Management
- Risk Management

IFIC Bank has a dedicated Treasury team which is capable of providing all treasury solutions through wide range of Treasury products. IFIC Treasury has four different desks, which are specialized in their own area to provide best services with respect to pricing, best possible solution for customer requirement and market information.

2.19: Cheque book issue:

- Firstly the customer will fill up the cheque requisition form.
- Authorized Officer Asses all of these Cheque requisition and send it to the Head Office with a cheque requisition application.
- Head Office sends Cheque book to the branch.
- Put entry in the Cheque book issue Register.
- The leaves of the Cheque book under issue shall be counted to ensure that all the leaves and the requisition slip are intact and the name & account number shall be written on all the leaves of the Cheque book and on requisition slip.

- The name and the account number of the customer shall be written in the Cheque book register against the particular Cheque book series.
- Customer comes for the Cheque book.
- Taken signature in the Cheque book Register from the customer and put entry in the computer software.
- Then the Cheque book is handed over to the customer after taking acknowledgement on the requisition slip.

2.20: Transfer of an account to another Branch:

Sometimes the customer wants to transfer his account to another branch due to various reasons. IFIC Bank, Dinajpur Branch, also gives this kind of facility to the customer. In this case, they will have to submit an application to the branch manager stating the reasons. The officer verifies the signature and finds out the balance of the party. The holder also submits the rest cheque leaves along with the application. Then the officer issues an Inter Branch Credit Advice (IBCA) to that branch and a debit voucher with the balance of deposit in that account. He also sends the account opening form and specimen signature card to that new branch. The new branch officer verifies the customer signature with account opening form supplied to him. The amount mentioned in the IBCA considered as the initial deposit of the new branch.

2.21: Dispatch Section:

Dispatch division mainly operates the letter to the client, Inter Bank Credit Advice (IBCA), Inter Bank Debit Advice (IBDA), Out ward Bill Collection (OBC) to the other banks for internal transaction with the bank.

These two types of books are:

1. Inward mail -- for receiving letters
2. Outward mail -- for sending letters

2.22: Establishment section:

This section deals with employees' salary, many types of internal expenses such as purchases of stationary, equipment, machinery, payment of labor cost and convince. In case of leave of absence employee collects prescribed form from this section.

CHAPTER 3

MY EXPERIENCE IN IFIC BANK

LIMITED



3.0: My experience in IFIC Bank Limited:

In IFIC Bank I worked in the General Banking department. I was placed in the account opening section. I was responsible for opening all type of account of the customer. It was a great experience for me because I achieved a lot of practical and professional knowledge. The office environment is very pretty and friendly. All employees are very responsive and caring. They always helped me to learn extensively. Employees were doing their job as a team. They help each other in every situation. They accepted me cordially and treated me as their team member. In the account opening section at first customer used to come for creating account/s then I tried to discover the purpose of the account of the customer. If the customer were confident enough about the account type then only I proceeded further otherwise I suggested them the type of account that suited them the most and the photocopy of the documents (like: Passport sized photograph, National ID card of account holder & Nomine, TIN Certificate, Trade license etc) they were needed to submit to the bank. Upon submission, I verified all the relevant documents and necessary information. Further, I used to take signature of the applicant in the prescribed account opening form of IFIC Bank Ltd. I used to fill up the account opening form and get verified by the relationship manager. Then I entered that information into the Bank's online system. Then, the customer used to get the account number and they had to deposit minimum amount in that account number. In this way different accounts were created by me and future transactions were carried out in those accounts. With this responsibility I also used to write debit/credit vouchers, pay order, deposit slips, cheques etc. All in all, it was a great time when I was doing my internship in IFIC Bank Ltd. It was a great official environment. Really, I achieved fruitful knowledge from this bank and the employees. I think this experience will make my future career path more suitable and easy.

CHAPTER 4

OVERVIEW OF GENERAL BANKING

DEPARTMENT

4.0: Introduction of IFIC Bank Ltd in Dinajpur Branch:

IFIC Bank Limited of Dinajpur Branch is one of the profitable Branch of IFIC Bank Limited is located at Maldoho Potty, Dinajpur. It has started its journey on 14th May 1997 in Maldoho Potty, Dinajpur.

4.1: Manpower and position at Dinajpur Branch of IFIC Bank Ltd:

SL No.	Grade	Number of Employees	Remarks/Total
01	Senior Principal Officer	01	01
02	Principal Officer	01	01
03	Senior Officer	04	04
03	Junior Officer (Cash)	03	03
04	Junior Officer	02	02
05	Other Attendant	02	02
06	Security Guard	02	02
	Total		15

4.2: Online Branch Banking:

This bank has set up a wide area network (WAN) across the country to provide online branch banking facility to its valued clients. Under this scheme, clients of any branch shall be able to do banking transaction at other branches of the bank. Under this system a client will be able to do following type of transactions:

- Cash withdrawal from his / her account at any branch of the bank.
- Cash deposit in his / her account at any branch of the bank irrespective of the location.
- Cash deposit in other's account at any branch of the bank irrespective of the location.
- Transfer of money from his / her account with any branch of the bank.

4.3: Deposit portrait of IFIC Bank Ltd. (Dinajpur Branch):

Type of account	No. of account	Amount in Tk.
CD	1139	14,707,516.94
SB	2712	41,820,317.92
STD	33	15,004,033.77
FDR	1144	39,36,20427
PSS	649	29,142,336
MIS	84	32,250,000

4.4: Daily work plan:

The bank works Five days a week from 10.00 am to 6.00 pm. No transaction is held after 4.00pm with customers. There are formal break for launch and prayer time. Generally the daily meeting held after the work time. The work time and the policies regarding attendance are very much rigid.

4.5: Communication:

Communication within the branch is often described as formal or informal. Formal communication refers to communication that follows the official chain of command or is part of the communication required to do one's job. For example, when a manager asks an employee to complete a task, he or she is communicating formally. Any communication that takes places within prescribed organizational work arrangements would be classified as formal.

Informal communication is organizational communication that is not defined by the organization's structural hierarchy. When employees talk with each other in the launch room, as they pass time here and there, that's informal communication. Informal communication system fulfills two purposes in organizations:

It permit the employees to satisfy their need for social interaction, and it can improve the organization performance by creating alternative, and frequently faster and more efficient, channels of communication.

4.6: General Banking:

During my practical orientation I was placed in General Banking of IFIC Bank Limited at Dinajpur Branch. General Banking is the starting point and main function of all the banking operations. It is the department which provides day-to-day service to the customers. It is associated with financial transactions to facilitate customer service. However, there are other departments for successful banking operations.

4.7: Functions of General Banking:

This department maintains following functions:

- Accounts Opening section.
- Cash section
- Clearing section.
- Remittance section.

4.8: Accounts Opening Section:

This section opens different types of account for their valued customers. Selection of customer is very important for the bank because bank's success and failure largely depends on their customers. If customers are bad they create fraud and forgery by their account with bank and, this destroys the goodwill of the bank. So, this section takes extreme caution in selecting its valued customer.

4.9: Types of Accounts:

Accounts can be classified into two types:

Operative Account

Current Deposit Account

PSS A/ C

Savings Deposit Account

MIS A/C

STD A/C

Non-Operative Accounts

FDR A/C

4.9.1: Current Account (CD):

Current account is convenient for the business persons who needs frequent transaction. In case of Current Account no interest is given to the account holder. There are current accounts for individual, joint current account, proprietorship current account, partnership current account, and limited company current account. It is a running and active account, which may be operated upon any number of times during a working day. There is no restriction on the number and the amount of withdrawals from a current account.

Documentation: Proprietorship:

- Attested photocopy of Trade License
- Two copies of passport size photographs of account holder.
- National ID Card photocopy
- Documentation: Partnership
- Attested photocopy of Trade License
- Two copies of passport size photographs of account holder
- National ID Card photocopy
- Attested photocopy of Partnership deed.

Documentation: Private Limited Company:

- Attested photocopy of Trade License
- Two copies of passport size photographs of directors With
- National Id card photocopy
- Certified copies of Memorandum and Articles of Associations
- Certificate of Incorporation and copy of TIN certificate.
- List of directors as per return of Joint Stock Company with signature
- Resolution for opening account with the bank.

Documentation: Public Limited Company:

- Attested photocopy of Trade License
- Two copies of passport size photographs of directors with
- National Id card photocopy
- Certified copies of Memorandum and Articles of Associations
- Certificate of Incorporation
- Certificate of Commencement of business and copy of TIN certificate.
- List of directors as per return of Joint Stock Company with signature
- Resolution for opening account with the bank.

Operational Nature of Accounts:**Current Deposit Accounts (CD account)**

- A current account may be opened by any individual, firm, company, club, associates, etc. Bank: may, however, refuse without assigning any reasons to open current account to any body.
- Minimum balance of Tk. 2000 while opening.
- No current account will be opened with Cheques.
- Fund in the current deposit account shall be payable on demand.
- Minimum balance to be maintained of Tk. 2000.
- If minimum balance falls then incidental charges of Tk. 150 will be realized half yearly.
- No interest is payable on the balance of CD.
- In case of closing of current account Tk. 150 is to be realized against incidental charges.

Closing of Current Account:

A customer's account with a banker may be closed for the following circumstances:

- (a) The customer may inform the banker in writing of his/her intension to close the account
- (b) The banker may itself ask the customer to close the account when the banker find that the account is not been operated for a long time.

Formalities (When customer informs):

- Application to Branch in charge for closing
- Making the account balance nil
- Signing the revenue stamp by the client
- Payment of closing charge.
- Surrender of the unused Cheque leaves by the bank
- Closing of the account by the bank

Formalities (When bank informs):

- Bank communicates with the client if the account is not operated for six months and in case of non response account becomes a dormant account.
- In case non operation for two years then the account becomes "inoperative" account.
- If the current account paying in "Inoperative Current Account for more than one years then the account becomes an "Unclaimed Deposit" account.
- For withdrawal at any amount from that account, permission from head office or controlling office is required.

4.9.2: Saving Deposit Account (SB):

Saving Accounts are especially for the middle-income groups who are generating limited income and have the tendency to save to meet their future need and intend to earn an income from their savings. It aims at encouraging savings of non-trading person(s),

institution's society, clubs etc. by depositing small amount of money in the bank. 4.50% interest is paid to the accountholder. Both the elements of time and demand deposit are present in this account.

For opening a savings account these documentations are required:

Documentations:

- Two copies of passport size photographs
- National Id card photocopy
- Introductory reference.
- One choppy Photograph of Nominee with
- National Id card photocopy

Closing Formalities of Savings Account:

Formalities for savings account opening and closing are same as current account.

Restriction on Withdrawals and Deposit

- The number of withdrawals over a period of time is limited. Two withdrawals per week are permitted. But more than that no interest will be paid on rest amount for that month.
- The total amount of one or more withdrawals on any date should not exceed Tk.20000.00

4.9.3: Fixed Deposit Receipt (FDR):

These are the deposits, which are made with the bank for a fixed period specified in advance. It is purely a time deposit account. The bank does not maintain cash reserves against these deposits and therefore the bank offers higher rates of interest on such deposits. Interest is paid at rate determined by the length of the period for, with the deposit is made. Obviously, the longer is the period of deposit, the higher is the rate of interest. At present the rate of interest for Fixed Deposit Receipt (FDR) in the IFIC Bank Limited is presented in the following Table

Fixed Deposit Rate:

Duration	Rate
1 (One) Month	4.00%
3 (Three) Months	5.50%
6 (Six) Months	5.75%
1 (One) Year	6.00%

Opening of Fixed Deposit Account:

The depositor has to fill up an application form wherein he/her mentions the amount of deposit, the period for which deposit is to be made and the name(s) in which the fixed deposit receipt is to be issued. In case of a deposit in joint names, the banker also takes the instructions regarding payment of money on maturity of deposit i.e. whether payable jointly or payable to survivor etc. the banker also takes the specimen signatures of the depositor(s). A Fixed Deposit Receipt is then given to the depositor acknowledging receipt of the sum of money mentioned therein. It also contains the rate of interest and the date on which the deposit will fall due for payment. In this account no transaction are allowed and no Cheque book is issued. Customers are given Fixed Deposit Receipt only.

Payment of interest:

It is usually paid on the maturity of the fixed deposit. IFIC Bank Ltd, calculate the interest at each maturity date and provision is made on that "Miscellaneous creditor expenditure payable account" is debited for the accrued interest.

Encashment of FDR:

In case of the premature FDR IFIC Bank Ltd, is not bound to accept the surrender of the deposit before its maturity date. In order to deter such a tendency the interest on such a fixed deposit is made a certain percentage less than the agreed rate. Normally savings bank deposit is allowed.

Renewal of FDR:

In IFIC Bank Ltd, the instrument is automatically renewed within 7 (Seven) days after the date of maturity if the customer does not come to encash the FDR. If the customers don't want to renew automatically then they need to specify this option when they open that particular FDR.

4.9.4: Pension Savings Scheme (PSS):

This is a scheme to make the customer introduced to the banking system under this schemes the customers are to pay a certain of money at monthly interval up to a period of 3 to 5 years and after the period they will get the returns along with the full interest earned during the period and the principal amount. Most of the clients under this scheme are middle class and lower middle class people

- Generally opened by small saver.
- Minimum Amount Tk. 500 and maximum Tk. 50000
- Interest rate 7.50%
- Maturity 3 to 5 years.

Liquidation of PSS:

In case of premature encashment if the period is below 1 year then no interest will be provided.

If above 1-year interest will be given as per savings rate.

4.9.5: Monthly Income Scheme (MIS):

This is another attractive scheme offered by this bank under this scheme the depositors an to deposit a fixed amount to the bank and for their fixed amount they are entitled to earn monthly payment from the bank. This is an attractive scheme for the retired person. This is also a kind of FDR, but here the interest is given monthly to the customers the deposit will be 50,000, 10,00,000, respectively.

- The rate of interest is 7.50%
- Maturity is 03 years.
- Liquidation of MIS
- Tk.200 charge for premature encashment as out access duty.
- Closing before 6 months no benefit will be providing.
- Pre encashment between 6 months to 1-year interest are provided according to savings rate. – Pre encashment between 1 to 3 years DRDS interest are provided.

4.10: Kinds of Account Holders:

Branch may open accounts of the following categories of depositors:

1. Individuals: Individuals are adult persons of 18 years age or more who are competent to enter into contracts.
2. Joint accounts: More than one adult jointly or adult with minor's may constitute joint accounts.
3. Sole Proprietorship concern: A business trading concern owned by a single adult person is sole proprietorship concern.
4. Partnership firms: A business concern owned and managed by more than one person who may be registered or not registered is a partnership firm.
5. Private limited: A body corporate formed and registered under companies Act 1994, with limited members.
6. Public limited: A body corporate formed & registered under companies Act 1994 with limited liability of the shareholders and with no upper ceiling of shareholding both certificate of incorporation and certificate of commencement has given by registrar.
7. Trusts: Trusts are created by trust deed in accordance with the law.
8. Liquidators: Liquidators are appointed by court of law for companies going into liquidation.
9. Executor: Executors are appointed by a deceased himself before his death by "with" to settle the accounts of the person after his death.
10. Club/Associations/Societies: There are organizations created & registered or not registered under societies registration act.
11. Co-operatives: There are corporate bodies registered under society's registration Act or companies Act or the co-operative societies Act.
12. Non-Govt. Organization: NGOs are voluntary organizations created & registered and society's registration Act or co-operative societies Act.
13. Non-Trading concern: These are organization registered under society's registration Act or companies Act or co-operative societies Act.

4.11: Cash Section:

Cash department is the most vital and sensitive organ of a branch as it deals with all kinds of cash transactions. This department starts the day with cash in vault. Each day some cash i.e. opening cash balance are transferred to the cash officers from the cash vault. Net figure of this cash receipts and payments are added to the opening cash balance. The figure is called closing balance. This closing balance is then added to the vault. And this is the final cash balance figure for the bank at the end of any particular day.

Functions of cash department:

- Cash payment
- Cash receipt

Cash payment:

- Cash payment is made only against cheque and pay order.
- This is the unique functions of the banking system which is known as “payment on demand”
- It makes payment only against its printed valid cheque.
- Cheque cancels when amount in figure and in word does differ, cheque is torn or mutilated.

Cash receipt:

- Another important function of this department is receipt of cash. Depositors deposit money in the account through this section by deposit slip.
- It receives deposit from depositors in form of cash.
- So it is the “mobilization unit” of the banking system.
- It collects money only its receipts from.
- It receives cash for issuing pay order TT, DD.

Books maintained by this section:

- Vault register: It keeps accounts of cash balance in vault at the bank.
- Cash receipt register: Cash receipt in whole of the day is recorded here.
- Cash payment register: Cash payments are made in a day are entries here.
- Rough vault register: Cash collection for final entry in vault registers done here, as any error and correction is not acceptable.
- Cash balance book: Balance here is compared with vault register. If no deference is found, indicate no error and omission.

4.12: Local Remittance:

Sending money from one place to another place for the customer is another important service of the bank. This service is an important part of transaction system. In this service system, people, especially businessman can transfer funds from one place to another place easily. There are three kinds of technique for remitting money from one place to another these are:

- Pay order (PO)

Pay Order (P.O):

Pay order gives the right to claim from the issuing bank A payment is an instrument from one branch to another branch of the bank to pay a specific sum of money. Unlike cheque there is no possibility of dishonoring because before issuing pay order the bank takes money in advance. There are three reasons behind use of P.O:

- Remitting Purpose
- Advice to Pay
- Payment against bill submitted to the bank.

Pay Order consists of three parties:

- Beneficiary
- Applicant
- Counter Part.

Commission and charges of P.O:

Amount of P.O	Commission on Remittance	15% VAT on Commission
Up to TK. 100,000	50	8
100,001 to 500,000	75	11
Above 500,000	100	15

Table: Commission and charges of P.O

Payment Process of Paying Bank: Payment is made through clearing A PO issued by the bank is crossed one it is not paid over the counter. On the contrary the amount is transferred to the payees' account. To transfer the amount the payee must duly stamp the PO.

The steps of issuing a Pay Order to be followed by the client & the bank are as follows:

- The applicants have to fill up the relevant part of the prescribed application form duly signed & give it to the officer of the remittance department.
- The officers fill up the commission & VAT (15% on commission) part meant for the bank's use & request the applicant to deposit the amount by cash/cheque to the cash department.
- The cash department completes their formalities & then returns back the form to the remittance department.
- After receiving the form the remittance department prepares the Pay Order facing all the information along with the amount in three parts duly crossed "A/C payee" in the main part & also give entry in the Pay Order issue register.
- After signed the three parts of Pay Order by two authorized officer of the bank two parts are given to the client & after signed at the back of the counter part of the Pay Order.

Cancellation of P. O:

Step-1: Application writes to the manager of the account maintaining branch.

Step-2: Verification of specimen signature.

Encasement of P.O:

To encashment of that P.O. the payee of the instrument deposits the P.O. to his bank. The bank sends the pay order to the issuing bank through clearing. Then the P. O. is passed through the deposit section and the P. O. is send back to the clearing house again and later the amount of P.O. credited to payee's account.

4.13: Clearing Section:

This section receives all kinds of cheque in favor of the valued client for clearing on the part of their banking services. After receiving cheque it is necessary to endorse it and cross it specially.

Clearing of cheque is done through the clearing house in Bangladesh Bank.

Types of cheque for clearing

There are four types of cheque for clearing:

- 1) Inward clearing cheque.
- 2) Outward clearing cheque.
- 3) Inward bills for collection.
- 4) Outward bills for collection. Inward clearing cheque:

It refers the instruments drawn on IFIC bank received by other banks in the clearing house from the representative of other bank.

Outward bills for collection:

When our branch sends Cheques to other branch of IFIC bank is called OBC.

Accounting treatment of this process:

IFIC general (Sender's Branch)	Dr.
Depositor's A/C	Cr.



Inward bills for collection (IBC):

There are two types of clearing; firstly cheque collects from the other branch of IFIC bank

These Cheques are settled by sending to the debiting depositors account and crediting sender's branch account.

Secondly cheque collects from another bank outside the clearing house. These cheque are settled debiting depositors account and sending DD or TT in favor of senders bank.

Outward Clearing Cheque (OCC):

Cheque drawn of another branch of IFIC bank is called Outward Clearing Cheque. These types of cheque are directly sent to the respective branch and request them to send IBCA.

CHAPTER 5

SWOT ANALYSIS

5.0: SWOT Analysis of IFIC Bank Ltd. Dinajpur Branch:

I have done my internship program at Dinajpur Branch of IFIC Bank. As every organization has its strength, weakness, opportunity & threats accordingly Dinajpur Branch individually as a particular organization has also its own strength, weakness, opportunity, threats. SWOT analysis of Dinajpur Branch is as follows:

5.1: Strength:

- Quality services by creating good customer relation & modern sophisticated automated system.
- Has been able to maintain a good image about the Bank.
- Experienced and competing workforce who have expertise knowledge about the bank
- The Branch holds significant amount of loyal customers who always bring in new customers.
- Management consists of knowledgeable and authoritative personnel.
- Interaction of the employees with the top management.
- The corporate culture of IFIC Bank Limited is very much interactive. The environment within the organization is very helpful, positive and informal. There is no barrier between superior and subordinate for their free interaction. As the environment is very informal and friendly, it encourages employees to put their best effort and show their best performance.

5.2: Weakness:

- The prime weakness that I found is the lack of motivation of workers originating from management's mal-practices, partiality, inters personnel clash, unsatisfied grievances etc.
- Very moderate level of teamwork because of subtle interpersonal clash.
- Branch area is not sufficient.

- This branch is not an AD branch. Therefore L/C opening is absent here.
- ATM service is absent in this particular branch and area.
- Sometimes the process of information transferring to the management is lengthy.
- There is also shortage of skilled employees in this branch. As it is comparatively busy branch the employees always work in pressure. There are only 15 employees in the branch.
- There is not any parking area to park the car of the clients.

5.3: Opportunity:

- Dinajpur Branch is becoming comparatively busy place. Business is growing rapidly in this place; this district is a giant supplier of rice and mango to the entire nation. Also, there is a land port (Sonamasjid) engaged in trade and commerce with India. There is a better prospect for this branch.
- Locating fewer more branches to four different sub-districts of this region to embrace the banking of those regions.
- Opportunity to serve quality service through the usage of updated technology to the customer Dinajpur Branch.

5.4: Threats:

- Introduction of other commercial banks with more product/service and benefits.
- Other commercial banks are offering higher salary that may create problem for IFIC Bank Ltd. to retain their experienced managers and executives in this branch.

CHAPTER 6

CONCLUSION & RECOMMENDATIONS

6.0: Findings:

- There is a shortage of employees. They are always in pressure. Due to shortage of employees, customers can't get quick service.
- Few officers of the bank are competent. Even though many of them simply know the working procedure of what they are doing but don't know the philosophy behind doing those and some are inefficient to serve the customer.
- Some unskilled staff hinders the overall performance.
- Officers of the desk, where workload is very high, hardly get the chance to go out for development purpose and always feel that their duties for the organization would not be evaluated unless they can show a good amount of deposit collection against their name.
- To provide cheque book it takes minimum ten days. The days should be reduced.



6.1: Conclusion:

In recent times, banking sector is one of the most competitive business fields in Bangladesh. Since, Bangladesh is a developing country; a strong banking sector can alter the socio economic structure of the country. So we can say, the whole economy of a country is coupled up with its banking system. IFIC Bank Limited is the bank which is highly potential commercial Bank of Bangladesh. This bank performs hundreds of important banking and non-banking activities for both the public and the government as a whole. The Bank has an outstanding attitude to boom our business sector. From the learning and experience point of view I can say that I have really benefited from my internship program at IFIC Bank Ltd. This 3 months internship program at IFIC Bank Ltd. (Dinajpur Branch) will definitely help me to realize my future carrier in the job market. Performance analysis of a department of a bank is not so sufficient to measure and express perfectly within this short time of my internship period. But it is a great opportunity for me to get use to with the operational environment of commercial banking of IFIC Bank. I have tried by soul to incorporate this internship report with necessary relevant information.

6.2: Recommendations:

The bank management needs to have a clear operational efficiency and must thoroughly analyze the scopes for further development in order to retain and attract new customers towards any particular branch of a bank, Therefore, it is vital for the commercial banks to closely monitor their performance level, which comprises the functional units, that provides services to its clients. To make better position in the industry banks need to expand some activities & should give emphasis on some field & need to introduce new and diversified financial products to provide wider option to customers. Without having an effective customer base, it becomes difficult for any bank to compete and sustain in the competitive market for the banking services.

Before drawing the end I would like to offer the following suggestions for bringing improvements at Dinajpur Branch of IFIC Bank Limited:

- Branch can arrange training program on different banking rules & regulation set by Bangladesh Bank which will optimize the efficiency of employees.
- Branch should established Foreign Exchange department to acquire more potential customer.
- Branch should enhance loan provision and reserves.
- Branch can arrange several extensive training programs for the employees to learn in detail the bank's software called "MYSIS".
- IFIC Bank should set up more ATM booth in all their branches, particularly in this branch.
- IFIC Bank Ltd. should focus on their promotional activities, especially for this Dinajpur Branch.



7.0: Bibliography:

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3. Annual Report-2015 of IFIC Bank Ltd.
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