

Internship Report

General Banking of Bangladesh Krishi Bank



বাংলাদেশ কৃষি ব্যাংক
Bangladesh Krishi Bank
গ্রামবাংলার গণমানুষের ব্যাংক



Daffodil
International
University

Report On

“General Banking of Bangladesh Krishi Bank”

Submitted To

Dr. Sayedul Anam

Associate Professor

Department of Business Administration

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Submitted By

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Date of Submission:

LETTER OF THE SUBMISSION

To,

Dr. Sayedul Anam

Associate Professor

Department of Business Administration

Faculty of Business and Entrepreneurship

Daffodil International University

Subject: Submission of Internship Report on “General Banking of Bangladesh Krishi Bank”

Dear Sir,

I am happy to present my internship report on "General Banking of Bangladesh Krishi Bank" here. This paper is entirely based on the knowledge I gained while serving as an intern at Bangladesh Krishi Bank. If you read my internship report and recognize the hard effort and dedication I put into it, I would be incredibly honored and delighted. I did my best to effectively and efficiently portray the initial state of the general banking of Bangladesh Krishi Bank.

Finally, I would like to thank you from the bottom of my heart for creating this report. I'd be glad to respond to any inquiries you may have on this subject.

Sincerely Yours,

Name: Saleh Ahmed Sujon

ID: 191-11-734

Department of Business Administration,

Daffodil International University.

ACKNOWLEDGEMENT

I am delighted to take this opportunity to acknowledge the direction, assistance, and patience of the imperfect person, without whom I would not have been able to make my report a success.

I would like to show gratitude to our honorable teacher Dr. Sayedul Anam, Associate Professor of Daffodil International University, Dhaka, Bangladesh for giving detailed feedback and advice on this responsibility. He always gave me her valuable advice to do this work.

I should publish some more names besides the internet, truth books, newspapers, other important information that BBA students of other universities do not get. They generously scattered their time and took the trouble to answer in detail and helped us complete the study. I acknowledge them for their support and cooperation.

SUPERVISOR'S CERTIFICATE

This is to certify that, Saleh Ahmed Sujon, ID: 191-11-734, BBA (Finance), is a regular student of the Department of Business Administration, Faculty of Business and Entrepreneurship, Daffodil International University. He has successfully completed his internship program at Bangladesh Krishi Bank and has prepared for this internship under my direct supervision. The assigned internship topic is “General Banking of Bangladesh Krishi Bank”. I think that the report is well-intentioned in fulfilling the BBA program's partial requirements.

I wish him success in the future.



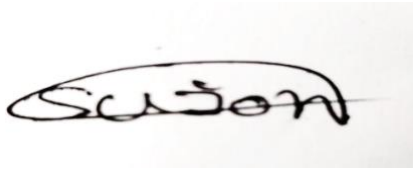
Dr. Sayedul Anam
Associate Professor
Department of Business Administration,
Daffodil International University.

DECLARATION

Under the guidance of Dr. Sayedul Anam, Associate Professor (Finance), Department of Business Administration, Daffodil International University, I therefore solemnly declare that the work of this internship report titled "General Banking of Bangladesh Krishi Bank" is one of my main works.

I have never sent any portion of this report to another organization, and I am gathering all the data from the internet and the organization's senior officials.

I have taken additional steps to protect the department from any loss or harm I might suffer as a result of a violation of a legal obligation.



Saleh Ahmed Sujon

ID: 191-11-734

Department of Business Administration,
Daffodil International University.

ABSTRACT

This report, "General Banking of Krishi Bank," begins with an overview of how this topic came to be and why it was selected for the internship program, as well as a list of the sources used to acquire the data and any obstacles encountered throughout the three months of work. Here, I've discussed the company's broad perspective, its benefits and drawbacks, and tried to offer some answers to those issues. I've discussed the loans that Krishi Bank offers to customers, including loans for crops, fisheries, shrimp, and cattle. Additionally, I list the departments where I worked as a trainee, including the foreign exchange department, savings account, current and fixed accounts, SND section, clearing section, internal and external remittance, and Shonchoypotro. I've attempted to convey the main concepts of those sections below. Finally, I made an effort to explain the company's issues and provide some solutions.

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Chapter 1

Introduction

1.1 Introduction

Agriculture is Bangladesh's primary industry. Agriculture is how the Bengali word "Krishi" is translated. This agriculture sector accounts for the majority of our GDP. Under the rule of the Bangladesh Krishi Bank Order 1973 (President's Order No. 27 of 1973) established the Bangladesh Krishi Bank. According to the Banking Company Act of 1991, Bangladesh Krishi Bank is a bank. The head office is located in Dhaka 1000's Motijheel commercial neighborhood. Giving microloans to underprivileged farmers and the eventual development of agriculture is BKB's primary goal. BKB's sanction amount is merely 15,000,000,000 taka. The Government is fully responsible for the payment. The commercial role was started in 1977 to increase loan collection, and there were 987 branches at the time. There are 16 locations for foreign exchange. Divisional offices number 9, chief regional offices number 29, and regional offices number 24. For BKB, there are 63 field level audit officers responsible for carrying out the duties properly. There are 28 departments in the head office, 4 divisions that are managed by general managers, and a training institute that reports to a deputy general manager. General Manager is in charge of the regional principle office. There are 14 general manager positions, and the government appoints these general managers directly. (Our Story, 2010)

Agriculture has a significant role in the economy of our nation. Our nation is known as an agricultural one. Both the government and commercial entities need to pay close attention to this sector. BKB began attempting to expand this sector in Bangladesh very early on. Because food is produced by agriculture, it is agriculture that initially meets the necessities of a human being. The land produces the fundamental component of food, and we get many products from the agricultural industries. In order to earn more money or foreign currency, we first strive to meet the basic needs of our own nation, and then we try to export to other nations.

There is a huge possibility to make money abroad when we sell things from our countries to other nations. The export industry of a nation is crucial to its development. The rural sector's profit increases as a result of increased export revenue, and they are able to take advantage of this increased revenue while relaxing at home. The government has established two distinct banks to aid in the development of Bangladesh's agricultural industry. Rajshahi Unnayan Bank and Bangladesh Krishi Bank are the two names (RAKUB). Here, I've attempted to draw attention to Bangladesh Krishi Bank. The banks are making significant efforts to

strengthen the agriculture sector here. They are increasing savings as a result. The majority of the savings go to Bangladeshi rural villages' lowest classes, lower middle classes, and middle classes. These two banks also participate in investments in various agronomy, craft, and business sectors. They occasionally take money from investors and occasionally make direct investments. These two banks are working to end poverty by providing Bangladesh's impoverished farmers with microcredit or tiny loans.

1.2 Background of the Study

The completion of an internship at a reputable business organization and the preparation of a report are prerequisites for the Bachelor of Business Administration (BBA) degree from Daffodil International University (DIU). In fact, I am going to know about the general banking of Bangladesh Krishi Bank in banking sector of Bangladesh.

The main business of banking is to provide credit to borrowers and accept deposits from the customers. Banks play an important role in the development of a country as well as in providing huge employment opportunities.

Bangladesh Krishi Bank plays that biggest role. It contributes to the economic development of a nation through conservation and credit. It is the change and allocation of funds across the country which it is added to the development of the country's economy and national resources added.

1.3 Objectives of the Study

1.3.1 Specific Objectives

The objectives of this report are stated below:

- To get a basic idea about general banking.
- To become habituated with the corporate environment

1.4 Methodology of the Study

This study falls within the descriptive category. The necessary information and data have been gathered from both primary and secondary sources. The consolidated and condensed data and information have been meticulously tabulated, processed, and examined. Both primary and secondary data have been utilized in the study to increase its relevance and visual appeal. I have made an effort to become familiar with each sector and function within this company. Direct, indirect, and on-site observation was used to get the data.

The high officials, executives, managers, and supervisors of the bank's many departments, including finance, marketing, accounts, and supply chain, were verbally questioned for this study's primary data collection.

Although secondary data have been gathered from pertinent sources, such as-

- a) Internet search
- b) Company website
- c) Magazines
- d) Newspaper
- e) Annual report of the company.

1.5 Scope of the Study

The primary and secondary data used in this study were provided by Bangladesh Krishi Bank. Since I spent two months working at the bank, I am familiar with a variety of aspects of their financial performance, management practices, operational system, and surroundings. These familiarities are highly beneficial to our understanding and help us learn more about our issue.

Through basic understanding of the banks' general operations, services, and objectives, the study's goal is to ascertain the general banking, efficiency, and performance of the organization. This information can be utilized to conduct in-depth research on the connected subject.

1.6 Limitations

The major limitations of this research are:

- Different department has different policy for disclosing some data and information for obvious reasons.
- Secondary data or information is used more than primary data.
- Insufficient time period to know all the financial procedures of the organizations and many of the aspects could not be discussed in the present report.
- Many sources were hazardous, in-discipline and time consuming.

Chapter 2

Organizational Part, Background of Bangladesh Krishi Bank

2.1 History of Bangladesh Krishi Bank

The krishi bank that the government of Bangladesh entirely maintains is called Bangladesh Krishi Bank. The only owner of this bank is the government. As an agricultural bank, the Bank focuses primarily on Bangladesh's agricultural industries. This bank offers agricultural loans to customers since agriculture benefits Bangladesh and increases employment rates. Although BKB primarily provides loans for agriculture, it also functions as a commercial bank in Bangladesh. BKB is also heavily utilized for remittance revenue. People can effortlessly send money through Krishi Bank to relatives in Bangladesh who live outside of the nation.

The Bangladesh Krishi Bank order of 1973 (President's Order 27 of 1973) established the Bangladesh Krishi Bank (BKB). According to the Banking Corporation Act of 1991, it is a banking company. Krishi Bank Bhaban, 83-85 Motijheel Commercial area, Dhaka 1000, Bangladesh is where its headquarters are located. The ultimate benefit or profit of Bangladesh's underprivileged farmers who operate in the country's agricultural industry is BKB's principal goal. The bank primarily assists those working in cottage and agricultural-based enterprises. Only tk. 9,000 million of Krishi Bank's total capital—tk. 15 billion—is paid up capital, which is entirely provided by the Bangladeshi government. (Our Story, 2010)

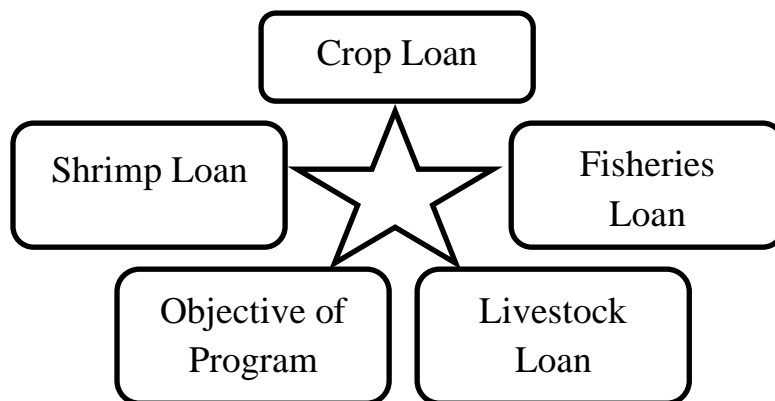
In 1977, it first began operating commercially under the guise of microcredit. The bank claimed that microcredit would benefit Bangladesh's impoverished farmers. About 1029 branches are present. But Rajshahi doesn't have a branch. There are about 850 branches total, some of which are in the urban area. In the nation, the bank operates 16 foreign exchange divisional offices. There are eleven senior persons on the board of directors. A chairman serves as the board's president. A managing director serves as the bank's CEO. His appointment was by the government. There are 14 general manager positions. (Our Story, 2010)

BKB provides consumers with small loans through its locations. BKB offers a number of banking account options. For instance, savings bank accounts, fixed deposit accounts, current deposit accounts, and other time deposits. In essence, the bank provides loans to the public under a variety of titles, including loans for working capital, poverty alleviation, retail businesses, transportation services, and insurance. Large, medium, small, and cottage

industries are all reliant on agriculture. production of all summer and winter crops, landscaping, nursery work, etc.

The bank places a strong emphasis on adopting modern technologies in all forms of agriculture. Giving individuals motivation to use more and more technologies in agriculture and cultivation also helps. The bank enlists the assistance of government of Bangladesh experts. The establishment of agro-industries for the sale, processing, and preservation of agricultural products is something that the bank is interested in. They support agricultural product production. BKB has developed 41 microcredit initiatives that will be offered to the public. Of these initiatives, 10 are still ongoing, while roughly 31 programs are currently in operation. (Our Story, 2010)

2.1.1 Bangladesh Krishi Bank as friend of Farmers and Rural People



➤ Crop Loan:

60% of the annual loan portfolio allotment is designated for crop finance. The crop from all six seasons is covered by this loan. The Bangladesh Bank designed the structure of crop loan. 10% is the interest rate. We are aware that interest rates can fluctuate. Landowners and sharecroppers are the principal loan applicants in this group. Marginal farmers are also welcome to apply for the loan if they so choose. (Loan crop)

- Crop loan is permitted on annual basis
- Credit passbook is issued to each borrower

➤ Fisheries Loan:

To improve the quality of the fishing products in Bangladesh, Bangladesh Krishi Bank provides loans to farmers. They provide loans for reorganizing ponds, repairing damaged areas, building fish hatcheries, and starting whole new fisheries initiatives. The following subsectors are eligible for loans: (Loan to Fisheries)

- Fish culture in existing pond/ tank
- fish culture by re-mining of old tank
- Fish culture by excavation of new tank

➤ Shrimp Loan:

Shrimp culture has existed in Bangladesh since very early times and is quite traditional. Scientific methods should be used when dressing shrimp. For the culture of shrimp, there are specific procedures. On saltwater farms, tiger shrimp or bagda shrimp are raised. In sweet water, galda (the culture of the prawn) is grown. The loan is disbursed on both a technological and geographic basis.

➤ Livestock Loan:

The utilization of cattle is very diverse. The livestock sector is extremely lucrative. However, financial issues occasionally prevent people from starting this business. BKB thus assists people by lending money for cattle. Livestock plays a significant role in agriculture. Bullock, Milch Cow, Goatery, Beef fattening and other draft animals loan are the names of the loans that BKB offers. The loan is primarily one with a medium term. This kind of project can readily hire people. By taking out this loan, many people have become independent contractors. The borrower will receive a loan of roughly 25,000 taka for a cow. People take out loans, strive to make them marketable, and make money doing so. This loan is under supervision and has no collateral. (Loan of livestock)

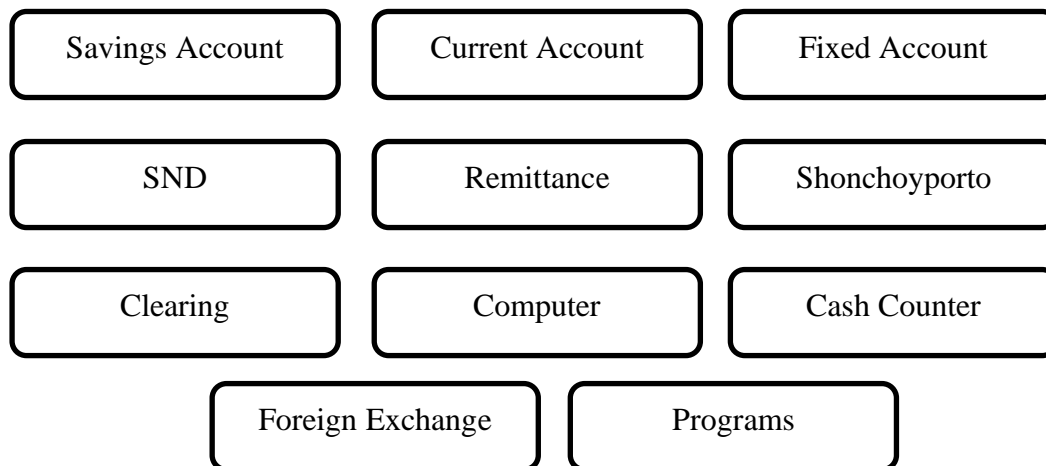
➤ Objectives the Program:

This program's primary goal is to help participants become self-employed. meet the country's protein shortage. By providing training, you can influence people's attitudes for the better. Ensure bank officials' participation in the program and raise their sense of responsibility and consciousness. (Bangladesh's banking industry)

Chapter 3

General Banking Activities

3.1 General banking activities of BKB



3.1.1 Savings Account:

The savings account is maintained by retail banking institutions. Although the money in this account earns interest, it cannot be utilized as a medium of trade. The focus is on the customer keeping money in the bank rather than in their hands, where it is more liquid. At Krishi Bank, a 500 taka minimum deposit is required to start a savings account. The bare minimum is 500 taka.

Document required for opening a Savings Bank Account

- a) Properly completed Account Creating Form is a needed document when opening a savings bank account.
- b) Two copies of the applicant's most recent photo that have been duly attested by an introducer who must have an account with any BKB branch.
- c) A certified copy of the applicant's current NID, Bangladesh passport, or driver's license.
- d) One copy of the nominee's photo.
- e) Beginning an account requires a Tk. 1000 opening deposit.
- f) A minimum balance of Tk 1000 must be kept in the account.
- g) All information needed in accordance with the conditions outlined in the Account

Opening Form.

3.1.2 Current Account:

People put their money in current accounts at banks so that they can withdraw it whenever they want while maintaining security. Since customers can withdraw their money at any moment, no interest is charged here.

Document required for opening a Savings Bank Account

- a) A properly completed Account Opening Form.
- b) Two copies of the applicant's most recent photo that have been duly attested by an introducer who must have an account with any BKB branch.
- c) A certified copy of the applicant's current NID, Bangladesh passport, or driver's license.
- d) One copy of the nominee's photo.
- e) Beginning an account requires a Tk. 1000 opening deposit.
- f) A minimum balance of Tk 1000 must be kept in the account.
- g) All information needed in accordance with the conditions outlined in the Account Opening Form.

3.1.3 Fixed Account:

It is a sort of savings account through which individuals can get interest on money held for a predetermined length of time. Below are some benefits of opening a fixed account:

- a) People who use this account may develop a saving habit. If they take their money out at the end of the time period, people can receive interest, which is typically more than the interest rate on savings accounts.
- b) There is a choice of time period; the risk is relatively low; and there is 100% assurance of receiving money and interest.
- c) This implies that the customer has a range of time options. From 30 days to 10 years,

it begins.

Document Required for Fixed Deposit Account

- a) Fixed Deposit Receipt (FDR) Account Opening Form properly completed.
- b) Two copies of the applicant's most recent photo that have been duly attested by an introducer who must have an account with any BKB branch.
- c) An attested copy of the applicant's current NID, Bangladesh passport, or driver's license.
- d) An authenticated copy of an e-TIN Certificate.
- e) One copy of the nominee's photo.
- f) A certified copy of the nominee's current NID.

3.1.4 SND:

It resembles a current account more. However, the clients are given interest here. Anyone or any corporate entity can open this account and benefit from it. People must give notification at least three days prior to money withdrawal.

Document Required for Special Notice Deposit (SND) Account

- a) Completed Account Opening Form
- b) Two copies of the applicant's most recent photo that have been duly attested by an introducer who must have an account with any BKB branch.
- c) An attested copy of the applicant's current NID, Bangladesh passport, or driver's license.
- d) An authenticated copy of an e-TIN Certificate.
- e) One copy of the nominee's photo.
- f) A certified copy of the nominee's current NID.

- g) All information needed in accordance with the conditions outlined in the Account Opening Form.

3.1.5 Internal and External remittance:

It is the matter of transferring money within the country. BKB mainly follows 3. They are:

1. TT (Telephonic money transfer)
2. PO (pay order)
3. DD (Demand Draft)

TT: Money transfers between branches typically take place over the phone. Both the sender and the recipient of TT must have a bank account with Krishi Bank. Pay Order: Pay orders are withdrawable from any bank. The withdrawer of the funds need not have a BKB bank account in order to withdraw the funds. DD: Demand drafts are pieces of paper that anyone can use to transfer money from one location to another. For illustration, I wish to travel from Dhaka to Comilla for 100,000 taka. However, it's dangerous to carry cash. So client may obtain a demand draft from BKB and cash it out at a Comilla branch of BKB.

3.1.6 Shonchoypotro:

Shonchoyporto is a Bengali word that essentially means "saving deposit." People often deposit a set sum of money with a bank at a time, and they receive their money back with interest after the bank's contract expires. There are numerous Shonchoypotro varieties. a few are listed below:

- Shonchoyporo, three months later interest-based, three-year period.
- Retirement Shonchoypotro: 3 months of interest after 5 years
- Family Shonchoypotro: five years
- 5 years of Bangladeshi chonchoypotro and one term interesD
- Development bond for wage earners
- U.S. dollar premium bonds with a three-year term
- Bangladesh Prize Bond

- Dollar investment with a three-year term and a 6.5% interest rate
- Postal service protecting Bank
- The premium rate for post-life insurance is cheaper, but the bonus rate is higher.

Documents to open Sonchoypotro

- a) Two copies of the investor's passport-size photos;
- b) Two copies of the nominee's passport-size photos;
- c) A photocopy of the investor's NID card;
- d) A photocopy of the nominee's NID card;
- e) A photocopy of the TIN certificate if the investment is greater than 1,00,000 Taka;
- f) A photocopy of the investor's bank checks.

3.1.7 Clearing:

Clearing is the process through which a collecting bank, with the help of the central bank, collects the proceeds of instruments from several banks in accordance with specific organized protocols.

- Clearing House:

For the exchange of checks, drafts, and other demand instruments drawn on each other and received for their respective customers for collection, the clearing house is an association of the local operational scheduled banks. The house convenes at the scheduled hour of each working day and is presided over by the central bank or one of its agents, depending on the situation. It operates within the rules set down in accordance with the standard banking practices. The corresponding banker's account held with the chairman-banker is used to adjust the net dues payable or receivable.

- Bangladesh Automated Clearing House (BACH):

The Automated Cheque Processing System (ACPS) and the Electronic Funds Transfer comprise Bangladesh Automated Clearing House (BACH), the country's first-ever electronic clearing house (EFT). Both systems work in batch processing mode, which means that transactions that come in from the banks throughout the day are processed at a specific time

and settled using a single multilateral netting figure on the separate books kept by each bank with the Bangladesh Bank. For handling BACH operations, a cutting-edge Data Center (DC) and Disaster Recovery Site (DRS) have been created, both of which are equipped with the most recent software and hardware. The Data Center (DC) & Disaster Recovery Site (DRS) and participating commercial banks have established a Virtual Private Network (VPN) for the purpose of exchanging BACH-related information. For secured data transfer, a digital certificate has been created for the first time in Bangladesh. (Samad, 2015)

“BACH” means the overall system and facility that funds the Exchange and settlement of compensation items between Participating Banks and the Bangladesh Bank. (Samad, 2015)

Clearing Window	Cut Offs		Settlement
	Submissions	Return	
Regular Clearing	12:30 hrs	17:00 hrs	17:01 hrs
High Value Clearing	12:00 hrs	15:00 hrs	15:01 hrs

➤ Types of clearing instruments:

1. Cheques (CD, SB, Loan)
2. Demand Draft
3. Payment Order
4. Others

➤ Related Terms:

1. Crossing
2. Clearing Stamp
3. Endorsement

➤ Clearing Sessions:

1. High Value
2. High Value (return house)
3. Regular

4. Regular (return house)

➤ Inward clearing (at branch):

1. Receiving clearing instruments from the system
2. Verify the clearing stamp, crossing, endorsement, etc.
3. Debiting the relevant account.
4. Monitoring the system for honor/dishonor
5. Communicating with the main branch (if necessary)

➤ Outward clearing (at branch):

- a) Receive clearing instrument form the clients
- b) Crediting the same in respective account
- c) Prepare instruments of clearing
- d) d)Scanning & transfer to the system

➤ Function of Main Branch Clearing:

1. Receiving photographs of the tools used for inward cleansing and transferring to various branches.
2. Scanning of clearing instruments for transmission to Bangladesh Bank end and external clearing.
3. Making inward, outward, and return housing vouchers, matching them with Bangladesh Bank settlement.
4. Making sure branches respond to Debit/Credit Advice
5. Communication with the Bangladesh Bank
6. Message exchanges with other banks
7. maintenance of cleaning tools
8. Correction of different disagreements

9. overall direction

➤ Important Features of BACH :

1. Images of clearing instruments are considered for clearing process.
2. Settlement made through wave
3. Physical movement of officers not required
4. PBM : Participating Bank Module
5. CPS : Cheque Processing System
6. Work Station
7. Batch & Run
8. Routing number
9. Scanner
10. BACH Program manager
11. Common Problems in clearing:
12. Less claim by other bank & Excess claim by other bank
13. Less claim by our bank & Excess claim by our bank
14. Fail to attend the clearing session
15. Specially fail to attend the return session

3.1.8 Computer:

The complete computer gear as well as the internet network are supported and managed from the computer division. Here, a DGM oversees the entire department (deputy general manager). If anyone's computer is turned off or unresponsive, they should report it to this department, and they will work to fix it. From here, all computer gear is managed and its accounts are kept. This part also includes server management and internet access.

3.1.9 Cash Counter:

The area known as the cash counter is where money is received and where customers pick up cash. Only the cash counter has the authority to accept and disburse money transactions in a bank, always with documentation. They will enter data into their server, complete a debit and credit account, and then their work will be complete.

3.1.10 Foreign Exchange:

Foreign remittances are one of the focus of Bangladesh Krishi Bank. Several people who live overseas use Bangladesh Krishi Bank to send money to their family members because it has many branches in rural parts of Bangladesh.

➤ S.W.I.F.T. (Society for worldwide interbank Financial Telecommunication):

BKB has recently joined SWIFT. All banks in the world are connected through a certain sort of server called SWIFT. All LCs, advice, and transfers take place utilizing SWIFT. It functions as a medium for bank to bank transfers. As a result, it is secure, simple to use, and responsive quickly.

➤ Formalities for L/C:

1. Obtaining Export registration Certificate (ERC)
2. Securing the order
3. Signing of the contract
4. Receiving the letter of credit
5. Procuring The materials
6. Endorsement on EXP (letter of credit, 2015)

➤ Exportable Items:

1. Fish processing
2. Freezing Plant
3. Dehydration plant(for dry fish processing)
4. Salting and dehydration of Jaw fish
5. Leather process and leather based products item
6. Vegetables

➤ Import substitutes:

1. Leather and Leather Goods
2. Fish net/net thread production
3. Garments accessories
4. Organic fertilizer, mixed fertilizer, urea super granules

3.1.11 Programs

➤ Poverty Alleviation Programs or projects:

Microcredit is a major factor in alleviating poverty in Bangladesh, hence BKB is constantly worried about it. They exhort individuals to take out a little loan to launch a business. As a 100% government-owned bank, BKB does not obstruct customers from receiving interest on their money. Sometimes the bank releases the borrowers from the loan and interest if there is a significant occurrence, such as a hurricane or flood. However, other private banks and ENGOs treat borrowers badly, and occasionally, people commit suicide to serve their own interests. However, the officers and agents at Krishi Bank are excellent in that regard. BKB recently completed ten programs. Now, there are over 31 projects active. The following list outlines the goals of microcredit programs:

1. Creating employment opportunities
2. Rural women empowerment
3. Development of living style of rural people
4. removing the poverty
5. Easy access to institutional credit facilities and resources
6. starting of rural savings
7. Maximum usage of village goods
8. Usage of big rural human resources
9. Development of the country with the help of rural people
10. eradication of exploitation of money lenders

BKB's purpose of providing small loans to the underprivileged is therefore evident. Additionally, they provide loans to disadvantaged rural residents and landless farmers. The following provides a brief overview of BKB's ongoing microcredit initiatives aimed at reducing poverty among landless farmers and impoverished rural residents:

➤ Credit Program for the landless and marginal farmers:

This initiative has existed since the inception of BKB. The initiative allows marginal or landless farmers to borrow money. A farmer may be eligible for a loan of up to 25,000 taka to begin planting. However, a farmer is limited to 1.5 acres of land. There must be a guarantor who will assume responsibility and give the money to the bank if the farmer fails to repay the loan.

➤ Beef Fattening Program:

The bank finances the program. The bank started the program in 1994. The program's major goal was to address the country's lack of animal protein, and one of its secondary goals was to increase employment. The interest rate is 10%, and much like the last loan, the maximum amount is 25,000 taka. (Nath, 2003)

➤ Swanirvar Credit program:

Without collateral security, the government has been running this program since 1979. Because marginal and landless farmers could perform the necessary tasks while making money, it was founded. Here, the land's maximum extent is 40 cultivable acres; maximum yearly income of 20,000 taka. (Programs to reduce poverty and offer microcredits)

Together, BKB and Swanirvar Bangladesh are running this program. Collection credit is free, but group guarantees for one another are required. The maximum loan per beneficiary is only 15,000 taka. Since the program's start, almost 274115 beneficiaries have received TK 1577.80 million. (until September 30, 2008). (Programs to reduce poverty and offer microcredits) Thus, the microcredit and poverty alleviation schemes are:

- Credit-granting program for marginal and landless farmers
- Program for beef fattening joints
- Program for Swanirvar Credit
- Project for the Development of Small Farmers and Landless Laborers
- Program to Alleviate Poverty in South Asia

- United Nations Fund for Economic Development
- ADB Loan No. 1067: Rural Women Employment Creation Project (SF)
- Microcredit Program for BKB-NGO
- Credit under the national initiative to reduce poverty through goat farming
- Credit for milking cows for women
- Program for special microcredits for the disabled
- Monipuri Small Traders Credit Program;
- Special Credit Program for the RAKHAINS in the Cox's Bazar District;
- Tree Plantation Program: In 2002 and 2003, BKB launched 8 tree planting programs;
- Establishment of Breeding Farm of Black Bengal Goat Program;
- Community Based Resource Management Project;
- Poverty Alleviation through Production and Improvement of Sheep

(Poverty alleviation and Micro credit program)

Chapter 4

Findings and Recommendations

4.1 Findings of BKB

As Bangladesh Krishi bank is servicing from very early and it is yet a government bank, it faces both positive and negative output of krishi banking system. Some of the major findings of Bangladesh Krishi Bank are given below:

- a) Though Bangladesh Krishi Bank starts online services but most of activities are still under analog system.
- b) For any purpose Bangladesh Krishi Bank uses more manpower rather automation system.
- c) Bangladesh Krishi Bank more focuses on TT, DD and PO services. Therefore other customers have to wait for getting services.
- d) Bangladesh Krishi Bank has not sufficient standardize equipment like computer, teller machines, cash sorter machine, duplicate checker machine, cash counting machine and TRANZ 330 etc.

4.2 Recommendations

From the findings of this report there are some points to improve for the bank. For speeding up the bank service the bank should go for automation process where they need to improve in the banking and bank branches.

- a) They have to upgrade online system to each and every branch for smooth activities.
- b) They have to start One-Stop Service like other bank (DBBL, BRAC).
- c) They have to consider all customers are equal. Otherwise dissatisfied customers will leave the bank.
- d) They have to establish these updated machines (computer, teller machines, cash sorter machine, duplicate checker machine, cash counting machine and TRANZ 330) for their branches to fast their operations.

Chapter 5

Conclusion

5.1 Conclusion

Because it is a government bank and also works with farmers, Bangladesh Krishi Bank is a very significant financial institution in Bangladesh. In business, both success and failure are possible. However, everyone should consider the future. BKB has advanced in ways that many other banks haven't yet seen. Due to its excellent work, BKB is known as "Gram Banglar Gonomanusher bank." Since BKB is a government-owned bank with a focus on agriculture, it fulfills 50% of agricultural loans. The people in rural areas and small towns benefit greatly from this bank. This bank does not put a lot of pressure on the underprivileged to obtain interest. In some cases, banks will exempt customers from interest charges if a major incident like a storm or flood occurs in a particular area. Therefore, there isn't a scandal surrounding BKB like there was with Grameen Bank or any other NGO. BKB has thus achieved their goals, and the Asian Banking Award is evidence of their success. BKB, however, needs to work on lowering their cost of funds and classified loans in order to break the cycle of loss.

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