

An Internship Report

On

**“GENERAL BANKING ACTIVITIES OF JANATA BANK  
LTD.  
(SAVAR CORPORATE BRANCH)”**

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This Internship Report is submitted to the Department of Business Administration, Daffodil International University, for partial fulfilment of Masters in Business Administration



## LETTER OF TRANSMITTAL

Dr. S.M Sohel Rana  
Assistant Professor  
Faculty of Business & Entrepreneurship  
Daffodil International University

Subject: Submission of Internship Report.

Dear Sir,

I am pleased to submit this internship report as instructed by you. I have tried my best to present this internship report on the “General banking activities of Janata Bank Savar Corporate Branch” according to your guideline. I tried my best to work sincerely to cover all aspects regarding the matter. I have thoroughly enjoyed in preparing this internship report which has contributed significantly to understanding on the essentials and importance of practical knowledge.

I, hereby hope that you will appreciate my effort.

Sincerely yours

-----  
Md. Majedur Rahman

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Program: MBA

Major in Finance

Department of Business Administration

Daffodil International University



Janata Bank Limited

your committed partner in progress

## DECLARATION

I ,with due respect announce that, this internship project work has been done under the supervision of **Dr. S M Sohel Rana**, Assistant Professor, Department of Business Administration, Daffodil International University. And I announce it to be a genuine piece not used by anyone else in any manner.

-----

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## APPROVEL CERTIFICATE

This is to certify that Md. Majedur Rahman bearing ID No.173-14-036 a student of Master of Business Administration (MBA) program, and Major in Marketing has completed the Internship Report under my supervision and completed the report whose title is –“ General Banking of Janata Bank”-A Case Study on (Savar,Corporate Branch) . As a partial requirement for obtaining MBA degree. He has been permitted to submit the report.

I wish him every success in his life.

.....

**Dr. S M Sohel Rana**

Assistant Professor

Department of Business Administration

Faculty of Business & Entrepreneurship



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# Chapter 1

## 1.1 ORIGIN OF THE REPORT

This internship report is originated as a partial fulfilment of the MBA program of Daffodil International University. This report is mandatory for the completion of MBA and it carries three credits as well. In my Internship period, I am adjusting and applying my theoretical knowledge with my practical experience. The main goal of the plan is to present the students to professional life.

## 1.2 PURPOSE OF THE STUDY

The principal purpose of the research is to obtain functional information and to get data regarding the traditional banking market. The other goals are presented below:

As part of the M.B.A plan:

- To have an exposure on the banking environment of Bangladesh.
- To define the strategies regarding the strength and weakness of the bank.
- To provide information about the JBL to the future researcher and readers who require to understand this bank.

## 1.3 METHODOLOGY OF THE STUDY

The data required for handling the study has been collected from the original sources as well as secondary sources. The data that I used in this study is obtained in the following way:

### **Primary Data Sources:**

Direct working with officials of

- Jaanata Bank Ltd.
- Face to face conversation with client.
- Practical deskwork.

### **Secondary Data Sources:**

- Manual of JANATA Bank Ltd.
- Bank's other published information.

The main part of data references has been collected from secondary data sources



## **1.4 IMPORTANCE OF THE STUDY**

Modern Banking system does not perform normal Banking activities. As a service-oriented company, the management should keep an eye on their direct products and out on these for sale. The Bank should create their products in such a way that can provide to the needs of people of different classes. In fact, Banks offer its different products (loans and other services).

The management should take new faces with innovative features promoting diversified benefits to attract the customers. As a result, at that, the practice of General Banking & Foreign Exchange at the Public Limited Bank has been the care of this study with review of the Janata Bank Ltd.

## **1.5 LIMITATION OF THE STUDY**

The objective of the practical orientation program is to have practical exposure for the students. Our security was for three months only, which was somehow not enough. After working the whole day in the office.

### **Other limitations are as follows:**

- ❖ For the lack of our practical knowledge, some shortcoming may be available in the paper.
- ❖ The bank has naturally shown us some indifference connecting its most confidential information.
- ❖ The executives of Janata Bank Limited were too busy to spare time for the internee.
- ❖ The study also suffered from inadequacy of data provided by Janata Bank Limited.





## Chapter 2

### **2.1. BEGINNING OF BANKING IN BANGLADESH**

Later independence, the Government of the Peoples Republic of Bangladesh was formally to meet the assessment of the organization of the empire now establish Bangladesh. In an effort to improve the war-devastated business of Bangladesh. By this command, the State Bank of Pakistan was reported to be regarded as offices, departments, and assets of Bangladesh Bank. On that date, there were 14 scheduled banks with nearly 3042 offices all over the country. On the 16th December 1971, there were the subsequent 12 banks in Bangladesh, namely: -

- a. National Bank of Pakistan
- b. Bank of Bahawalpur Ltd
- c. Premier Bank Ltd.
- d. Habib Bank Ltd.
- e. Commerce Bank Ltd.
- f. United Bank Ltd.
- g. Union Bank Ltd.
- h. Muslim Commercial Bank Ltd.
- i. Standard Bank Ltd.
- j. Australasia Bank Ltd.
- k. Eastern Mercantile Bank Ltd.
- l. Eastern Banking Corporation Ltd.

### **2.2. NATIONALIZATION OF BANKS IN BANGLADESH**

Shortly after the liberation war in 1971, Government of Bangladesh connected banks authorization and chose to embrace the socialist model of society as its goal. Therefore, in order to achieve the above-mentioned estate plan; the Government of Bangladesh chooses to nationalize all the banks of the country individually on the 26th March 1972, Bangladesh



The efforts of surviving banks defined in the 1st column of the table understand transferred to and vested in, the fresh banks introduced in the 2nd column of the said table:

Nationalization of Banks:

### Existing Bank

1. National Bank.
2. Premier Bank Ltd.
3. Habib Bank Ltd.
4. Commerce Bank Ltd.
5. Union Bank Ltd.
6. Standard Bank Ltd.
7. Australasia Bank Ltd.
8. Eastern Mercantile Bank Ltd.
9. Eastern Banking Corporation Ltd.

New Bank

- Sonali Bank.
- Agrani Bank.
- Janata Bank.
- Rupali Bank.
- Pubali Bank.
- Uttara Bank.

### 2.3. PROFILE OF JBL

Janata Bank, one of the biggest popular banks in the country, was placed under Bangladesh Bank (Nationalization) Rule 1972 (Presidency Order of 1972). By driving over branches of former United Bank Limited and Union Bank Limited, were two private banks working class banking over the country. After the birth of Bangladesh on 16th December 1971, newly formed Janata Bank for mass banking got special fluency from the government to work as nationalized monetary bank all over the country. It is connected with 1239 international associates all over the world. Whole workers of JBL are more than 13 thousand (13,188). Its head office established at Janata Bhaban at Motijheel C/A, the heart of the capital city, Dhaka. Corporatization On 15 November 2007 Janata Bank became registered with the Joint Stock of Registrars and restructured it as a public limited business with the name Janata Bank Limited.



List of Branches:

Special Corporate 02

Corporate-1 Branch 28

Corporate-2 Branch 77

Overseas Branch 04

Grade-1 Branch 218

Grade-2 Branch 224

Grade-3 Branch 277

Grade-4 Branch 82

**Total Branches: 912**

## 2.4 BRANCH LOCATION: ALL BRANCH

There are lot of Branch of National bank. The 192 branches of Bangladesh National bank.

Some Branch Location given blows with savar bazar branch.

| Serial No. | Branch Code | Branch Name     | District    |
|------------|-------------|-----------------|-------------|
| 1          | 116         | Abdullahpur     | Dhaka       |
| 2          | 4           | Agrabd          | Chittagong  |
| 3          | 157         | Alipur          | Patuakhali  |
| 4          | 101         | Anderkilla      | Chittagong  |
| 5          | 186         | Angaria         | Sharitpur   |
| 6          | 147         | Asadgate        | Dhaka       |
| 7          | 191         | Atibazar        | Dhaka       |
| 8          | 31          | Babu Bazar      | Dhaka       |
| 9          | 124         | Baghra bazaar   | Munshigonj  |
| 10         | 175         | Baluchar bazaar | Munshigong  |
| 11         | 106         | Banani          | Dhaka       |
| 12         | 46          | Bandura         | Dhaka       |
| 13         | 12          | BangshalRaod    | Dhaka       |
| 14         | 13          | Barisal         | Barisal     |
| 15         | 131         | Barura          | Commilla    |
| 16         | 88          | Bashuhat        | Nowakhail   |
| 17         | 44          | Beanibazar      | Sylhet      |
| 18         | 117         | Belkuchi        | Sirajgonj   |
| 19         | 151         | Bhagyakol       | Dhaka       |
| 20         | 180         | Bhairas bazaar  | Kishonegonj |



|    |     |                         |                 |
|----|-----|-------------------------|-----------------|
| 21 | 100 | Bhaluka                 | Mymensingh      |
| 22 | 83  | Bhanga                  | Faridpur        |
| 23 | 107 | Bhatiy                  | Chittagong      |
| 24 | 190 | Bhawlagay               | Panchagarh      |
| 25 | 145 | Bhedergong              | Shariatpur      |
| 26 | 120 | Bhojeshwar              | Shariatpur      |
| 27 | 56  | Bhola bazaar            | Bhola           |
| 28 | 167 | Birampur                | Dinajpur        |
| 29 | 70  | Bishwanar               | Sylhet          |
| 30 | 129 | Boalmari                | Faridpur        |
| 31 | 14  | Bogra Branch            | Bogra           |
| 32 | 22  | Brahmanburia Branch     | Brahmanburia    |
| 33 | 189 | Burimari                | Lalmonihat      |
| 34 | 122 | CDA Avenue              | Chittagong      |
| 35 | 47  | Chaktai                 | Chittagongj     |
| 36 | 30  | Chandpur Branch         | Chandpur        |
| 37 | 53  | ChapaiNawabgonj Branch  | ChapaiNawabgonj |
| 38 | 89  | Char Fashison           | Bhola           |
| 39 | 134 | Chatak                  | Sunamgonj       |
| 40 | 102 | Chawk Bazar             | Chittagogj      |
| 41 | 163 | Chhayfullah             | Brahmanbaria    |
| 42 | 77  | Chouddagram             | Comilla         |
| 43 | 84  | Chowgacha               | Jessore         |
| 44 | 17  | Chowmuhani              | Nowakhai        |
| 45 | 29  | Dagobyuian              | Feni            |
| 46 | 1   | Dikusha                 | Dhaka           |
| 47 | 37  | Dinajpur Branch         | Dinajpur        |
| 48 | 181 | Elenga Branch           | Tangail         |
| 49 | 15  | Elephant Road Branch    | Dhaka           |
| 50 | 27  | Faridpur Branch         | Faridpur        |
| 51 | 109 | Fenchugonj              | Sylhet          |
| 52 | 11  | Feni Branch             | Feni            |
| 53 | 21  | Foreign Exchange Branch | Dhaka           |
| 54 | 133 | Gachihale               | Kishergonj      |
| 55 | 99  | Gaibandha Branch        | Gaibandha       |
| 56 | 156 | Gazaria Branch          | Dhaka           |
| 57 | 72  | Gazipur Branch          | Gazipur         |
| 58 | 138 | Gharishar Branch        | Sharitpur       |
| 59 | 158 | Goalchanat              | Faridpur        |



|    |     |                    |            |
|----|-----|--------------------|------------|
| 60 | 81  | Godagani           | Rajshahi   |
| 61 | 78  | Golapgonj          | Syhelt     |
| 62 | 170 | Gopalgonj          | Dhaka      |
| 63 | 118 | Gopalpur           | Tangail    |
| 64 | 160 | Goshairhat         | Shariatpur |
| 65 | 119 | Gouripur branch    | Comilla    |
| 66 | 67  | Gulshan            | Dhaka      |
| 67 | 71  | Habigonj Branch    | Habigonj   |
| 68 | 113 | Hajigonj Branch    | Chandpur   |
| 69 | 137 | Halishahar         | Chittagong |
| 70 | 123 | Hathazari          | Chittagong |
| 71 | 3   | Imamgonj           | Dhaka      |
| 72 | 136 | Isappur Branch     | Monshigonj |
| 73 | 61  | Ishwardi           | Pabna      |
| 74 | 54  | Islampur           | Dhaka      |
| 75 | 75  | Jamalipur branch   | Jamailpur  |
| 76 | 97  | Jatrabari          | Dhaka      |
| 77 | 28  | Jessore Branch     | Jessore    |
| 78 | 57  | Jhalakhati Branch  | Jhalakhait |
| 79 | 197 | Jhenaidha          | Jhenaiha   |
| 80 | 172 | Joina Bazar        | Garipur    |
| 81 | 62  | Joypurhat          | Joypurhat  |
| 82 | 16  | Jubille Road       | Chittagong |
| 83 | 155 | Juraia Branch      | Dhaka      |
| 84 | 96  | Kadamtoli          | Dhaka      |
| 85 | 93  | Kaliakori          | Gazipur    |
| 86 | 126 | Kaligonj           | Jheniadha  |
| 87 | 108 | Kalihati           | Tangail    |
| 88 | 188 | Kanaighat          | Sylhet     |
| 89 | 115 | Kanaipur Branch    | Faridpur   |
| 90 | 173 | Kapasia            | Gazipur    |
| 91 | 112 | Kartipur           | Shariatpur |
| 92 | 52  | Savar Bazar Branch | Dhaka      |



## 2.5. CORPORATE INFORMATION

|                         |  |
|-------------------------|--|
| Name                    | Janata Bank Limited  |
|                         | Janata Bank Limited, the 2nd largest State-Owned Commercial Bank (SCB) in Bangladesh, is playing the pivotal role in overall financial activities of the country. Under the Banks Nationalization Order (President's Order- 26) of 1972  |
| Genesis                 | Since inception in 1972, the Bank has commendably contributed to the socio-economic improvement of Bangladesh and helped to structure solid financial ground of the country as well. Janata Bank runs its business with 912 branches across the country including 4 overseas branches in the United Arab Emirates. |
| Registered Address      | Janata Bhaban, 110, Motijheel Commercial Area Dhaka - 1000, Bangladesh.  |
| Legal Status            | Public Limited Company   |
| Chairman                | Luna Shamsuddoha   |
| Managing Director & CEO | Md. Abdus Salam Azad   |
| Company Secretary       | Md. Mosaddake-Ul-Alam  |
| Date of Incorporation   | 21 May 2007  |
| Authorized Capital      | BDT 30,000 Million   |
| Paid up Capital         | BDT 19,140 Million   |



|   |  |
|---|--|
| Face value per share                          | BDT 100 per share                                    |
| Shareholding Pattern                          | 100% Share owned by the Government of Bangladesh     |
| Number of Employees                           | 13188 (As on 31.12.2017)                             |
| Banking license obtained from Bangladesh Bank | 31 May 2007  |
| Phone   | 9560000, 9566020, 9556245-49, 9565041-45, 9560027-30 |
| Fax   | 88-02-9554460, 9553329, 9552078                      |
| SWIFT   | JANB BD DH   |
| Website                                       | <a href="http://jb.com.bd">http://jb.com.bd</a>      |
| E-mail  | md@janatabank-bd.com                                 |

## 2.6. AWARDS AND ACHIEVEMENTS

Newly the Bank has been recognized internationally and domestically for its good Review. Few of these recognitions are supplied below:

### **Best Presented Annual Report Awards and SAARC Anniversary Awards for Corporate Governance Disclosers 2013**

The awarding ceremony was held on 4th December 2014 at hotel Mayfair, Bhubaneswar, India. Dr. Prodip Kumar Panigrahi, minister of State, Higher Education, Science and Technology Ministry of Odisha, India, handing over South Asian Federation of Accountants (SAFA) award to Md. Mosaddake-Ul-Alam, company secretary of Janata Bank Ltd.

### **ICMAB Best Corporate Award**

This Bank obtained the first position between the state-owned Commercial Banks in Bangladesh. The Institute of Cost and Management Accountants, Bangladesh (ICMAB) knew the performances of Janata Bank Limited with the following awards:

ICMAB Best Corporate Award 2014

ICMAB Best Corporate Award 2012



## 2.7. HIERARCHY OF POSITION

### Functional Hierarchies:

Janata Bank is the highest investment bank in the country. It has 906 branches during the country and abroad to serve the nation. There are 4 across branches at U.A.E. It becomes 15 GM, 77 DGM 192 AGM, 576 First AGM, 1037 SEO, 3085 EO, and 460 AEO. Main Offices are headed by First AGM and any department is headed by AGM.

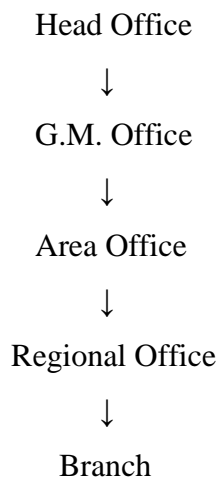


Figure: 2. Functional Hierarchies





### Organizational structure:

The organizational structure of the Janata Bank operation is depicted in the following figure:

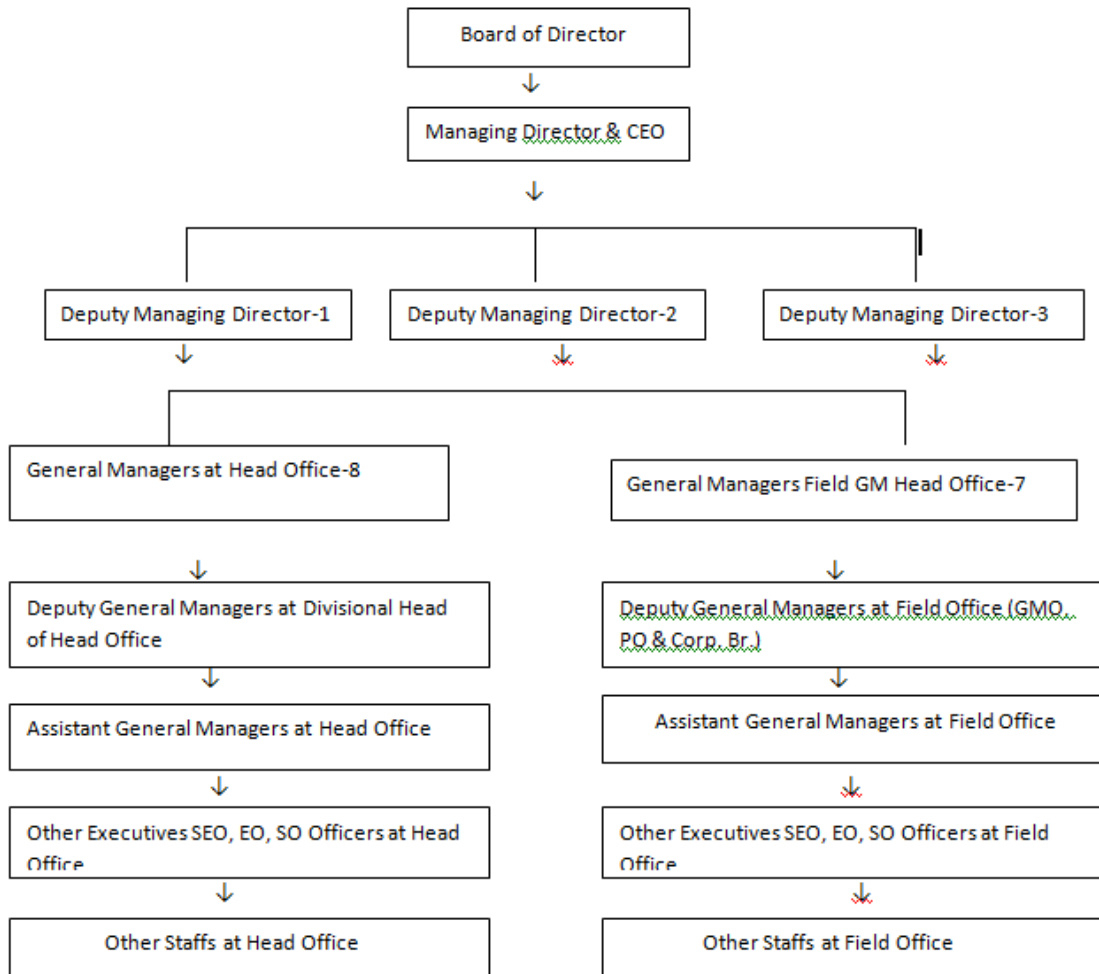


Figure 2: Organ gram of Janata Bank Limited

### Board of Directors

The Leaders are representatives from both the public and private sectors. Segments of the Board including M.D are government-appointed out of that at minutest three have the expertise in the field of Finance, Banking, Trade, Commerce, Industry, and Agriculture. The



governing supervisor is the Chief Executive of Bank. The Board of Directors is included of 13 (Thirteen) members guided by a Chairman. The name and status of directors are as under.

### **Chairman of the Board of Directors**

Mrs. Luna Shamsuddoha

### **Members of the Board of Directors**

Mr. Manik Chandra Dey,  
Mr. Khondker Sabera Islam  
Mr. Mr. Md. Mofazzal Husain  
Mr. Masih Malik Chowdhury, FCA  
Mr. A.K. Fazlul Ahad  
Mrs. Mrs. Selima Ahmad  
Mr. Mohammad Abul Kashem  
Mr. Md. Abdul Haque  
Mr. Md. Abdus Salam Azad (F.F.),  
CEO & Managing Director

## **2.8. VISION**

To enhance the efficient largest commercial bank in Bangladesh to support the socio-economic growth of the country and to be a leading bank in South Asia.

## **2.9. MISSION**

Janata Bank Limited will be an efficient commercial bank by keeping a stable growth strategy, producing high-quality financial products, implementing excellent customer service through an expert management team and securing healthy corporate governance in every step of banking network.



## 2.10. Strategic Objectives

The objectives for which the bank is established as follows:

□ To carry on business as financiers, promoters, capitalists, financial and monetary Agents, concessionaires and brokers, dealing in exchange, securities and all kinds of Mercantile banking etc.

## 2.11 MOTTO OF JBL:

The bank will be a convergence of the following three matters: Of the bank: Profit maximization and continued growth. Of the customer.

## 2.12 PRODUCTS AND SERVICES OF JBL:

The Bank with its network paving throughout the country has a unique feature it provides deposit facilities to its client and also gives loan and advanced services. Bank give interest to its client deposit and collect interest from loan and advance.

### **Deposit Products of JBL:**

JBL has the scope to explore the market niche through various types of JBL instruments. JBL offers wide range of products and services for its customer. All the deposit products of JBL under given below: -

### **Janata Bank Deposit Scheme (JBDS):**

Janata Bank deposit scheme is the most happening deposit of Janata bank. This deposit is earning huge profit bank as well as customers. The rate of interest of deposit is 5.0% and from this customer are getting huge profit. Janata Bank deposit can be started from TK. 500/= Janata Bank deposit can be open for 4years, 5years, 6years, 8years and 10years. There is huge number of Janata Bank deposit customer in Janata bank limited.

### **Current Deposit (CD):**

Current deposit account is an attractive product of Janata bank. The current deposit can be started from TK. 1,000/=. The rate of interest of current deposit is 0%. There is no restriction on the amount or may be operated upon any number of times during banking hour. Current deposit usually opens for business purpose.

### **Short Term Deposit (STD):**

Short term deposit is short period schemes. Short term deposit can be opened for 1 year. Huge of customers are involved in this deposit. Short term deposit can be started from TK.



500/=. The rate of interest of Current deposit is 3.50%. If the installment of deposit is not paid within 2 months then the deposit will be closed.

**Fixed Deposit Rate (FDR):** Fixed deposit account shall be opened a fixed amount for a fixed period, which is specific at the time of making deposit, varying from 3 months to 3 years & payable at a fixed date of maturity.

**Savings Pension Scheme (SPS):** Savings pension deposit is very attractive deposit for retirement persons. When a job holder retires from his job, he can be open this deposit. This deposit can be started from any amount. The rate of interest of Savings pension scheme is 12% for 10years or 10% for 5years. This deposit is very helpful for a retire person.

### 2.13 REMITTANCE SERVICE:

Remittance means the transfer of money from one place to another through banking channel. Foreign remittance indicates the transfer of foreign exchange from one country to another country through banking or approved channel. A remitter can send their foreign remittances to their successors by –

- Western union,
- Money gum,
- Placid,
- IME.

Because JBL provides their services to the customer by all Medias for transferring foreign remittance.

### 2.14 PERSONALIZED SERVICE:

Janata Bank Limited with its wide-ranging branch network and skilled personnel provides prompt and personalized services like issuing:

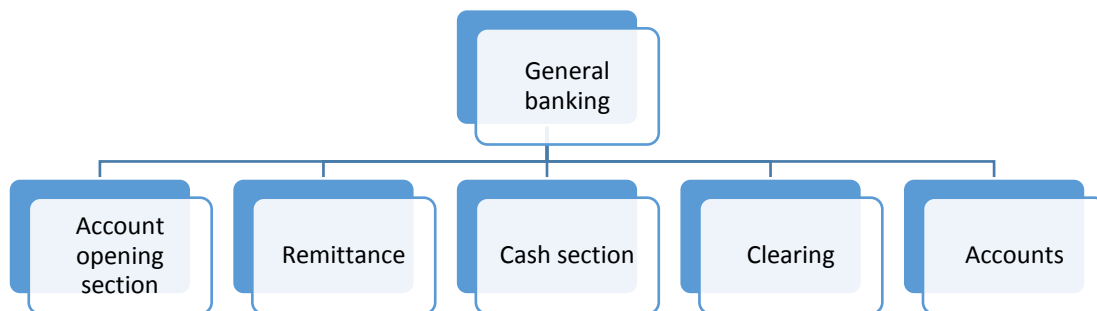
- a. Demand Draft
- b. Telegraphic Transfer
- c. Mail Transfer



## Chapter 3

### 3.1 GENERAL BANKING

Out of three main divisions, General Banking is an important one. General banking is the heart of the total banking system. This agency collects money from the depositor and uses these deposits to earn the profit.



### GENERAL BANKING

#### Account Opening Section:

But the choice of a customer for opening an account is very essential for a Bank. Surely, fraud and cheat of all kinds start by opening account. So, the Bank takes a greatly cautious measure in its selection of customers.

#### Types of Account:

Janata Bank has the following types of accounts:

- Current Account
- Savings Account



### **Procedure to open an Account:**

- (1) For opening an account, at first, the promised account holder will practice for opening an account by filling up account opening form. Account opening form consists of the name of the department, type of account, name of the applicant(s), present address, permanent address, passport number (if any), date of birth, nationality, occupation, nominee(s), special instruction (if any), first deposit, individual signature(s) of the applicant(s), introducer's data etc.
- (2) The proposed consumer should be correctly introduced by the followings:
  - I. A current customer of the bank.
  - ii. Directors of the bank not under the rank of Assistant Officer.
  - iii. A proper person of the region who is well received to the Manager or an approved officer.
- (2) Two photographs of passport size photograph duly attested by the introducer.
- (3) Designation of the planned account holder in the account possibility form and on the personal signature card duly attested by the introducer.
- (4) Then the concerned administration will allow a number for the new account.
- (5) The customer than assembles the "initial deposit" by filling up a deposit slip. New Deposit to open a current account in JBL is Tk. 10000.00 and economics account is Tk.1000.00. After doing the superior customs. The cheque-book may be off 10 pages, 20 pages, 50 pages or 100 pages depending on the type of account the customer has opened. A customer has to fill up the 'Requisition Slip' for cheque-book. Then a new cheque-book will be packed with the account number of the customer and the name of the branch in each page of the cheque-book. The name and account number of the customer is registered in the 'Cheque-book Issue Register'. After separating the initial deposit, the account is assumed to be opened. The demand slips are followed and registered as vouchers.

### **3.2. UTILITY SERVICE**



Besides traditional banking performance, Janata Bank Limited offers special services to a large number of clients/agencies throughout the country.

### **Bill Collection**

- Gas bills of Titas, Bakhrabad and Jalalabad Gas Transmission and Distribution Companies.
- A pilot scheme is underway to provide personalized services to our clients

### **Corporate Branch are as follows:**

- A minimum balance of tk500 and tk1000 must be maintained in the saving and Current A/C respectively.
- Withdrawal of deposit can be made two times in a week in case of saving A/C
- For Saving A/C, an application must be submitted to the branch authority if withdrawal

Is tk50, 000 or more but customer rarely follow this rule?

- Interest rate for saving bank A/C is 5% per year

**Time Deposits:**A deposit that is payable at a fixed date or after a period of notice is

Called 'Time Deposit'. This branch accepts time deposit through Page

Fixed Deposit Receipt (FDR)

Short Term Deposit (STD)

Janata Bank Deposit Scheme (JBDS)

Sanchoy Pension Scheme (SPS)

### **Fixed Deposit Receipt (FDR)**

Normally, the payment on a fixed deposit is not repayable before the expiry of the fixed stage

The payment will be made after the completion of a certain period. Hence, Janata Bank Ltd.

offers a high-interest rate in Fixed Deposit Account. The interest rates followed by Janata

Bank Ltd for Fixed Deposit Account is-

Period Interest rates

For 3 months to > 6 months @4.50%

For 6 months to > 12 months @4.75%

For 12 months to > 24 months @5.00%

For 24 months to > 36 months @5.00%

Normally a customer is not allowed to withdraw money before the expiry of the fixed period

in case of Fixed Deposit Account. However, Janata Bank Ltd. allows its customers to



withdraw fixed deposit amount at any time after giving a short notice. In this case, the customers will get interested rate in the following ways-

- If withdrawal happens before 3 months, there will be no interest.
- If withdrawal happens before 6 months, 3 months' interest rate.
- If withdrawal happens before 1 year, 6 months' interest rate.
- If withdrawal happens before 2 years, 1 years' interest rate.
- If withdrawal happens before 3 years, 2 years' interest rate.

In the case of 'Before Maturity Encashment' interest rate is calculated for the days from the date of opening the FDR account.

(Say for the. x) in maturity, following accounting treatments are applied-

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

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

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

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

- Cheques are not permitted for Fixed Deposit Account.

### Payments Made on Behalf of Govt. To:

- ❖ Non- Govt. teachers' salaries
- ❖ Girl Students scholarship/stipend & Primary Student Stipend.
- ❖ Army pension
- ❖ Widows, divorcees and destitute Women Allowances
- ❖ Old-age Allowances
- ❖ Food procurement Bills

The following branches of Janata Bank Limited have collected utility bills (e. g. Electricity, Telephone, Gas, WASA etc.).

### 3.3 Transfer of Account to another Branch

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

- Reasons for transfer the account
- the unutilized cheque book will be returned to the transferring branch before transfer of account After verification, the approval of the manager for transferring the account is obtained and then the specimen of the forwarding letter of transferee branch will be sent. After the application is received duly approved from the manager, the branch transfers the account





Based on the following entries-

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

### 3.4 CLOSING OF AN ACCOUNT

The following circumstances are usually considered in case of closing an account:

- ❖ Death of the customer
- ❖ If Garnishee Order is issued by the Court of Law on the bank branch

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

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

### 3.5 ONLINE AND ATM SERVICE

Times have changed and the technological boom has given the businesses superlative edges over the manual and traditional functionalities of business operations. So, the bank business in Bangladesh has overwhelmingly improved with the dedication of online banking in bank business. Janata Bank Limited has also walked into the world of online banking and is quickly progressing in the implementation of online banking through Core Banking System (CBS). The equal foundation of Real-Time Online Core Banking is in process. In this respect, the Central Data Center (CDC) & Disaster Recovery System (DRS) have been installed. Moreover, the network system has been built within CDC & DRS and 908 important branches of Janata Bank Limited including head office departments for an online banking system. Real-time online banking has been proposed in 174 branches during 2014.10 (ten) IT Support & Comfort Cells have been established at 10 Divisional Offices of the Bank. To facilitate the foreign exchange service, Janata Bank has launched Janata bank first between the nationalized commercial bank, has introduced the Janata bank-Cash ATM assistance system in its 54 branches. The bank charged 500 take-ups as an annual charge. A cardholder can enjoy the facilities of all ATMs of Q-Cash Network member Banks and 2Network Sharing Banks. Taken a plan to launch a shared ATM system in various important places.



### 3.6 BANK REMITTANCE

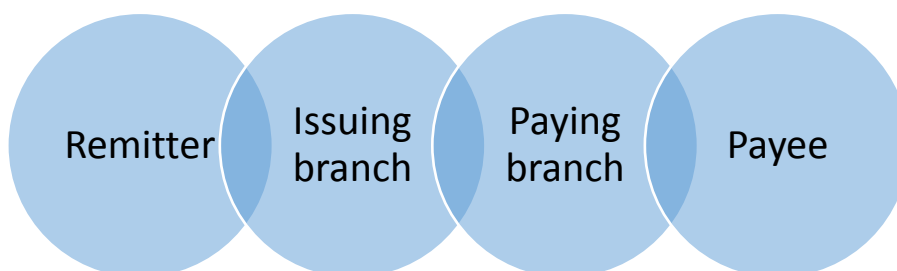
Remittances of stocks are one of the most influential characters of the commercial banks in contributing services to its customers. Among different services rendered by the commercial bank to its customers, enclosure amenities are very well known and popular. This word 'Remittance' means sending of money from one place to another place through post or telegraph. Banks enlarge this facility to its customers by means of receiving money from one branch of the bank and making an adjustment for payment to another branch within the country.

In prevailing, there are two types of bank remittance-

1. Inward remittances and
2. Outward remittances.

Banks take the risk and ensure payment to the beneficiary by charging the customer.

#### Chart for Bank Remittances Flow



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

- Demand Draft (DD)
- Mail Transfer (MT)
- Telegraphic Transfer (TT)

The following register books are maintained for remittance purpose-

- DD, MT, TT Issue Register
- DD, MT, Advice Received Register
- DD, MT, TT Payment Register
- DD Ex-Advice Payment Register



## **Demand Draft (DD)**

A demand draft may be paid in cash to the receiver on proper identification or the amount may be credited to his account (in case of A/C holder of the bank). Banks issue draft for a nominal commission. The commission depends on the amount to be transferred. The buyer of the DD needs not to be a customer or account holder of the bank.

- **Application Submitted to branch**
- **Issuing branch prepare DD**
- **Branch gives DD to purchaser**
- **Purchaser sends DD to payee**
- **Pays present DD to branch**
- **Paying branch pays the amount**

## **Issuing of Demand Draft**

While issuing a DD, an official must be confirmed about the existence of the branch Where the DD is to be announced by the applicant or customer. Savar new bus stand branch charges tk.1.50 for per tk.1000 as its commission for DD. The minimum commission is tk.15. The procedure of issuing a DD against cash could be shown by the flowchart in the following ways- Calculate and take exchange charges Take cash from the purchaser Sign and hand over the DDS end advice of drawing to paying branch

Customers Accoun-----Dr

SBG Account-----Cr

Income Account (Commission) ---Cr

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

## **Procedure of Demand Draft Payment**



Payment of Drafts can be made without the advice of the issuing bank and at that time payment is called 'Acceptance Payment'. A total amount of advice is debited to SBG A/C and credited to draft payable A/C. That is-

SBG A/C-----Dr

Draft payable A/C -----Cr

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

Draft payable A/C-----Dr

SBG A/C-----Cr

If the payment is to be made before receiving of the DD advice, DD payment is recorded in the Ex-advice payment register by debiting the Draft Payable Ex-Advice A/C (DD paid without advice). On getting off the advice, it will be inserted into the DD, MT Advice Get Register and the amount will be credited to Draft Payable A/C.

### **Cancellation of Demand Draft**

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

### **Issuing of Duplicate Demand Draft**

- ❖ If DD is lost, the issuing branch may issue a duplicate DD. But before issuing a duplicate
- ❖ DD, the branch issued to observe the followings-
- ❖ Take indemnity bond from purchaser
- ❖ Clearance from paying branch whether the DD is already paid or not to be obtained
- ❖ DD cancellation advice to be sent to the paying branch
- ❖ Lastly the duplicate DD is issued and the word 'DUPLICATE' in red ink is stamped in the front side of the DD block.

## **3.7 MAIL TRANSFER (MT)**

The facility of sending money by mail is available to customers who have accounts with the bank. The remitter saves the amount that will be transferred from the remitting branch with a small commission. An opinion is issued by the branch to another branch for recognizing the



designated amount to the account of the payee saved with the bank. It is a non-negotiable instrument and generally is not handed over to the customer rather sent through the post office to the concerned branch. Remittance of money by Mail Transfer is almost cheaper, quite safer and more convenient. Mail Transfer is useful not only within the country but also for international remittances. For local MT (say within the area of Dhaka) special 'MT Register Book' is controlled as in like DD. MT is usually issued from branch to branch of the same bank. Ordinarily, the main charge is Tk.15 for any amount. From TK.1 to tk.20000 commission is tk.20 and for up to tk.1 computed for every

Tk.1000.The payment systems for MT are as follows-

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

### 3.8 TELEGRAPHIC TRANSFER

Telegraphic Transfer (TT) is a different widely used mode for remittances of funds. TT is faster than DD or MT. The branch usually gains from the telegram charges in addition to the usual service charges. ATT could be express or normal and it is always sent in coded-form. The corporate chapter follows the following procedures in case of TT issuing-

1. The customer deposits money in the branch.

#### Accounting entries for TT

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

#### Procedures for the incoming TT



Then the TT serial number, test number are verified. A credit voucher in favor of the beneficiary's account is prepared and passed. For TT telephone charge is tk.25 and tk.1-20000 commission is tk.20 and above its tk.1 added as commission for each tk.1000. 15% vat taken on commission.

### 3. 9 PAYMENT ORDER (PO)

Payment Order (PO) is in the form of receipt which is signed by the two officials. The money of PO is deposited to the bank's own account named 'Payment Order A/C'. Payment of this instrument is made from the issuing branch. PO is not transferable; therefore, it can only be paid to-

□ A person holding the letter of authority from the payee whose signature must be Authenticated by the payee. For below tk.1000 the commission is tk.20 and for tk.1001 to tk.100, 000 the commission

Charge is tk.30 and for above tk.100, 001 it will be tk.50

#### Remittance Commission (tk) VAT (tk)

DD 20 to 100 15%

MT 20 to 100 15%

TT 20 to 100 15%

Accounting entries: PO by cash

Cash A/C-----Dr

Bill Payable-----Cr

PO commission-----Cr

Accounting entries: PO by cheque

Cheque A/C-----Dr

Bill Payable-----Cr

PO Commission-----Cr

### 3.10 OPERATION OF CHEQUE

A cheque, signed by the drawer is an unconditional order in writing and drawn on a specified bank. A cheque involves three parties-



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

The following procedures are usually done for passing a cheque-

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

### 3.11 STOPPED CHEQUE

In case of stopped cheque, the following formalities are done-

- ❖ The accountant keeps the 'Stopped Cheque Register' and reserves the pertinent Documents.
- ❖ After receiving a letter or telegram for stopping the payment of cheque, the time of its receipt is noted down by the accountant.
- ❖ The ledger-keeper and the officials are also informed immediately.
- ❖ Lastly the cheque is stopped.

### 3.12 COLLECTION OF CHEQUE

In **new bus stand Branch, Savar** cheques of its customers are received for collection. In case

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

- Short Credit (SC)
- Local Short Credit (LSC)
- Clearing.

### 3.13 CLEARING

Janata Bank Ltd is a registered bank.. The agenda banks clear the cheques drawn upon one another through the clearinghouse. This is an organization by the central bank where the representatives of the banks gather to clear the cheque every day. The clearinghouse lies for two times in an effective day.

### 3.14 CLEAN CASH BOOK

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

Test the arithmetical accuracy of one day's transaction.



- Consolidate one day's transaction.
- Help position in the General Ledger.
- Test the closing cash balance of the branch.

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

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

### **3.15 THE GENERAL LEDGER**

After strong completion of the entry in the clean cash book, all the balances of the account heads are transferred to General Ledger which is the last and the most important part of accounting system of the branch. The debit side of the clean cash book is given to the credit side in the general ledger book and the credit side of the clean cash book is shifted to the debit side in the general ledger. A weekly/monthly statement is prepared in F-12 form. The figures of the F-12 form are collected from General Ledger. The statements in the branch's General Ledger are as follows-

- Janata Bank Ltd General Account (SBG A/C)
- Fixed Deposit Account
- Current Account
- Pay Order Account
- Demand Loan Account
- Cash Credit Account
- Foreign Bill Purchase & Negotiable Account
- Bills for Collection Account
- Forced Loan against Back to Back Loan Account
- Exchange Account
- Profit & Loss Account

### **Foreign Remittance Service**





Janata Bank Limited has a 'Complain cell' at its Overseas Banking Division, Head Office, and Dhaka. All Affected are requested to communicate at the following address to fix any problem linked to foreign Remittance."

### 3.16 LIMITATIONS AND CHALLENGES

Since the report is involved with the Activities of General Banking of Janata Bank Limited. A lot of learning could not obtain because the bank was not involved to disclose their information, policy, and data to maintain their privacy. I had to depend on the websites of the particular bank for much information.

Theoretically there are so many factors to be observed before analyzing such type of study. Those kinds of information are very confidential and it is absurd for me to check all this information within only three months.

Branch was going through renovation process, which was hampering the working Environment.

Officers are busy with their respective works. Many of them have truly failed to manage time to have a talk with me about his work in the desk.

### 3.17 SWOT ANALYSIS

Each and every company should be informed of their strengths, weaknesses, possibilities, and threats. This interpretation is known as SWOT analysis. SWOT analysis explains the environment of an organization in two broad ways. They are:

1. Internal Environment Analysis: It includes strengths and weaknesses.
2. External Environment Analysis: It includes opportunities and threats

The abbreviation of SWOT stands for

- STRENGTH
- WEAKNESS
- OPPURTUNITY
- THREAT

#### STRENGTHS

o as a large bank, it has qualified and experienced manpower.

Branch location is suitable for business.



- o Bank's assets position is quite satisfactory and now there is no fund crisis.
- o Bank has requisite wealth to sustain in the various challenges of market economy

### **WEAKNESS**

- o as many employees retired from the bank, there is a crisis for manpower in the bank.
- o Bureaucrat official process hampered the daily internal workflow.
- o Low salary structure for the employees.
- o in some cases management-employee relation is not good.

### **OPPURTUNITIES**

- o Expansion of new investment areas.
  - o in case of fund crisis Janata Bank gets government support.
- The bank undertakes need-based training program.

### **THREATS**

- o Newly developed privatized and foreign banks.



## Chapter 4

### 4.1 FINDINGS

#### **Problems regarding loan sanction activities**

There are some problems involved in the loan sanction activities of Janata Bank. These are:

- Loan sanction process of JBL is very lengthy. It takes long time.
- For the weakness of the appraiser, it cannot appraise the real condition of the borrower.
- Limited or no system of accountability for the appraisal team if the approved project fails due to their improper appraisal.

#### **Problems regarding loan recovery activities**

##### **Steps of economic environment**

The following environment:

1. Changing in the management pattern: Changing of management patterns may delay the recovery of mature loan.
2. Operation of open market economy: In our country mainly, industries become sick and also close their business on account of emerging of open market economy. The cost of production is high and the quality of goods is not of required of standard. As a result, they become the losing concerns and the amount of bad loan increases.

### 4.2 RECOMMENDATION

#### **Concentration on physical investigation:**



Janata Bank should give more concentration on physical investigation before issuing loan

### **Identify profitable project:**

JB must have to identify profitable project and actual entrepreneur for issuing loan. And employees who are directly involved with loan recovery should also be trained in this task.

### **Security against the loan:**

Security against the loan should be taken before sanction of money and it must be sufficient to recover the loan.

### **Development of skilled loan officers:**

The bank should focus on recruiting loan officers having the right qualifications. They should also be trained up properly and to specialized on the job. This will imagine qualitative growth and performance in project financing operation.

### **Avoid political interference:**

Janata Bank should avoid unnecessary political interfere that becoming outside the bank. Political problem of our country is a major problem now. If it influences the banking activities must create new problem no doubt.

### **Development of the project loan and recovery appraisal system:**

Management should set up a unit, which will work under the supervision of credit division whose task will be to gather borrower information. This will help better assess the credit worthiness of a borrower. Also, the bank should change its approach towards the viability of a project. That means, Janata bank should develop its loan and appraisal system.

### **Others:**

- Ensuring proper feasibility study, the responsibility of feasibility report should be imposed, to some extent on the entrepreneurs.
- Responsibility should be fixed to all according to their involvement in appraisal of projects.
- Political pressure should be eliminated.
- Law and order situation should be improved.

## **4.3 CONCLUSION**

A strong credit control is not only needed for a bank's own appearance but also it is needed for the smooth development of an economy. In any policy of economic development, therefore, it is necessary to maintain the evaluation of a sound and well-integrated credit management system from the perspective of both resources mobilization and efficient allocation of funds. Although some amazing political pressure hampers such activity JB always tries to overcome such sort of problem by its own policy and procedure.

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Janata Bank Limited  
your committed partner in progress

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