

Daffodil International University

Customer's satisfaction

“An Analysis of the Customer satisfaction towards the Services of The Farmers Bank Limited: A Study on Gopalganj Branch”

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LETTER OF TRANSMITTAL

Date: 20 November 2017

To

Mohammad Masum Iqbal

Associate Professor

Department of Business Administration

Daffodil International University

Subject: Submission of Internship Report.

Dear Sir,

I am grateful to you for the submission of the **Internship Report** on “An Analysis of Customer Satisfaction towards the Services of The Farmers bank limited: A Study on Gopalganj Branch” Which is an essential requirement for the completion of MBA program. This report is a result of the Internship program that I have conducted in between my job hour. All the works presented here are done with utmost sincerely and honesty and the sincere guidance and cooperation of my supervisor **Mr. Mohammad Masum Iqbal** , Associate Professor Department of Business Administration, Daffodil International University. I have tried my best to make this report holistic and informative enough.

All of my efforts will be successful if the report can serve its purpose. I have tried my best to explain everything related with this report. I am always available for any further quarries regarding this report.

Sincerely,

Mohammad Ezaz Ahmed Bhuiyan

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Daffodil International University

PREFACE

Practical Knowledge has no alternative. A perfect coordination between theory and practice is of paramount importance in the context of the modern business world. In order to resolve dichotomy between these two areas, Daffodil International University arranges “Internship Program” for the MBA Students. The completion of the internship program is necessary for every student for being eligible to be awarded the MBA degree. Internship program brings the students closer to the practical world of business organizations & thereby help them to substantiate their knowledge so that they may prepare themselves to successes fully enter management career.

The internship program has given me immense opportunity to minimize the gap between theoretical and practical knowledge. It was a pleasure to me for preparing report on service level of a Branch of The Farmers Bank Limited, Gopalganj Branch. Throughout the research I tried to project the service level of the branch without being biased, completely from a neutral angel.

ACKNOWLEDGEMENTS

At the very beginning, I would like to express my deepest gratitude to Almighty Allah for giving me the opportunity with strength and patience to carry on this work. In conducting this study, I have received generous help from many quarters, which I like to mention with gratitude and great pleasure.

First and foremost, I am highly grateful to my supervisor, **Mohammad Masum Iqbal** , Associate Professor, Department of Business Administration, Daffodil International University . His suggestions and comments have greatly inspired me to prepare the Internship Report successfully.

I shall ever grateful to all of my teachers of Department of Business Administration, Daffodil International University , who have taught me throughout my MBA study years and made me eligible to carry out this study.

My special thanks go to all the members and colleagues of the Farmers Bank Limited, by providing me different types of data relating to this study.

Finally, I extend my thanks to all of my well wishers for their help during this work.

Sincerely,

Mohammad Ezaz Ahmed Bhuiyan

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EXECUTIVE SUMMARY

In order to provide a student with job exposure and an opportunity of the transition of theoretical knowledge into real life experience, an internship is a must. A better balance between theory & practice can be gained through this program.

Banking system of Bangladesh has gone through three phase of development. Nationalization, Privatization and Financial Sector Reform. The farmers Bank Ltd. is a fourth generation Commercial Bank established in June 03, 2013 with new hopes and promises to serve the countrymen.

This report contains five chapters. First chapter deals with introduction, origin objective, scope, methodology and limitation of the study. Second chapter contain Definition of the concept as Service, Service Motto of The Farmers Bank Limited, Customer, Customer Satisfaction, their relations, rights and obligations. Third chapter emphasis on Organizational profile of The Farmers Bank Limited, Hierarchical and Functional position, Performance at a glance, Profile and P/L and Functions of Commercial Bank. Fourth chapter analyze on customer satisfaction. Fifth chapter contains Findings of the study, Contributions and Conclusion of the study. Appendix part on Bibliography and Questioner.

The report is an internship program with The Farmers Bank Limited. I acknowledged different banking functions and day-to-day banking operations on my way to complete internship. In this paper I have explained my best in respect of my real life experience gathered from different departments.

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Chapter One: Introduction

1.1 Introduction

All over the world the dimension of Banking has been changing rapidly due to Deregulation, Technological innovation and Globalization. Banking in Bangladesh has to keep pace with the global change. Now Banks must compete in the market place both with local institutions as well as foreign ones. To survive and thrive in such a competitive banking world, two important requirements are Development of appropriate financial infrastructure by the central bank and Development of "professionalism" in the sense of developing an appropriate manpower structure and its expertise and experience. To introduce skilled Banker, only theoretical knowledge in the field of banking studies is not sufficient. An academic course of the study has a great value when it has practical application in real life situation. So, I need proper application of my knowledge to get some benefit from my theoretical knowledge make it more tactful.

In a simple word, Excellence is the Capacity of producing desired result. So, Excellence of customer is, how customers perceive services, how they assess whether they have experienced quality services and whether they are satisfied or not.

When it refers to Excellence of customer, we assume that the dimensions of services and the ways in which customer evaluate services are similar where the customer is internal & external of the organization.

1.2 Rational of the study

With the rapid growing competition (due to free market economy) among nationalized, foreign and private commercial banks as to how the banks operates its banking and how customer service can be made more attractive, the expectations of the customers have immensely increased. Reciprocating the sentiment, commercial/private banks are trying to evaluate their traditional banking service to a better standard. Under the above circumstance, it has focused its attention towards the improvement of the customer service. That's why it is quite justified to make improvement .The study may help formulating policy regarding the ideas relating to the feeling of the customers and banks. Furthermore, the Farmers Bank Ltd. actually executes the policies undertaken by the top management will have a chance to communicate their feelings and will have the feedback about their dealings with the customers.

1.2 Objective of the report

The objectives of the Study are as follows:

- ❑ To identify services of The Farmers Bank Limited, Gopalganj Branch.
- ❑ To measures customer's satisfactions The Farmers Bank Limited, Gopalganj Branch.
- ❑ To identify problems related to customers satisfaction, The Farmers Bank Limited, Gopalganj Branch.
- ❑ To make some recommendations to solve the problems.

1.4 Scope of the study

- ❑ It will help the Bank to measure and assess the Service quality that they are presently providing to the Customer.
- ❑ It will be helpful to a better understanding of the Bank's relation with Customers as well as Bank's Image to Customer.
- ❑ The Study will also contribute in new strategy to develop the future growth of the Bank.

Therefore, in this project sincere efforts have been made to gauge the efficacy of customer service by the original perceptions of it's customer

1.5 Methodology of the study

Although there were so many limitations, it was tried to use both the primary and secondary sources of collecting information to make the report presentable with as less abstraction as possible.

Sources of Information:

A. Secondary data

Data that were published before for some other reason can be collected using internal and external sources.

i) Internal Secondary data: To furnish the report properly some papers has been collected form the officials of Farmers Bank Limited. Information from annual reports, journals, newspapers and other published documents have been used. Besides other published information about the organization, depth interview of the branch manager and manager operations have also taken.

ii) External Secondary Data: For better interpretation some data has been collected from Bangladesh Bank. Internet Browsing is also one source of external Secondary data.

B. Primary data

Primary data is always collected from the respondent. For this project **personal Interview with the customer** has been conducted. When it became impossible to conduct face to face interview I collected the primary data by using the *Telephone Interview and also face to face*.

1.6 Measurement Techniques

For collecting the information two types of measurement techniques have been used-

- a. Questionnaire:** to make the report unquestionable or fair I conducted a questionnaire survey among 40 respondents.
- b. Observation:** The direct examinations of behavior, the result of behavior, or psychological changes have been conducted.

1.7 Limitations

- i. *Lack of comprehension* of the respondents was the major problem that created many confusions regarding verification of conceptual question.
- ii. *Limitation of time* was one of the most important factors that shortened the present study. Due to time limitation many aspects could not discussed in the present study.
- iii. *Confidentiality of data* was another important barrier that was faced during the conduct of this study. Every organization has their own secrecy that in not revealed to others. While collecting data on Farmers Bank, personnel did not disclose enough information for the sake of confidentiality of the organization.
- iv. *Rush hours and business* was another reason that acts as an obstacle while gathering data.
- v. The findings of the survey are based on customers' response in Farmers Bank credit card services located in Dhaka City only. The results may not *reflect* the same for other branches of Farmers Bank outside Dhaka.
- vi. Limitation of the *Personal knowledge* is another one. Since knowledge knows know bound, so this report is incapable to present all things with more depth.

Chapter Two: Company Profile

2.1 Historical Background

Farmers Bank Ltd. (FBL) is a Private Commercial Bank that started its operation 4 years ago. They gained success from the very beginning of their operation and were capable enough to hold the success year after year. It gained success very early because of its very strong financial backup of enriched and committed shareholders. This bank is very much popular within in the general people and also in the business community.

FBL is the scheduled commercial bank, which conducts its operation as per the rules and regulations of Bangladesh Bank. The Farmers Bank Limited is a Bangladeshi commercial bank headquartered at Glushan-1, Dhaka. The Farmers Bank Limited, a fourth generation bank commenced its banking operation on June 3, 2013 licensed by Bangladesh Bank, the central bank of Bangladesh. The bank emerged as a new commercial bank to meet up and provide efficient banking services to all level of customers and to contribute socio-economic development of the country. The directors and sponsors of the bank are esteemed and eminent personalities from the realm of commerce and industries of the country. As a well accomplished commercial bank, The Farmers Bank Limited is being allocated by a highly professional and devoted team with long experience in banking. They continuously focus on understanding and prognosticating customer

needs. The Farmers Bank offers all kinds of corporate, institutional and retail banking services covering all segments of society within the framework of Banking Company Act and rules and regulations imposed by our central bank and other regulatory authorities. The Farmers Bank, since its inception has emphasized in technology integration. In order to keep hold of competitive periphery, investment in technology is always a top agenda and under constant focus. Keeping this mind the Farmers bank limited always responsive for changing technology effectively. In the year 2013 its Authorized Capital was Tk. 1500.00 Crore and Paid-up Capital was Tk. 461.41crore only. At present the bank has 52 branches across the country and has plans to open more branches very soon. FBL aims at optimizing profit with a view to allowing good returns on the investor's money. Within nine years of its operations the Bank has strengthened its capital base by increasing reserve and retained earnings.

The Bank's work force is composed of personnel having rich academic background with vast experience in banking. The Human Resources Division (HRD) means to create an environment by dynamic, enthusiastic and vigorous participation of all individuals. To make their personnel knowledgeable and truly professional they arrange training for them at Head office Training Academy of the Bank, BIBM and other institutions.

The present image of the FBL is very important to the management and to its owners for their awareness in taking various decisions regarding the future action plans for its growth. The Management of the Bank are always change oriented as is evidenced by introduction of Farmers Islamic Banking and ATM Cards. Since majority of the clients are religious minded and absence of Islamic banking system compel them to do traditional banking, therefore the very recent introduction of Islamic banking system has enhanced the image of the bank and at the same time can attract the new clients and will increase the customer volume which is important for bank's profitability. With respect to ATM Cards and other technology-enabled services like Phone, Internet and SMS Banking services, FBL has been able to cater the banking requirement of today's digital people where speed and accuracy are the important deciding factors. These have tremendous impact on the image and also on the profitability.

2.2 Philosophy of The FBL.

At present the bank has as many as 52 branches across the country and it is committed to become equal service providers compatible with the norms of commercial schedule bank. It renders all types of personal, commercial and corporate banking services to its customers within the preview

of the Bank Companies Act, 1999 and in line with the directives and policy guidelines laid down by Bangladesh bank. The main philosophy of the Farmers Bank is – “**Attainment of Prosperity in Freedom.**”

2.2.1 Vision

To emerge as a dynamic, progressive, excellent, financial institution of the country by providing premium products and services to the customers and supporting the attainment of the national goals for socio-economic development.

2.2.2 Mission

To stimulate economic growth of the country through consistent expansion by providing diversified products and services to all clients and to create a sound vibrant financial system with effective, efficient, and transparent operation and socially acceptable rate of profit for the shareholders.

2.2.3 Strategic Objective

Strategic objectives of The Farmers Bank Limited are to strive for achieving financial strength and growth, to improve of its capacity to meet the customer's increasing and dynamic banking needs in a demanding business environment and to generate reasonable income for its shareholders, through increasing profitability, continuing international expansion, and hiring and retaining of qualified personnel. All these are encapsulated into national objective of attainment of prosperity in freedom for all citizens.

Long term fundamentals of the Bank's strategy for achieving its set objectives take account of :

- Strengthening and maintaining the safety and efficiency of the banking system.
- Continuous investment in network expansion and thus bringing quality banking services closer to citizens.
- Strengthening trust of and partnerships with customers by focusing on the Bank's core values of quality customer service, professionalism, teamwork and integrity.
- Hiring professionals with a strong knowledge of banking business and developing skills and expertise of its employees.
- Continuous investment and development of up to date and state of the art technology to increase operational efficiency and promote implementation of the best practices in the industry.

2.2.4 Corporate Philosophy

SOLIDITY
EFFICIENCY
RESPONSIVENESS
VIVACIOUSNESS
INTEGRITY
COMMITMENT
EXCELLENCY

2.2.5 Service is the statement of our corporate philosophy. It signifies the principles that we stand for and exist by

2.2.6 FBL's Values

Being a Commercial bank means that we have a close relationship with our customers and the sectors in which they operate. We make it our business to understand the particular issues that they face on a day-to-day basis. Our Values include:

- We espouse open communication, diversity, integrity and teamwork.
- We think about each other's welfare.
- We appraise high performance impact and excellence.
- We provide products and services that do what they say they will and are relevant to our customers' needs.
- We admit when we have made a mistake and strive hard to put it right.
- We are customer centered.
- We are close to and understand our customers' needs.
- We focus on solutions and deliver on our promises.
- We will deliver value for money products and services.
- We will delight our customers.

FBL is Not Only A Bank, It Is Dedicated Corporate Citizen

Corporate Social Responsibility (CSR) holds one of the very important aspects of FBL. Being one of the corporate citizens of the country, FBL has always promoted social activities. Many activities that do a common good to the society have been undertaken by FBL in the past and this happens as FBL on an ongoing basis.

2.3 Operations of FBL.

Farmers Banks value's

- ✓ Trustworthy.
- ✓ Dependable.
- ✓ Reliable.
- ✓ Professional.
- ✓ Dynamic Fair.

The importance of the mobilization of savings for the economic development of our country can hardly be over emphasized. The bank considers savings and deposits as lifeblood of the bank.

More the deposit greater is the strength of the Bank. So they intend to launch various new savings schemes with prospect of higher return duly supported by a well-orchestrated system of customer services. Technologies such as computer, ATM, Tele-communication etc. all would be harmonized and adapted to the system in order to provide round-the-clock and any branch services to the clients. Travelers' cheque credits cards and other ancillary services including payment of different bills from one counter will also be introduced to achieve the ultimate goal of ONE-STOP service to the valued customers.

2.4 Management Hierarchy

	Chairman	
	Vice Chairman	
	Board of Directors	
	Company Secretary	
	Managing Director	
	Assistant Managing Director	
	In Charge HRD	
	Senior Executive Vice President	
	Executive Vice President	
	Senior Vice President	
	Vice President	
	First Vice President	
	Assistant Vice President	
	First Assistant Vice President	
	Principal Officer	
	Senior Executive Officer	
	Executive Officer	
	Officer	
	Assistant Officer	
	Trainee Assistant Officer	

Gopalganj branch is located at Holding # 201, Graveyard Road, Miapara, Gopalganj Pourashova, Gopalganj Sadar, Gopalganj.. It is the 37thbranch of Farmers Bank and started its banking operation in the year 2016.

2.5 Activities of Farmers Bank Limited in Gopalganj branch.

Bank activities can be divided into two categories. These are as follow:-

- General Banking activities.
- Credit or Loan advance activities

General Banking Activities:

1. To maintain types of deposit account
2. To operate cash transaction
3. To operate clearing house activities
4. To collect & discounts bill and check
5. To maintains safety deposit lockers
6. To operate customers standing instructions.

Credit & Loan Advance Activities:

1. Provides various types of loans in various sectors

2.5.1 General Banking

A bank starts its function providing service to the customers by its general banking activity. The efficiency of the general banking activity that provided by each branch reflects the whole service given by that bank. With the increasing competition customers are mostly impressed by the efficiency of this department. The whole general banking activity is consisted of receiving deposit, remitting fund and meeting the different need of the customers. It is one of the busiest departments. FBL Gopalganj Branch has the full-fledged set up for general banking facilities.

In fact, a bank operates with the people's money. And this process starts with the 'General Banking Department'. The activity of the General Banking Department of FBL, gopalganj Branch is mainly divided into categories:

1. Account Opening Section
2. Savings Schemes And Sanchaypatra Section
3. Local Remittance Section
4. Clearing and Collection Section
5. Cash Section

Account Opening

The relationship between banker and customer begins with the opening of an account by the customer. Opening of an account binds the Banker and customer into contractual relationship under the legal framework of the "Contract Act-1872". But selection of customer for opening an account is very crucial for a Bank. In fact, fraud and forgery of all kinds start by opening account. So, the Farmers Bank Ltd. takes highest caution in this regard.

Farmers Bank Ltd. opens the following accounts for its customers:

- ▶ Savings Accounts
- ▶ Current Accounts
- ▶ Fixed Deposit Receipt (FDR) Accounts
- ▶ Short Term Deposit (STD) Accounts
- ▶ Term Deposit Accounts.

Transfer of an Account

▶ When an account is transferred from one branch to another, the account opening form etc. signed at the time of opening account and any forms or documents signed subsequently which are necessary for its proper conduct at the time of transfer, must be forwarded under cover of form, to the branch to which the account is transferred. Specimen signature card and standing instruction if any must also be transferred. No charge is taken on such transfer.

▶ The necessary information regarding the character, means and standing of the account holder and must be given to the receiving branch.

Closing of an Account

A banker can close the account of his/her customer. The stoppage of the operation of the Account can be under following circumstances:

- ▶ Notice given by the customer himself.
- ▶ Death of customer.
- ▶ Customer's insanity and insolvency.
- ▶ Order of the court / Injunction of the court.

An application to close the account from customer is received. Signature must be verified by the respective officer. The following activities are the part and parcel of account closing:

- ▶ Draw amount form the A/C keeping Tk. 300 for saving and Tk. 300 for current A/C as closing charge.
- ▶ Cheque book or outstanding cheque leaf (if any) is destroyed.

Remittance

Cash handling from one place to another is risky. So, bank remits funds on behalf of the customers to save them from any mishaps through the network of their branches. There are four modes of remitting money from one place to another. These are–

- ▶ Pay Order (PO)
- ▶ Demand Draft (DD)

Pay Order (PO)

Process of Issuing Pay-order

- Customer is supplied with PO form.
- After filling the form the customer pays the money in cash or by cheque.
- The concerned officer than issues PO on its specific block.
- The officer then writes down the number of the PO block on the PO form.
- Two authorized officers sign the block.
- At the end customer is provided with the two parts of the block after signing on the black of the Bank's part.

Demand Draft:

Demand Draft is purchased when one person wants to pay money somebody who is living out of this area and bearing an account with another branch in this bank. For instance, a person is living in Dhaka. He wants to give some money another person of Chittagong who is bearing an account with the FBL. at Chittagong. But he does not want to pay in cash. In this case he may purchase a DD (A/C payee only) in favor of him.

2.5.2 Credit Department

One of the two primary functions of a commercial bank is to extend credit to the deficit economic unit that comprises borrowers of all types. Bank credit is a catalyst of economic development. Without adequate finance, there can be no growth in the economy. Bank lending is important for the economy in the sense that it can simultaneously finance all of the sub-sectors of financial arena, which comprises agricultural, commercial and industrial activities of a nation. Therefore, a bank is supposed to distribute its loan able fund among economic agent-in-deficit in a manner that it will generate sufficient income for it and at the same time benefit the borrower to overcome his/her deficit.

The granting of credit is one of the most important functions of a bank and the test of bank strength depends considerably on the quality of its credit and proportion they bear to the total deposit. Although receive from exchange, commission and banks charges contribute a fair amount of the profits or commercial bank, its earnings are chiefly derived from interest charged on loans and discounts.

Traditionally banks have been following three cardinal principles of lending they are:

- i. Safety
- ii. Liquidity and
- iii. Profitability.

Credit may be made either of the personal security of the borrower or on the security of some tangible assets. The former is called unsecured or clean or personal credit and the latter is called secured credit. Confidence in the borrower is the basis of unsecured credit. The confidence is judged by three considerations: character, capacity and capital. Secured credit means loans and made on the security of tangible assets like land, building, machinery, goods and documents of title goods. Such loans provide absolute safety to a banker by creation of charge on the assets in favor of him.

2.6 Loan Schemes

2.6.1 Any Purpose Loan Scheme

Purpose

To meet instant personal financial need.

Loan limit

Tk 0.50 lac to Tk 10.00 lac only.

- **Nationality:** Bangladeshi.
- **Age limit** From 21 years to 65 Years (last installment of the loan has to be deposited before the borrower reaches the age of 60).

Note: Age bar may be relaxed / waved by the Managing Director &CEO of the Bank on acceptable grounds.

Minimum income

- Tk. 10,000.00 for Govt. Service Holders.
- Tk. 15,000.00 for Private service holders.

(Spouse/Other income may be added with the total monthly income. In such cases at least one of the borrowers has to meet the minimum income level.)

Work Experience

- For Salaried individual minimum total length of service must be 1 year as confirm employee.
- Govt. Employees must be confirmed on job.

Repayment Method

- Equated monthly installment.

Other fees & Charges

- As per policy and scheduled charges of Bank.

Tenure of the loan

- Minimum 12 months and Maximum 60 months.

2.6.2 Car Loan

The facility is designed with easy repayment schedule that gives you the opportunity to own a new / Reconditioned Car, to materialize your cherished dream.

Added Feature

Loan amount is inclusive of unit price of Car, VAT, Registration and Insurance.

Eligibility

- Govt. Officials
- Semi-Government Officials
- Employees of Autonomous Bodies
- Employees of Banks and other Financial Institutions
- Employees of Multinational Companies
- Employees of reputed Private Organizations
- Professionals: Doctors / Engineers / Accountants
- Teachers and staff of Public / private Universities
- Businessmen & Others

Loan Limit

- Up to Tk. 20.00 Lac for Reconditioned Cars &
- Up to Tk. 20.00 Lac for Brand New Cars.

Period

- 5 Years for Reconditioned Cars &
- 6 Years for Brand New Cars.

Repayment Mode

- Equal Monthly Installment.

Application Process

- Loan may be availed from any branch of the Bank across the country. The interest rate is subject to change based on the market conditions and policy of the Bank

2.6.3 Home Loan

Residing at own home/flat is a long cherished dream to everyone. To materialize this dream, The Farmers Bank Ltd is beside you offering easy to avail competitive Home Loan with lucrative features.

Strength

- We ensure smooth and prompt disposal of the loan for your dream house to turn into reality.
- We offer most competitive interest rate with easy to access terms and conditions.

Purpose

- Purchase of Flats/Apartments.
- Construction of House.
- Extension of House.
- Renovation of House.
- Finishing Works of Building.
- Taking over of regular House Building from other Banks/Fls.

Eligibility

- Bangladeshi National.
- Regular Employees of Govt. / Semi/Autonomous Bodies/ Multinational Companies / Public Ltd. Co. / Private Ltd. Companies etc.
- Self employed Professionals.
- Businessman.
- Teachers of Universities / Colleges / Schools and established educational institutions in the Public and Private Sectors.
- Age limit 21-60 years (including repayment period).

Loan Limit

- Max. Tk 100 lac.

Period

- Max. 25 Years (including grace period) for new home and 20 years for apartment.

Repayment Mode

- Equal Monthly Installment.

Interest rate

- Competitive Interest Rate as per Bank's policy and Bangladesh Bank Guidelines.

Required Documents

- Supporting documents regarding ownership of Land / Building/ Apartments.
- TIN Certificate.
- Disclosure of income statement and personal net worth.
- Lay out plan approved by the competent authority.

Application Process

- Please apply in a prescribed form visiting any of our branches.

2.7 Deposit Scheme

2.7.1 Double Benefit Deposit Scheme (DBDS)

Objectives

- Give maximum gain.
- Help in meeting up specific necessitates like education, marriage etc.
- Deposit turn into double in Years

Mode

- Tenure of the deposit is 6 years and 6 Months.

Other Features

- The Minimum amount of deposit is BDT 50,000.00 (Fifty Thousand) or its multiples.
- All taxes/duty/levy and /or any other surcharges presently in force or that may be imposed by the Government of Bangladesh (GOB) from time to time will be deducted/ recovered from the deposit account under this scheme.
- It can open in any branch of FBL and any number of accounts.
- In case of premature encashment interest will be paid on simple Saving A/C Rate.
- Loan may be granted up to maximum 80% of the deposited amount.
- Loan processing fee be realized BDT 50.00 only and usual stamp costs also be realized.
- For details please visit our branch.

2.7.2 Monthly Benefit Scheme (MBS)

Objectives

- Help the retired persons for investing their retirement benefits.
- Create investment opportunities for Non-Resident Bangladeshi.
- Explore investment opportunities for school, college, university etc.
- Give investment opportunities for Trust; Foundation etc

Mode

- Deposit a fixed amount of money for a minimum tenure of 01 (Year) year. Depositor will get a certain sum of money in each month proportion to his/her deposit during the entire tenure

Benefits

Minimum amount of required deposit is TK.50,000.00 or its multiple.

Deposit	Monthly Benefit (Amount in TK.)
For Every Tk 50,000.00	Tk.468 .75

Other Features

- The Minimum amount of deposit is BDT 50,000.00 (Fifty thousand) or its multiples.

- All taxes/duty/levy and /or any other surcharges presently in force or that may be imposed by the Government of Bangladesh (GOB) from time to time will be deducted/ recovered from the deposit account under this scheme.
- It can open in any branch of FBL and any number of accounts.
- In case of premature encashment interest will be paid on simple Saving A/C Rate
- A saving account will be needed to be maintained to receive monthly benefit payment
- Loan may be granted up to maximum 80% of the forced encashment value on the date of loan processing. During the period of continuation of loan, monthly benefits of MBS account will be credited only to loan account.
- Loan processing fee be realized BDT 50.00 only and stamp costs also be realized.

2.7.3 Monthly Savings Scheme (MSS)

Objectives

- Build up habit of savings.
- Attract small savers.
- Savings for crisis period.

Mode

Monthly installment sizes are 500, 1000, 1500, 2500, 5000 and in multiples of 5000 up to BDT 25000.

Installment & Benefit

Monthly Installment	500	1000	1500	2500	5000	10000	15000	20000	25000
Tennure									
03 Years	21,700	43,400	65,100	1,08,500	2,17,000	4,34,000	6,51,000	8,68,000	10,85,000
05 Years	41,200	82,400	1,23,600	2,06,000	4,12,000	8,24,000	12,36,000	16,48,000	20,60,000
08 Years	80,700	1,61,400	2,42,100	4,03,500	8,07,000	16,14,000	24,21,000	32,28,000	40,35,000

10 Years	1,16,000	2,32,000	3,48,000	5,80,000	11,60,000	23,20,000	34,80,000	46,40,000	58,00,000
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Other Features

- It can open in any branch of FBL and any number of accounts
- All taxes/duty/levy and /or any other surcharges presently in force or that may be imposed by the Government of Bangladesh (GOB) from time to time will be deducted/ recovered from the deposit account under this scheme.
- In case of pre-mature encashment before 03 years, interest will be paid on Savings Account Rate. But in case of early encashment before 05 or 08 or 10 years the depositor will get full benefit up to previous slab and Savings Account Rate for each subsequent year; no interest will be paid for fraction year
- Upon deposit of installment for at least 01 year (minimum deposit amount must be BDT 12,000.00) under this scheme, loan may be granted up to maximum 80% of the deposited amount.

2.7.4 Fixed Deposit Rate

Tenure	% of Profit
1 month	5.00%
3 month	7.50%
6 month	7.75%
1 year	8.00%

Chapter 4- Project on Customer satisfaction of FBL

3.1 What is Customer Service?

Customer service is the set of behaviors that a business undertakes during its interaction with its customers. It can also refer to a specific person or desk which is set up to provide general assistance to customers.

CRM is system with which to identify and track customer's needs. Four basic steps will help to ensure a greater effectiveness in your CRM system:

- Establish clear and specific objectives regarding the CRM needs you wish to fulfill
- Plan a realistic strategy to accomplish the set objectives
- Identify a CRM software that matches up with set goals
- Evaluate on a regular basis to train and adapt your strategy to your progressive experience

3.2 What is Customer Satisfaction?

It refers to the satisfaction of customers in terms of how they are satisfied with the politeness, knowledge and promptness of employees in handling busy customers. It also takes into consideration the perception of the customers as to whether the product or service is worth what they are paying for it.

Customers of **The Farmers Bank Limited** have a good perception about the quality of service provided by them. From our survey we found that customers are satisfied with the overall service of FBL . All the offers provided by FBL are very beneficial for the customers. But in case of service benefit is not the alone factor that determines the level of satisfaction. There are many other things that take control over the overall satisfaction. For instance, service having attractive offers may fail only because of rude behavior or carelessness of the provider. So it is very important to ensure other factors that are related with the success of the service.

3.3 Customer satisfaction level on The Farmers Bank Limited

Customers are the life of any kind of business. Most of the business organizations in the modern world are customer driven, trying to meet the customer's expectation in the best way. They always try to grab their most potential customers to increase their market share. When the products and services provided by the companies meet the expectations of the customer then the customer will be satisfied and will repurchase product and he will be loyal customer to that

company. In the banking sector in Bangladesh customer satisfaction is also very important as because the competition in this sector has been increasing. To retain their most loyal and to attract potential customer banks should offer what the customer require and expectation. Farmers Bank Limited is also customer concentrated and always committed to provide best service to its customer which is first priority of this bank.

As an intern of Farmers bank limited I was assigned to resolve customer problem of general banking and observe the customer expectation and requirement. From this I got interest to find out the customer satisfaction level of Farmers Bank Limited. Thus I decided that my project will be the customer satisfaction level of the Farmers Bank Limited. Finding the customer satisfaction level is also important for a company to take proper and effective decision. This will indicate the customer repurchase intention, limitation on the service provided by the company, customers' expectation, points to improve which will play a vital role to take important decision by the management. Customer service is an extremely important part of maintaining ongoing client relationships that are important to continuous revenue. For this reason, many companies have worked hard to increase their customer satisfaction level. Customer's satisfaction basically depends on various factors. Customers will be satisfied with the bank when they will get excellent and quality services from employees of bank on a continuous basis.

3.4 Method to find out Customer Satisfaction Level

- Making Questionnaire
- Survey
- Analysis of survey data
- Finding from the analysis
- Result

To find out the customer satisfaction level of Farmers bank limited firstly I have made a questionnaire of 14 questions which will be rated by the existing customer of Gopalganj Branch of Farmers Bank Limited by 1-5 which will represent poor to excellent. The survey will be conducted by response of 50 customers of this bank. The Farmers of the rating is given below-

1	Poor
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2	Fair
3	Good
4	Very good
5	Excellent

After the survey I will analyze survey data and make a summary of the analyzed data which is finding from the analysis. Finally I will give the survey result based on the findings from analysis of survey data.

4.4 Analysis of survey data

Questionnaire is made based on some variables that have directly or indirectly influence on the customer satisfaction level. For example office outlook, employee behavior with customer, quality of service, charge taken to provide services, modern and update technology, error free records, and prompt problem solving skills of employees and average time taken by the employee to give service to its customer. Analysis of survey data is given bellow-

Employee behavior with the customer:

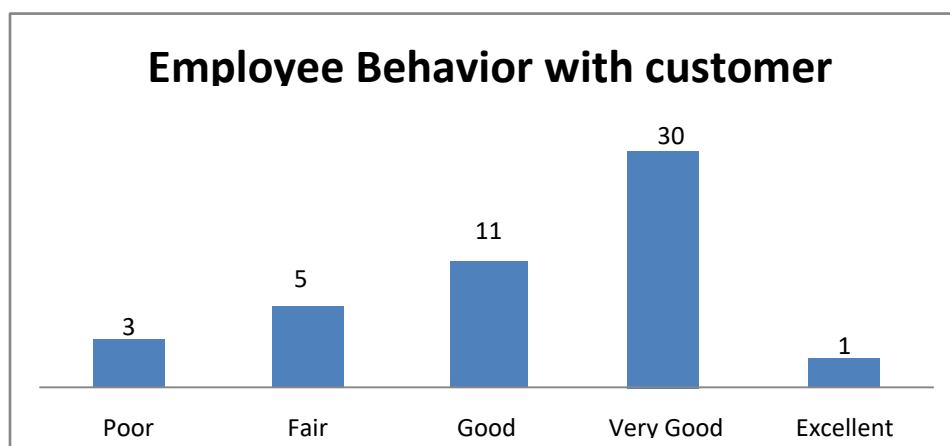


Chart 1: Employee behavior with the customer

Behavior of the employee working in the bank is one of the important factors for the customer to be satisfied. In my survey there was a questionnaire about the behavior of employee of the

Farmers bank limited with the customer when providing banking service. From the survey, we can see that at most 30 customers which about 60% of the 50 customers said “Very Good”. It means that they are satisfied with the behavior of the employee of Farmers Bank Limited.

Reasonable Service Charge:

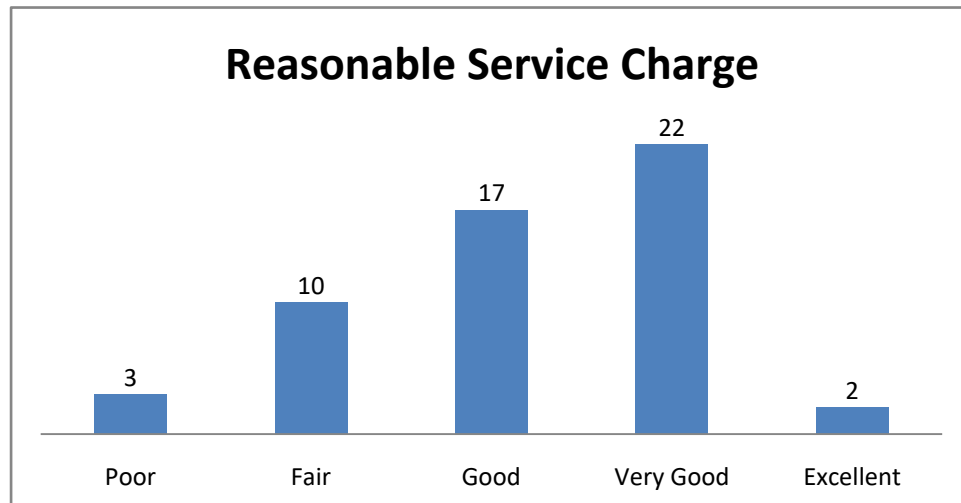


Chart 2: Reasonable Service Charge

Service charge taken by the bank is always a considerable factor to the customer to be satisfied with. Customers were asked that Farmers Bank Charges reasonably for the service they are providing to the customer. Among 50 customers, 22 said “Very Good” and 17 said “Good” that means 22 customers which is 44% of the sample are satisfied with the service charge taken by the Farmers bank. 17 customers which are 34% of the sample are somewhat satisfied with charge of service of the bank. This indicates that service charge taken by the Farmers Bank is quite reasonable than other banks operating in the country.

Provide prompt and accurate service:

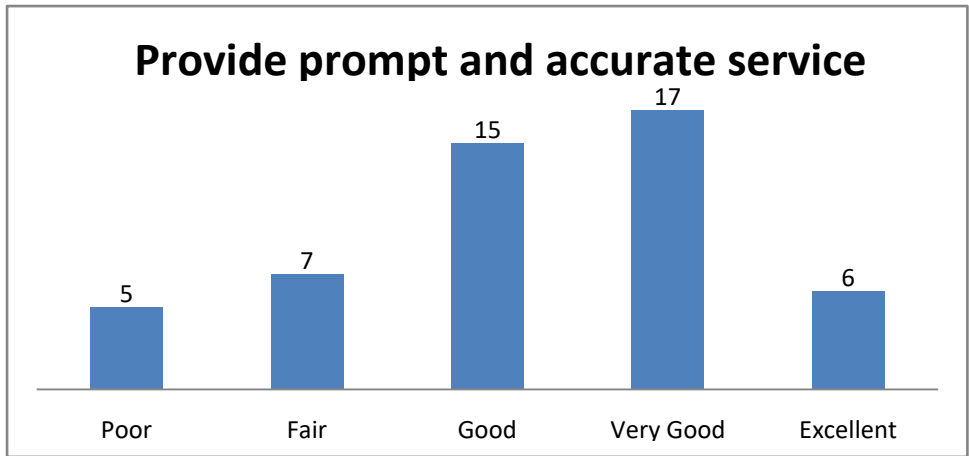


Chart 03: Provide prompt and accurate service

Getting Prompt and accurate service is one of the most important factors of customer satisfaction. If one bank fails to provide prompt and accurate service then it will obviously lose its valuable customer and affect of this can be devastating for the prospect of the bank and it will be criticized. So it is very much important for both the bank to consider as a first priority to provide. Survey shows that 17 customers of 50 which are 34 % said “Very Good” meaning that they are satisfied with prompt and accurate service provided by the Farmers bank. Moreover, 17 of them are also said “Good” means that they are somewhat satisfied with this. From this, we can say that Farmers bank provide prompt and accurate service to its customers.

Problem Solving Skills of the Employee:

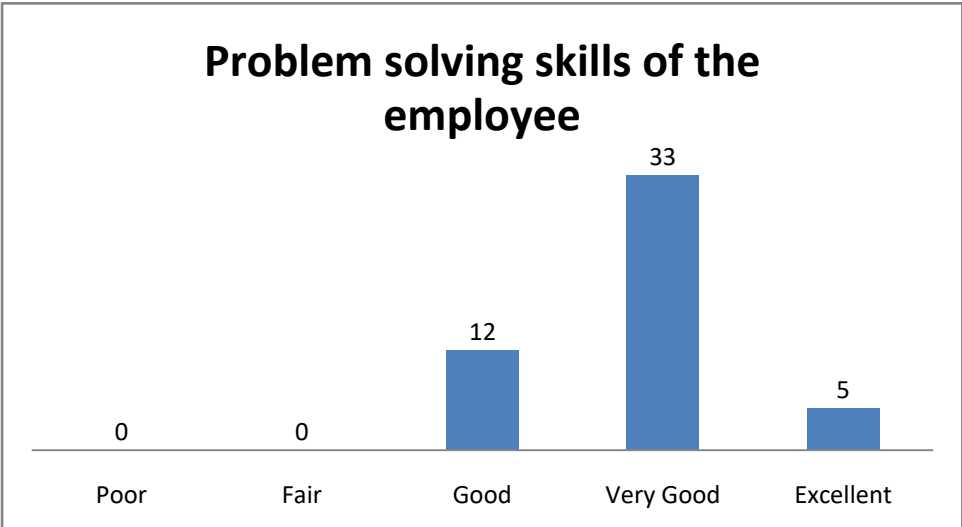


Chart 04: Problem Solving Skills of the Employee

Problem solving skills of employee of the Farmers Bank is a significant matter to think when we are trying to justify performance of a bank which resulted in satisfaction or dissatisfaction of the customer of the bank. Customer often face different problem when making transaction, taking loan, depositing money and taking other service provided by the bank. It is important matter to think how much willingness or eagerness shown by employee and time taken to solve the problem. The biggest pillar of the chart shows that 33 customers which are 66% said "Very Good" meaning that they are satisfied with problem solving skills of the employee.

Ensuring error free record:

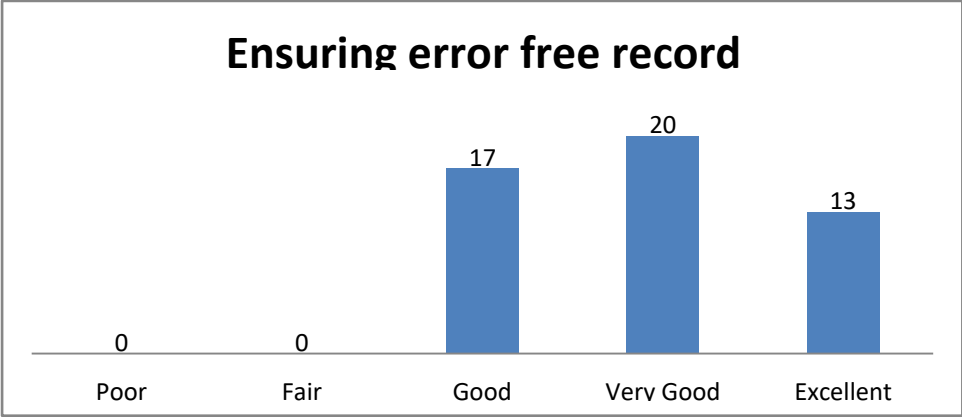


Chart 05: Ensuring error free record

Ensuring error free record of every transaction made by the customers and bank is basic element and fundamental requirement for the bank. Among 50 customers, 17 people said "good" 20 of them which are 40% of the sample said "Very Good" and 13 of them said "Excellent". This stat tells that almost everyone believes that Farmers Bank Limited ensure the error free record every transaction occur in the bank.

Facility of utility bill Payment:

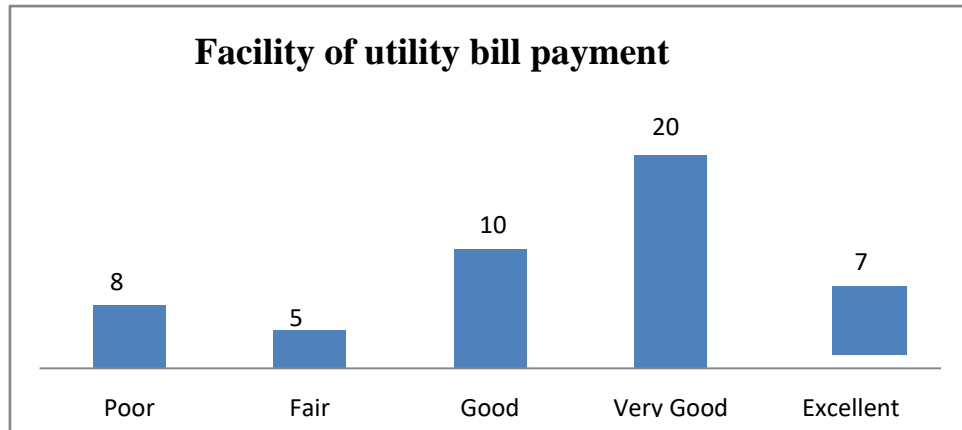


Chart 6: facility of utility bill payment

Utility bill payment on the bank is one of the criteria where customers are interested in. they want to pay bill to the nearest place of their home. If a bank provides this opportunity then it will make customer happy. Here we can see that 20 persons among 50 which 40% are satisfied with this service provided by the bank.

Using modern and updated technology:

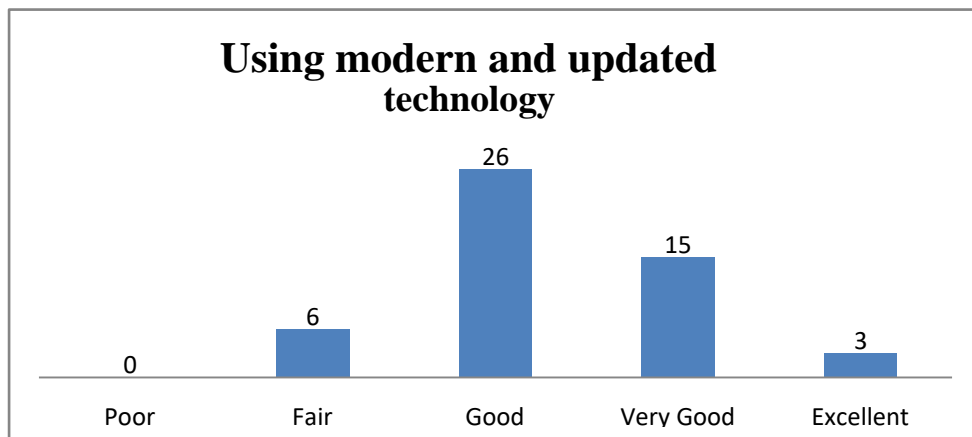


Chart 07: using modern and updated technology

Technology is very important in the present world in any business. In the banking industry it is obvious. To record transaction the software they use and devices they use are also considerable to find the customer satisfaction level. If the bank uses latest and reliable software and devices then it will have an affect also on customer satisfaction. It will make easy for the bank to do day today general banking activity and others activity and this will have an impact on the customer.

Here we can see that 26 or 52% customers said “Good” which means that they are somewhat satisfied and 15 customers or 30% of customers said “very good” meaning that they satisfied about the using of modern and updated technology by Farmers Bank Limited.

Provide quality network for ATM service:

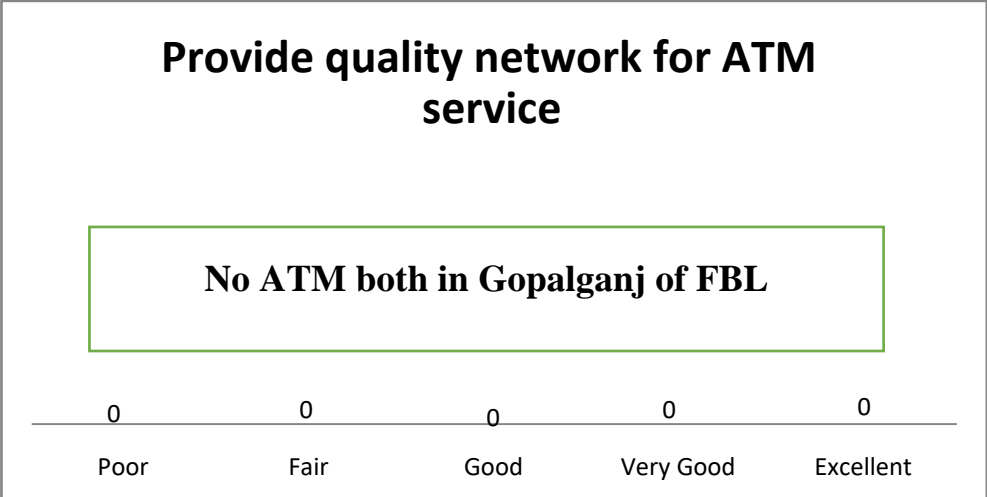


Chart 08: Provide quality network for ATM service

Although The FBL is a Fourth generation Bank, the customer of Gopalganj branch cannot get ATM and other card services. Customers are highly expecting to get such service as soon as possible.

Easy procedure of getting Loan:

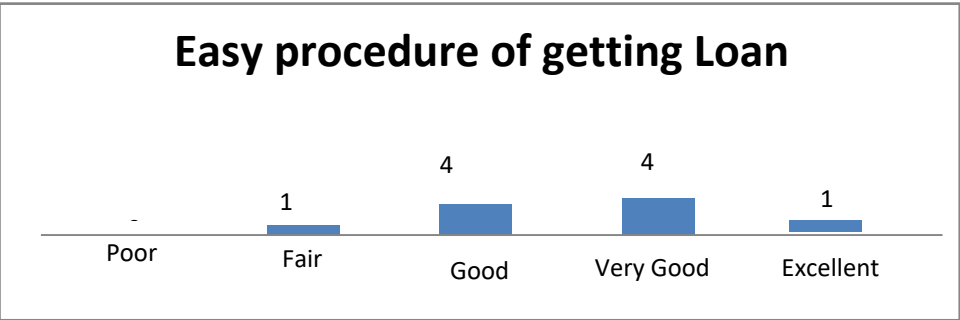


Chart 09: Easy procedure of getting Loan

Different banks have different procedure or process to provide loan to their customer. Complexity or easiness of the process is also a considerable element which has impact on customer

satisfaction. If the process of getting loan is easy, precise and applicable then customers will be happy and delighted by getting loan on easy condition. From the survey, we can see that the FBL of Gopalganj branch is recently established branch. So its number of credit disbursement is not high. We can get 10 respondents who are going to get credit from the bank. 4 customers which are 50% of the sample said “Very Good” which mean that they are satisfied about the process, term and condition of getting loan from Farmers bank Limited. It is also indicate the process of providing loan to the customer of Farmers bank limited is easy and implementable.

Customer feels safe by making transaction:

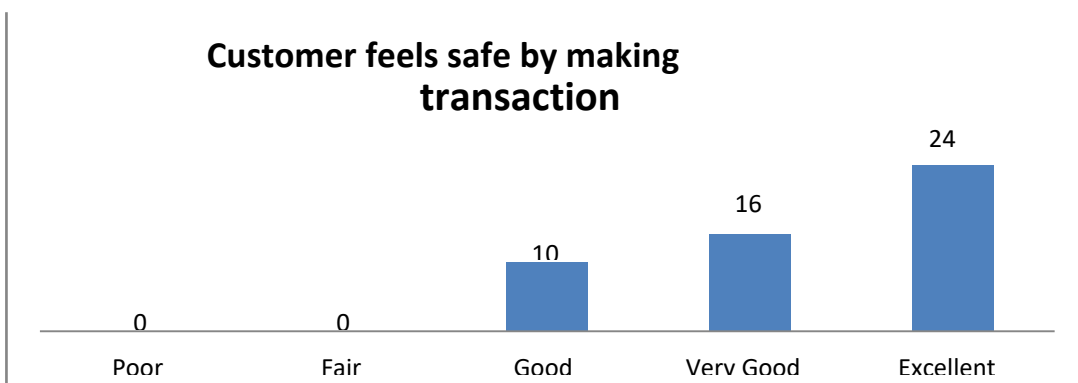


Chart 10: customer feels safe by making transaction

When the customer feels safe about their money transacted through the bank, we can say that customers are satisfied the service bank provided. It is important factor for customer satisfaction level of a company. The chart 10 shows that 24 customers out of 50 give their opinion as “Excellent” which is 48% of the sample. So that we can say that they are fully satisfied and feel safe about their money deposited or transacted through the bank.

Ensure good online banking service:

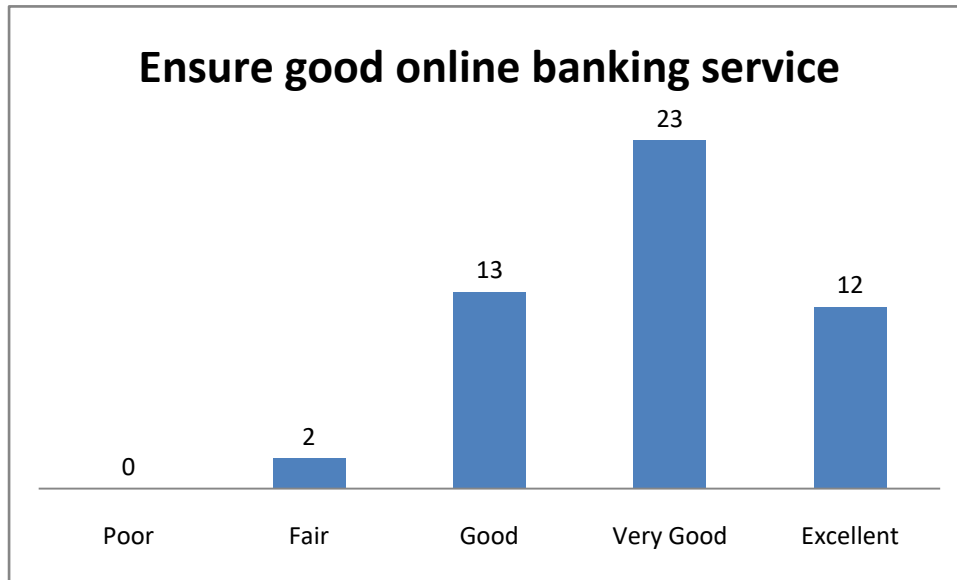


Chart 11: Ensure good online banking service

Online banking is a new dimension for the modern banking system. This is one of the Value added service provide by different banks save time and cost for customer. With help of internet connection customer will be able deposit money and make payment by sitting at home. Farmers has offer online banking as well. Survey indicates that 23 which 46% said that Farmers bank provide good online banking service.

Well organized office environment:

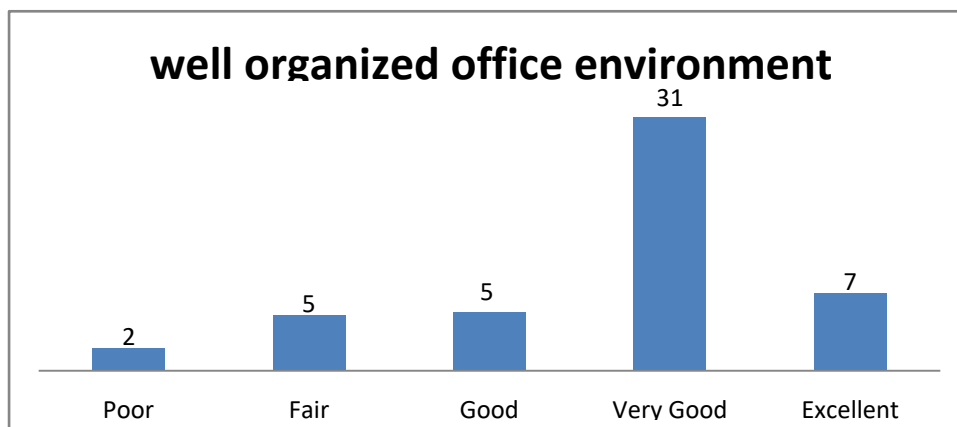


Chart 12: Well organized office environment

Office environment influences the customer as well as the employee working in the bank. If the office is well organized and decorated with quality furniture the employee will feel fresh to work here and will have impact on their performance. Moreover the customers also feel soothing and comfortable by being in bank office to get service from the bank. It is also an important element of customer satisfaction. According to the survey data we can see that 23 customer said “good” to well organized office environment which means that they are somewhat satisfied with office environment of the Farmers bank.

Keeps promises:

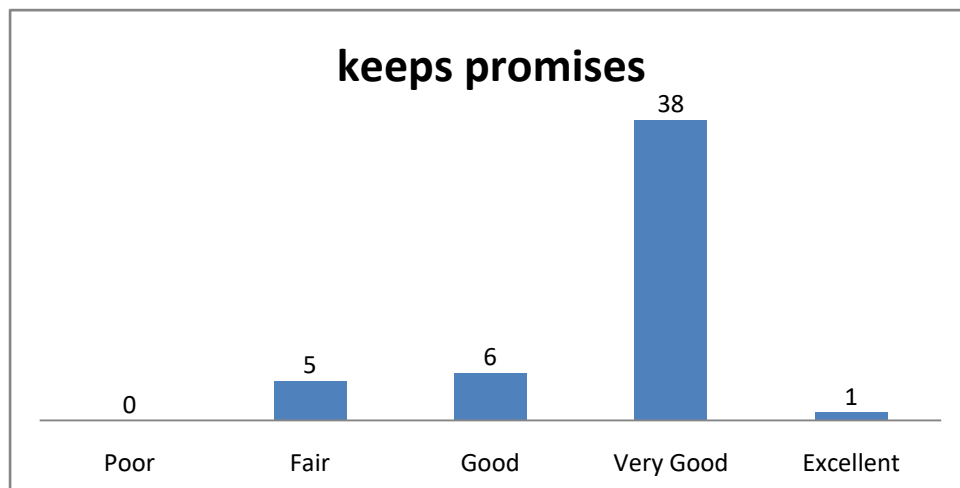


Chart 13: keeps promises

Keeping promise is also very important for a bank. If any does not keep promise which it made the effect would be worse. The customer can leave the bank by being deprived by the bank. Here we can see that 38 customer which about 76% are satisfied with the keeping promise by the Farmers Bank. It indicates that Farmers bank keep promises what it made to its customer.

Waiting time to get service:

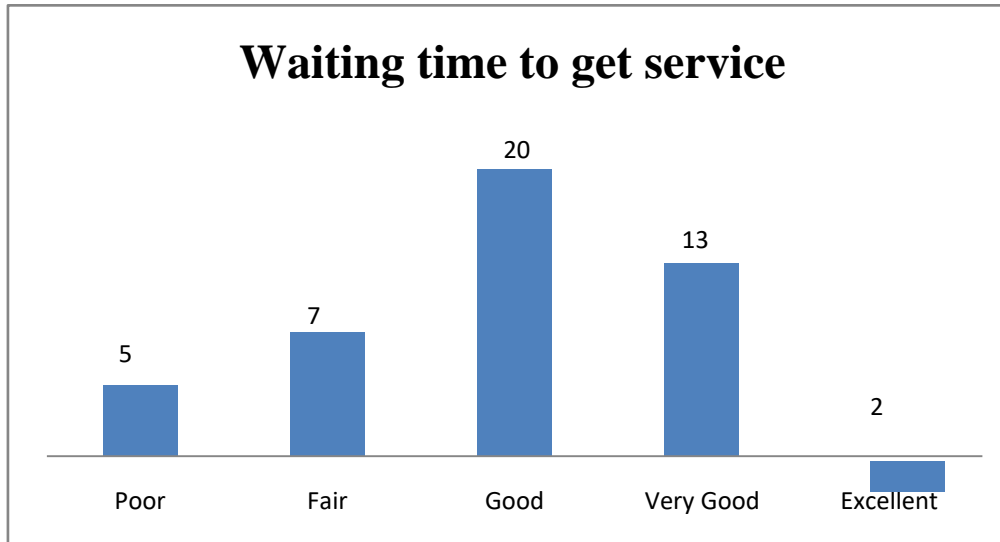


Chart 14: Waiting time to get service

Weighted average time of waiting to get a service from the bank is also important factor to be satisfied by the service from the bank. If the waiting time is longer, then customer will obviously dissatisfied by the performance of the employee of the bank. Here we can see that 20 customer out of 50 which is 40% saying that “Good” indicate that waiting time to get a service is satisfactory.

Office Space:

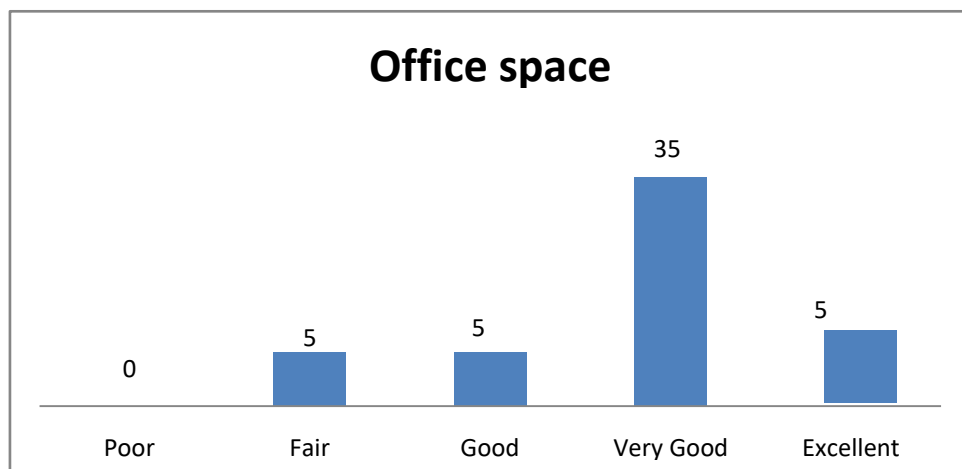


Chart 15: Office Space

Office space is also important element of justifying of customer satisfaction. When the office is spacious the customer can stand comfortably on the queue for getting service from bank. When there is narrow space then customer feels irritating. Here we can see that, 20 out of 50 customers which are 40% said “Exceelent” means that they are somewhat satisfied with the Office space. It indicate that Farmers Bank Branch has office space which quite okay.

Location

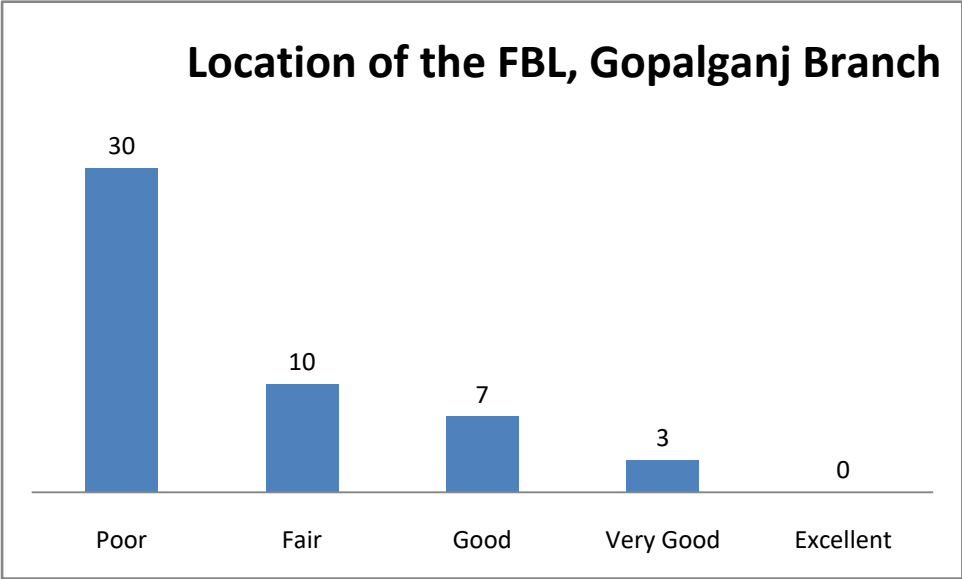


Chart 16: Location of the FBL, Gopalganj Branch.

Location of the bank is also important element of justifying of customer satisfaction. When the location is near to customer’s residence or working place or mainly the center of the city or town, it is very much favorable to customer. But we can that the location of FBL of Gopalganj Branch is Graveyard Road, Miapara,Goaplganj Sadar, Which is about 2 Kilometers from main town Chawrang and takes 10 to 15 TK to reach the bank either rickshaw or auto.Here we can see that, 30 out of 50 customers which are 60% said “Poor” means that they are not satisfied with the Bank location. But customers whose residence around Bank’s branch it is about 15% to 20% out of 50 respondents said “Good” location for them.

Chapter 4 Problems

4.1 Problems

- ✘ No ATM services for customers of FBL in Gopalganj Branch.
- ✘ 60% of the customers are not satisfied with the location of FBL in Gopalganj Branch.

4.2 Recommendations

- A need to extend branch network and more new branch to be opened in other Cities and Towns of Bangladesh to reach out the Potential Customers.
- The FBL in Gopalganj Branch should take a compressive plan regarding the location of that branch by considering the customers service and satisfaction.
- FBL should provide ATM services to the customers of Gopalganj Branch as soon as possible.

Chapter 5 Conclusion

Farmers Bank Limited has earned a good reputation around Bangladesh. Despite competition among banks operation in Bangladesh both local and international, FBL has made remarkable progress, practically in every sphere of its activities within very short time. But they have their competitors who actively striving to take the advantages in every side. They should aware about this. They have reputation about online banking transaction. Customers are quite satisfied about the deposits products. But they not satisfied in case of ATM service which is not in service in Gopalganj Branch. It must be a concerning fact. They try to satisfy their customer through providing different service. So, they should improve their service quality to attract more customers. None the less, they have launched new technology to give fastest service to their customers. For sustainable growth, by implementing new technology and innovation they have to walk with the time. In this purpose, they have to identify their strength and need to recover their weak sides.

6. References:

1. The Farmers Limited [Online]. Available
From <http://www.farmersbankbd.com/> [Accessed on 16/03/2017]

2. Chowdhury Habibullah Sarafat
FVP and Head of Branch, The Farmers Bank Limited, Gopalganj Branch.

Appendix- Questionnaire

Questionnaires	Poor	Fair	Good	Very good	Excellent
Employee behavior with the customer	1	2	3	4	5
Reasonable Service Charge	1	2	3	4	5
Provide prompt and accurate service	1	2	3	4	5
Problem Solving Skills of the Employee	1	2	3	4	5
Ensuring error free record	1	2	3	4	5
Facility of utility bill Payment	1	2	3	4	5
Using modern and updated technology	1	2	3	4	5
ATM Services	1	2	3	4	5
Easy procedure of getting Loan	1	2	3	4	5
Customer feels safe by making transaction	1	2	3	4	5
Ensure good online banking service	1	2	3	4	5
Well organized office environment	1	2	3	4	5
Keeps promises	1	2	3	4	5
Waiting time to get service	1	2	3	4	5
Office Space	1	2	3	4	5
Bank Location	1	2	3	4	5