

# Internship Report

On

NRB remittance in relation to  
General Banking: A study on  
Janata Bank Limited





## Internship Report

On

### **“NRB remittance in relation to General Banking: A study on Janata Bank Limited”**

#### *Submitted To*

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#### *Submitted By*

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**Major: Finance**

**Department: MBA**

*Date of submission: 09/09/2014*

# Letter of transmittal

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Subject: Submission of Internship report

Madam

This report on “NRB remittance in relation to General Banking: A study on Janata Bank Limited” is prepared to fulfill the requirement of the Internship program of MBA degree.

This report focuses on the contribution of Janata Bank Limited in collecting remittance from NRB from different countries.

I am grateful to you that you give me the opportunity to do this report, which was very interesting. I have enjoyed preparing the report though it was challenging to finish within the given time and limited access. I tried my best to compile the information for this report comprehensive as possible.

Thanking you

Afzal Hussain Chowdhury

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# Acknowledgment

First of all, I would like to thank my almighty Allah for the grace in accomplishing my internship report within the time.

I would like to express my gratitude to my academic supervisor Sharmin Shabnam Rahman from the core of my heart for her kind support, guidance, constructive, supervision, instruction, and advice and for motivating me to do this report.

I am also thankful to HR Division of Janata Bank Limited for giving me the opportunity to conduct the internship in Corporate Branch of Janata Bank Limited.

I would like to thank Ms. Anjuman Ara Tasnim (Assistant General Manager) of Gulshan Corporate Branch of Janata Bank Limited.

I am also grateful to Mr. Riazul Karim (Senior Officer) who helped me a lot to complete my internship report by providing data about the NRB remittance of Janata Bank Limited.

Finally, I would like to thank everyone at Janata Bank Limited, who provided me with ideas and invaluable experience of the corporate culture.

# Executive Summary

Bank is a financial institution that receives, collects, transfers, pays, exchanges lends, invests, or safeguards money for its customers. Banking is the business of providing financial services to the private individuals, corporations, government agencies and business and industries. The main service of a bank is mobilizing deposits and lending these to those people to finance their consumption or business activities. Banks also render services like issue of letter of credit and guarantee, remittance or money, collection of utility bills, underwriting of capital issues, portfolio management as well as locker's services and custodian of valuables.

Janata Bank Limited is a state owned commercial bank with numerous branches spreading all over Bangladesh and is catering the need of the mass business people. It was corporatized on 15<sup>th</sup> November 2007. Janata Bank was born with a new concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development of the country.

Janata Bank Limited is playing the most significant role in collecting remittance from NRB (Non Resident Bangladeshi) from different countries and transfers the currency in BDT to the destined location.

Here I have tried to describe the NRB remittance contribution and processing structure in Janata Bank Limited. Along with, I have included the different figure of NRB remittance and the greater impact of it on nation's economy. .

In this report I have tried to show the contribution of Janata Bank Limited's remittance earning on NRB remittance earning. Janata Bank Limited's performance is not dissatisfactory but the remittance earning is not increasing as the rising national remittance curve. After analyzing the data of Janata Bank Limited's remittance earnings process, this report has suggested that Janata Bank Limited lacks in foreign currency collection structure. Its remittance earning is increasing but the increase is far below the national remittance increase. Janata Bank Limited should take up to the mark structural change in service to cope with the national trend and help Bangladesh earn more remittance.

In addition, this study makes an attempt to cover within its scope almost all the significant aspects of the general banking operations of the Janata Bank Limited.

# TABLE OF CONTENT

---

<b>Chapter # 1: Introduction.....</b>	<b>(1-5)</b>
1.1: Summary.....	1-2
1.2: Description of the project.....	3-5
1.2.1: Origin of the project.....	3
1.2.2: Objectives of the project.....	3-4
1.2.1.1: Broad objective.....	3
1.2.1.2: Specific objective.....	4
1.2.3: Scope of the project.....	4
1.2.4: Methodology.....	4-5
1.2.5: Limitations.....	5
1.3.6: Analysis techniques.....	5
<b>Chapter # 2: Janata Bank at a glance.....</b>	<b>(6-17)</b>
2.1: Introduction.....	6
2.2: History.....	6-7
2.2.1: Mission.....	6
2.2.2: Vision.....	7
2.3: Product & Service.....	7-11
2.3.1: Consumer credit scheme.....	8
2.3.2: Special deposit scheme.....	8
2.3.3: Monthly savings Scheme.....	8
2.3.4: Credit card .....	8-9
2.3.5: JBL ATM services.....	9

2.3.6: JBL Power Card .....	9
2. 3.7: Western union money transfer.....	10
2.3.8: Savings insurance scheme .....	10
2.3.9: Services area.....	11
2.4: Operational network organ gram.....	12
2.5: Visions for the future.....	13
2.6: JBL’s ‘CAMEL’ rating.....	14-15
2.7: JBL Corporate Social Responsibilities.....	15-16
2.8: SWOT Analysis of JBL.....	17
<b>Chapter # 3: Job Part.....</b>	<b>(18-19)</b>
3.1: Introduction.....	18
3.2: Performed activities.....	18-19
3.3: Recommendation.....	19
<b>Chapter # 4: Project Part.....</b>	<b>(20-45)</b>
4.1: Introduction.....	20
4.2: General banking of JBL.....	20-21
4.3: Foreign remittance.....	22-23
4.3.1: Inward foreign remittance.....	22-23
4.3.2: Outward foreign remittance.....	23
4.4: Remittance facilities.....	23
4.5: Background of NRB remittance.....	24
4.6: Trend and Impact of remittance.....	25-26
4.7: Role of remittances in economy.....	26
4.8: JBL’s speedy remittance system.....	26-27

4.9: Country wise contribution of JBL .....	27-28
4.10: Non Resident Foreign Currency Deposit Account (NFCD).....	29
4.11: Resident Foreign Currency Deposit Account (RFCD).....	30
4.12: Non foreign investors Taka amount (NITA).....	30
4.13: Wage earners development bond.....	30
4.14: Wage earner remittance.....	31-32
4.14.1: Foreign exchange& foreign trade of JBL.....	32-33
4.15: Increase remittance from NRB.....	33
4.16: NRB remittance services of JBL.....	34-37
4.16.1: RIA Financial services.....	35
4.16.2: Xpress Money.....	35-36
4.16.3: Cash Express.....	36
4.14.4: Remit Master .....	37
4.16.5: Western Union Money Transfer.....	37
4.17: Accounts department & NRB remittance.....	38
4.18: Cash department & NRB remittance.....	38
4.19: Local remittance & NRB remittance.....	39
4.20: Card division& NRB remittance.....	39
4.21: Foreign remittance & NRB remittance.....	40
4.22: Investment dept. & NRB remittance.....	40
4.23: Customer service & NRB remittance.....	40-41
<b>Chapter # 5: Findings and analysis.....</b>	<b>(42-44)</b>
<b>Chapter # 6: Recommendation.....</b>	<b>(45-46)</b>
<b>Chapter # 7: Conclusion.....</b>	<b>47</b>
<b>References.....</b>	<b>48</b>



# Chapter # 1: Introduction

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## 1.1 Summary



Janata Bank Limited welcomes all to explore the world of progressive banking in Bangladesh. It is a state owned commercial bank and it was born with a new concept of purposeful banking sub serving the growing and diversified financial needs of planned economic development of the country. Now it is known as one of the leading bank of the country since its commencement 42 years ago.

Since its inception it is keeping economic contribution and serving a huge number of people, as the part of my internship requirements I had chance to drill with various banking services. This report is a clustered format of JBL's overall innovative banking services. In the report entitled "**NRB Remittance in relation to General Banking: A Study on Janata Bank Limited**"-have tried exclusively to emphasize on JBL's NRB remittance as well as general banking activities elaborately.

The whole working process of JBL Gulshan branch is divided into three sections- General Banking section, Credit section and Foreign Exchange section. This report has been presented based on personal observation and experience during three months of internship in general banking sections along with NRB remittance in the branch. Foremost, I have tried to make acquainted with the bank and the branch and while preparing this report.

The first part, of this report deals with introduction that present the objective, methodology, scope and limitation of the report. In order to understand the banks on which the report is carried on. Here, I described about why I have to make this report, different aspect of JBL, the way I have collected data about JBL and after collecting all data and blend with my experience by working there for three months, it was possible for me to complete this report.

In the second part, it focuses on the overview of the organization. The history, mission, vision, product & service, future vision, CSR activities and SWOT analysis.

In the third part, it focuses on job, the activities what I daily performed during my three months internship program and included a recommendation on it.

In the fourth part, it focuses on the project, trend and impact of NRB remittances, role of remittance in economy as well as in JBL and the services existing in JBL and its performance and operational methods. Different services of remittance (Western Union, RIA, AFX Fast Remit, Turbo Cash, Instant cash, Cash Express, X-Press Money, etc). The economic impact & banking contribution on NBR Remittances and lastly the strong bondage and relationship among the NRB remittance services and operational activities and general banking activities of JBL are also discussed in this part.

In the fifth part, the report analyzed the contribution of NRB remittance at JBL, Gulshan Corporate Branch and presents the findings.

In the sixth part, it deals with recommendations. I tried my best to give some important recommendations. To find the answers of the related queries, there needs an intensive observation and follow up. I try to work on evaluating the NRB remittance in relation to general banking. In JBL, throughout the 3 months, several officials and related officers have helped me finding and solving the related queries and confusions.

In the last part, I have written down an overall brief discussion on this report as a conclusion blessing the best to the bank and its associates.

## **1.2 Description of the project**



One of the most important businesses carried out by the commercial bank is NRB remittance. This report has a certain purpose to focus on the operations of “NRB Remittance” of Janata Bank Limited. Without any doubt foreign remittance catches the flash as it has great importance in country’s economy. Banks plays a vital role in this discipline.

### **1.2.1 Origin of the project**



The Internship is very helpful to bridge the gap between the theoretical knowledge and real life experience as the part of the MBA program. This report has been designed to have a practical experience through the theoretical understanding. For the completion of the report I have been placed in Janata Bank Limited, Gulshan Corporate Branch, Dhaka. I decided to work on the practices of general banking activities of the bank. The report focuses on NRB remittance in relation to general banking.

I prepared the internship report under the supervision of our honorable teacher Sharmin Shabnam Rahman. I have always tried my best to reflect my experience of the practical incidence in this report

### **1.2.2 Objective of the project**



Every report has an objective. This report has two objectives:

#### **1.2.2.1 Broad objective**



The main objective of the report is to get a clear idea about the significant contribution of NRB remittance in nation’s economy as well as Janata Bank Limited and make an elaborate analysis on the banking activities towards the foreign remittance.

### 1.2.2.2 Specific objective



The objective of the project is to make familiar students with the real business situation, to compare them with the business theories & at last stage make a report on assign task. The specific objectives of this report are:

- ✚ To know the general banking activities of Janata Bank Ltd.
- ✚ To know the contribution of NRB remittance in economy.
- ✚ To know the process of collecting the foreign remittance.
- ✚ To know the function of foreign exchange
- ✚ To make suggestions for policy recommendation

### 1.2.3 Scope of the project



Scope means area of operations or field of the study. The scope of this report was extended to the foreign remittance activities of Janata Bank Limited.

In my report I have highlighted the various steps of NRB remittance in relation to general banking of the JBL. I have also discussed about the background of the NRB remittance, market structure, contribution figure etc. with the bank personnel. So the scope of the report covers the specific knowledge on NRB remittance of JBL. I have tried to analyze and evaluate of foreign remittance performance based on adequate information contained in documents and interviews of banking officers.

### 1.2.4 Methodology



To perform the study data sources are to be identified and collected, the data are to classified, analyzed, interpreted and presented in a systematic.

#### Primary Sources-

- ✚ Face to face conversation with the official staff.
- ✚ Practical deskwork

- ✦ Simple Depth interview technique was used by asking number open-ended questions to collect the information.
- ✦ Relevant file study as provide by the concerned officer.

### Secondary Sources-

- ✦ Annual Report (2012 and 2013) of Janata Bank Ltd.
- ✦ Investment Manual (2013) of Janata Bank Ltd.
- ✦ Website of the Janata Bank Ltd.
- ✦ Various book articles about NRB remittance and general banking activities.

### 1.2.5 Limitations



I have faced some limitations, when I was preparing this report which is mentioned below:

- ❖ **Time limitation:** It was one of the main constraints that affected covering all aspects of the study.
- ❖ **Lack of Secondary Information:** The data is not much available over the net. Secondary source of information was not sufficient for the completion of the report.
- ❖ **Limitation of the Scope:** Much confidential information was not disclosed by respective personnel of the department.

### 1.2.6 Analysis techniques

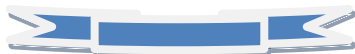


Both qualitative and quantitative methods were applied for preparing this report. The data were analyzed and presented by Microsoft excel and shows percentage, graphical presentation and different types of charts. Best effort was given to analyze the numerical findings.

## *Chapter # 2: Janata Bank at a glance*

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### **2.1 Introduction**



Generally by the word “Bank” we can easily understand that the financial institution deals with money. But there are different types of banks such as: Central Bank, Commercial Banks, Savings Banks, Investment Banks, Industrial Banks, and Co-operative Banks etc. But when we use the term “Bank” without any prefix or qualification, it refers to the ‘Commercial Banks’. Janata Bank Limited is a one kind of commercial bank in our country. It is head office in Dhaka; the bank started its operations within an initial authorized capital of TK 50 million and paid up capital of TK 10.5 million. Now it has an authorized capital of Tk. 20000 million, paid up capital of Tk. 19140.00 million, reserve of Tk.17976.20 million. The Bank has a total asset of Tk. 586082.98 million as on 31<sup>st</sup> December 2013. Janata Bank has a large participation in foreign exchange business in overseas remittance. Janata Bank Limited has been awarded 2013 Performance Excellence Award by Citi Bank N.A. and Asian Banking and Finance Wholesales 2013 and Retail Banking 2013.

### **2.2 History**



Janata Bank Limited is established under the Bangladesh Banks order 1972; it is the 2<sup>nd</sup> largest state owned commercial bank in Bangladesh immediately after the liberation. It incorporated as a Public Limited Company on 21, May 2007 vide certificate of incorporation No-C66933 (4425) 07 in the early era of privatization. The bank has taken over the business of Janata Bank at a purchase consideration of TK. 2593.90 million. The operation of Bank Limited works through 898 branches and including 4 overseas branches. It is linked 1239 foreign correspondents all over the world.

### 2.2.1 Mission



The mission of the bank is to actively participate in the socio- economic development of the nation by operating a commercially sound banking organization, providing credit to viable borrowers, efficiently delivered and competitively priced, simultaneously protecting depositor's funds and providing a satisfactory return on equity to the owners.

### 2.2.2 Vision



Becoming effective largest commercial bank and ensuring highest standard of client services through best application of latest information technology, making due contribution to the national economy and establishing themselves firmly at home and abroad as a front ranking bank of the country are their cherished vision.

## 2.3 Product and service offered by organization



Product and services is the main assets of any organization. JBL is playing the most significant role in offering specialized services to different clients or agencies throughout the country. The following product and services are available of Janata Bank Ltd.

-  Consumer Credit Scheme
-  Special Deposit Scheme
-  Monthly Saving Scheme
-  Saving Insurance Scheme
-  Credit Card
-  Western Union Money Transfer
-  JBL ATM Service
-  JBL Power Card

### 2.3.1 Consumer Credit Scheme

JBL Consumer Credit Scheme gives clients a great opportunity to buy household and office items on easy installments. This scheme gives clients the advantage of part payment to cope with the high price tags of many necessary home and office appliances.

Television, Refrigerator, VCR, Personal Computer, Photocopier, Washing Machine, Furniture, Microwave Oven, Car, and a number of other expensive items are now within their buying range.

### 2.3.2 Special Deposit Scheme

Under this scheme, customers can deposit money for a term of 5 years. The deposited money is fully refundable at the expiry of the term. At the same time, during the term period they can enjoy a monthly profit corresponding to their deposited amount. As for instance, under this scheme a deposit of Tk, 55,000/- gives a monthly income of Tk.500/-.

### 2.3.3 Monthly Savings Scheme

This scheme is specially designed for the benefit of the limited income group members. This helps to accumulate small monthly savings into a significant sum at the end of the term. So, after the expiry of the term period the depositor will have a substantial amount to appreciate on.

A monthly deposit of Tk.500/- or Tk.1000/- for 5 or 8 years period earns in the end. Tk37, 896 /- or Tk.75, 791/- respectively

### 2.3.4 Credit Card



Credit card is the newest concept in our country. In our country Credit card was first introduced by the Janata Bank Ltd. Master card and VISA card are name of popular credit card band. Credit



card is safe, instant and universal money. Janata Bank Ltd. issued two types of credit card, which is as follows: -

### **Local master and visa card**

Local master and visa card are two types, such as “gold card” and “silver card”.

Gold card limit is 50000 taka to 1000000 taka

Silver card limit is 10000 taka to 45000 taka

### **International master and visa card**

It has also two types, such as gold card and silver card.

- ✚ For international purpose gold card limit is \$ 4000 above
- ✚ For international purpose silver card limit is \$ 2000 below \$4000

### **2.3.5 JBL ATM Services**



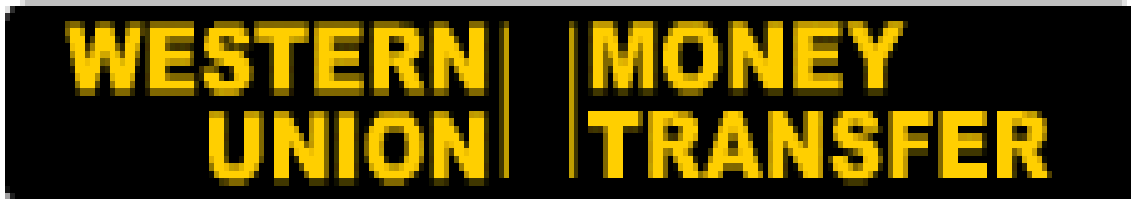
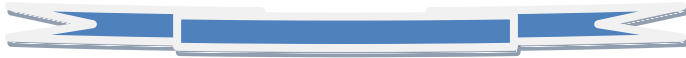
JBL ATM card give opportunity to their customer that they can withdraw their money at any time, any days even holidays. By using ATM subscriber can give various utility bill such as telephone, gas, electricity bills etc. Actually ATM card is a debit card. Janata Bank Ltd. has introduced ATM service to its Customers.

### **2.3.6 JBL Power Card**



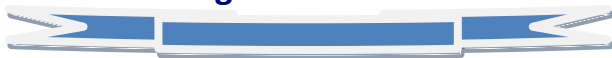
It is a prepaid card. No need of any account of JBL branch. Application forms are available at any JBL branch and card center. No annual fee for the first year. Renewal fee Tk 200.00 only. Local card limit 1000at minimum or its multiple. International card limit is -US\$ 500.00 at minimum. Refill through any JBL branch. Drawing cash from JBL ATMs free of charge & from ATMs under Q-Cash network-Tk 10.00 per transaction from other ATM-Tk 100.00.

### 2.3.7 Western Union Money Transfer



Joining with the world's largest money transfer service "Western Union", JBL has introduced Bangladesh to the faster track of money remittance. Now money transfer between Bangladesh and any other part of the globe is safer and faster than ever before. This simple transfer system, being on line eliminates the complex process and makes it easy and convenient for both the sender and the receiver. Through JBL - Western Union Money Transfer Service, your money will reach its destination within a few minutes.

### 2.3.8 Saving Insurance Scheme



This scheme is the first of its kind in Bangladesh. It combines the benefits of regular savings and insurance scheme; so, you get the usual rate of interest on the deposited amount while you enjoy the protection of a comprehensive insurance coverage. Under this scheme, the beneficiary get equal the deposit in case of natural death of the account holder whereas in the event of accidental death of the account holder the beneficiary will receive twice the deposit.

### 2.3.9 Services Areas

There are 898 branches of Janata Bank Limited in home and 4 in abroad. Among them 477 branches are situated in urban areas including four foreign branches and 421 branches are in rural areas. And all foreign branches are situated in United Arab Emirates.

**Table: Branches of Janata Bank Limited**

Division	Town	Rural zone	Total
Dhaka	177	86	263
Chittagong	101	92	193
Rajshahi	85	133	218
Sylhet	35	38	73
Khulna	79	72	151
Overseas	4	0	4
<b>Total</b>	<b>477</b>	<b>421</b>	<b>898</b>

### Overseas Branches

**Table: Foreign Branches of Janata Bank Limited**

Serial No	City	No of Branch	Status
01.	Abu Dhabi	01	Foreign
02.	Al-Ain	01	Foreign
03.	Sharjah	01	Foreign
04.	Dubai	01	Foreign

## 2.4 Operational Network Organ gram

Like every other business organization, the foremost duty of the top management is to makes all the major decisions of Janata Bank. The management consists of one chairman, eleven directors, one CEO & MD and one company secretary. Mid and lower level employees get the direction and instruction from the Board of Directors about the tasks they have to meet. The chief executive provides the guideline to the managers and employees, but bears the responsibility for determining how tasks and goals are to be attained.



## 2.5 Vision for the future



- ✚ Build up deep-rooted and harmonious banker-customer relationships by dispensing prompt and improved services to the clients.
- ✚ Developing a vibrant capital market by ensuring more effective participation of the Bank in the share market.
- ✚ Make best use of latest technologies for giving the clients a taste of modern banking so as to encourage them to continue and feel proud of banking with JBL.
- ✚ Upgrade and diversify of banking service to provide maximum satisfaction to the respected clients.
- ✚ Respond to the need of the time by participating in syndicated large loans financing, thereby expanding the area of investment of the Bank.
- ✚ More facilities will be provided to the exporters on the basis of export and facilities performances.
- ✚ To take the competitive position charge, decrease commission and other facilities will continue to complete the journey
- ✚ Sufficient workforce has involved in increasing export and import business, providing special services and training program of officers.

To gain confidence of all quarters involved in the economic development of the country through pursuance of a policy of continuous adjustment and coordination of the Bank's external trade programmers with the dynamism inherent in the international trade and payments system.

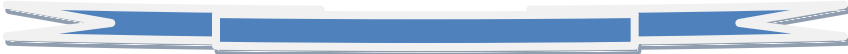
## 2.6 JBL's position in CAMEL Rating

Analyzing the overall operational activities of all commercial and specialized banks, central bank, the regularity authority of country's banking sector has ranked 6 "A-Class", 27 "B-Class", 8 "C-Class", 5 "D-Class", and 2 "E-Class" banks on the basis of performance of 2013. It is a rating based on a bank's capital, asset, management, earning, liquidity, and sensitivity (CAMELS). The serial is made on as local banks first, then foreign banks.

<b>Strong or A-Class banks</b>	<b>Satisfactory or B-Class banks</b>	<b>Marginal or D-Class banks</b>
Prime bank ltd.	Standard bank limited	Sonali bank ltd.
Shahjalal Islami bank ltd.	Exim bank limited	<b>Janata bank ltd.</b>
Commercial bank of Ceylon	Merchantile bank limited	Bangladesh shilpa bank
State bank of india	NCC bank limited	Bangladesh krishi bank
Standard chartered bank	BASIC bank limited	Rajshahi krishi unnayan bank
Citi bank N.A	Pubali bank limited	
	Southeast bank	
<b>Fair or C-Class banks</b>	Mutual trust bank limited	<b>Unsatisfactory or E-Class banks</b>
First security bank	Dutch- bangla bank	Bangladesh commerce bank
IFIC bank	Premier bank	Oriental bank ltd.
AB Bank Limited	The trust bank	
United commercial bank	Bank Asia	
Al-arafah Islami bank	Jamuna bank	
Bangladesh shilpa rin sangstha	BRAC bank	
Agrani bank ltd.	One bank	
Rupali bank ltd.	Dhaka bank	

	Eastern bank	
	Islami bank Bangladesh ltd.	
	Uttara bank	
	National bank	
	The city bank	
	Social bank investment	
	Habib bank	
	National bank of Pakistan	
	Bank Alfalah	
	Woori bank	
	HSBC	

## 2.7 JBL’s Corporate Social Responsibilities



In recent times, CSR is receiving increasing attention in the business world, government policies, industry events, advertising space, and other arenas in these parts of the world. Although the concept of CSR may have been formally introduced through to the financial sector of Bangladesh in 2008, chiefly by Bangladesh bank however, in similar approach, the local banking community has been involved in benevolent activities. JBL, which has remain a responsible member of the society seems its journey that begun 42 years back, has indeed duly played its societal role of business. JBL, however, feeling the need to carry out its social responsibilities in a more organized way and eventually became the vehicle for specific program oriented CSR activities of the bank.

JBL conducts it CSR in 2 ways- policy driven and through direct participation in specific programs. However, JBL intends to adopt CSR practices, more in the formal and structured manner in light of the Bangladesh bank guidelines for mainstreaming CSR practices in the

financial sector. Future efforts of the bank in respect of CSR will include more involvement of its stakeholders in terms of their expectations and needs in order to incorporate more responsible business practices in all of bank's functions and operations with a goal to fulfill social, economic, environmental, and ethical responsibilities of the bank.

Total involvement for CSR activities stood at tk. 1.77 crore at the end of the year 2013. JBL channelized this CSR outlay in diverse areas judging from need and importance it attaches to the bank's perspectives.

JBL believes that CSR is first and foremost a commitment to contribute to the society for improving the quality of lives of its people, particularly for that segment of the people who are under privileged and less fortunate in terms of basic needs such as food, health, education, housing etc and also alongside to remain a sincere benefactor of the country's rich heritage of arts, culture and sports. Besides addressing the basic social needs of the country, JBL also believes that CSR can be a genuine platform to address growing environmental concerns, more even when Bangladesh is likely to be the most affected country in the world due to climate change caused from the irresponsible and unrestricted carbon emissions by the western developed nations.

JBL has always tried to respond to the changing needs of the society and stood besides the affected one's in times of crisis of the world, be it a natural disaster or tragedies taking place through immortal act of man. In the past, JBL participated in disaster relief operations for the landslide victims in Chittagong, SIDR affected people of the coastal areas and for the flood affected people across the country.

Some CSR activities of JBL are given in the followings:

- Standing beside the families affected by BDR tragedy.
- Warm clothes/blanket distribution to the affected underprivileged and destitute people.
- Donation to Bangladesh Organization for Disabled Advancement (BODA).
- Support to Cancer Care Center.
- Caring for the Environment.
- Health and Safety of employees.



## 2.8 SWOT Analysis of JBL

<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
Sound profitability and growth with internal capital generation.	High concentration on fixed deposit: high cost.	Scope of market penetration through diversified product.	Increased competition for common market share.
Large number branches including rural areas.	Poorly diversified portfolio.	Opportunity for launching new products relating to deposit and credit and also SME Banking.	Market pressure for lowering of lending rate.
Strong CAMEL ratings by Bangladesh Bank.	Centralized decision making.	Scope of expansion through increase in number of branches.	High intensity of rivalry in the industry.
Strong and experienced top level management.	Lack of full scale automation.	Providing complete online banking.	Unstable or changing government rules and regulations.
Consistent capital growth of the bank since its inception.	ATM operation not widespread like DBBL and SCB and other strong rivals.	The initiative of expanding its ATM & POS through Euronet.	Political instability and related issues.
Offering highest interest rate on deposit.	Inefficient real time on line banking.		Meeting Basel II requirements.

## *Chapter # 3: Job Part*

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### **3.1 Introduction**



Internship program is a scope for acquiring knowledge after successful completion of academic curriculum. Theoretical knowledge gets a complete shape only when it is applied in a practical field. The internship program has been introduced to breeze up the gap between theory and practices and to bring the students closer to the practical works. This is undoubtedly a valuable and appreciable addition to the institutional education.

The role of accounting and financial management of bank service is undeniable. Every organization is concerned about the competence of its executives. To cope with technological advances in industrial and commercial development in the fast-moving global environment, the capability of the executive must be enhanced so as to make them efficient and effective in the execution of their duties and responsibilities.

### **3.2 Performed Activities**



I have accomplished my internship program at Janata Bank Limited, Gulshan Corporate Branch, circle-1, Dhaka.

During my 3 months' internship program, I've tried my best to get knowledge about their overall banking operations with special emphasis on general banking activities such as accounts opening, accounts closing, check book issuing and customer services, financial, managerial and foreign exchange aspect of bank services.

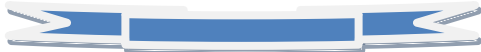
On the 1<sup>st</sup> day of my internship program, my organization's supervisor introduced me with the employees and said to observe carefully of their activities. I clinically observed how they are

doing their works so effectively and efficiently. I was placed in general banking department where I did lots of activities during my 3 months internship program. The activities are:

- Accounts opening
- Accounts closing
- Check book issuing
- Customer handling
- Debit and Credit card issuing
- Providing balance information
- Providing transaction statement

During my 3 months internship program I performed the above activities very carefully. These activities are under the general banking department of Janata Bank Limited.

### **3.3 Recommendation**



This program is, in fact, is an endeavor to make me familiar with real business situation and to prepare me to match the theoretical knowledge with practical field. During the 3 months internship program I have performed the activities of general banking and it was a great experience to make me familiar with the banks activities where I want to build my career as a banker. General banking operations are the major activities of a bank. In general banking the operations are accounts opening, closing, issuing check book, debit, credit card, remittance etc. I faced some difficulties while performing the activities of general banking such as the IT system of JBL are not well developed to response immediately, client face some difficulties in filling up the application form and documentation while collecting money from the branch in NRB remittance division. The Gulshan branch has lots of customers but the space was narrow and waiting seats are limited.

## *Chapter # 4: Project Part*

### *“NRB remittance in relation to General Banking”*

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#### **4.1 Introduction**



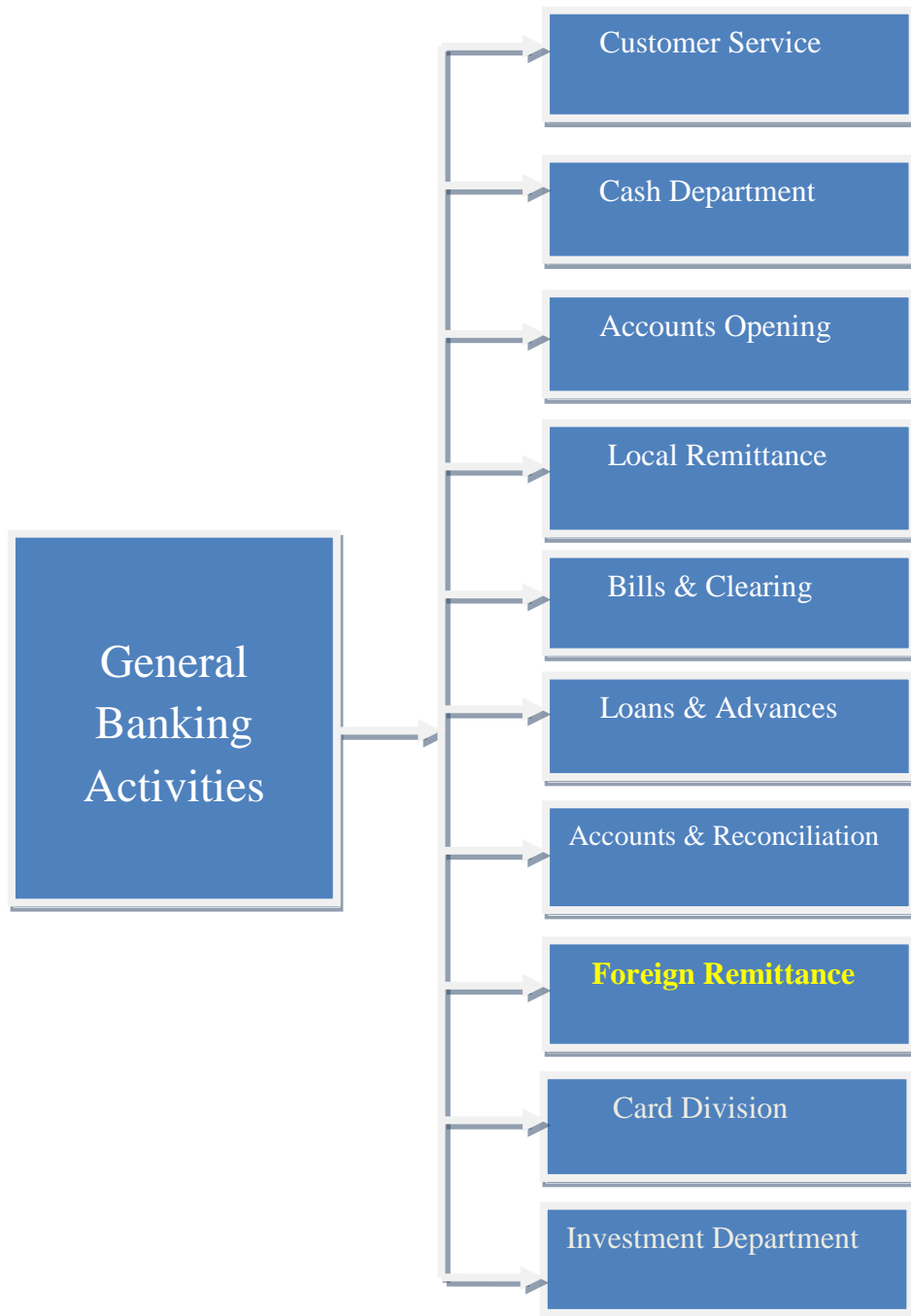
Banking sector now-a-days plays an important role to develop the economy of a country, especially developing country. It is worthless to say how much important the banking sector to run the wheel of a country's economy. With the globalization of economies, international trade has become quite competitive. Timely payment for exports and quicker delivery of goods is, therefore, a pre-requisite for successful international trade operations. Foreign remittance or NRB remittance plays significant roles in country's economy. In Bangladesh NRB remittance is increasing day by significantly and many banks are playing excellent role in this sector, among them one of the most prominent banks is Janata Bank Limited which is providing different services to the customers through its three departments. One of the departments of JBL is general banking department; this department is the most important department of JBL. Under this department foreign remittance service is provided.

#### **4.2 General Banking of JBL**



The general Banking performs the most important and basic work of a Bank. It is the heart of banking activities. Bank provides the services to the customer by general banking. Because funds are mobilized, cash transaction are made, remittance accounting activities are done here. The general banking of Janata Bank Ltd. performs various activities.

The following departments are under general banking.



From this above figure we see that foreign remittance is one of the important departments of general banking at Janata Bank Limited.

## 4.3 Foreign remittance



Remittance means transfer of money from one place to another. It is one of the safest ways to transfer money from one place to another. The basic functions of this department are outward and inward remittance of foreign exchange from one country to another country. In the process of providing this remittance service, it sells and buys foreign currency. The conversion of one currency into another takes place at an agreed rate of exchange where the banker quotes for buying and selling. In such transactions the foreign currencies are like any other commodities offered for sales and purchases, the cost being paid by the buyer in home currency, the legal tender.

### Functions of this department:

1. Overall supervision of foreign remittance.
2. Foreign TT payment and purchase of foreign drafts.
3. Preparation of foreign bill purchase (FBP).
4. Issuance of outward TT and FDD.
5. Issuance of proceed responding certificate (PRC).
6. Foreign collection, Bangladesh bank clearing cheque collection that comes from all the branches of JBL.
7. Withdrawal from FCA account.
8. Encashment of TC and cash dollar and sterling pound.
9. Deduction of tax and VAT on behalf of Bangladesh bank.
10. Preparation of related statements including convertible taka accounts.
11. Balancing of account statement.
12. Compliance of audit and inspection.
13. Preparation of IBCA and IBDA and balancing of collection and other special assignment as desired by department in charge.

### 4.3.1 Inward foreign remittance



Inward foreign remittance covers purchase of foreign currency in the form of foreign TT, DD, MT, Bills etc sent from abroad favoring a beneficiary in Bangladesh. Purchase of foreign exchange is to be reported to exchange control department of Bangladesh bank prescribing 2 forms-

- ❖ **EXP form:** Remittances received against export of goods from Bangladesh are done by this.

- ❖ **Form C:** Inward remittances equivalent to US\$ 2000 and above are done by this. Here, the remittance recipient declares the purpose of fund.

### 4.3.2 Outward foreign remittance

Outward foreign remittance covers sales of foreign currency through issuing foreign TT, Drafts, Travelers' Cheque, etc as well as sell of foreign exchange under L/C and against import bill retired. 2 forms are used for outward remittance of foreign currency are-

- ❖ **IMP Form:** All outward remittance on account of imports.
- ❖ **TM:** For all other outward remittances.

## 4.4 Remittance facilities

Private remittances	Official & Business travel	Commercial remittances
Family remittance facilities	Official visit	Opening of branches or subsidiary companies abroad
Remittances of membership fees	Business travel quota for new exporters	Remittances by shipping, airlines and courier services
Education	Business travel quota for importers	Remittances for royalty and technical fees
Remittances of consular fees	Exporter retention quota	Remittance on account of training and consultancy
Remittances of evaluation fees		Remittances of dividends
Travel		Subscription of foreign media services
Health and medical purpose		Fees for return monitors
Seminar and workshops		Advertisement of Bangladeshi products in mass media in abroad
Foreign nationals		Bank charges
Remittances for Hajj		Sundries
Other private remittances		

## 4.5 Background of NRB remittance



Migrant remittances represent the most direct, immediate and far reaching benefit to migrants and their countries of origin. They are a more constant source of income to developing countries than official development assistance, foreign direct investment and other private flows. Moreover, the emergence of remittances as a new strategy for poverty alleviation in developing countries has spurred multilateral institutions, international organizations, and national governments, among others, to seriously study, identify and implement measures on how these inflows could be maximized and then harnessed for the development of migrants' countries of origin.

The term "remittances" basically refer to the transfers, in cash or in kind, from a migrant to household residents in the country of origin. The IMF considers a wider definition and incorporates three categories, that is,

**A)** Workers' remittances or transfers in cash or in kind from migrants to resident households in the country of origin,

**B)** Compensation to employees or the wages, salaries and other remuneration, in cash or in kind, paid to individuals who work in a country other than where they legally reside and

**C)** Migrant transfers which denote capital transfers of financial assets made by migrants as they move from one country to another and stay for more than one year.

As stated in the BOP Manual (5th edition, 1993): "Workers' remittance covers current transfers by migrants who are employed in new economies and considered residents there. (A migrant is a person who comes to an economy and stays, or is expected to stay, for a year or more). Workers' remittances often involve related persons. Persons who work for and stay in new economies for less than a year are considered non-residents; their transactions are appropriate mainly to the component for compensation of employees.

It is generally acknowledged that foreign remittances, whether channeled through formal or informal modes from host countries to receiving countries, contribute positively towards the economic development both at the household level and country level, although remittances through formal channels are more amenable to policy interventions and are generally believed to have greater developmental impacts.



## 4.6 Trend and Impact of NRB remittance

International migrant remittances have become an important source of external finance in developing countries. In nominal dollar terms, recorded remittances sent home by migrants from developing countries are expected to reach \$389 billion in 2014(June), a rise by 6.7 percent from \$365 billion in 2013.

Remittances can generate a positive effect on the economy thorough various channels such as savings, investment, growth, consumption, and poverty and income distribution. At the national level, remittances contribute significantly to GDP.

At the community level, remittances create multiplier effects in the domestic economy, producing employment opportunities and spurring new economic and social infrastructure and services.

Remittances have been found to rise when the recipient economy incurs a downturn in activity or macroeconomic shocks owing to financial crisis, natural disaster, or political conflict. By making up for foreign exchange losses due to these shocks, remittances may smooth consumption and thus play a part in maintaining the economic stability of recipient countries.

In many countries, a large portion of remittances are invested in real estate, demonstrating both a desire of migrants to provide housing to families left behind and a paucity of other investment instruments in the recipient. Whether remittances are utilized for consumption or purchasing houses, or other investments, they produce positive impact on the economy by stimulating demand for other goods and services.

Remittance is the life line of Bangladesh economy. Some 4.5m nonresident Bangladeshis are working abroad, and sending home hard earned foreign currencies. It is believed that the actual number of Bangladeshi migrants, both legal and illegal, would be close to 7.5 million. Non-resident Bangladeshis (NRBs) sent \$2.345 billion to Bangladesh between May and June of 2014, according to the Bangladesh Bank statistics.

Banks drives the legal channel for remittance mobilization. Top 3 remittance receiver banks in market are given in Table

Table: Monthly Inward Remittance, June '2014

Sl.	BANK	June, 2014 (in USD Million)
1	Sonali Bank	92.69
2	Janata Bank	89.25
3	Agrani Bank	76.14

## Local and Foreign Remittance Comparison in USD

Category	2011-12 in USD	2012-13 in USD	2013-14 in USD
<b>NRB Remittances</b>	<b>12.8 million</b>	<b>15 million</b>	<b>17 million</b>
<b>Local Remittances</b>	<b>14 million</b>	<b>17 million</b>	<b>18 million</b>

Most of the remittances sent to our country are for various livelihood purposes, such as disbursement of Small loans, living expenses, business start up costs, medical treatment and funds for asset purchases

### 4.7 Role of Remittances in the Economy



During the last decade or so inward remittance has emerged as the backbone of many developing countries. Officially recorded data for workers' remittances to developing countries rose to US \$ 342 billion in 2013 up 73 per cent from 2009. More than half of the increase from 2009 to 2013 in remittances occurred in China, India, Mexico and Philippines.

In Bangladesh Inward foreign remittance through Janata Bank Ltd. up to November 2013 is Tk.57523.19 million. Foreign remittance from NBR is reached record high of Tk. 47329 million in 2012 against Tk.38991 million in 2011 and continuing to play an important supporting role in strengthening the economy of the county Janata Bank ltd.

By reducing lead-time, has ensured quick delivery of foreign remittance, an NBR branch has been opened to serve exclusively Non-resident Bangladeshis through Speedy Money Remittance System with instant to the beneficiaries. Anybody willing to remit foreign currency from any corner of the world can use wide network of the bank. The remittance reaches to the beneficiary within 3 days without charging any commission. Our worldwide network includes 4 branches in UAE, 2 exchange houses in Italy and correspondent relationship with all the major Banks and all important trade centers of the world.

### 4.8 JBL's speedy remittance system



Recently, Janata Bank Ltd. has launched its **Speedy Foreign Remittance Payment System** which enables beneficiaries to receive their money within shortest possible time. The beneficiary

also gets information of remittance through automated SMS. It's a secured, easy, cost effective and speedy way of remittance for the remitter. Janata bank Ltd. has signed an agreement with **Western Union Network** to facilitate wide range of remittance of the globe. Both the organizations make it possible to receive the money from about 300,000 locations of 200 countries instantly with prevailing mutual mechanism and workforce. The achievement of Janata Bank Ltd in attracting foreign remittance as compared to country's performance is outstanding.

## 4.9 Country wise remittance of JBL

To facilitate sending money in Bangladeshi Taka directly, Janata Bank Limited has taka Drawing Arrangement with many banks/exchange companies in different countries. The expatriate Bangladeshis may send their money in BDT (Bangladeshi Taka) through the branches / subsidiaries of Janata Bank Limited and foreign banks/exchange companies. Remittance services are available at all branches and foreign remittances may be sent to any branch by the remitters favoring their beneficiaries. Remittances are credited to the account of beneficiaries instantly or within shortest possible time.

<b>Table: Country wise Foreign Remittance of JBL from 2010 to 2014(June)</b>					
<b>country</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014(June)</b>
<b>Italy</b>	<b>1346.5</b>	<b>2843.14</b>	<b>3402.1</b>	<b>2901</b>	<b>1767.4</b>
<b>Janata Bank, UAE Branches</b>	<b>7234</b>	<b>6637`</b>	<b>6754.3</b>	<b>15590</b>	<b>1890.9</b>
<b>Other Exchange Co.</b>	<b>2279.5</b>	<b>2901.7</b>	<b>4714</b>	<b>6878.2</b>	<b>8738.1</b>
<b>Kuwait</b>	<b>4089.3</b>	<b>5652.6</b>	<b>7615.9</b>	<b>7780.1</b>	<b>6764.3</b>
<b>Saudi Arabia</b>	<b>3762.7</b>	<b>3598.3</b>	<b>3025.2</b>	<b>4536</b>	<b>7718.2</b>
<b>Oman</b>	<b>1095.6</b>	<b>1106.2</b>	<b>1171</b>	<b>1341.6</b>	<b>1038.7</b>
<b>Bahrain</b>	<b>817.4</b>	<b>853.2</b>	<b>834.5</b>	<b>916.7</b>	<b>716.1</b>
<b>Greece</b>	<b>0</b>	<b>537.9</b>	<b>697.9</b>	<b>591.5</b>	<b>524.5</b>
<b>UK</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2213.3</b>	<b>6174.9</b>
<b>United States</b>	<b>190.8</b>	<b>149.2</b>	<b>173.6</b>	<b>200.6</b>	<b>118.9</b>
<b>Qatar</b>	<b>29.2</b>	<b>132.8</b>	<b>153.6</b>	<b>222.3</b>	<b>285.7</b>
<b>Malaysia</b>	<b>623.9</b>	<b>264.2</b>	<b>208.7</b>	<b>113.2</b>	<b>23.9</b>
<b>Singapore</b>	<b>0.4</b>	<b>5.3</b>	<b>0.7</b>	<b>20.2</b>	<b>98.1</b>
<b>Korea</b>	<b>23.2</b>	<b>2.5</b>	<b>0</b>	<b>0</b>	<b>3.4</b>
<b>Canada</b>	<b>0</b>	<b>6.6</b>	<b>7.2</b>	<b>5.6</b>	<b>4.3</b>
<b>Australia</b>	<b>0</b>	<b>.8</b>	<b>0</b>	<b>0</b>	<b>1.2</b>
<b>Other sources (SWIFT/Telex)</b>	<b>5945.7</b>	<b>5288</b>	<b>5484.4</b>	<b>6272.1</b>	<b>6334.2</b>
<b>Grand Total</b>	<b>32745.9</b>	<b>38991</b>	<b>47329</b>	<b>57523.19</b>	<b>3945.89</b>

Inward remittance from Bangladeshi nationals working abroad continued to play an important role in strengthening the current account. Receipts on this sector increased gradually in every year from 2010 to 2014(June). The underlying reason was that Bangladesh Bank has simplified the approval policy of drawing arrangements between foreign exchange houses and domestic bank. Janata Bank's management has taken this opportunity.

For quick payment of TTs issued by 4(Four) UAE branches of JBL Foreign Exchange Corporate Branch, Dhaka( FECB, Dhaka), Laldighi East Corporate Branch, Chittagong(LDE, Ctg), Foreign Exchange Corporate Branch, Sylhet ( FECB, Sylhet), Khulna Corporate Branch, Khulna, Barisal Corporate Branch, Barisal & Rajshahi Corporate Branch, Rajshahi are nominated.

To facilities to its remitters Janata bank Limited has started-

1. FECB, Dhaka will cover whole Dhaka Division,
2. LDE, Ctg will cover whole Chittagong Division, except branches under greater Comilla and Noakhali Area.
3. FECB, Sylhet will cover whole Sylhet Division,
4. Khulna Corporate will cover whole Khulna Division,
5. Barisal Corporate will cover whole Barisal Division,
6. Rajshahi Corporate will cover whole Rajshahi Division,
7. Comilla Corp. will cover all branches under greater Comilla district.
8. Noakhali Corp. will cover all branches under greater Noakhali district.

Commission for issuance of Taka Drafts from our UAE branches has been reduced and re fixed from AED 10.00 to AED 4.00 and commission for issuance of TTs drawn on Bangladesh and payable at any bank branches are re-fixed at AED 12.00 from AED 30.00. Commission for issuances of Taka drafts at UAE branches has been reduced irrespective of amount. 1% interest above the normal savings deposit rate is offered to SB accounts receiving foreign remittance.

## 4.10 Non Resident Foreign Currency Deposit Account (NFCD)

Expatriate Bangladeshi Nationals and persons of Bangladesh origin including those having dual nationality may open non- Resident Foreign Currency Deposit Account with any authorized dealer branches of Janata Bank Limited in Bangladesh for a period of one month, three months, six months or twelve months on renewable basis depositing minimum US Dollar 1000/- or Pound Sterling 500/- . The eligible persons may open this account at any time of their return to Bangladesh.

Interest on NFCD Account is applicable on the basis of Euro currency interest rate which is tax free in Bangladesh. Principal amount including accrued interest is convertible in local currency as well as reportable to the account holder abroad. This account may be maintained as long as the account holder desires.

NFCD account opening Forms are available with authorized dealer branches of Janata Bank Limited in Bangladesh and Embassy/ High Commission Offices of Bangladesh abroad.

### Rules/Procedures for Opening NFCD Account

- ✚ Application in plain paper to Manager of concern Authorized Dealer branches of Janata Bank Limited.
- ✚ Signature of the applicant verified by an official of Bangladesh Embassy /High Commission abroad or Notary Public of the country where the applicant resides and photocopy of the pages of passport containing specimen signature of the applicant where Janata Bank Limited branches or representative offices are not available. FC Account may also be opened through our 4 (four) U.A.E. branches and 2 (two) branches of Janata Exchange Co. Italy.
- ✚ Photocopy of passport attested by officials of Embassy / High Commission Office of Bangladesh abroad or our branch officials.
- ✚ Two copies of passport size photograph.
- ✚ Letter of authority for handover of NFCD Receipt.

#### **4.11 Resident Foreign Currency Deposit Account (RFCD)**



Persons ordinarily resident in Bangladesh may open RFCD Accounts with the foreign currencies brought in at the time of their return from abroad. This account may be opened with any authorized dealer branches of Janata Bank Limited in US Dollar and Pound Sterling. Interest is payable if the deposit is maintained for a term of not less than one month and the balance is not less than US Dollar 1000/- and Pound Sterling 500/-. RFCD account may be maintained as long as the account holder desires. Balances of such accounts are reportable abroad.

#### **4.12 Non-Resident Investor's Taka Account (NITA)**



Expatriate Bangladeshis may invest their hard earned money in the Stock Exchange for purchase of Bangladeshi shares and securities. For this purpose, the expatriates may open NITA account with any authorized dealer branches of Janata Bank Limited. Dividend earned from shares/securities is tax-free in Bangladesh. Balance of NITA account is reportable abroad at the prevailing rate of exchange. NITA account may be operated by the nominee. The account holders may nominate Janata Bank Limited to act as nominee also.

#### **4.13 Wage Earners Development Bond (WEDB)**



Expatriate Bangladeshi Wage Earners may invest their hard earnings in five years WEDB on renewable basis for denomination of Taka 25,000/-, Taka 50,000/-, Taka 100,000/-, Taka 200,000/-, and Taka 500,000/- or any multiple of these amounts at attractive rate (Present rate 10.50% (with effect from 1st July 2010) compoundable in every six months) of interest and the accrued interest is tax free in Bangladesh.

Principal amount of WEDB is reportable to the bond holder abroad at the prevailing rate of exchange.

WEDB facilities are available in authorized dealer branches of Janata Bank Limited in Bangladesh and in our four UAE branches.

## 4.14 Wage earner remittance

Inward remittances from Bangladeshi nationals working abroad continued to play an important role in strengthening the current account of Bangladesh bank. Receipt on this sector increased by 22.4 percent to USD 10684.6 million in FY 13 from USD 9916.1 million in FY 12. The underlying reason was that Bangladesh Bank has simplified the approval policy of drawing arrangements between foreign exchange domestic banks. As a result 40 banks have been allowed for establishing 820 drawing arrangements with 208 exchange houses all over the world for collecting remittances. Due to these measures, remittances have recorded a substantial increase by 22.4 percent to USD 10684.6 million during the year 2013. Remittances as percentage of GDP increased by 0.89 percentage points to 10.84 in FY 13 from 9.95 in FY 2012. The shares of major source countries in the remittance receipts of FY 2012 and FY 2013 are given below:

<b>Wage earners' remittances 2012</b>	
<b>Country</b>	<b>Percentage</b>
Kingdom of Saudi Arabia	<b>29.20%</b>
UAE	<b>14.10%</b>
UK	<b>12.30%</b>
Kuwait	<b>11.10%</b>
USA	<b>17.10%</b>
Other countries	<b>16.20%</b>
<b>Total</b>	<b>100%</b>

<b>Wage earners' remittances 2013</b>	
<b>Country</b>	<b>Percentage</b>
Kingdom of Saudi Arabia	<b>29.60%</b>
UAE	<b>17.50%</b>
UK	<b>09.30%</b>
Kuwait	<b>10.10%</b>
USA	<b>16.20%</b>
Other countries	<b>17.30%</b>
<b>Total</b>	<b>100%</b>

This is the whole scenery of inward foreign remittance of 2012 and 2013 of Bangladesh. In the sector of foreign remittance earning 2012 Kingdom of Saudi Arabia in highest position that is 29.20%, USA second position Emirates is third position 14.10%. And in 2013 Kingdom of Saudi Arabia again top position, in second position United Arab Emirates and in third position USA. Their inward remittances are 29.60%, 17.50% and 17.30% respectively.

#### **4.14.1 Foreign Exchange and Foreign Trade of JBL**

<b>Foreign Exchange and Foreign Trade of JB Trade of JB</b>				
<b>Year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014(June)</b>
<b>Import</b>	<b>137823</b>	<b>85073</b>	<b>112413</b>	<b>81829</b>
<b>Export</b>	<b>73579</b>	<b>75236</b>	<b>89510</b>	<b>7223</b>
<b>Remittance</b>	<b>33450</b>	<b>38943</b>	<b>49787</b>	<b>37105</b>



Export and foreign remittance are in good position. They are in 2011 to 2014 (up to June). And due to global economic crisis and for various trade barriers and quotas import does not grow much higher compared with export and foreign remittance. In 2011 export and import are comparatively low with other years due to political instability inside the country. But inward remittance is continuously upward trend up to 2014 (up to June).

## 4.15 Increasing remittance from NRB

Remittances from non-residents (NR) have become an increasingly important source of external funding for many developing nations, including Bangladesh.

It explores some figures on international remittances, identifies the relative importance of NRB remittances on Bangladesh's national economy, and examines specific ways to improve these remittances to promote economic and social growth. It also explores the effects of remittance on our national economy and potential for economic and social growth, how, and what kind of, skills-development institutions should be built, and which countries should try to send our workforce to if Bangladesh wants to increase the volume of remittance.



## 4.16 NRB remittance service at JBL



Janata Bank Limited has a network of 898 domestic branches in Bangladesh covering whole of the country including the rural areas.

Remittance services are available at all branches and foreign remittances may be sent to any branch by the remitters favoring their beneficiaries.

Remittances are credited to the account of beneficiaries instantly or within shortest possible time.

Janata Bank Limited has correspondent banking relationship with all major banks & exchange houses located in almost all the countries/cities. Expatriate Bangladeshis may send their hard earned foreign currencies through those banks & exchange houses or may contact any renowned banks nearby ( where they reside/work) to send their money to their dear ones in Bangladesh.

The global information of the services operated in JBL is:

- ✚ RIA financial services (Australia, Italy, France, Denmark, Sweden, UK, etc)
- ✚ X-Press Money (all countries)
- ✚ Cash Express (Dubai)
- ✚ Remit Master (Malaysia)
- ✚ Western Union Money Transfer (all countries)
- ✚ Turbo Cash

In JBL, RIA, Remit master, X-Press Money, Western union Money Transfer and Cash Express has the operational function in every branches all over the country in which RIA has the maximum amount of transfer order annually.

### **Documents required for collecting NRB Remittance**

- Customer has to fill-up an EFT Application Form of JBL where the information of sender and receiver is required
- Transfer code is needed.
- National ID card or Passport or Driving License or any authorized and certified certificates where a photograph and signature of receiver is given.

### 4.16.1 RIA Financial Services



RIA Financial Services is the third-largest global money transfer company. Since 1987 it has endeavored successfully to provide a cost effective, secure and fast alternative to send money to the families and loved ones of our customers worldwide. Now serving more than 110 countries, RIA has emerged as a global leader in remittances and is a recognized benchmark in both quality and service

Here are some other sensible reasons to choose RIA:

- Competitive pricing
- Agent or easy-online order processing
- Responsive customer service
- Prompt delivery
- Emphasis on security, accuracy and compliance
- Convenient worldwide locations
- Easy, quick Internet money transfers
- Contact one of more than 41,000 paying and receiving Agents, Correspondents or RIA locations around the world.

In JBL this service is playing an important role in sending foreign remittance.

### 4.16.2 Xpress Money



Xpress Money is simply the fastest way one can send money to anywhere. The only instant money transfer service which gives the true value-for-money with agent locations near to one wherever they are, state-of-the-art technology for perfect ease of use, and dedicated support teams to ensure maximum reliability.

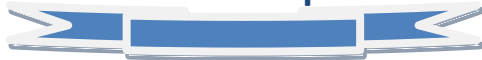
Xpress Money is an associate of UAE Exchange, the leading global remittance brand with direct operations spanning 21 countries, with over 435 offices across 5 continents; and correspondent relationship with over 150 leading banks covering the entire financial world.

Xpress Money is a member of the prestigious NMC Group, the leading conglomerate based in the United Arab Emirates with business interests ranging from Financial Services; FMCG products; Scientific, Laboratory, Education and Medical supplies; Foodstuff; Pharmaceutical

Manufacturing and Trading; Gold and Diamond Jewellery; Advertising and Communications; Restaurants and Hotels, Real Estate, Information Technology, to Engineering services.

In JBL Xpress money service contribute in collecting the huge foreign remittance last 7 years.

### 4.16.3 Cash Express



Cash Express have created a concept based on a business that is centuries old and provide a range of retail and financial services tailored for the needs of the 21<sup>st</sup> century. Cash Express is all about taking the hassle out of the day to day finances. It provides one with instant cash, without the need for a Bank account or waiting for cheques to clear. Most of their transactions can be completed within five minutes; there is no lengthy form filling or the need for credit checks.

Their stores are conveniently located around the UK and are open six days a week. Cash Express creating instant cash for the customers.

“Let Cash Express help you raise instant Cash today no fuss, no hassle and no credit checks”

#### Services

- ❖ It can instantly cash the third party cheques including non negotiable & account payee cheques.
- ❖ It cash work cheques, insurance, housing benefit, DSS etc.
- ❖ It will consider any cheque for any amount with immediate payout in most cases.
- ❖ Subject to conditions ID required.

Here is the Instant Cash benefits proposition

- Competitive charges for remittance.
- The best exchange rates.
- Service centres / agents in various countries.
- Continuous support.

In JBL cash express also introduce a range of other money transfer solutions to provide customers greater choice, depending on customer demand and local regulations.

- ✚ Cash to Cash.
- ✚ Cash to Bank Account Transfer

#### 4.16.4 Remit master



Remit Master, offers fund remittance transfer services to broad-based customer groups of workers, businesses, and individuals. It also creates value through strategic alliances with foreign banks and remittance companies thus creating a wide network globally.

It uses their own proprietary IT system which will offer their customers the following benefits:

- ✓ Secure Transaction
- ✓ Low Cost
- ✓ Fast & Easy

#### 4.16.5 Western Union Money Transfer



The Western Union Company is a financial services and communications company based in the United States. Western Union is the best known as US Company; it is in the business of exchanging telegrams.

Western Union has a number of divisions, with products such as person-to-person money transfer, money orders, and commercial services. As of May 27, 2014, the company has more than 413,000 Western Union agent locations in over 240 countries and territories. Reported revenues top USD\$6 billion annually.

##### Specific services

- ✓ **Online:** attracted at least 8.7 million visitors annually by 2008 according to a Compete.com study.
- ✓ **Bid Pay**
- ✓ **Western Union Mobile:** In 2007 Western Union announced plans to introduce a mobile money transfer service with the GSM Association, more than 700 mobile operators in 218 countries and covering 2.5 billion mobile subscribers.

In Bangladesh Western Union Money Transfer is playing a promising role in sending money from different countries around the world at a speedy way. In JBL this service significantly impact on collecting remittance. Many customers choose this service in receiving money from abroad which contributes in nation's economy.

## 4.17 Account opening & NRB Remittance service



- ✦ When any client of a bank gets frequent remittances from abroad under a single/same branch of JBL having a good or huge amount of money, then the client is advised to open an account for his/her safety & security of money by depositing it.
- ✦ In this case, the client have to follow the general guidelines of account opening procedures and will able to get all the facilities related with this department.
- ✦ Locker, balance statement, cheque book issuance and monetary transaction with the bank will occur in a safe mode like as a regular and desired client of a bank.

## 4.18 Cash department & NRB Remittance service



- ✦ NRB remittance service has a close relationship with cash department, because whatever the remittance has come to a branch of a bank, the bank process it to make it easy to collect the amount of money and client have to go to the cash department to collect or receive the amount of money that has come for him/her from abroad as a remittance in a bank
- ✦ Client has no alternative way to collect money rather than cash department, because before doing anything else (P/O, FDR, F/C etc), he must have to draw or collect his money in cash from the cash department and then he can do anything by how he wants to take his money in which way or not.

## 4.19 Local remittance & NRB Remittance service

- ✚ In JBL, local remittance covers 2 types of services- Pay Order & FDR.
- ✚ If any client who has remittance to collect from a branch of JBL, but has no account with this bank, can also do FDR and as well as Pay Order to carry/take his money in a form of this 2 types.
- ✚ Banking clients can also have a scope of doing FDR and Pay order to carry his amount of money by following some prerequisites which is also applicable for non-clients-
  - a. FDR/ PO form fill up
  - b. Photograph submission
  - c. Making someone as a nominee
  - d. Require no introducer
  - e. Must submit National ID Card, without it no one can do anything related with banking activities (Bangladesh bank rule).
- ✚ Walking/ Non client of a bank can also take Pay order because of not to take the amount in cash, then he have to make fill up the application form of Pay Order by his own name or if he wants to give the amount to anyone else then by the assigned person's name, the walking client can carry his money. In this case, the client must fill up the personal information form for the need of a bank in a permission of the authority.

## 4.20 Card division & NRB remittance

- ✚ If any client has an account with JBL and also get some remittance come from abroad in the bank, can also apply for ATM/Card facilities.
- ✚ For having card facilities, the client must have an account in the branch having an income capability of tk.10000 or above, and then he will apply for debit/ATM card.
- ✚ Income capacity of tk.50000 or above can also hold credit card facilities whether the client is having remittance service or not.

## 4.21 Foreign remittance service & NRB remittance



- ✦ The client having NRB remittance in JBL can also have the facilities or service of foreign currency remittance.
- ✦ The client can send the foreign currency by depositing local currency of that amount valuing on the current date exchange rate to abroad.
- ✦ The client can send and receive the remittance at the same time through the transaction within a bank.
- ✦ JBL, like other banks also work on converting the currency for the better use of money in need of clients' demand and preferences.

## 4.22 Investment department & NRB Remittance



- ✦ A client having a remittance in JBL or not, both can apply for the purchase of investment of any category.
- ✦ They need to fulfill the necessary documents required for having investment in a bank and will be able to earn interest as required from the purchased investment as required time being.
- ✦ The client can also use his remittance amount of money in purchasing and will be treated as a regular loyal client of a bank having all kinds of required policies and services.

## 4.23 Customer service & NRB remittance



- ✦ Customer service department works on providing all kinds of services to the regular and walking client of JBL.



- ✚ Any kind of query of any kinds of clients is meeting up through the customer service department.
- ✚ In customer service desk of JBL also advices and helps clients to suggest the different ways or services or procedures of sending and receiving money from and to abroad along with its necessary costs and charges, so that clients can get the best service within a very short time not having any hassle.
- ✚ It works on face to face, online, telephonic conversation or any other way that will suit for the clients' desire and need.

## Chapter # 5: Findings and analysis

### Analysis the NRB remittance performance at Janata Bank Limited, Gulshan Corporate Branch, Dhaka

<b>Year</b>	<b>Amount ( in lacks)</b>
<b>2004</b>	0.75
<b>2005</b>	1.04
<b>2006</b>	6.12
<b>2007</b>	15.53
<b>2008</b>	14.47
<b>2009</b>	26.73
<b>2010</b>	15.12
<b>2011</b>	15.75
<b>2012</b>	17.02
<b>2013</b>	17.30
<b>2014( up to June)</b>	13.76

From the above graph we can see that NRB remittance collecting or the performance of JBL, Gulshan Corporate Branch is increasing gradually but not so significantly. From the year 2004 to 2006 it is increased gradually but in year 2007 it is jumped on 15.53 after that it decreased then again touched the highest amount, it is 26.73. In year 2010 to 2014 (up to June) it is raised at a steady rate.

Every organization though its big or small there are some positive or some negative results, in my project I have also found some positive and some negative results and major challenges. The findings are:

- ✚ Sometimes client face some difficulties in filling up the application form and documentation while collecting money from the branch in NRB remittance division.

- ✦ Sometimes insufficient fund from NRB remittance creates problem for the customer to collect their money in time.
- ✦ Server or IT problem create problem in money transfer order and it also cancel because of insufficient information of sender and receiver for security and secrecy.
- ✦ Proper training need is requirement is not justified because the rating does not bear the true demonstration of overall performance.
- ✦ Online banking, personal computer with internet facilities for each employee enabled their work easier and faster with full professionalism. JBL is installed with MYSIS, one of the latest technology software, to functioning more effectively.
- ✦ Though JBL has almost all due capabilities to command extensive research and development activities, it has done a very little in it.
- ✦ JBL is not free from ever disruptive power supply of our public sources. Although the branch generates the required power through generator fed on diesel, but it also disruptive for banking activities as well as operations. There is no way to keep cool the environment of the bank through power supply and it is not working friendly at all.
- ✦ It has created a brand value among the customers.
- ✦ Different saving and credit schemes are introduced as a need of market segmentation.
- ✦ Employees of all departments should be fluency in their tasks so that customers do not feel bored.
- ✦ The Gulshan Corporate branch has lots of customers and they are very loyal to it.
- ✦ The branch has some energetic and efficient human resources who maintain their daily activities smoothly and efficiently.
- ✦ Job rotation is not performed timely as the officers demand it.
- ✦ Computer efficiency of the officers is not observed suitable enough in all cases.

- ✦ Though they have modern online technology of recording all documents using desk computers, they still work on keeping records manually through maintaining registers and hand written documents.
- ✦ Sometimes the IT server or online service fails to keep pace with the branch operation because of sudden crash or going into offline, then the whole branch suffers as well as the clients come to get the services as well.
- ✦ There is need of extra officer or personnel who will work at the time when the desk officer will be in a leave or will not able to attend or present in the branch. In this time, the desk remains hampered and the other have to maintain having the burden of maintaining both desks as well.
- ✦ Necessary equipments and materials are not well established and maintained.
- ✦ Security service of the bank and its branch is not well established and strong enough.
- ✦ Manual and computer operated task is done for every single operation and it takes too much time that creates irritation and time consuming for the customers.

## *Chapter # 6: Recommendation*

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As an internee it is very difficult for me to give any recommendation with my little working experience but I have tried my best to give best recommendations for the organization.

- ✦ In collecting remittance, documentation must be easier for helping the clients for collecting money.
- ✦ Fund sufficiency and server correctness is required while providing services to the clients of NRB Remittance.
- ✦ The bank should arrange some more training programs for their officials. Quality training will help the officials to enrich them with more recent knowledge of International Trade and financing as well different banking activities.
- ✦ Installation required equipments and daily up gradation.
- ✦ JBL should emphasize on its advertisement strategy to capture new customers.
- ✦ The bank must need the establishment of R&D department.
- ✦ Proving sufficient power supply facilities.
- ✦ Taking of immediate steps of reducing employee turnover.
- ✦ Should introduce new innovative and modern customer service options.
- ✦ Enhancing its motivational activities.
- ✦ Involvement of direct social investment.
- ✦ Reengineering its core business pattern.
- ✦ JBL should utilize properly the “Internship Program” as one kind of promotional policy to encourage its present and potential clients. Because, young generation plays a vital role

in our economy. To do so this bank should provide facilities to the internees through proper placement and practical operations as well as job certainty to those who brings introduce themselves the best performers in doing their particulars.

- ✦ Security service must be established strongly and supervised properly.
- ✦ Proper arrangement of necessary equipments and materials needed in every desk of each department for providing prompt service.
- ✦ JBL can change their working environment by creating positive attitude to their employees & they should change their interior decoration.
- ✦ JBL should give more freedom to their branches for taking decisions & their head office should take decisions more quickly
- ✦ JBL should build separate loan recovery division if it happen then their classified loan amount will reduce and they can invest more
- ✦ JBL should increase own investment in different sectors as like Islamic bank limited if they can increase their own investment then their cost of capital will reduce
- ✦ JBL should use group incentives so that employee can share their experiences & strength & can work smoothly

JBL should give the quick services to the customer by the help of modern technology.

## *Chapter # 7: Conclusion*

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As an internee of JBL, I have truly enjoyed my internship from the learning and experience viewpoint. I am confident that this 3 months internship program at JBL will definitely help me to realize my further career in the job market.

JBL is committed to provide high quality financial services or products to contribute to the growth of GDP of the country through stimulating trade and commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, poverty alleviation, raising standard of living of limited income group and overall sustainable socio-economic development of the country. Though JBL makes a strong position through its various activities, its number of clients, amount of deposit, and investment of money is increasing day by day. This bank already has shown impressive performance in investment. The bank now should think to start new services and take different types of marketing strategy to get more customers in this competition market of banking.

As there are lots of local and foreign banks in Bangladesh, the Janata Bank Limited is promising commercial bank among them all. In this competitive market, bank has to compete not only the others commercials but also with the public ones. JBL is more capable to contributing towards economic development as compared with other bank. JBL invested more funds in export and import businesses. It is obviously that the right thinking of this bank including establishing a successful network over the country and increasing resources will be able to play a considerable role in the portfolio of development. Successes in the banking business largely depend on effective lending and timely ensure recovery. Huge amount or contribution on remittance as well as the general activities will enhance the economic improvement in national and international perspective of the country and the bank itself as a mark of providing services to the clients. Hope the more modern and easy appliances and techniques as well as proper and trained personnel will raise the benchmark of JBL in the highest rank of the world along with the country and pride itself as a shining star in the sky.

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