

# **Internship Report**

## **On**

### **General Baking Activities of JBL**





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# **“General Banking Activities of Janata Bank Limited”**

**Prepared For:**

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## Letter of Transmittal

March 28<sup>th</sup>, 2017

Dr. Suman Paul Chowdhury

Assistant professor and MBA coordinator

BRAC Business School, BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report.

Dear Sir,

With due respect I would like to submit my internship report on “General Banking Activities of Janata Bank Limited” as a requirement to complete B.B.A. program. I have learned a lot throughout my internship period which I have tried to highlight by writing this report. I tried my best to include all relevant informations about general banking activities that I have got the chance to collect. Though it was a challenging, I really enjoyed my internship period because of the friendly environment of Janata Bank Limited.

So, considering the limited period of time if you allow me to submit my internship report then it would be your greatness and in addition, I also would like to give my thanks for your valuable time, suggestions and guidance. It was a blessing for me that I got my favorite faculty as my supervisor.

Your sincerely,

---

Arif Ahmed Sourov

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## **Acknowledgement**

At the very beginning of my writing I would like to give my thanks to Allah who helps me in every stage of my life and specially to faculties of BRAC University who make me capable to apply for an internship.

Secondly, this is also high time for me to convey my deepest gratitude and sincere submission to Allah for giving me the strength and brave for the accomplishment of preparing the internship report.

Then, I feel honor to lay my sincerest gratitude to my honorable supervisor, Mr. Suman Paul Chowdhury, Assistant Professor and MBA coordinator who helps me, encourages me and guiding me by giving valuable suggestions and guideline throughout the period of my internship, without his support it was not possible to prepare this report. I also very glad to get the chance to do advanced accounting course under his authority.

After that, it was a great opportunity for me to complete my internship program at Janata Bank Limited, Amin bazar branch and because of that another special thanks will go to Deputy General Manager of JBL. I am also very grateful to my branch manager, operating manager and officers for their great support.

Finally, I am fortunate for the aid and encouragement I have received from all of my teachers and staffs and friends of BRAC University.

## **Executive Summary**

Internship provides an opportunity to translate the theoretical concepts into real life working environment. As a requirement of BRAC Business School, I have done my internship in Janata Bank Limited. JBL started its journey from 1972 in order to rebuild countrys economy. In 2007 it becomes corporate and now it is the second largest nationalized commercial bank in Bangladesh based on deposit or asset. For turning, planning vision into reality it is offering wide range of services with a strong investment portfolio that I have tried to highlight throughout this report. In my internship period, I felt some limitations in Janata Bank Limited that I have covered in this report by adding findings and recommendations. For making the report more visible and realistic, I have done performance analysis of JBL which gave an attractive result for me and others related parties.

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# Chapter One

## Introduction

### 1.1 Introduction of the Report

Bank is the earliest intuition which take the initiatives to change the collapsed economic of Bangladesh that was faced by the people of Bangladesh after war against the West Pakistani occupation army, a war, full of blood and tears, trauma and pain of millions of our beloved ones. Bank always plays vital role for every countries in this world to through various contributions.

Banks basically supply money to three parties. First of all, household who needs it for householder expenditures, buying automobiles and household items. Secondly, to corporations who demand money for projects. Corporation funds the project through equity and debt but cost of equity always greater than cost of debt. Finally, to the government who needs money at the time of budget deficit. Actually aggregate demand of loanable funds depends on interest rate which determined by the aggregate supply and aggregate demand of money. So, household demands are more elastic, corporation demands are less elastic and government demand is inelastic.

Now-a-days as the world is developing continuously and more and more new bank is coming at the aim of providing services, that is why; bank is increasing the range of its products and services. In Bangladesh, commercial bank is profit maximizing institution and they charge higher rate of interest rate but it depends because of competitive environment. On the other side, the main purpose of nationalized commercial banks is not just to make profits but also to maximize the social benefits. Commercial banks provide variety of services to the customers comparing nationalized commercial banks. For an example, remittance facilities, credit information about customers, financial advice, collections of debts and duties, issuing L.C, mobile banking services and son on. Commercial banks also sell t-bill or t-bond for government by buying from central bank for raising fund for government. Though their purposes of operating are different, both banks are needed for the developing on economic condition for any country in this world and their contributions always deserves respect and reward.



## **1.2 Origin of the Report**

The report is originated as a partial fulfillment of the BBA program of BRAC Business School (BBS), BRAC University. This report is mandatory for the completion of BBA and the course Internship (BUS 400) which carries four credits as well. I was placed at Amin bazar branch of Janata Bank Limited for my internship program and prepared report on “General Banking Activities of Janata Bank Limited”. During my internship period, I am adjusting and applying my theoretical knowledge with my practical experience. The main purpose of the program is to expose the students to the professional life.

## **1.3 Limitations of the Report**

As it has already mentioned for completing BBA program according BRAC Business School requirement I have to submit a report to BRAC University, that is why, from the first day I have they I have tried to collect information relevant to my reports. As like others organization has their own policies, Janata Bank limited has their own policies for outsiders and inters. According to their policies I had some restrictions to access information, some informations I got by officers support and some I failed to collect as it is very confidential according to JBL. For most of the information I had to depend on JBL web sides. In preparing this report some problems and limitation have encountered which are as follows-

- ✓ Officers were very busy with their responsibilities. Many of them failed to manage time to have a talk with me during the given time.
- ✓ Time was very limited for learning the complex operating system.
- ✓ I was appointed to the branch and that is why, I failed to collect corporate information relevant to bank informations.
- ✓ Lack of opportunity to access to internal data.
- ✓ One of the major limitations is to get financial information of 2016 as my done my internship period 2015-2016.
- ✓ Legal actions related information was not available.

## **1.4 Objectives of the Report**

Everything has a purpose to do and my purpose of preparing the report are given below-

- ✓ To give a review what I have learnt through my internship period.
- ✓ To represent a clear knowledge about all the division and departments of JBL.
- ✓ To have an exposure to the functions of general banking.
- ✓ To highlight the limitations and my findings of Janata Bank LIMITED.
- ✓ To give a touch of JBL working environment.
- ✓ To distribute informations about the interest rate on deposits and services that they are offering for customers.
- ✓ Finally, give my own recommendations based on my own point of view.

## **1.5 Methodology of the Study**

To prepare the report, data has been collected from various sources. After collecting data, it has been analyzed, interpreted and presented in systematic way. I have collected data from two sources and those are given below-

### **❖ Primary Sources-**

- ✓ Get the chance to observe and work in Janata Bank Limited, Amin bazar branch.
- ✓ Discuss with officers about their responsibilities and how they solve tasks.
- ✓ Direct communication with clients.
- ✓ Learn how they handle the uncertain situation.
- ✓ Simple depth interview technique was used by asking open-ended questions to collect informations.

❖ **Secondary Sources-**

- ✓ Firstly, Janata Bank Limited website.
- ✓ Annual report of JBL till 2015.
- ✓ Various articles, Journals about general banking activities.
- ✓ Access Bangladesh Bank website
- ✓ Report on JBL general banking actives.

# **Chapter Two**

## **About Janata Bank Limited**

### **2.1 A Brief History of Janata Bank Limited:**

#### **Background**

As it is realized that with the rise of Bangladesh as a free, sovereign state in 1971 following an overwhelming nine-month war against the West Pakistani occupation armed force, a war, brimming with blood and tears, injury and torment of a large number of our dearest ones, the legacy of modifying the officially broken financial base of the country was felt as an emergency call of the day against a crumpled economic reality of a recently conceived state.

#### **Inception**

In this situation, with a specific end goal to remake the countrys economy, measures had been taken to consolidate various banks already operated in this local and make new banks and these activities led to formation of Janata Bank in 1972 by joining the erstwhile United Bank Limited and Union Bank Limited under the Banks Nationalization Order (President's Order No. 26) of 1972. The newly formed Bangladesh Government took the decision of Nationalization of Banks due to the following reasons:

- ✓ Socialization of economic activities
- ✓ Constitutional obligation of the government to exercise complete authority over the banks' resources.
- ✓ To run the business of the banks that were left by the Pakistani and Bangladeshi owners the banks were nationalized as per directives of the government vide Bangladesh Bank

- ✓ Nationalization Order (President's Order-26) of 1972 and Janata Bank was also nationalized under this order.

Unfortunately, the concept of Nationalization staggered due to over burden of Non-Performing Assets, deterioration of basic services, undue interference, and improper management and so on but later it has been overcome through corporatization.

## **Corporatization**

Janata Bank got registered with the Joint Stock of Registrars and restructured it as a public limited company with the name Janata Bank Limited in 15 November, 2007.

## **Roundup**

Counting 4 abroad branches in United Arab Emirates Janata Bank maintains its business with 910 branches the nation over with a major group of around 19,140 (As on 31.10.2016) employees and its head office located at Janata Bhaban at Motijheel C/A, the heart of the capital city, Dhaka.

At the end of 2015 the Bank held Deposit BDT 568,911.14 million, Advance BDT 349,861.30 million with Authorized capital BDT 30,000 million and Paid-up Capital BDT 19,140 million.

Janata Bank Limited, a corporate body trusted over the years, the 2nd largest (in respect of Deposits/Assets) commercial bank in Bangladesh, has been playing pivotal role in overall financial activities of the country and is possessing a long heritage of discharging laudable services to the society since her embankment immediately after the emergence of this verdant rich alluvial soil as a sovereign, independent state.

The contribution of the Bank to the national economy and social reform has set standard bar so high that others in this business cannot help aspire touching the benchmark of success earned by JBL. More so a matter of great honor is that the contribution, commitment and success of the Bank have been recognized with a number of prestigious awards by national and international organizations of repute.

## **2.2 Vision:**

The vision of JBL is to be the effective largest commercial bank in Bangladesh to support socio-economic development of the country and to be a leading bank in South Asia.

## **2.3 Mission:**

Based on the vision, mission of JBL is Janata Bank Limited will be an effective commercial bank by maintaining a stable growth strategy, delivering high quality financial products, providing excellent customer service through an experienced management team and ensuring good corporate governance in every step of banking network.

## **2.4 Objectives:**

- ✓ Providing best service using modern technology.
- ✓ Making the easier and at the same time effective and efficient
- ✓ Full implementation and utilization of the bank excellence program which aims to provide service to customers.
- ✓ Collect more deposit and utilize that properly.

## 2.5 Corporate Information:

Name	Janata Bank Limited
Registered Address	Janata Bhaban, 110, Motijheel Commercial Area Dhaka - 1000, Bangladesh.
Legal Status	Public Limited Company
Chairman	Shaikh Md. Wahid-uz-Zaman
Managing Director & CEO	Md. Abdus Salam
Company Secretary	Md. Mosaddake-Ul-Alam
Date of Incorporation	21 May 2007
Authorized Capital	BDT 30,000 Million
Paid up Capital	BDT 19,140 Million
Face value per share	BDT 100 per share
Shareholding Pattern	100% Share owned by the Government of Bangladesh
Number of Employees	13,498(As on 31.10.2016)
Banking license obtained from Bangladesh Bank	31 May 2007
Phone	+88 02-9560000, 9566020, 9556245-49, 9565041-45, 9560027-30
Fax	88-02-9554460, 9553329, 9552078
SWIFT	JANBBDDH
Website	<a href="http://jb.com.bd">http://jb.com.bd</a>
E-mail	<a href="mailto:md@janatabank-bd.com">md@janatabank-bd.com</a>

Figure 1: Janata Bank Ltd. Corporation Information.

## 2.6 Management of JBL:

As it has mentioned that Janata Bank Limited is the second largest commercial bank based on deposit & asset and because of utilizing it along with reaching to the goal it has a strong managing team who are operation it through 910 branches within and outside the country. The head office is located at Janata bhaban 110 Motijheel C/A and four overseas branches at U.A.E. out of 910 branches. JBL has 15 GM, 77DGM, 192 AGM, 576 First AGM, 1037 SEO 3085 EO and 460 AGM.

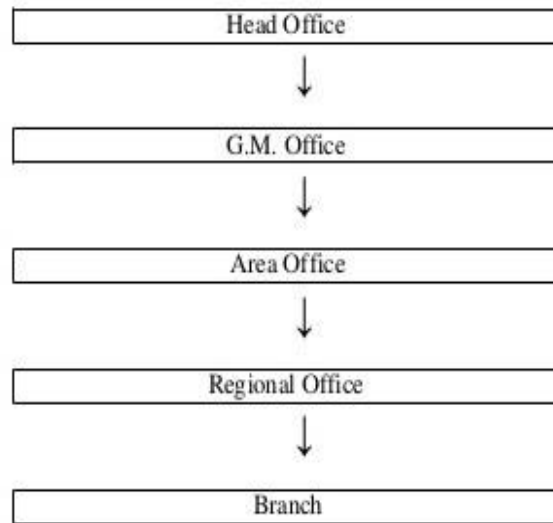


Figure 2: Functional Hierarchies

## 2.6 List of Branches:

Classification of active branches of Janata Bank Limited are given below

Local Office	1
Corporate-1 Branches	15
Corporate-2 Branches	61
Overseas Branches	04
Grade-1 Branches	290
Grade-2 Branches	213
Grade-3 Branches	294



294 Grade-4 Branches	107
Total Branches	910

Figure 3: JBL Branches

## 2.8 Board of Directors

Board of directors consisted of 10 members headed by a chairman who are responsible to organize, operate and manage the operations of Janata Bank Limited and lead it toward its vision and mission by following the board policies of government. The Managing director is government appointed who is the chief Executive of the board and he or she needs to have an experience at least three fields out of Finance, Banking, and trade, Commerce, Industry and Agriculture. Directors are representatives from both public and private sectors.

Name and position of ten members are as follow

### *Chairman of the Board of Directors*

- ✓ Shaikh Md. Wahid-uz-Zaman
  - Former Principal Secretary to the honorable Prime Minister

### *Members of the Board of Directors*

- ✓ Khondker Sabera Islam
  - Former Deputy Managing Director Agrani Bank Limited
- ✓ Mr. Md. Mofazzal Husain
  - Former Managing Director Rajshahi Krishi Unnyon Bank
- ✓ Mr. Masih Malik Chowdhury, FCA
  - Managing Partner Masih Muhith Haque & Co. Chartered Accountants
- ✓ Mr. A.K. Fazlul Ahad

- Additional Secretary (retired) govt. of the People's Republic of Bangladesh
- ✓ Mrs. Luna Shamsuddoha
  - Chairman, Dohatec New Media Managing Director Global Voice Telecom Limited
- ✓ Mrs. Selima Ahmad
  - Vice Chairperson Nitol-Niloy Group
- ✓ Mr. Mohammad Abul Kashem
  - Additional Secretary (retired) govt. of the People's Republic of Bangladesh

#### *CEO & Managing Director*

- ✓ Mr. Md. Abdus Salam

## **2.9 Regulations**

As like others bank, Janata Bank controls are a type of government directions which subject banks to specific requirements, restrictions and guidelines. This administrative structure guarantees transparency between banking institutions and the people with whom JBL conducts business, in addition to other things.

Quickly after the rise of Bangladesh in 1971, the Bank emerged as “Janata Bank” by joining the erstwhile United Bank Limited and Union Bank Limited under the Bangladesh Banks Nationalization Order (President’s Order 26) of 1972. “Janata Bank Limited” has been corporatized on 15 November, 2007 according to Clause (1) of Article 27A of The Bangladesh Banks (Nationalization) Order 1972.

*Objectives of Janata bank Regulations:*

- ✓ Prudential- To reduce the level of risks to which bank creditors are exposed (i.e. to protect depositors)
- ✓ Risk reduction- To reduce the risk of disruption resulting from adverse trading conditions for banks causing multiple or major bank failures.
- ✓ Avoid misuse of banking practice- To reduce the risk of bank being used for criminal purposes, e.g. laundering and terrorism financing.
- ✓ To protect banking confidentiality.
- ✓ Credit allocation- To channel credit to favored sectors
- ✓ It may also include rules about treating customers fairly and having corporate social responsibility (CSR)

*Bank Regulations and Guidelines:*

- ✓ Janata Bank Service Rules-1995
- ✓ Janata Bank Service Rules-2008
- ✓ Anti-Money Laundering Policy
- ✓ Credit Management Policy
- ✓ Consumers Financing Policy
- ✓ Green Banking Policy
- ✓ Export Policy
- ✓ Import Policy
- ✓ Disclosure on Risk Based Capital (Basel II) 2012

As Basel III recently introduced that is why, Janata Bank has gone for Basel III as they were following Basel II before.

**2.10 Corporate Social Responsibilities (CSR)**

Corporate Social responsibilities (CSR), a standout amongst the most complex, radical terms is being dealt with as the determinant of corporate viewpoint towards society with business exercises of an association. Corporate social responsibilities are turning into a key activity and a fundamental device in the advancement of underdeveloped nations all through the globe. In recent time CSR has got more acceptability than profit expansion. It is an idea whereby associations consider the interests of society by assuming liability for the effect of their exercises on clients, workers, shareholders, groups and the earth in all parts of their operations. This obligation apparently extends past the statutory obligation to comply with legislation and associations see willfully finding a way to enhance the standard of life of representatives and their families and in addition of the nearby group and society at large.

#### *View of Janata Bank Limited towards CSR*

JBL sees CSR activities as a critical component of continuous improvement, like the overall effort to be a more socially responsible and sustainable organization.

Being one of the leading state-owned commercial banks in Bangladesh, Janata Bank Limited, with its 910 branches has also realized its responsibilities to the society and is contributing to the amelioration of the social life of the destitute people, infra-structure, environment etc. Not only that, it has stepped forward to introduce interest-free loans to the poor and marginal farmers in the Aila-Sidr-Monga unit areas.

#### ***Formation of Budget***

The budget for performing CSR activities is managed from the profit earned by the bank each year. Since its inception, the break-down of the budgets devoted to the philanthropic initiatives up to 2013 are as follows:

Year	Budget (in million taka)	Fund utilized (in million taka)
2013	310	292.30
2012	250	113.37
2011	100	68.77
2010	70	61.28
2009	25	17.07

Figure 4: CSR Activities fund budget.

### ***Field of CSR Activities***

Janata Bank Limited Follows some fields for CSR activities that give the opportunity deeply focus and are effective and efficient. Fields are given bellow and Research

- ✓ Education and research
- ✓ Health and Treatment
- ✓ Poverty Reduction and Rehabilitation
- ✓ For repaying loan interest of the poor and marginal farmers and for leather sector business promotion
- ✓ History, Culture and sports
- ✓ Information Technology
- ✓ Natural Calamity
- ✓ Protection of Environment and
- ✓ Miscellaneous

### ***Policy for CSR Activities in JBL***

Janata Bank Limited also make policies for CSR activities based on the DOS circular No-02, dated 02.06.2009 and "CSR Evening: Meeting Social Goals" organized by Management and Resources Development Initiative (MRDI).

## **2.11 Award and Reorganizations:**

As it has mentioned that it has started its journey since 1972c with vision, mission and objective, it has earned lots of award which finally makes the Bank helps to recognized internationally and domestically for its good performance.

Some of achieved awards are

- ✓ ICMAB Best Corporate Award - 2015 by ICMAB
- ✓ 14<sup>th</sup> ICAB National Award for Best Presented Annual Reports 2013
- ✓ The Asian Banking & Finance Retail Banking Awards - 2013
- ✓ Business Asia Most Respected Company Awards-2012
- ✓ Best Bank in Bangladesh Award- 2009
- ✓ The Bank of the year for Bangladesh 2001

## **2.12 Credit Rating**

Emerging Credit Rating LTD done the rating of Janata Bank Limited by analyzing the annual report of 2012-2015 and others qualitative and quantities information related to analyze. Janata Bank Limited has got A+ which is better than last time and that is good sign for the shareholders and others related parties.

Credit Rating Report		
Rating Mode	Long Term	Short Term
Government Support	AAA	ECRL-1
Without Government Support	A+	ECRL-2
Outlook	Stable	
Date of Rating	11 May, 2016	
Expiry Date	10 May, 2017	
AAA	indicates an exceptionally strong capacity to meet its financial commitments.	
A+	indicates a strong capacity to meet its financial commitments.	
ECRL-1	indicates a superior capacity to meet its financial commitments in a timely manner.	
ECRL-2	indicates a strong capacity to meet its financial commitments in a timely manner.	

Figure 5: Credit rating of JBL.

## Chapter Three

### General Banking Activities of Janata Bank Limited

#### 3.1 General Banking

General Banking or Retail Banking refers to the division of bank that deals directly with retail customers. It is also known as consumer banking. In Short, General Banking is the combination of all departments and the activities performing in banking operation.

The main purpose of bank to collect deposit with a short interest and give loan to the people with in a high interest and through these, bank earns profit. This is not the actual profit because this profit affects by various factors like inflation, classified loan, operational cost and cost of others activities such as CSR activities and so on.

Every day bank receives deposits from depositors/clients/customers, maintains the SRR & CRR and utilizes the excess money. It also performs some important activities related to this like open new account, remits customers money from one place to another place by issuing bank draft, pay order, foreign remittance, and collect check. For doing these activities, government and banks have some polities which the banks are bound to follow.

### **3.2 Procedure for Opening New Bank Account**

All customers need to go through the given (below) procedure for opening a new bank account. This procedure is created by Bangladesh government to make the transection more visible, tractable or recordable.

1. Fill up the opening form properly and correctly,
2. Attached two copies of passport size photographs,
3. Introduce by an existing account holder (Must),
4. Giving three signature to the signature card,
5. Voter ID card number and photocopy,
6. Voter or national ID card of nominee,
7. One copy photocopy of nominee attested by account holders,
8. Trade license photocopy, number (in case of business account),
9. Income tax photocopy and number (if applicable).



These are the restricted procedure for opening a bank account in Janata Bank Ltd.

### **3.3 Deposit Products:**

#### **❖ Current Account:**

Janata Bank Limited offers current account service for its customers or clients for day-to-day transaction. This is a service which has no restriction and no restriction means customers can deposit and withdraw money as many times as they want. This account service pay no interest. Normally, business persons or business firms take this kind of service because through this account they can easily give check to their clients and for withdrawing money, clients just need to submit the check to the cash counter. As this is business account, this account holder can deposit and pay checks any amount of money without any restriction.

#### ***Requirements for Opening Current Deposit Account***

- ✓ Two copies of passport size photograph,
- ✓ Photocopy of National ID card,
- ✓ Photocopy of TIN certificate, if any,
- ✓ Memorandum and Articles of Association (for limited company),
- ✓ Certificate of incorporation (for limited company),
- ✓ Board resolution for opening an account (only for limited company),
- ✓ Valid trade license (up to date),
- ✓ Photocopy of VAT certificate (if available),
- ✓ IRC & ERC photocopy (if available),
- ✓ List of all directors, (if applicable),
- ✓ Others paper (if necessary).

In this kind of account, account holder can mention who will be able to issue check and is there any needs to authorize the check from another person or not.

### ***Main Procedure for Opening Current Deposit Account***

- ✓ Account opening form has to be filled up in front of the officers by going to the bank,
- ✓ An introducer has to be introduced who has an account in this bank. Sometime bankers help in this point,
- ✓ An initial amount has to be deposited for opening this account- taka 1000,
- ✓ Minimum balance has to be maintain in this account- taka 1000,
- ✓ All required information and paper has to be submitted.

### **❖ Saving Deposit Account**

This is account through which customers or account holders can deposit their money and withdraw their money as like current deposit account but the different is that for this account (saving deposit account) customers need to maintain some restriction for an example, limited times for deposit & withdraw in a month. Beside this, if customers withdraw a bigger amount of money which is not in regular transaction, they need to take permission from responsible person. Though it has some restrictions, still it is popular to the people of Bangladesh because they get interest on their deposit and right now its 3.5%.

### ***Main Requirement for Opening Saving Account***

- ✓ Account opening form has to be filled out by coming to the branch of Janata Bank Limited.
- ✓ An initial deposit is required for opening this account- taka 500,
- ✓ Minimum balance has to maintain in this account- taka 500,

- ✓ Requirement documents has to be submitted for opening this account for an example- National ID card photocopy,
- ✓ Nominee photocopy and national id card or birth certificate has to submitted to the bank with form,
- ✓ Up to date trade license (for organization),
- ✓ Photocopy of TIN certificate if any,
- ✓ Parents or legal guardian can open a saving bank account on the behalf of their minor children,
- ✓ Illiterate person also has the right to open this kind of account. For doing transection he or she could use thump impression instead of signature. For withdrawing money, account holder has to be present in the bank

According to the Janata Bank procedure interest has been given on June and December based on the deposited amount in the bank.

### ***Main Procedure to Open Saving Account***

- ✓ Account opening form has to be submitted to the bank by filling up properly and signature has to be given in front of the officer on signature card,
- ✓ At least some necessary documents have to be submitted,
- ✓ Initial deposited is required,
- ✓ Until account has been closed, minimum deposit has to be maintained.

### **❖ Fixed Deposit:**

Fixed deposit also knows as FDR. This is time deposit not demand deposit. Depositor cannot withdraw money before the maturity date. Depositor keeps a fixed amount of money in the branch of a bank. Depositor gets a high interest rate for keeping the money in the bank for a certain period of time. This kind of account is the main focus or attractive account for the bank because bank does not need to maintain money for regular

transaction for this kind of account. Bank can invest the excess money for a certain period of time. As like others bank Janata Bank Limited also gives high interest that is given below. Depositor has the right to withdraw money before maturity; in this case they will get less interest or might be no interest for keeping the money in the bank. Depositors can withdraw the money only from that branch where they have deposited the money.

Period	Interest rate
For 3 months to > 6months	4.50%
For 6 months to > 12 months	4.75%
For 12 months to > 24 months	5.00%
For 24 months to > 36 months	5.00%

Figure 6: FDR interest rate.

As it has mentioned before that customer has the right to withdraw their money at any particular time by giving a short notice before some days, they will get less interest rate and that are as follow

- ✓ Withdraw before 3 months no interest will be given,
- ✓ If withdraw before 6 months then they will get 3 months interest rate,
- ✓ If withdraw before 1 year, there will be 3 months' interest rate,
- ✓ If withdrawal happens before 2 years, 1 year interest rate,
- ✓ If withdrawal happens before 3 years, 2 year interest rate.

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

According to this account system, account holder can deposit any amount in every month to a certain period of time and after the maturity account holder would be able to withdraw his or her money at one time or monthly basis. This opening this account, account holder should be 18 years old and deposited money will be 500 taka to 20000 taka in every month. The amount will be same in every month. The account holder cans

nominee more than one person to withdraw his or her money after his or her death. The most attractive side is that JBDS was exempted from income tax and this scheme gave the depositors a chance of bearing educational or marital expenses of their sons and daughters.

❖ **Sonchoy Pension Scheme (SPS):**

As one of the targets of Janata Bank Limited is to improve the socio-economic condition by providing necessary support in an effective and efficient way and because of that, JBL started “Sonchoy Pension Scheme”. The main characteristics of SPS are as follow-

- ✓ Any person more than 18 had the right to open this account,
- ✓ Amount of installment per months is taka 100, 200, 300, 400, 500 or 1000
- ✓ Depositors can issue more than one nominee but he or she has to mention what will be the portion for each nominee.

❖ **Short Term Deposit**

If the depositor keeps huge or big amount of money in the bank, then they will get an interest on that money. For getting that deposit, depositors have to keep that money at least for seven days then they will get the interest. In this account bank normally discourage to frequently withdraw the deposited money. A STD (seven days’ notice current account) has to give before withdraw the deposited money.

Interest rate in term of short term deposit are given below

STD	Interest rate
Up to 10 crore	3.5%

Above 10 crore	3.6%
----------------	------

Figure 7: Short term deposit interest rate.

### 3.4 Transfer of Account Another Branch

Sometime for specific reason customers want to transfer his or her account from one branch to another branch with in the same bank. In this case the account holder requests to transfer his or her account by giving following instructions-

- ✓ Reason for transferring the account,
- ✓ Address of the branch at which customers wants to transfer the account
- ✓ The given or issuing check book has to be return before transfer.

After verification, approved by manager the existing branch will send a forwarding letter to the branch where the account will be transfer. After getting the letter and approved by the manager the account will be transferred based on the following entries

Customers account.....Dr.  
 Transferred Branch Account.....Cr.  
 Service charge.....Cr. (if applicable)

### 3.5 Accounting Closing

An account can be closed by two ways. One is by bankers which is common and another on is by customers which very uncommon and difficult.

- ✓ If the customers do not do any transaction within six months then the bank has the right to close the account. The customers can re-open it by following some procedure.
- ✓ If the customer wants, he or she can close the account by giving an application to the manager and following some procedures.

In real life a customer cannot close his or her account. If he does not do the transaction for a longer period, it becomes close.

### **3.6 Remittance**

Remittance means sending the money from one place to another place through post or telegraph. Commercial bank offers this service because this is profitable and popular among customers. There are two types of remittance.

#### ❖ Foreign Remittance-

- ✓ EFT (Electronic Fund Transfer) is a system through which fund transfer from one account to another account or different financial institution to different account through a computerized system.
- ✓ Instant cash payment- A form of liquid funds given by customers to a product or service provider as compensation for receiving that product.
- ✓ Web based spot cash payment- Money that is paid for something immediately, when it is delivered.

#### ❖ Inland Remittance-

- ✓ Demand draft- A branch of a bank give an order to another branch of the same bank to pay the fixed sum money to the specific person. It is payable on demand.

- ✓ For overseas TT (Telegraphic Transfer) used. It is an electronic method of transferring fund.
- ✓ Mail Transfer (MT) - this is a procedure to transfer money.

### **3.7 E-service**

As like other commercial bank, Janata Bank Limited provides the e-service to its customers and it gives the opportunity to Janata Bank Limited to compete with others commercial banks.

#### **❖ ATM Service**

As we all know that using credit card has a communicative effect on bank because if the depositors withdraw their money then line has been broken and bank will suffer for cash. Now-a-days all bank is providing online banking service to their clients by issuing debit and credit card. All banks are establishing ATM facilities for their customers and based on the number Dutch Bangla Bank limited is in the first place. As it has already mentioned that Janata Bank Limited is the second largest commercial bank in Bangladesh from asset and deposit perspective, that is why they are trying to go to the online banking system and rapidly they are improving their situation or condition. Today customers of Janata Bank Limited can issue a debit or credit card easily. Some of the features of their cards are given below-

- ✓ First of all, Connected with NPSB (National Payment Switch Bangladesh),
- ✓ Card holders can use any ATM & POS (point of sales) within Bangladesh,
- ✓ Running under the largest network of Bangladesh.

Beside these, clients will pay a minimum fee for using the service which less than 700 taka per month. They will get SMS alert service and no hidden cost.



### ❖ Q-cash Service

JBL is the first among the Nationalized Commercial Banks who has introduced ATM services and be the pioneer members of shared Q-cash consortium. As it has already mentioned that a customers of Janata Bank Limited can easily get a Debit or Credit Card by paying a monthly fees. Through Debit or Credit Card one can easily buy products from shop. Beside these, anyone can use BRAC Bank ATM or Dutch Bangla Bank ATM facilities for getting cash by using their cards.

### Debit Card



### Credit Card



### 3.8 Operation of Check

Check is one kind of order to the bank to pay written amount of money to the Brower In the check, drawer has to write name of the person who will be paid, date, amount and finally he or she has to give signature as like as he or she has given to the bank signature card at the time of opening the account. There are three parties who involve in a check

- The drawer,
- The drawee (the bank) and,
- The payee (to whom the check is to be paid).

There have some procedures to pass a check. These are given below-

- ✓ First of all, the check will be properly filled up by the drawer and the payee has to submit it to the cash counter. The payee has to be a normal person. Normal person means he or she is capable for getting money.
- ✓ If payee is third person then he or she has given two sign on the back page of the check. In some case, he has been asked to submit National Id card photocopy for getting money.
- ✓ Before giving the money to the payee, signature has to be verified and any other requirement given by account holder must be checked.
- ✓ There is various kind of check. In some case, the amount will be transfer to the bank account instead of paying in cash.

- ✓ If everything is correct then the authority will pay the money to the payee and amount will be debited from bank journal. If needed, Bank can take confirmation from the account holder for issuing the check.

### **3.9 Issuing Checkbook**

Janata Bank offers Normal checkbook and Magnetic Ink Character recognizable (MICR) checkbook. Beside these, it has three level checkbook.

- ✓ Saving Account- For saving account clients Janata Bank provides ten leaves check book.
- ✓ Current account- Twenty leaves check book are provided to the current account holders client.
- ✓ For loyal clients: Clients who normally do lot of transactions for an example- business person or corporate, they got fifty leaves of check book. They are current account holders but based on their transaction level and amount, they proved themselves as loyal client of JBL.

#### **❖ Checkbook Issue to a New Account Holder**

When a client or customer open a new bank account the consciously or unconsciously he or she fills up another form for getting a check book. He or she puts the necessary information on that form and submit it to the officer by putting his or her signature on the required field. The officer after getting the paper checks the given signature and verifies that and then put Branch seal and his or her own signature, date, name of the account holder, account number and check number is recorded in the register book. When the check is ready to pick or collect, the client or customer can collect it by putting a signature in the register book.

### ❖ **Check book Issue to Existing Account Holder**

When an existing deposit holder wants a new check book then he or she needs to submit a form to the bank officer which is included in the checkbook. This form means that this account holder has some few times to do transaction. The account holder needs to fill up the form and then submit it to the officer the officers, will check the existing check book and the verifying the signature apply for a new check book. When the check book is ready, the account holder can collect it by putting a signature to the register book.

### **3.10 In the Situation of Lost Checkbook**

When the existing checkbook is lost, the account holder has to give an application to the branch manager. After getting the application form (depends), officers will verify the signature and issue for a new check book. After being ready, the account holder can collect it by putting signature in the register book.

### **3.11 Clearing**

Clearing is a system through which bank can collect customers fund from another bank through clearing house. For an example, I have an account in Amin bazar branch and I deposit my money in Mohakhali branch, so Amin bazar branch will generate an ordinary and Mohakhali branch will generate response for my transaction in the same bank.

### ❖ **Clearing House**

It is place where the representative of different banks gets together to receive and deliver check with another bank. Normally, Bangladesh bank performs the clearing house. The procedures of collection are given below-

- ✓ Putting the receive seal on the check,
- ✓ Check are shorted bank wise and entries are given to the computer,
- ✓ “payees’ account credit” endorsement is given,
- ✓ Putting crossing seal in the check,
- ✓ Entry is given in the outward clearing register,
- ✓ Entries are given in the clearing house register before dispatching to the clearing house,
- ✓ Clearing seal is given.

### **3.12 Return Check**

There are several reasons for check return or dishonored. Some of them are-

- ✓ Insufficient fund,
- ✓ Exceed agreement
- ✓ Full cover not received,
- ✓ Payment or transection stopped by drawer,
- ✓ Payees endorsement irregular/ illegible/required,
- ✓ Drawers signature differs,
- ✓ Check is past dated/ out of date or multi date,
- ✓ Amount in word and figure is different,
- ✓ Check has ruined,
- ✓ Invalid signature or signature does not match,
- ✓ Transection stops because of restriction given in the check.

If the check dishonor then entry will be given, party will be informed about it. Party has to put his or her signature in the register book to deliver the dishonor check. If the transection fails

because of insufficient balance, then the account holder will be punished for that by giving fine fees.

### **3.13 Cash Department**

Cash or money is considered as blood of financial institution. Sometime it has excess money and sometime face crisis for liquidity. As it has already mentioned that main function of financial institution is collecting money and issue loan. As depositor deposit money in the bank that is why, they have the right to demand for that at any particular time. The collection and provide of cash occur through cash department.

#### **❖ Cash Receipt**

When a client wants to deposit his or her money in the bank then first of all, he or she needs to fill up a deposit slip and then needs to submit it to the counter. After receiving money & deposit slip from the clients, officer performs following tasks-

- ✓ Officer ensure that all writing in deposit slips are correct,
- ✓ Then count the money and check it randomly for ensuring all is valid note and then write denomination in the front-page of the deposit slip,
- ✓ Then officer put cash receive seal on the slip,
- ✓ Put signature on the both part of the slip- bank and clients copy,
- ✓ Finally, the given entry in receive register book.

#### **❖ Cash Payment Process:**

When depositors want to withdraw their money then they need to write the check first and then present it or submit it to the cash counter. The process is given below-

- ✓ At first the following person needs to submit the check to the cash payment counter,
- ✓ The bearer has to give two signature on the backside of the check,
- ✓ Then the officer checks the check, verifies the signature and amount has been balance in his account (account holder),
- ✓ If every is as procedure & valid then amount has been debited from the depositor account and payment seal has been putted on the check. Finally, authorized officer made payment.

The responsible officer must have to maintain cash payment register. Some of the components of cash payment register book are-

- ✓ Check number,
- ✓ Account number,
- ✓ Payment amount,
- ✓ Authorized signature,
- ✓ Payment date.

### **3.14 Accounting Department**

Accounting department is one of the important departments of all banks. Account department of a particular branch maintain all types of accounting procedures and support the branch to take necessary measures by proving data and information. As we all know, the impotent key to reduce mistake is re-check and accounting department does it significantly. Functions done by accounting department are-

- ✓ Prepare daily statement of affairs,

- ✓ Give posting of voucher in computer
- ✓ Maintain transfer book,
- ✓ Prepare supplementary,
- ✓ Prepare daily, weekly, monthly, quarterly, half- annual and annually statement,
- ✓ Reconciliation of CIBTA,
- ✓ Prepare advice,
- ✓ Prepare income and expenditures statement,
- ✓ All administrative work.

After receiving any voucher accounting department needs to short list it based on

- ✓ Clearing,
- ✓ Cash or
- ✓ Transfer

#### ❖ **Clearing**

When accounting department officer receives clearing voucher, he or she sends it to the clearing division.

#### ❖ **Cash**

When accounting department receives cash voucher then it means payment made by clients.

#### ❖ **Transfer**

It means that amount has been transferred from one account to another account. This voucher only generates through this process.

Every working day after the 3pm account officers' taker the print copies of voucher of all related activities. Then they short listed that based on clearing, cash or transfer or also by following others head. After doing that they check it with the actual figure and amount to identify any mistake in the computer system. When they find out that all parts are clear then they match the



debit voucher and credit voucher and make sure that everything is going well. Finally, the account officers put their signature.

### **3.15 Loan and Advance Department**

Advance department is considered as heart of any bank. A big portion of revenue comes through this department. As it has already mentioned that bank earns money by investing depositors money and they earn profit through interest. Through investment decision is not an easy task and these responsibilities are taken by the management of Janata bank limited. Currently Janata Bank advance department plays a vital role in the economic development to make its plan vision and mission in reality.

Janata bank has an investment committee who are responsible for some measures like-

- ✓ Ensure the cash liquidity requirements and identify that, can this liquidity meet depositors requirement.
- ✓ Identify the new investment portfolio and this is the portfolio of Janata bank ltd.
- ✓ To examine banks deposit, investment and identify their surplus money,
- ✓ Responsible team should be active for recovery their substandard, doubtful, bad debt loan,
- ✓ They should take short term investment and return is high,
- ✓ They should aware about market and their investment portfolio,
- ✓ They must aware to identify new sources of investment.

#### **❖ Factors of Loan**

Janata Bank considers and monitors some of the factors before issuing any loan to any person or organization of Bangladesh. Some of the factors of their policies are giving below-

- ✓ Safety,
- ✓ Security,
- ✓ Liquidity,
- ✓ Adequate yield and
- ✓ Diversity of risk

A brief discussion about these factors

### **Safety**

Personal or loan seeker don't have money and that is why, person is asking for loan though that person could have a very profitable idea to invest. Bank cannot take this risk for investing depositors money. To come up from this idea bank wants collateral or mortgage from that person and they do valuation on that. When mortgage is able to issue loan against it then bank issue loan or otherwise, they are helpless. Nothing to do.

### **Security**

As it has already mentioned that bank should be careful about the selection of security for their loan and that is why, they should properly evaluate the value of security and it should be less or equal. NPV can't be negative.

### **Liquidity**

On the time of sanctioning any amount of loan manager and officers needs to be very careful about the available liquid portion of the bank and also the liquidity of mortgage or collateral.

### **Adequate Yield**

Bank should charge a higher yield for their investment. It would be higher than their given interest rate to the depositors.

## **Diversity of Risk**

Bank normally invests more sectors because if unfortunately one sector is in loss then it will earn profit from other sectors. By doing these. They diversify the risk of loss. Still, diversify does not eliminate all risk because if the economy falls bank has nothing to do. Bank always tries to secure their depositors money.

Janata bank Limited provides loan in different sectors for the development of our country and also for the business development. Sectors to which Janata Bank Limited issues loan are-

- ✓ Commercial loan,
- ✓ Agriculture/ rural credit,
- ✓ Loan mortgage loans,
- ✓ Rural transportation loans,
- ✓ Self-loans,
- ✓ Specialized loan programs,
- ✓ Large and medium term loan to industry,
- ✓ Agro based projects/industries term loans,
- ✓ Term/project loans for property industries,
- ✓ Term loans to small and cottage industry,
- ✓ Working capital loan,
- ✓ Import trade loans,
- ✓ Export trade loans,
- ✓ Service holders loans,
- ✓ Consumer credits,
- ✓ Financing in computer software and information technology industry,
- ✓ Cyber café loans,
- ✓ Women entrepreneur loan,
- ✓ Employment loans for rural womens
- ✓ Nursery, forestry and horticulture cultivation loan,
- ✓ Loans for disable persons,

- ✓ Loans for farming goats,
- ✓ Loan for leather goods exporting,
- ✓ Kakara loans for farming,
- ✓ Loans for the cultivation of flowers,
- ✓ Doctors loan,
- ✓ Financing in green banking.

### **3.16 The General Ledger**

After finishing the task of clean cashbook, account officers prepare the ledger to record all days transaction. For recording the transaction every branch has a ledger book. In that ledger, it has debit and credit side. The debit side of clean cashbook is transferred to the credit side in the general ledger and credit side of the clean cash book is transferred to the debit side in the general ledger. The accounts in the branch General Ledger are as follows-

- ✓ Janata Bank Limited General Account (SBG A/C),
- ✓ Fixed deposit Account,
- ✓ Short Term Deposit Account,
- ✓ Saving Bank account,
- ✓ Call Deposit Account,
- ✓ Current Account,
- ✓ Pay Order Account,
- ✓ Drafts Payable Account,
- ✓ Demand Loan Account,
- ✓ Cash Credit Account,
- ✓ Foreign Bill Purchase & Negotiable Account,
- ✓ Bill for Collection Account,
- ✓ Forced Loan Against Back to Back Loan Account,
- ✓ Advance Against Merchandise Account,
- ✓ Discount Account,

- ✓ Interest Account,
- ✓ Exchange Account,
- ✓ Commission Account,
- ✓ Charges Account,
- ✓ Profit & Loss Account,
- ✓ Stationary Account.

# Chapter Four

## SWOT Analysis, Finding and Recommendation

### 4.1 SWOT Analysis

The for function of SWOT analysis are-

- ✓ Strengths,
- ✓ Weaknesses,
- ✓ Opportunities and
- ✓ Threats.

SOWT analysis is very important because it gives the opportunity to find out internal strengths and weakness and also identify the external opportunities and threats. By doing SWOT analysis an organization can create strategy that will give competitive advantages in the marketplace which will be unique, valuable and difficult to copy. Strategies put together an understanding of the external environment with an understanding of internal strength and weakness. Like this, SWOT analysis gives an organization an insight of what they can do in future and how they can compete with their existing competitors playing in the same field and also create barrier for new comers.

SWOT analysis of Janata Bank Limited is presented underneath-

#### ❖ Strength

- ✓ Janata Bank is good in the banking sector as it has proved as second largest commercial bank in Bangladesh.
- ✓ It is stronger based on capital and asset.
- ✓ As a largest bank, it has qualified and experienced manpower.
- ✓ Good reputation within the community.
- ✓ They have huge number of branches around the country.
- ✓ Its Branches location is suitable for business,

- ✓ Have a good number of loyal customers from every sector.
- ✓ Helpful employees have been created.
- ✓ As a national bank, it always gets government support.
- ✓ Management knowledge of industry
- ✓ Regulatory performance is strong and positive.
- ✓ Strong investment portfolio.
- ✓ Have strong policies for valuation mortgage or collateral.
- ✓ Have a good loan and installment system.

#### ❖ **Weakness**

- ✓ IT section is backdated comparatively to others bank.
- ✓ Employees do not train properly and timely as it is one of the oldest banks in Bangladesh.
- ✓ Lack of motivation among employees.
- ✓ Customers address does not verify and same as customers' name in English.
- ✓ Sometime officers need to pay extra time due to lack of IT person.
- ✓ In some case, as it is a national bank, customers do not get a good behave from employees.

#### ❖ **Opportunities**

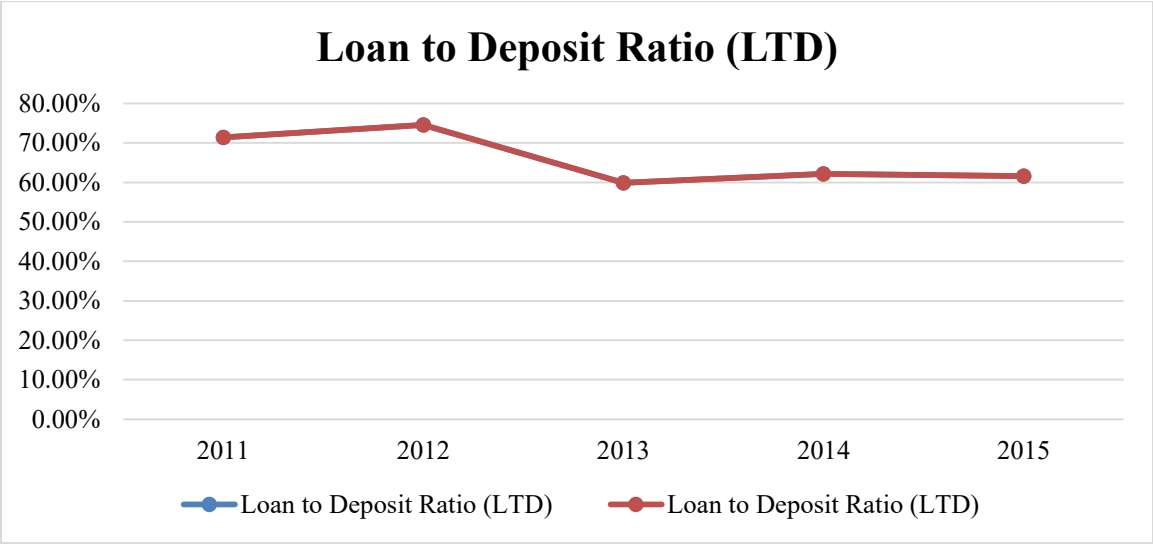
- ✓ Government scope for automation will open a big door of opportunity.
- ✓ They have lunched e-banking, online banking.
- ✓ Being a national bank they earned the people trust easily.
- ✓ Got government support at the time of financial crises.
- ✓ Expanding the business in abroad for fewer regulations.

### ❖ Threats

- ✓ Commercial banks are becoming rivals' day by day based on the number.
- ✓ Political unrest
- ✓ Other problem in national bank becoming people insecure.
- ✓ Problem to take decision for bank own needs- lots of sectors involved.
- ✓ Rules and regulation changes at any time ordering from Bangladesh Bank.

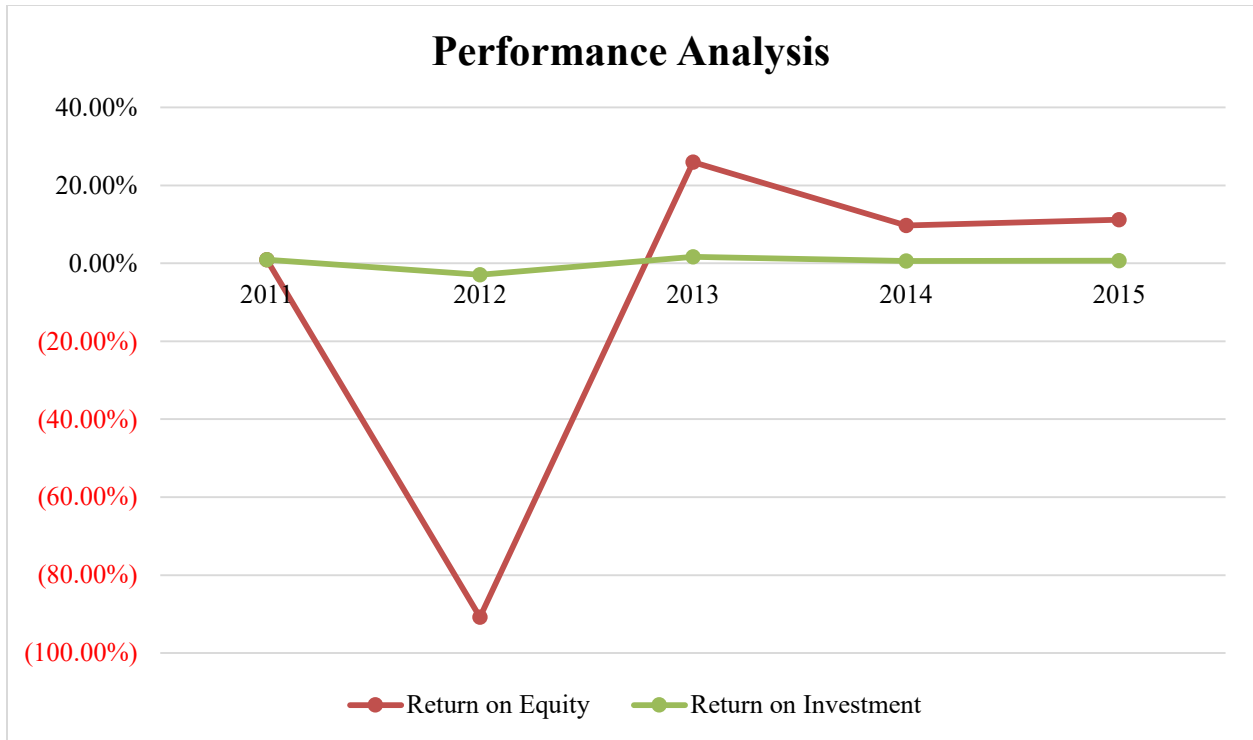


## 4.2 Performance Review



Graph 1: Loan to Deposit Ratio.

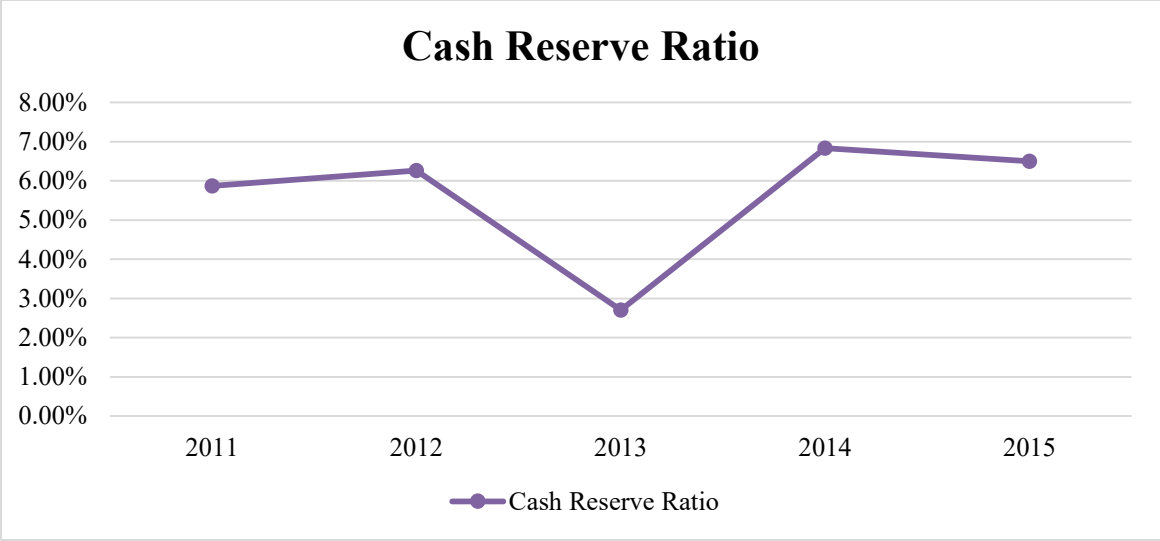
In this graph, we can see that loan has been dropped in 2013, increased in 2014 and again dropped in 2015. It was happened because of political unrest. People of Bangladesh in this period were not interested to invest by taking risk.



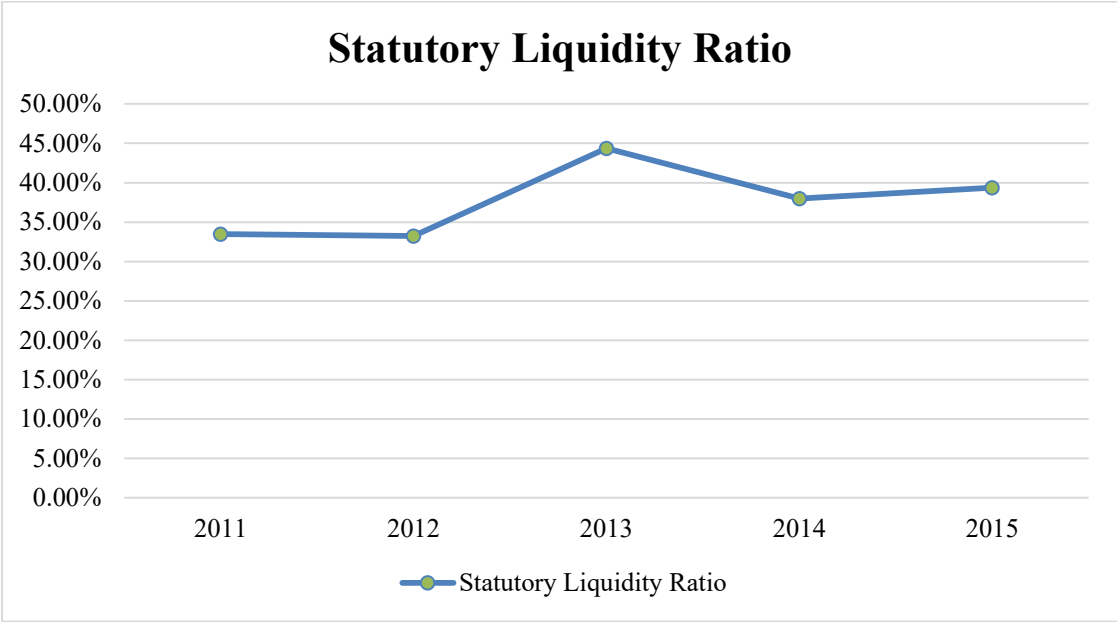
Graph 2: Performance Analysis.

Return on equity: in 2012 JBL faced net loss and it was happened because of paying differ tax. JBL earned increasing profit from 2013 to 2015 but because of also increasing shareholder equity, curve did not change like that.

ROI/ROA: If we consider curve, then we will get an upward slope of total asset curve and the result we can see in the given graph. The formula of ROI is  $\text{net income after tax} / \text{total shareholders' equity}$ .

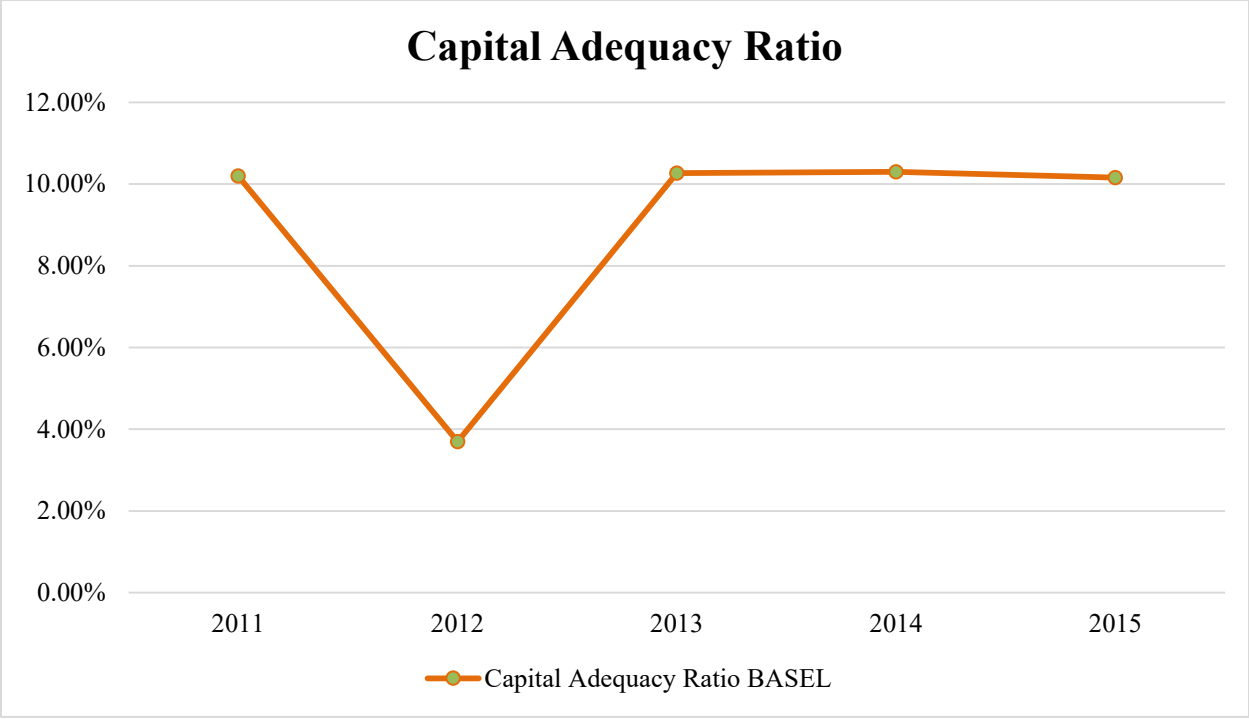


Graph 3: Cash Reserve Ratio



Graph 4: Statutory Liquidity Ratio

JBL kept CRR & SRR together. In 2013, JBL managing body decreased the CRR and increased SRR. But in the next year they back to their past mixture ration which not fluctuate in a significant level again. They kept more reserve which was a bad sign for related parties.



Graph 5: Capital Adequacy Ratio.

In 2012, ROE and ROA down which affect to the capital adequacy ratio. Might be, JBL failed keep provision for differ tax which increased the risk of JBL.

### 4.3 Findings

During my internship period I have gone through several departments and learn how the bank works & competes in real life. First of all, I have to say they (officers) are very friendly and always try to maintain a good and close relationship with their colleagues. From my practical experience I detected some problems and those are

- ✓ Sometime some officers do not behave good with clients.
- ✓ Customers are in the highest priority, do not consider in Janata Bank Limited.
- ✓ New customer cannot open account without introducer.
- ✓ No IT department or person is available.
- ✓ Decoration is not well enough.
- ✓ Employees do not get facilities like clean washroom, canteen and so on.
- ✓ Lack of chain of command to improve performance.
- ✓ No help desk or information desk is available.
- ✓ Low number of ATM booth.
- ✓ Lack of technology support, piracy copy used.
- ✓ Marketing policies is not as strong as like other commercial banks.
- ✓ JBL ATM debit card is not popular enough.
- ✓ The newly accounting opening form is much informative so it takes much time.
- ✓ Lack of chain of system.
- ✓ Still bank is working traditional system.
- ✓ Employees' training is not timely, relevant, effective or efficient,
- ✓ Linguistic problem in the system.

Though I have discussed lot of problem but still one good sign I have to mention and that is-

- ✓ Some officers behave so good with their customers that make the customers feel friendly and comfortable. They always take their customers like that- some of their customers are illiterate person and cannot give signature and feel scared. So those good officers behave with them like that, they are their known person and look like relative or senior brother or sister. This is the most effective side than give the customers' high priority from my point of view.

#### 4.4 Recommendations

As my internship period was just three months, so it was very difficult to know a bank properly which is operating since 1972 but still if I have to give some recommendations then I would talk about these given below

- ✓ Officers should behave goods with Clients.
- ✓ Customers have to give the highest priority.
- ✓ JBL can add information or help desk for its customers or clients.
- ✓ Bank can help those by have no introducer, introduce second option and make the account opening from easier.
- ✓ Arrange IT department and person.
- ✓ Make the branch well decorate and create a fresh and healthy environment for their valuable officers.
- ✓ Increase the number of ATM booths.
- ✓ Use the original software as it is a bank.
- ✓ Create strategy and strong marketing policies to improve the position and motivate customers to use debit card.
- ✓ Improve the Chain of system. A systematic way to do work.
- ✓ Make the system flexible of developed.
- ✓ Make the training effective, efficient, timely.
- ✓ Though JBL has school banking but still they should increase the promotional campaign to make the students motivate for opening bank account in JBL.
- ✓ Finally, JBL can provide transportation facilities for their employees who will keep them fresh and energetic,
- ✓ Most important- Develop system which can also access the Bangla words.

## **Chapter- Five**

### **Conclusion**

As second largest nationalized commercial bank in Bangladesh, Janata Bank Limited is operating its service in every corner of the country by providing different services to different kind of people. Where it is difficult to get a quality hospital, good transportation system and good education, one can easily get a branch of JBL. JBL employees' always try to give their best service to their clients whatever their position is. Finally, it can say that it was a great time I have spent with the JBL family. I have learnt a lot from them- how to deal with clients, what the behavior should be as an officer and so on which expands my confidence level that was not possible to gain from a book or in the classroom environment. Though there were some limitations, I have enjoyed my three months of journey with Janata Bank Limited and I believe these experiences will help me in the steps of my life.

## Appendix

Details	2011 (taka)	2012 (taka)	2013 (taka)	2014 (taka)	2015 (taka)
<b>Total Income After Tax</b>	4,214,536,466.00	(15,221,195,583.00)	9,608,380,745.00	3,831,095,800	4,685,327,592
<b>Total Stockholder Equity</b>	440,885,589,878.00	16,768,767,664.00	37,016,405,895.00	39,459,053,072	41,949,687,205
<b>Total Asset</b>	440,885,589,878.00	511,396,424,709.00	586,973,794,847.00	629,655,476,126	684,217,749,084
<b>Total Deposit</b>	361,702,032,138	409,859,558,868	478,559,884,853	515,898,825,156	568,870,282,241
<b>Total Loan</b>	258,202,077,716	305,807,489,360	286,543,099,163	320,853,267,621	350,579,771,295

Details	2011 (taka)	2012 (taka)	2013 (taka)	2014 (taka)	2015 (taka)
<b>Loan to Deposit Ratio (LTD)</b>	71.39%	74.61%	59.88%	62.19%	61.63%
<b>Return on Equity</b>	0.96%	(90.77%)	25.96%	9.71%	11.17%
<b>Return on Investment</b>	0.96%	(2.98%)	1.64%	0.61%	0.68%
<b>Cash Reserve Ratio</b>	5.87%	6.26%	2.70%	6.83%	6.50%
<b>Statutory Liquidity Ratio</b>	33.47%	33.24%	44.39%	37.98%	39.38%
<b>Capital Adequacy Ratio BASEL</b>	10.20%	3.70%	10.27%	10.30%	10.16%

Figure 9: Data from annual report.

*Formulas:*

- ✓ Loan to Deposit Ratio (LTD)= Total loan/ total deposit
- ✓ Return on Equity= Total income after tax/ total shareholder equity
- ✓ Return on Investment= Total income after tax/ total asset
- ✓ Capital Adequacy Ratio= (Tier 1 capital + Tire 2 capital)/ Total risk-weighted assets



Janata Bank Limited and its Subsidiaries

Consolidated Balance Sheet  
As at 31 December 2011

Particulars	Note	2011 Taka	2010 Taka
<b>PROPERTY AND ASSETS</b>			
Cash	3(a)	24,118,828,382	17,609,559,065
In hand (including foreign currencies)		5,753,075,369	4,138,804,956
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		18,365,753,013	13,470,754,109
Balance with other banks and financial institutions	4(a)	8,923,052,953	6,289,028,472
In Bangladesh		933,742,707	2,005,393,176
Outside Bangladesh		7,989,310,246	4,283,635,296
Money at call on short notice	5	18,475,731,365	3,607,144,341
Investments	6(a)	92,826,255,850	57,873,539,033
Government		81,082,828,429	52,365,407,137
Others		11,743,427,421	5,508,131,896
Loans and advances	7(a)	258,202,077,716	226,777,857,820
Loans, cash credit, overdrafts etc.		250,237,835,963	203,057,842,689
Bills purchased and discounted		27,964,241,753	23,740,015,131
Fixed assets including land, building, furniture and fixtures	8(a)	9,729,868,282	6,327,980,098
Other assets	9(a)	28,609,775,330	27,224,764,668
Non-banking assets		-	-
<b>Total property and assets</b>		<b>440,885,589,878</b>	<b>345,709,873,497</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from other banks, financial institutions and agents	10(a)	63,498,144	50,488,931
Deposits and other accounts	11(a)	361,702,032,138	296,525,464,763
Current accounts and other accounts etc.		60,329,791,826	51,535,113,639
Bills payable		3,069,468,094	3,238,018,927
Savings bank deposits		87,528,373,490	82,657,203,480
Fixed deposits		210,774,398,727	149,095,128,717
Bearer certificates of deposits		-	-
Other deposits		-	-
Other liabilities	12(a)	49,152,643,803	38,712,031,889
<b>Total liabilities</b>		<b>410,918,174,084</b>	<b>325,287,985,583</b>
Shareholders' equity		29,967,415,794	20,421,887,914
Share capital-paid-up	13.2	8,125,000,000	5,000,000,000
Statutory reserve	14	5,965,140,845	4,187,614,332
Legal reserve	15(a)	75,301,079	64,071,480
Assets revaluation reserve	16(a)	7,150,898,779	4,251,013,927
Foreign currency translation reserve	17(a)	263,144,220	138,446,832
Revaluation reserve for HTM	18	113,021,285	367,649,079
Revaluation reserve for HFT	19	587,748,684	1,238,393,681
Surplus in profit/(loss) account	20(a)	7,687,160,902	5,174,698,583
Non-controlling interest		-	-
<b>Total liabilities and shareholders' equity</b>		<b>440,885,589,878</b>	<b>345,709,873,497</b>

**Janata Bank Limited and its Subsidiaries**  
 Consolidated Statement of Comprehensive Income (Profit and Loss Account)  
 for the year ended 31 December 2013

	Note	2013 Taka	2012 Taka
<b>Operating Income</b>			
Interest income	24.00	36,203,647,402	34,219,016,925
Interest paid on deposits and borrowings etc.	25.00	34,215,363,219	27,501,476,249
<b>Net interest income</b>		<b>1,988,284,184</b>	<b>6,717,540,676</b>
Investment income	26.00	13,894,964,599	8,008,664,419
Commission, exchange and brokerage	27.00	3,856,258,688	5,358,028,266
Other operating income	28.00	1,378,834,048	2,180,097,144
<b>Total operating income (A)</b>		<b>21,118,341,519</b>	<b>22,264,330,505</b>
<b>Operating expenses</b>			
Salary and allowances	29.00	6,154,145,696	5,350,723,764
Rent, taxes, insurance and electricity etc.	30.00	793,386,481	699,141,479
Legal expenses	31.00	22,527,918	5,249,514
Postage, stamp, telecommunication etc.	32.00	26,508,577	20,850,015
Stationery, printings, advertisements etc.	33.00	238,209,856	189,297,481
Chief Executive's salary and fees	34.00	11,342,172	11,425,340
Directors' fees	35.00	3,457,267	2,215,900
Auditors' fees	36.00	3,985,070	4,237,495
Depreciation, repairs and maintenance	37.00	511,622,109	439,199,781
Other operating expenses	38.00	1,106,340,401	850,539,812
<b>Total operating expenses (B)</b>		<b>8,871,525,546</b>	<b>7,572,880,581</b>
<b>Profit/(loss) before provision &amp; tax (C) = (A-B)</b>		<b>12,246,815,973</b>	<b>14,691,449,924</b>
Provision for loans and advances	39.00	53,919,355	25,239,712,177
Provision for off balance sheet exposures	40.00	-	(390,000,000)
Provision for other assets	41.00	13,908,114	9,400,000
Provision for employees benefit	42.00	1,139,137,905	2,378,972,167
Provision for diminution value of investment		-	52,204,534
Other provisions	43.00	323,866,670	155,000,000
<b>Total provision (D)</b>		<b>1,530,832,045</b>	<b>27,448,288,878</b>
<b>Total profit/(loss) before tax (E) = (C-D)</b>		<b>10,715,983,928</b>	<b>(12,753,838,954)</b>
<b>Provision for taxation (including Ruler Tax) (F)</b>	44.00	<b>1,107,603,183</b>	<b>2,467,386,629</b>
Current tax		823,016,258	2,975,073,695
Deferred tax		284,586,924	(507,717,067)
<b>Net profit/(loss) after tax (G) = (E-F)</b>		<b>9,608,380,745</b>	<b>(15,221,195,583)</b>
<b>Net profit attributable to:</b>			
Equity holders of the Bank		9,608,380,745	(15,221,195,583)
Non-controlling interest		-	-
		<b>9,608,380,745</b>	<b>(15,221,195,583)</b>
<b>Net profit for the year</b>		<b>9,608,380,745</b>	<b>(15,221,195,583)</b>

## Janata Bank Limited and its Subsidiaries

Consolidated Statement of Cash Flows  
for the year ended 31 December 2015

Note	2015 Taka	2014 (Restated) Taka
<b>A. Cash Flows from Operating Activities</b>		
Interest Received	32,602,449,727	32,571,900,529
Interest Paid	(34,485,628,929)	(35,261,292,343)
Dividend Received	1,157,355,623	1,286,758,746
Fees and Commission Receipt in Cash	4,645,226,508	3,798,696,312
Cash Paid to Employees	(7,607,195,567)	(6,752,067,181)
Cash Paid to Suppliers	(229,113,570)	(228,159,319)
Income from Investment	16,435,114,137	14,701,697,555
Receipt from Other Operating Activities	1,423,768,804	1,796,629,300
Paid for Other Operating Activities	(2,534,279,217)	(2,823,342,121)
Recoveries of Previously Written-Off Loans & Advances	1,664,200,000	1,374,663,600
Income Tax Paid	(2,630,851,945)	(2,590,610,295)
<b>Cash Generated from Operating Activities</b>	<b>10,441,045,571</b>	<b>7,874,874,783</b>
<b>Increase/(Decrease) in Operating Assets and Liabilities:</b>		
Loans and Advances to Customers	(29,726,503,674)	(34,310,168,458)
Other Assets	4,649,088,082	6,970,054,933
Other Liabilities	(6,434,645,198)	(786,806,272)
Deposits from Other Banks	11,640,152	27,360,914
Deposits from Customers	52,919,402,356	37,393,169,389
	<b>21,418,981,718</b>	<b>9,293,610,506</b>
<b>Net Cash Flow from Operating Activities: (A)</b>	<b>31,860,027,289</b>	<b>17,168,485,289</b>
<b>B. Cash Flows from Investing Activities</b>		
(Purchase)/Sales of Securities and Bond (Others)	(1,724,385,637)	(989,990,644)
(Purchase)/Sale of Securities (Government)	(26,255,246,035)	(3,051,520,477)
(Purchase)/Sale of Property, Plant and Equipment	(705,309,229)	(460,093,280)
<b>Net Cash Flow from Investing Activities: (B)</b>	<b>(28,684,940,901)</b>	<b>(4,501,604,401)</b>
<b>C. Cash Flows From Financing Activities:</b>		
Receipts from Issue of Ordinary Shares (Rights Issue)	-	-
Dividend Paid	(10,000,000)	(10,000,000)
(Payments)/Receipt from Borrowings	(2,304,660,736)	(3,763,244,256)
<b>Net Cash Flow from Financing Activities: (C)</b>	<b>(2,314,660,736)</b>	<b>(3,773,244,256)</b>
<b>D. Net Increase/(Decrease) in Cash (A+B+C)</b>	<b>860,425,652</b>	<b>8,893,636,632</b>
<b>E. Net Foreign Exchange Difference</b>	<b>377,854,061</b>	<b>392,009,024</b>
<b>F. Cash and Cash Equivalents at the Beginning of the Year</b>	<b>57,360,441,981</b>	<b>48,074,796,325</b>
<b>G. Cash and Cash Equivalents at the End of the Year</b>	<b>58,598,721,694</b>	<b>57,360,441,981</b>
<b>Cash and Cash Equivalents at the End of the Year Represent:</b>		
Cash in Hand (including foreign currencies)	4,598,405,527	5,015,888,747
Balance with Bangladesh Bank and its Agent Bank (including foreign currencies)	37,958,530,881	34,870,444,730
Balance with Other Banks and Financial Institutions	14,313,429,731	15,404,152,949
Money at Call and Short Notice	1,728,355,555	2,049,955,555
	<b>58,598,721,694</b>	<b>57,360,441,981</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>166.46</b>	<b>89.70</b>

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