



**A Comparative Analysis
between
FDR & MIS Services offered
in
IFIC Bank Ltd.**



Internship Report

BUS-400

**A Comparative analysis between FDR & MIS services offered in
IFIC Bank Ltd.**

Submitted To:

Mr. Md. Fazley Elahi Chowdhury

Assistant Professor

Business School

BRAC University

Submitted by:

Mosarot-E-Khuda Samiha

ID: 08204006



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Letter of Transmittal

30th May, 2013

To

Mr. Md. Fazley Elahi Chowdhury
Assistant Professor,
BRAC Business School,
BRAC University, 66, Mohakhali, Dhaka-1212

Subject: Submission of internship report on “A Comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.”

Dear Sir,

It gives me enormous pleasure to submit the internship report on “A Comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.”. I expect this report to be informative as well as comprehensive. While conducting the report, I have gathered lots of knowledge about FDR & MIS and many unknown facts and problems. I believe that the experience I acquired from this study will facilitate me a lot in my future career life.

It has also to be mentioned that without your expert advice and cooperation it would not have been possible to complete this report. I shall be pleased to answer any sort of query you may have regarding the report.

Sincerely yours,

Mosarot-E-Khuda Samiha

ID: 08204006

Acknowledgement

At the beginning I am very much grateful to almighty Allah for giving me strength and opportunity and sound mind to complete the internship report. It is common practice to thank all those people who contributed to the task that one has to achieve and I see no reason to change this custom.

Preparing the Internship Report on “A Comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.” is not an easiest assignment where the information should be analyzed properly and some data yet to be disclosed on the report. This descriptive paper is the outcome of my practical working experience in IFIC Bank Ltd. (Shantinagar Branch). For successful completion of this report, I have been fortunate to have the support, assistance and encouragement of a number of individuals. Many of them played a decisive role in helping me making this report, although I honestly accept full responsibility for all the errors and omission.

There are those people who contributed in conducting my report, those who have provided information and those who have read, reviewed and provided moral support and encouragement. I like to thank specially to honorable sir **Mir Iqbal Hossain**, First Vice President Manager of IFIC Bank Ltd. (Shantinagar Branch), who gave me the opportunity to conduct my internship program at IFIC Bank Ltd. Secondly I would like show my heartiest gratitude to **Md. Saleem**, First Assistant Vice President, Shantinagar Branch of IFIC Bank, who always encouraged me and helped me through my internship period with his valuable advice. My gratefulness to **Riziva Akhter**, Officer of IFIC Bank, Shantinagar Branch, who have guided me from the very beginning in FDR section and helped me in gaining practical experiences in banking. Thirdly, my special thanks go to **Kazi Aysha shikddika**, principle Officer and **Sharmin** , also principle Officer of IFIC Bank Ltd. Shantinagar Branch, who helped me with providing lots of information regarding my internship report. They are very supportive in supervising my works and I am so much grateful to all the employees of IFIC Bank, Shantinagar Branch for their whole hearted co-operation. Finally, I am very much thankful to my honorable teacher, Mr. Md. Fazley Elahi Chowdhury, Assistant Professor, BRAC University, who always gave guidelines and suggestion during the period of completing my internship report.

Executive Summery

IFIC Bank started functioning as a finance company in 1976. It was formed as a joint venture between the Government of Bangladesh and several farsighted sponsors from private sector. As GOB relaxed rules and allowed private sector to establish banks in 1983, IFIC was transformed into a commercial bank. At present GOB owns 32.75% of total shares of the bank and private entrepreneurs own 8.62% of that. And the rest is in the hands of general people.

The bank set its mission to present quality service to the clients through its skilled work force having dedication and innovative talents. This bank performs all commercial banking activities. You may have a Savings bank account or a Current account here. In addition you have the opportunity of a good number of Deposit schemes to choose from. IFIC is offering diversified product portfolio and lowest rates and charges which are their strength to proceed further in the business. Again, IFIC Bank has a few problem regarding target clients segments and promotional activities that should be rectified.

The internship report is prepared with respect to the three months internship program in IFIC Bank Limited. The internship program helped me a lot to learn about the practical environment and situation of a financial institution and also make up a bridge between the theoretical and practical aspects and also to implement my theoretical knowledge in to the practical and realistic work environment.

I tried to link up all the findings based on analysis and discussions. While preparing the report I always tried my best level to make it reliable and at the same time easily understandable. For this, I took customer survey on” A Comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.” And also came up with a number of reference books and journals to get the theoretical backup. In spite of my heart and soul effort there may be some mistakes and unforeseen errors, which may arise due to my naive or inexperience state.

I took 100 customers survey, base on my topic. I asked them some questions which help me to indentify my problems and their answers. I ask them which service/scheme is more preferable FDR/MIS IFIC Bank and 2/3 customer prefer FDR service than MIS service.



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Then I asked them do they have any other FDR/MIS in other Banks or not. After that I asked about either whole process of FDR/MIS are easy and straightforward or not. I talked about is overall process of FDR/MIS process is fair and imperial or not.

Than at end I ask them two more questions - if the interest rate of FDR/MIS rate decreases in IFIC Bank will they still maintain their FDR/MIS in this Bank and are you satisfied with customer service of IFIC Bank. Customer said 'Yes' in both question's answer. It means they are fully satisfied from the customer service of IFC bank And because all customer are old customer so that they have a faith on this bank and attachment with this bank. They know most of the employees and they are very friendly with each other.

Table of Contents

Internship Report	2
Letter of Transmittal	3
Acknowledgement	4
Executive Summary	5
CHAPTER 01	9
1. Description of the Project	10
1.1 Objective of the Report.....	10
1.2. Scope.....	11
1.3. Methodology of the Study	11
1.4. Limitations	12
CHAPTER: 02	13
Organization Overview	13
1.1 Introduction.....	14
1.2 Historical Background of IFIC Bank Ltd.	15
1.2.2 Mission & Vision of IFIC Bank Ltd.....	17
1.2.3 Goal of the Bank	17
1.2.4 Organization Principles of IFIC Bank Limited.....	17
1.2.5 Strategic and Financial Objectives.....	18
1.3.1 Management Structure	18
1.3.2 Joint Ventures Abroad	19
1.3.3 Technology	20
1.3.4. Human Resource Development (HRD)	21
1.5.1. Places	22
1.5.2. Promotional Activities:	22
1.4.9. Deposit Schemes	23
1.4.10. Credit Schemes	24
1.4 Products & Services of IFIC Bank Ltd.....	23
1.4.1 Corporate Banking	26
1.4.2 Retail Banking	27
1.4.3 SME Banking.....	27
1.4.4 Agricultural Credit	28
1.4.5 Lease Finance.....	28
1.4.6 Money Transfer.....	29
1.4.7 Treasury & Capital Market	29
1.4.8. Product and services of IFIC Bank Ltd.....	30
1.5. SWOT analysis	32
CHAPTER 03	34
Job Description	34
3.1 Experience.....	35
3.2 Description & Nature of the Job	35
3.3 Different Aspects of Job Performance.....	37
3.4 Critical Observation & Recommendation.....	37
Chapter – 04.....	39

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

FDR & MIS.....	39
4.1. FDR (Fixed Deposit Receipt)	40
Explanation	40
Fixed deposits are a high-interest-yielding Term deposit offered by banks in India. The most popular form of Term deposits are Fixed Deposits, while other forms of term Deposits are Recurring Deposit and Flexi Fixed Deposits (the latter is actually a combination of Demand deposit and Fixed deposit).	40
Some Benefits of FD	41
Taxability	41
Tax is deducted by the banks on FDR’s if interest paid to a customer at any branch exceeds Rs. 10,000 in a financial year. This is applicable to both interests payable or reinvested per customer or per branch. This is called Tax deducted at Source and is presently fixed at 10% of the interest.	41
Advantages of Fixed Deposit Account	41
4.2. FDR (Fixed Deposit Receipt) in IFIC BANK	42
Features:	42
Requirement:	42
4.3. Monthly Income Scheme (MIS)	43
4.4. Monthly Income Scheme (MIS) IFIC Bank	44
Features:	44
Requirement:	45
Chapter 05	47
Analysis And Findings.....	47
1. Which scheme is preferable to customer	47
2. FDR in other banks	52
3. Access to FDR throughout the process was easy and straightforward	53
4. The overall process was fair and impartial	54
5. MIS in other bank	55
6. Do you think the interest rate for MIS should be increased	56
7. Access to MIS throughout the process was easy and straightforward.....	56
8. The overall process was fair and impartial	57
9. If the interest rate for FDR/MIS decreases in IFIC bank will you still maintain you’re FDR/MIS in this bank.....	58
10. Customer service satisfaction.....	59
Chapter -06.....	60
Recommendation	60
And.....	60
Conclusion	60
Recommendation:	61
Conclusion:	62
Appendix.....	64
REFERENCES:	67



CHAPTER 01

Introduction

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

1. Description of the Project

The report has been prepared as a mandatory requirement of the Bachelor of the Business Administration (BBA) program under Department of BRAC Business School, BRAC University, Bangladesh. This report entitled “**A Comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.**” My institutional supervisor Mr. Md. Fazley Elahi Chowdhury, Assistant Professor, assigned me the topic of the report. The primary goal of the project papers is to provide on the job coverage to the student and an opportunity for translation of theoretical conceptions in real life situation. And also my supervisor suggests me to compare between FDR (fixed deposit receipt) & MIS (monthly income scheme).

1.1 Objective of the Report

The core objective of this study is to competitive analysis between FDR & MIS services offered in IFIC Bank Ltd. and which one is customer preferred most. The objectives of the report are as follows:

Main Objective:

- To partial fulfillment of my BBA degree.
- To match my academic knowledge with the real corporate business set up.
- To enlarge my experience from a real corporate exposure.
- To enhance my adaptive quality with the real life situation.

Specific Objective:

- To know organizational profile of IFIC Bank Ltd.
- To evaluate the factors affecting FDR & MIS in IFIC Bank.
- To identify in which areas bank need to improve.
- To emphasize areas where improvement is possible.
- Comparative analysis to identify their position

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

1.2. Scope

The scope of the report is A Comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd. where I have undertaken my internship program. This report helps me to understand the clear real-time experience about the total management of IFIC Bank Ltd. It helps me to understand, how the bank manage its total process? It also helps me to understand how they deal with the customer.

1.3. Methodology of the Study

Data Collection:

Both the primary as well as the secondary form of information was used to prepare the report. The details of these sources are highlighted below:

(a) Primary Source

I have collected primary information by interviewing customer of the organization and observing various organizational procedures. Primary data were also derived from the discussion with the employees of the organization.

- Open ended and close ended questions.
- Personal experience gained by visiting different desks.
- Personal investigation with bankers.
- Face to face communication with customers of the IFIC Bank Ltd.

(b) Secondary Source

I have elaborated different types of secondary data in my research. Sources of secondary information can be defined as follows:

i. Internal Sources

- Bank's Annual Report – 2011.
- Survey report

ii. External Sources

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- Journals of the Bank.
- Different books, training papers, manuals etc. related to the topic.
- Official Website of the Bank.

1.4. Limitations

In this study, a whole-hearted effort was applied to collect, organize, analyze, and interpret the related data and finally to attain the optimum outcome of the research. In spite of these efforts, there exist some limitations that acted as a barrier to conduct the research.

1. The main limitation of this report is Bank's policy of not disclosing some data and information for confidential reason, which could be very much useful for the report.
2. Banks policy did not permit to disclose various data and information related to Bank.
3. Because of the limitation of information, some assumptions were made. So there may be some unintentional mistake in the report.
4. Time period was too limited to get practical experience.
5. It is difficult to make an information based rich report in a short time period.
6. As an intern of I have to work in different departments of the branch which is short period to learn properly.
7. In case of performance analysis secondary data are used.
8. This study completely depended on official records and annual reports.



CHAPTER: 02

Organization

Overview

1.1 Introduction

Over the past ten years, banking system becomes accustomed to accepting the rapid pace of changes in terms of product and services. Change such as computerized banking, consumer credit, automated tellers etc, have been introduced. Banks and Financial Institutions play an important role in financial inter-mediation and thereby contribute to the overall growth in the economy. A bank is a financial institution whose primary activity is to act as payment agent for customers and to borrow and lend money. Banks have influenced economics and politics for centuries.

The primary purpose of a bank is to provide loans to trading companies. Banks provided funds to allow business to purchase inventory, and collected those funds back with interest when the goods were sold. Banking services have expanded to include services directed at individuals and risk in these much smaller transactions is pooled.

Banking Industry in Bangladesh is fully guided by the Central Bank, i.e. Bangladesh Bank. However different Bank has different management systems, operational techniques and different guidelines. The banking system of Bangladesh is composed of variety of banks working as Nationalized Commercial banks, Private Banks, Foreign Banks and Development Banks.

However, there are many private Banks in Bangladesh. At present among other banks **IFIC Bank Limited** operating their banking operations effectively and efficiently and providing bank services with a view to acceleration socio-economic development of the country. IFIC Bank is one of the best private commercial banks in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity. Adoption of modern technology both in terms of equipment and terms of banking practice ensures efficient service to clients. Day by day new competitors appears with better ideas and products as well as services.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

1.2 Historical Background of IFIC Bank Ltd.

International Finance Investment and Commerce Bank Limited "IFIC Bank" came in to existence in 1976 as a joint venture between the Government of Bangladesh and sponsors in the private sector with the objective of working as a finance company within the country and setting up joint venture banks/financial Institutions abroad.

IFIC was incorporated as a public limited company with an authorized capital of Tk. 20 core and paid up capital of Tk.10 core. IFIC commenced its operation on February 28, 1977 with a Subscribed capital of Tk.5 core, contributed by leading private sector entrepreneurs in the country. The Government held 49 percent shares and the rest 51 percent were held by the sponsors and general public. But, in 1983 when the Government allowed banks in the private sector IFIC was converted into a full-fledged commercial bank. The Investment Company has transformed into banking company In June 13, 1983 and started activities from June 24, 1983 through Its Motijheel Branch.

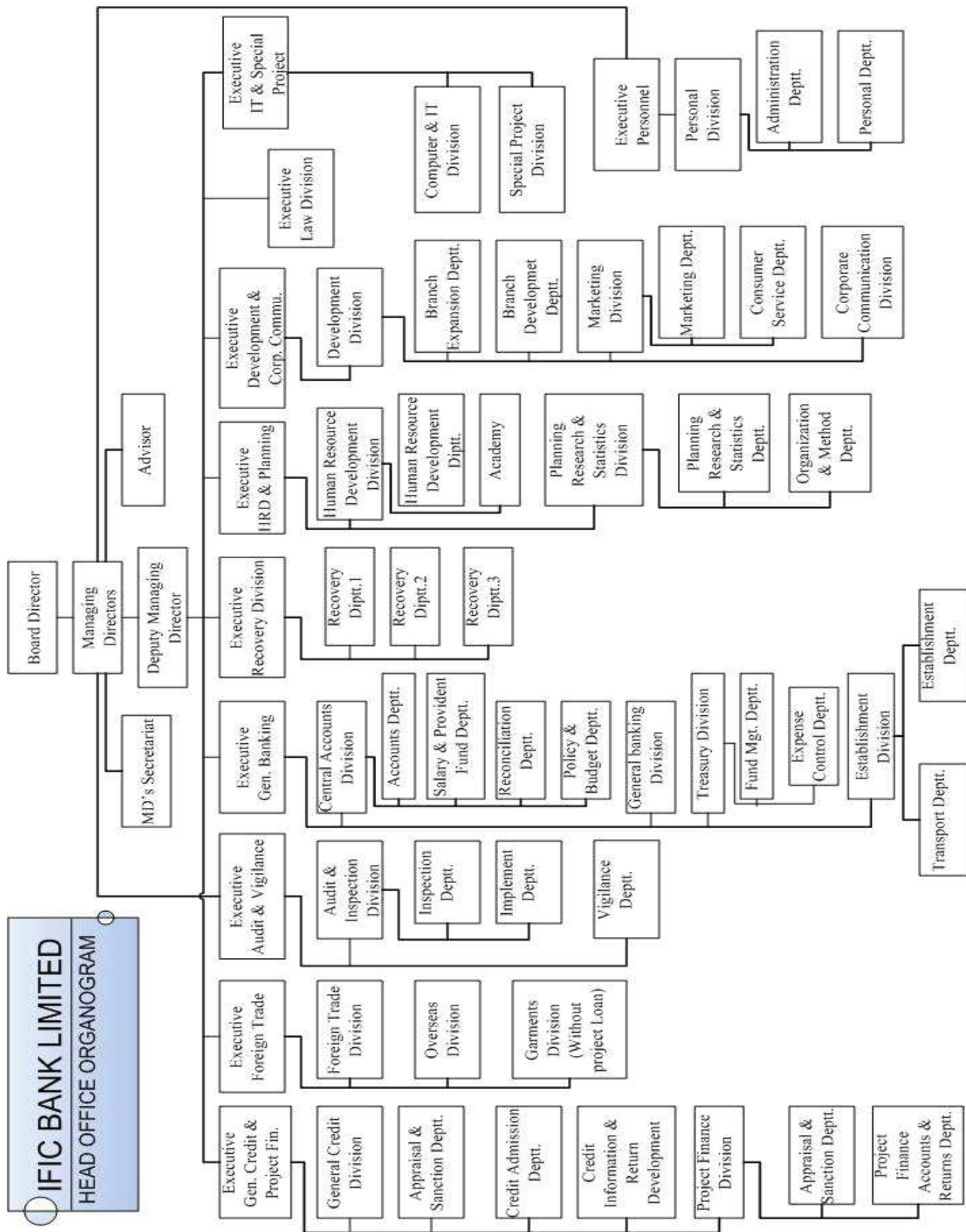
Previously IFIC Bank Ltd was Government owned bank. Now the government of the Peoples Republic of Bangladesh holds 34.34 % of shares of the bank. Leading industrialists of the country own 34% of the shares and the rest of the 31.66 % is held by the general public. The founder of IFIC Bank Ltd was Jahurul Islam of Islam Group of Industries. He was the first Chairman and A.S. F. Rahman was first Vice Chairman. Board of Directors of the Bank is a unique combination of both private and Government sector experience. Currently it consists of 13 Director. Of them eight represent the sponsors and general public and four officials in the rank and status of Additional Secretary/Joint Secretary represents the Government.

At the very beginning the 60 percent share are owned by private entrepreneur and 40 percent are owned by Govt. at the end of 1984 the authorized capital was 10 core and the paid up capital was 7crore 15 lac Taka only.

1.2.1 Operational Network Organogram

P.T.O.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

1.2.2 Mission & Vision of IFIC Bank Ltd.

Mission

“Our Mission is to provide service to our clients with the help of a skilled and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality service to all institutions and individuals that we care for.

We are committed to the welfare and economic prosperity of the people and the community, for we derive from them our inspiration and drive for onward progress to prosperity.”

Vision

“We want to be the leader among banks in Bangladesh and make our indelible mark as an active partner in regional banking operating beyond the national boundary.”

1.2.3 Goal of the Bank

Goal of the IFIC Bank is, to maximize the interest of all concerned. IFIC Bank wants to be the absolute market leader in the number of loans given to small and medium sized enterprises throughout Bangladesh. It will be a world-class organization in terms of service quality and establishing relationships that help its customers to develop and grow successfully. It will be the Bank of choice both for its employees and its customers, the model bank in this part of the world

1.2.4 Organization Principles of IFIC Bank Limited

- Flat and flexible organization with few levels of management and broad spans of control, including project teams and task forces. Networking and horizontal communication are encouraged with clear accountability of the managers and the hierarchy.
- Clear levels of responsibility and well-defined objectives are a must. Teamwork and networking do not affect the manager’s responsibilities; a team has always a responsible leader.
- A structure which assures operational speed and personal responsibility, with strong focus on results, reducing bureaucracy as much as possible.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

1.2.5 Strategic and Financial Objectives

Strategic Objectives:

- A bigger market share
- Broader and more attractive services and products than rivals.
- Superior customer service
- Wider geographic coverage than rivals

Financial objectives:

- Growth in earnings
- Higher dividend
- A more diversified revenue base

Strategy:

- Low cost provider strategy
- Offensive Strategies to build market share
- Vacant niche strategy
- Specialist Strategy
- Superior Product Strategy
- Distinctive image strategy

1.3.1 Management Structure

The thirteen members of the Board of Directors are responsible for the strategic planning and overall policy guidelines of the Bank. Further, there is an Executive Committee of the Board to dispose of urgent business proposals.

Besides, there is an Audit Committee in the Board to oversee compliance of major regulatory and operational issues.

The CEO and Managing Director, Deputy Managing Director and Head of Divisions are responsible for achieving business goals and overseeing the day to day operation.

The CEO and Managing Director is assisted by a Senior Management Group consisting of Deputy Managing Director and Head of Divisions who supervise operation of various Divisions centrally and co-ordinates operation of branches.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Key issues are managed by a Management Committee headed by the CEO and Managing Director. This facilitates rapid decisions.

There is an Asset Liability Committee comprising member of the Senior Executives headed by CEO and Managing Director to look into all operational functions and Risk Management of the Bank.

1.3.2 Joint Ventures Abroad

Oman International Exchange LLC, Oman:

Oman International Exchange LLC (OIE), a joint venture between IFIC Bank Limited and Oman Nationals, was established in 1985 to facilitate remittance by Bangladeshi wage earners in Oman. IFIC Bank holds 25% shares and the balance 75% is held by the Omani sponsors. The exchange company has a network of 12 branches covering all the major cities/towns of Oman. By now the company has established direct remittance service with 8 countries viz. Bangladesh, India, Indonesia, Nepal, Pakistan, Philippines, Qatar, Sri Lanka, U.A.E.

The affairs and business of the company is run and managed by the Bank under a Management Contract.

Nepal Bangladesh Bank Ltd. Nepal:

Nepal Bangladesh Bank Ltd. (NB Bank), a joint venture commercial bank between IFIC Bank Ltd. and Nepali nationals, started operation with effect from June 06,1994 in Nepal with 50% equity from IFIC Bank Ltd. The Bank has so far opened 17 (seventeen) branches at different important locations in Nepal. IFIC Bank presently holds 10% shares in NB Bank.

NIB Bank Ltd. Pakistan:

IFIC Bank established two branches in Pakistan, one at Karachi and the other at Lahore. Karachi Branch was opened on 26th April 1987, while the Lahore Branch was opened on 23rd December 1993.



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Since late 1990s, the State Bank of Pakistan (SBP) revised the Minimum Capital Requirement (MCR) for banks in Pakistan time and again. To meet the MCR, a new bank has been incorporated in Pakistan in 2003 titled NDLC-IFIC Bank Ltd. (subsequently renamed as NIB Bank Ltd.) Thereafter, our Pakistan branches and a local leasing company, NDLC were amalgamated with the NIB. Consequently, our Pakistan Branches ceased to exist effective from 3rd October 2003 with the commencement of operation of the new bank.

IFIC Bank's share capital in the bank reduced significantly from original 20% pursuant to enhancement of share capital of the bank.

Bank of Maldives, Maldives:

IFIC is the first among the banks in the private sector to have operations aboard. In 1982, the Bank setup a joint venture bank in Maldives known as "Bank of Maldives Limited" (BML) at the request of the Government of the Republic of Maldives. This is the only national bank in the country having wide branch network. IFIC Bank managed the affairs of BML from 1982 to 1992. IFIC Bank sold its shares in 1992 to the Government of the Republic of Maldives and handed over the Management of BML to Maldives Government.

1.3.3 Technology

Since the beginning of its journey as a commercial bank in 1983, IFIC Bank has been giving great emphasis on the adoption of modern technology. It became the pioneer in the field of automation by introducing computerized branch banking right in the same year. Subsequently, all the branches were brought under similar automated platforms with upgraded software applications to offer all the critical banking features. At present all 65 domestic branches are fully computerized under networked environment.

The Bank has taken up a new project with Misys International Banking System Inc. (UK) to further upgrade its banking operation to state-of-art world class on-line banking solutions to provide faster and even more convenient centralized services to the clients.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Besides, the Bank is also operating fully on-line Automated Teller Machine (ATM) services under the banner Q-Cash at a number of locations in Dhaka and Chittagong. The ATM facilities are available to the customers at Q-Cash booth.

Since the importance of Web presence in the Internet is absolutely critical, IFIC Web Site www.ificbankbd.com has long been launched for the convenience of the customers, where all the activities and information are constantly being posted and updated. A Central Mailing System is operational at the Head Office to let the customers have direct electronic access to the selected staff.

1.3.4. Human Resource Development (HRD)

Human Resources Development is focused on recruitment and in-house training for both on the job and off the job Bank staff members through the Bank's Academy. IFIC Bank Academy – the oldest institution in the private sector – was conceived of as an in-house training center to take care of the training needs of the Bank internally.

Academy is fully equipped with a professional library, modern training aids and professional faculty. Library has about 4941 books on banking, economics, accounting, management, marketing and other related subjects.

Main training activities consist of in-depth foundation programmers for entry level Management Trainees. Specialized training programmers in the areas like general banking, advance, foreign exchange, marketing and accounts etc. are also organized by the Academy depending on need.

Frequently outreach programmers are organized to meet demand for new and specialized skills.

During its 23 years of existence, Academy not only conducted courses, workshops and seminars as required by the Bank, but it also organized training programmers for the Bank of Maldives, Nepal Bangladesh Bank Limited and Oman International Exchange LLC. In addition, Academy has also the credit of organizing system of Bank of Maldives.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

In addition to conducting courses internally, The Academy also selects candidates for nomination to various courses conducted by distinguished training organizations in the country including Bangladesh Bank Training Academy and Bangladesh Institute of Bank Management.

The Academy also re-designs its courses, programmers etc, regularly to meet the requirement of new skills arising out of various directives, guidelines of the Central Bank and significant changes in the banking sector from time to time.

1.3.5. Places

Delivering product elements to customer involves decisions on the place and time of delivery, as well as on the methods and channels used. In the IFIC Bank Ltd. delivery of service involves physical & electronic distribution depending on the nature of the service being provided. , IFIC bank Main Strength is its location-based strategy. The 99 branches of IFIC are divided into five different regions, which are:

1. Dhaka Division, comprising 47 branches.
2. Chittagong Division, comprising 19 branches.
3. Khulna Division, comprising 10 branches.
4. Sylhet Division, comprising 8 branches.
5. Rajshahi Division, comprising 15 branches.

1.3.6. Promotional Activities:

Advertising platforms:

- Print & broadcast ads
- Brochures & booklets
- Directories
- Symbols & Logos
- Billboards

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Sales promotion:

- Premiums & gifts
- Fairs & trade shows
- Rebates
- Low-interest financing
- Trade in allowances

Publicity & Public relation:

- Press kits
- Seminars
- Annual reports
- Charitable donations
- Company magazine

1.4 Products & Services of IFIC Bank Ltd

1.4.a. Deposit Schemes

The deposit schemes offered by IFIC Bank are:

- Fixed Deposit Receipt (FDR)
- Special Notice Deposit (SND)
- Pension Savings Scheme (PSS)
- More Money
- School Savings Plan - A plus
- Monthly Income Scheme - Protimash
- Double Return Deposit Scheme
- Three Years Deposit Plus

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

These schemes are designed mostly for limited income people to help them save for future. Terms and conditions vary a little from scheme to scheme. But still these are attractive for the clients. Response from people is good. You may participate in one or two which suits you most.

School Saving Plan is some different from other programs. This plan may develop a saving habit in your child.

Non Resident Bangladeshis (NRB) earning foreign currencies have the opportunity to open an account in the bank. Moreover they may invest in FDR and Bonds in IFIC. NRBs can remit their earning through this bank as well.

Student File is a program for Bangladeshi students going abroad to study in under graduate or post graduate courses. They are issued Drafts for tuition and other expenses from some authorized dealer branches of IFIC Bank.

SMS Banking is a demand of time. People like to contact everything they need through their cell phone. IFIC has done this in right time. You may have very vital information about your account through SMS.

1.4.b. Credit Schemes

Credit schemes of IFIC bank can be classified into three major groups. These are Corporate Banking, SME Banking and Consumer Finance. From the very names it's clear that first two are oriented towards industrial and commercial clients and the third one is mainly for individual clients. Under corporate banking this bank offers following programs:

- Working Capital Finance
- Project Finance
- Term Finance
- Trade finance
- Lease Finance

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- Syndication Finance

Each of the schemes is designed to meet the growing demands of corporate clients through cash, credit and consultative services. For your big industrial projects IFIC may arrange syndication of banks even. So you may ask the bank for whatever you need from it.

Small and Medium Enterprises of Bangladesh are critically vital for generation of employment, alleviation of poverty and increasing GDP growth. IFIC has given correct emphasize on this sector through a good number of programs. These are shown below:

- Easy Commercial Loan
- Retailers loan
- Transport Loan
- Commercial House Building Loan
- Possession Right Loan
- Contractor's Loan
- Bidder's Loan
- Working Capital Loan
- Project Loan
- Letter of Guarantee
- Letter of Credit
- Loan against Imported Merchandize (LIM)
- Loan against Trust Receipt
- Muldhan
- Women Entrepreneur's Loan (Protyasha)

Each of the schemes is designed to meet up typical needs of SME's. In addition women are given proper importance to come in the financial activities and contribute through their creativity.

Consumer Finance schemes are mainly for limited income people to enhance their financial abilities. Thus you may get the items and services of your dream to come true right now. The schemes are:



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- IFIC Easy Loan
- Consumer Durable Loan
- Parua (Education Loan)
- Thikana (Home Loan)
- Any Purpose Loan
- IFIC Marriage Loan
- CNG Conversion Loan
- IFIC Home Renovation Loan
- IFIC Medical Loan
- IFIC Holiday Loan
- IFIC Peshajeebi Loan
- IFIC Auto Loan

So if you are a person of this group you may have a loan to fulfill your needs and dreams and pay back in easy terms.

IFIC bank provide you these services and many more through their 89 branches all over the country.

1.4.1 Corporate Banking

IFIC Bank is offering specialist advices and products to corporate clients to meet diverse demands of the changing market scenario. The bank has an extensive branch network all over the country to expedite the client's business growth. The bank facilitates the clients to face the challenges and realize opportunities. The bank's main focus is relationship based banking and understanding corporate and institutional business environments. Products and services for corporate clients include: Working Capital Finance, Project Finance, Term Finance, Trade Finance, Lease Finance, Syndication Loan etc.



1.4.2 Retail Banking

Retail Banking is mass-banking facility for individual customers to avail banking services directly from the wide branch network all over the country. The bank provides one-stop financial services to all individual customers through its innovative products & services to cater their need. With a view to provide faster and more convenient centralized online banking services, now, all its branches have been brought under the real time online banking system.

IFIC Bank offers a wide variety of deposit products, loan product & value added services to suit the customer's banking requirements. Products and services for individual customer include: Consumer Finance, Deposit Product, Card, NRB Account, Student File, SMS Banking etc.

1.4.3 SME Banking

The growth of Small and Medium enterprises (SMEs) in terms of size and number has multiple effects on the national economy, specifically on employment generation, GDP growth and poverty alleviation in Bangladesh. At present, Small & Medium Enterprise sector is playing a vital role in creation of new generation entrepreneurs and 'Entrepreneurs Culture' in the country. Experience shows that borrowers of small enterprise sector prefers collateral free loan since normally they cannot offer high value security to cover the exposure.

To facilitate SME sector of the country, IFIC Bank provides collateral free credit facilities to the small & medium entrepreneurs across the country whose access to traditional credit facilities are very limited. The bank is offering 15 different products for selected target groups, such as - Easy Commercial Loan, Retailers Loan, Muldhan Loan, Women Entrepreneur's Loan (Protyasha), Transport Loan, Working Capital Loan, Project Loan, letter of Contractor's Loan, Bidder's Loan, Working Capital Loan, Project Loan, Letter of Guarantee, and Letter of Credit Loan against Imported Merchandize (LIM), Loan against Trust Receipt etc.

1.4.4 Agricultural Credit

Bangladesh is an agro-based country and majority of the population is dependant on Agriculture. Although maximum of the total population is dependant on agriculture, its contribution to GDP has gradually come down. Moreover, every year a huge amount of food grain and other agricultural products are imported to meet the demand of the country. In order to achieve desired growth in agriculture sector of the country the bank is committed to increase present loan portfolio in agricultural sector. IFIC Bank is offering Agriculture Loan products namely –

- i) Krishi Saronjam Rin - for Agriculture Equipments
- ii) Shech Saronjam Rin - for irrigation equipments
- iii) Poshupokkhi & Motsho Khamar Rin - for Live Stock & Fish Culture &
- iv) Phalphasali Rin - For Fruit Orchard for individuals & group at micro level.

1.4.5 Lease Finance

Lease means a contractual relationship between the owner of the asset and its user for a specified period against mutually agreed upon rent. The owner i.e. the Bank is called the Lessor and the user i.e. the customer is called the Lessee. Lease finance is one of the most convenient sources of financing of assets viz. machinery, equipment vehicle, etc.

IFICBL, the highly capitalized private Commercial Bank in Bangladesh has introduced lease finance to facilitate funding requirement of valued customers and growth of their business houses.

Its lease facility is extended to the items like Industrial Machinery, Luxury bus, Mini bus, Taxi cabs.

Lease items:

- Vehicles like Luxury Bus, Mini bus, Taxi Cabs, Cars, Pick-up, CNG three wheeler, etc.
- Industrial Machinery & Equipment.
- Medical Equipment.
- Machinery for Agro-based Industry.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- Construction Equipment.
- Office Equipment.
- Generators, Lifts & Elevators for commercial place.
- Sea or River Transport.
- Computer for IT Education Center.

1.4.6 Money Transfer

Joining with one of the world renowned money transfer service “**Money Gram**”,

IFICBL has introduced its customers to the faster track of remittance. Now IFICBL can bring money in Bangladesh from any other part of the globe in safer and faster means 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 IFICBL–Money

Gram Transfer Service, money will reach its destination in minutes by affordable, reliable and convenient financial services.

1.4.7 Treasury & Capital Market

IFIC Bank Limited is devoted to capital Market of the country and offers world standard brokerage services for individual and institutional investors. The Bank is responsible for origination of sales, buy and trading of securities of Capital markets. It aims to provide relevant support to its customer with sophisticated and innovative financial solutions and delivering the highest quality of services. It has a seat in Dhaka Stock Exchange Limited.

The Treasury Division of IFIC Bank is engaged with Cash Management, Liquidity Planning and Liquidity Protection. It is also conscious to protect all the bank’s Assets and Profits against loss due to domestic as well as global financial realities, particularly Interest and Exchange Rate fluctuations. The Treasury Department is also regarded as a Profit Center, which generates income by trading instruments in the Financial Market.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

To manage treasury unit as profit centre, along with guidance from regulatory authorities, the bank equipped itself with clear policies, fit organization structure, deployment of trained staff, modern infrastructural facilities and technological initiatives.

Major functions of treasury division of IFIC Bank are -

- Fund Management
- Management of Statutory Requirement
- Investment
- Trading of Foreign exchange & Money Market Instruments
- Asset Liability Management
- Risk Management

IFIC Bank has a dedicated Treasury team which is capable of providing all treasury solutions through wide range of Treasury products. IFIC Treasury has four different desks, which are specialized in their own area to provide best services with respect to pricing, best possible solution for customer requirement and market information.

1.4.8. Product and services of IFIC Bank Ltd.

- Retail Banking
- Corporate Banking
- Trade Finance
- Project Finance
- Syndication
- SWIFT for
- Foreign Trade
- ATM Services
- Remittance Services
- Cash Management Services
- Asset
- Management



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- Payments & Clearings
- Treasury Services
- Safe Deposit
- Locker Services
- Collection
- Services
- Employee
- Benefits



1.5. SWOT analysis

SWOT Analysis: IFIC Bank Limited

The strengths, weaknesses, opportunities and threats of IFIC Bank Limited are noted below as I have found in my analysis.

Strengths:

- Strong capital position of the bank
- Capability to mobilize substantial deposits through various deposit schemes despite low offering.
- Low non-performing assets or classified loans of the bank signify strengths in credit customer selection.
- Ability to maintain positive non-interest margin that signifies efficiency in earning fee incomes.

Weaknesses:

- Lack of adequate liquidity of the bank
- Management's inability to convert assets into earnings efficiently which results in decrease in return of assets, return on equity and earnings per share.
- Inability to cope with economic conditions resulted in slower growth of interest earning assets than of interest bearing liabilities. The net effect was decline in operating profit in the recent year.

Opportunities:

- Technology integration for automation of business process can gain competitive edge over the others.
- Increasing awareness of Islamic banking can bring more success for Islamic Banking Branches

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- The revolution of Information Technology (IT) in the country may lead to success for the bank, as IT sector is a major target area for lending.

Threats:

- Increased competition in the market for public deposits
- Market pressure for lowering the profit or interest rate
- Volatile global and local economic scenarios
- High concentration in loans as percentage of total deposit may cause severe liquidity problem if significant percentage of loan holder become default.
- The declining return on equity, earnings per share and dividend can give danger signal to the investors.



CHAPTER 03

Job Description

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

3.1 Experience

I started my internship program in IFIC Bank Ltd. on 3rd February, 2013. My office hour starts from 10 am to 6:00 pm. when I start work as an intern in FDR & MIS department. I always try to relate my educational knowledge with my work. But I hardly can found any similarities in both. For the first few days I spend my time their doing nothing. After second week they started giving me some work at the end of the month I face some work pressure in every Sunday. In IFIC BANK my supervisor named Mrs. Riziva Akhter. But I mainly work for the entire FDR & MIS section and try to help them in times of their need. I found the section very efficient because only four people manage the entire transaction of IFIC BANK Bangladesh Ltd. they have to work really hard. They always need to be conscious and careful because they deal with the most sensitive part of a company is money. I spend a good time in IFIC BANK. Sometimes I feel bore, sometimes monotonous or sometimes even insulted. But at the end of the time I found out that I learn something from every situation. They kept me sitting by doing nothing to increase my patience level in beginning. In this department it is very necessary to keep patience because you always have to deal with the customers. I feel insulted when they ask me to take some photocopies and print outs. But later I found out that even the top management in IFIC BANK does this work so that they can do their work without wasting time for waiting someone who will do the work. I have to report in office on time complete my work on given period of time and I learn time management skill from here. By learning some many real life experiences like this I passed my internship program in IFIC BANK. Last but not the least, all other interns in IFIC BANK support me a lot to pass my hard time in there and make the time enjoyable and remarkable.

3.2 Description & Nature of the Job

We the students of Bachelor of Business Administration (BBA) study the subject's related to business. The school of business familiarizes each student as they move comfortably in the business environment but only the theoretical study in the class room is not enough rather a practical experience and the only means of practical experience is internship program.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

In the business environment there is lots of financial institution, business firms and industries that provide this facility towards us. If we could not get this facility of internship then a wide gaps will take place between our study and experience, I think this is a valuable for us.

We the students of business do this usually for three months. In our country there are many banks particularly the esteemed private sector banks, and elite business firms provide this. In this respect I have done my internship at IFIC Bank Ltd (Shantinagar Branch) the one of the most renowned private bank in Bangladesh. I am thankful for this.

I started my internship in International Finance Investment and Commerce (IFIC) Bank Limited, Shantinagar Branch in 03 February, 2013. My internship was for three months. I tried my best to achieve absolute knowledge & experience from the internship.

Departments Duration in Days

- FDR, MIS, Money-Gram, Coin-Star from 3rd February to 28th February - 30 Days
- FDR, MIS, Money-Gram, Coin-Star, Account-opening section & Locker from 3rd March to 31st March - 30 Days
- FDR, MIS, Cash, Foreign Exchange from 1st April to 31st April - 30 Days

Specific Responsibilities of the Job

I started my worked in General banking sector. GB is one of the most important departments where all kind of banking activity starts. Because it includes multi tasks & all kind of transactions actually run in this department. During my internship period I've learned most from this section. I worked in the following section under GB division-

- FDR section
- MIS section
- Dealing with the clients
- Helping clients to fill up FDR form and MIS form
- Provide assistance support according to the need of clients
- Updated client's data in software
- Money Gram, Coin-star
- Account-opening, Cash, Foreign Exchange

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

The Foreign Exchange division in Shantinagar branch is not well established. Mainly have three separate section import, export & foreign remittance. The export & import section basically deals with the opening of LC (Letter of credit) to support different people who have export-import oriented business. Here the IFIC bank basically works as a guarantor for their clients. And to open LC is not an easy procedure, IFIC bank go through a series of complex procedures in case of LC. Some of those procedures are collecting trade license, collecting bill of entry, collecting several information about the applicant's business, collect VAT, TIN, IRC certificate and etc.

3.3 Different Aspects of Job Performance

Through my internship period I was assigned for different types of task and activities. And by doing those I achieved performance appraisal from my supervisor and from all the officers' work there. As I worked most in general banking so in FDR & MIS section I completed all the pending works like updated the customer information, collected and organized all the forms from the January to till now and posted in Mysis software. I also made serial of all the guard files of FDR Section and my supervisor was very much pleased with my works, dedications and sincerity. By working there now I have realized that how much important and difficult is to satisfy our clients. Before that I didn't have any idea that it could be so tough.

3.4 Critical Observation & Recommendation

As a finance student I always prefer to do a job in financial organization so obviously Banks get the first priority to me. An internship in bank like IFIC Bank is a great way to demonstrate interest in the sector and for me to learn more about the actual job I would be doing on a routine basis.

During my internship period all the employees of IFIC Bank are so supportive, friendly and always co-operate me to learn but in this short time period for me it was not possible to know about the all departments.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

In the follows I found out some problems in IFIC Bank (Shantinagar Branch) as critical observation and some recommendation regarding the observation.

- As now the banking sectors are dependent on different software like in IFIC Bank they uses Mysis software so every officers has to be very clean idea about how to operate this software but in IFIC Bank Shantinagar Branch there are few employees whose ranked is First Grade officers but they don't know how to operate this software properly and it creates so mass in the office as the clients want fast service. So they need proper training before joining and before transferring them one department to another department as the works pressure and procedures of departments are different.
- As I have said very few officers so management of IFIC Bank needs to sort it out and provide them proper training to survive and to compete in the competition with other most qualified officers in the Shantinagar Branch.
- Another thing that I observed in Bank that is they don't finish the pending works first as a result information of the clients are not available whenever they need.
- As I have mentioned that they need proper training to operate computer and with the same time every employees must have the knowledge about every section in the bank because if one employee in FDR or Accounts opening section were absent there were no one to handle that section without few numbers of employees as a result the Assistant Vice President, the Senior Officers has to handle it.



Chapter – 04

FDR & MIS

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

4.1. FDR (Fixed Deposit Receipt)

Explanation

Fixed deposits are a high-interest-yielding Term deposit offered by banks in India. The most popular form of Term deposits are Fixed Deposits, while other forms of term Deposits are Recurring Deposit and Flexi Fixed Deposits (the latter is actually a combination of Demand deposit and Fixed deposit).

To compensate for the low liquidity, FDR's offer higher rates of interest than saving accounts. The longest permissible term for FDR's is 10 years. Generally, the longer the term of deposit, higher is the rate of interest but a bank may offer lower rate of interest for a longer period if it expects interest rates, at which RBI lends to banks ("repo rates"), will dip in the future.

Usually in Bangladesh the interest on FDR's is paid every three months from the date of the deposit. (e.g. if FD a/c was opened on 15th Feb., first interest installment would be paid on 15 May). The interest is credited to the customers' Savings bank account or sent to them by cheque. This is a Simple FDR. The customer may choose to have the interest reinvested in the FD account. In this case, the deposit is called the Cumulative FD or compound interest FDR. For such deposits, the interest is paid with the invested amount on maturity of the deposit at the end of the term.

Although banks can refuse to repay FDR's before the expiry of the deposit, they generally don't. This is known as a premature withdrawal. In such cases, interest is paid at the rate applicable at the time of withdrawal. For example, a deposit is made for 5 years at 8%, but is withdrawn after 2 years. If the rate applicable on the date of deposit for 2 years is 5 per cent, the interest will be paid at 5 per cent. Banks can charge a penalty for premature withdrawal.

Banks issue a separate receipt for every FDR because each deposit is treated as a distinct contract. This receipt is known as the Fixed Deposit Receipt (FDR) that has to be surrendered to the bank at the time of renewal or encashment.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Many banks offer the facility of automatic renewal of FDR's where the customers do give new instructions for the matured deposit. On the date of maturity, such deposits are renewed for a similar term as that of the original deposit at the rate prevailing on the date of renewal.

Some Benefits of FD

- Customers can avail loans against FDR's. The rate of interest on the loan could be 1 to 2 per cent over the rate offered on the deposit.
- Nonresident Bangladesh and a Person of Bangladesh Origin can also open these accounts.

Taxability

Tax is deducted by the banks on FDR's if interest paid to a customer at any branch exceeds Rs. 10,000 in a financial year. This is applicable to both interests payable or reinvested per customer or per branch. This is called Tax deducted at Source and is presently fixed at 10% of the interest.

If the total income for a year does not fall within the overall taxable limits, customers can submit a Form 15 G (below 65 years of age) or Form 15 H (above 65 years of age).

Advantages of Fixed Deposit Account

The advantages of fixed deposit account are as follows:-

1. Fixed deposit encourages savings habit for a longer period of time.
2. Fixed deposit account enables the depositor to earn a high interest rate.
3. The depositor can get **loan** facility from the bank.
4. On maturity the amount can be used to make purchases of assets.
5. The bank can get the funds for a longer period of time.
6. The bank can lend such funds for short term loans to businessmen.
7. Fixed deposits indirectly boost economic development of the country.
8. The bank can also **invest** such funds in profitable areas.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

4.2. FDR (Fixed Deposit Receipt) in IFIC BANK

Features:

SL.	Types of Deposit	Deposit Rate
1.	FDR (Tenure 1 month)	8.0%
2.	FDR (Tenure 3 months)	12.00%
3.	FDR (Tenure 6 months)	12.50%
4.	FDR (Tenure 1 year)	12.50%

Requirement:

1. Passport sized Photographs of account + t-holder(s)/nominee duly attested
2. Signatures(s) of account-holder(s), introducer, etc. duly admitted/verified
3. Personal information Form(s)
4. Identity Card/ National ID Card/ Passport etc. – photocopy
5. TIN

FDR accounts for Minor

An account can be opened on behalf of a minor by his/her natural guardian or by a guardian appointed by a court of competent jurisdiction. Upon the minors attaining to the majority the right of the guardian to operate the account shall cease and thereafter the minor shall operate the account if he/she desire so.

Joint account

In the event that there is no survivor or nominee that account will then be frozen until the legal successor to the deceased is determined by the relevant court.

Fees

The bank shall be entitled without notice to levy or impose all customary banking and other charges and expenses including collection fees and legal expenses in respect of any account or in respect of any other banking facilities provided to the customer by the Bank and to debit the

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

relevant account(s). Such charges are not refundable upon termination of any or all of a customer's account(s).

Nominee

- a) The account holder for each account can appoint nominee as per section 103 of Bank Companies Act
- b) Nomination will be cancelled if nominee dies in the lifetime of the account
- c) The account holder can change nominee with written instruction
- d) In the event of account holder's death nominee will not be able to continue the account and the account deposit prior to the death of the account holder shall be paid to the nominee after proper identification
- e) In case where there is no nominee the succession certificate from the appropriate court will be required for releasing the balance amount after the death of the account holder

4.3. Monthly Income Scheme (MIS)

This is a Deposit Scheme where the depositor gets a fixed amount of profit every month without disturbance of the principal.

Benefit -

- The retirement benefits of service holders. The depositor gets a monthly pension.
- The investment of Wage Earners who want to pay a fixed amount monthly to their families/ dependents in Bangladesh from the profit of their investment.
- The deposit of those persons who intend to meet the monthly expense of their family from the income of their deposit.
- Investment of fund of Trusts and Foundations which award monthly scholarships/ stipends to students.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- Parents who want to defray the educational expenses of their children from the monthly benefit of their deposit with the Bank.

What you will get

1. Guaranteed monthly income that helps fulfill your loved ones' desires while protecting them in case of an unfortunate event
2. You receive tax benefits under section 80C and 10(10D)

Why choose this plan

- You want to fulfill your long pending desires with additional source of income
- You want a source of guaranteed monthly income for your family if something unfortunate were to happen to you
- You want to gift your parents a guaranteed monthly income for their retirement

4.4. Monthly Income Scheme (MIS) IFIC Bank

Features:

A special kind of fixed deposit offers flexibility & comfort of having monthly return on investment.

Time	Types of Deposit	Deposit Rate
1 year	FDR (Tenure 1 year)	12.00%
2 years	FDR (Tenure 2 years)	12.00%
3 years	FDR (Tenure 3 years)	12.00%

All MIS account will be auto renewable. All other terms and condition including premature encashment condition shall however remain unchanged.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Requirement:

- 1. Duration of the Account: 1(one) year, 2(two) years, 3(three) years**
- 2. Amount to be Deposit: Tk. 50,000 or multiple** (Deposited amount will be returned on maturity)
 - Photograph - 2 copies
 - Nominee photo - 1 copy
 - Copy of photo ID-NID/DL/Passport
 - Signature of nominee

Eligibility for Monthly Income Scheme:

- 18 years of age or above
- Require to open/ have CD/SB account with the Branch
- Open more than one account in his/her/their same name in same Branch

Procedure for paying monthly income:

- The account holder will receive monthly income in any SB/CD account of same name maintained with the Branch. In case, the account holder do(es) not have any SB/CD account with the Branch, he/she/they will have to open SB/CD account for receiving the monthly income. The minimum balance requirement will be waived for these types of accounts for a new customer. However, a minimum initial deposit of tk.500/- will have to be deposit.

Nomination:

- An account holder can nominate maximum 3(three) persons as his/her/their nominees who will be able to receive the monthly income in the event of the death of the account holder.
- A minor can also be made a nominee. In that case the minor's legal guardian will receive payment on his/her/their behalf.



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Pre- mature closure of the Account:

- In case, the account is closed within 6 months, no benefits including interest will be paid to the account holder.
- In case, the account is closed after 6 months but within 1 year, the client will be paid back principal amount with the interest at the Bank's the then prevailing Saving Account Rate.

Credit Facility:

- The account holder can avail loan/overdraft facility against the lien on the balance of the above MIS account as per Bank's prescribed rates and rules.

Special Instructions:

- No separate cheque book will be issued to the client under the scheme
- Nominee(s) will not be able to continue the account after the death of the account holder
- Any benefit under this scheme will come under the purview on Income Tax/ Excise Duty etc. or any other levy as decided by the Government of Bangladesh from time to time.



Chapter 05

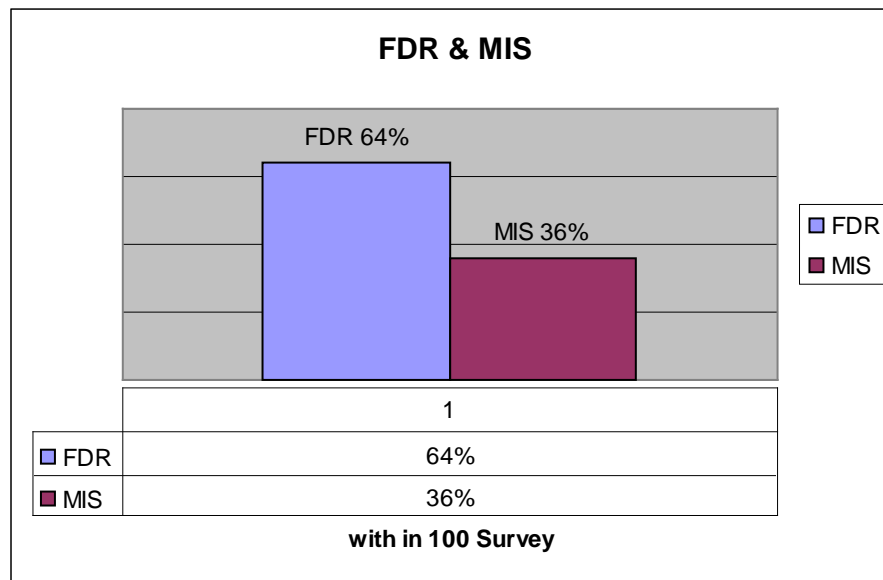
Findings

And

Analysis

1. Which scheme is preferable to customer

In this report I took 100 interviews within IFIC Bank’s customers to know which scheme they prefer most FDR or MIS. 64% customers of them prefer FDR and 36% customer prefer MIS, and from this two scheme 41% customers prefer only FDR service, 22% customers prefer only MIS and 37% customers prefer both service.



1. FDR Benefits: Most of the time customers prefer FDR more than MIS. They think FDR opening is much easier than MIS. To open an MIS account customer need a savings account and also need nominee’s signature. With FDR customer gets some benefits which are -

- Money can grow with attractive interest rate with flexible tenure.
- Automatic renewal facility at maturity.
- Loan facility against FDR Account to meet urgent financial needs.
- The customer may avail loan facilities against FDR Account as security.
- Premature closure facility at savings rate.

2. Time period: FDR account can be open for 1/3/6/months, 1years or above. It means any customer who open FDR for one month that person can withdraw his/her capital after one month

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

from the beginning of account. But in MIS minimum deposit time is year. If any customer withdraws capital before period of time then they will get only 5% of interest.

3. Withdrawing money: When customers open FDR for any fixed time after that maturity date they will get full interest on the beginning fixed rate. Like for one month of FDR and after one month if customer want to withdraw the capital he/she will get full interest, but if FDR was for 6months and before maturity Customer want to withdraw money then they will get only 5% of interest rate. It will be same for MIS before one year maturity if customer want to withdraw capital then they will get 5% interest rate. So in this case FDR is better because Customer can withdraw money before one year. On the other side in MIS customer have to deposit money minimum for one year.

4. MIS Benefits: Now a day customers are more attract to this MIS service. They think MIS is more attractive and profitable. In MIS customer will get interest every month on their account. Also MIS have other benefits which are-

- The retirement benefits of service holders. The depositor gets a monthly pension.
- The investment of Wage Earners who want to pay a fixed amount monthly to their families/ dependents in other city from the profit of their investment.
- The deposit of those persons who intend to meet the monthly expense of their family from the income of their deposit.
- Investment of fund of Trusts and Foundations which award monthly scholarships/ stipends to students.
- Parents who want to defray the educational expenses of their children from the monthly benefit of their deposit with the Bank.

5. Every months Interest: Customers also prefer MIS. They think MIS is better because here they can get interest from their capital in every month. Every month their interest will send to their savings account, so that they can withdraw their money when they need from savings account every month. On the other hand, in FDR after maturity date only customer will get interest. If any customer open get 3 months FDR they will get interest on capital after 3 months in together.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

And if it is for 1 year FDR then customer will get interest after 1 year with 12 times of interest but if withdraw before within 1 year then customer will get interest on only 5% rate.

6.Change of interest rate: When customer Open a MIS account for one year from that time that interest rate will be fixed for next one year through the rate of interest changed within next one month. Customer will get that rate in which he/she open the account. But in FDR in a customer when open a FDR for one month and after one month rate become changed that customer will interest based on new interest rate.

FDR & MIS rate changed very frequently. In this three month 3times MIS & FDR rate have been changed.

- FDR rate three times with in 3 months, which shows below:

SL.	Types of Deposit	Before 05.03.2013	After 05.03.2013	After 04.04.2013	After 02.05.2013
1.	FDR(1 month)	12.50%	12.00%	11.50%	8.00%
2.	FDR(3 months)	12.50%	Remain unchanged	Remain unchanged	12.00%
3.	FDR(6 months)	12.50%	Remain unchanged	Remain unchanged	Remain unchanged
4.	FDR(1 year)	12.50%	Remain unchanged	Remain unchanged	Remain unchanged

After 2nd may customer are not interest to open any FDR for 1month. They think it could be loss for them to open FDR for 1 month. Also few people are surprised about 3 months FDR rate because it is also decreases. Those who open FDR for 3 months in January after this rate change their interest rate will be changed automatically. Those who open FDR for 1 year in this January their FDR rate will be unchanged to next January.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- With in 3 month MIS rate also changed-

Year	Before 05.03.2013 monthly Income interest rate	After 05.03.2013	After 04.04.2013	After 02.05.2013
1 year	13.50%	12.50%	Remain unchanged	12.00%
2 years	13.50%	12.50%	Remain unchanged	12.00%
3 years	13.50%	12.50%	Remain unchanged	12.00%

With in 3 months MIS rate has been changed for two times. With in these 3 months 1.5% rate has become decreases. Because of this reason now a days customers are not that much willing to open MIS.

- At this moment from FDR and MIS customer will earn interest on this rate –

FDR		MIS	
1. 1,00,000(1month) * 8% = 8000/12 = 666.67		1. 1,00,000(3months) * 12.0% = 12,000/12 = 1,000	
2. 1,00,000(3months) * 12.0% = 12,000/12 = 1,000		2. 1,00,000(3months) * 12.0% = 12,000/12 = 1,000	
3. 1,00,000 (6 months/ 1year) * 12.5% = 12,500/12 = 1041		3. 1,00,000(3months) * 12.0% = 12,000/12 = 1,000	

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

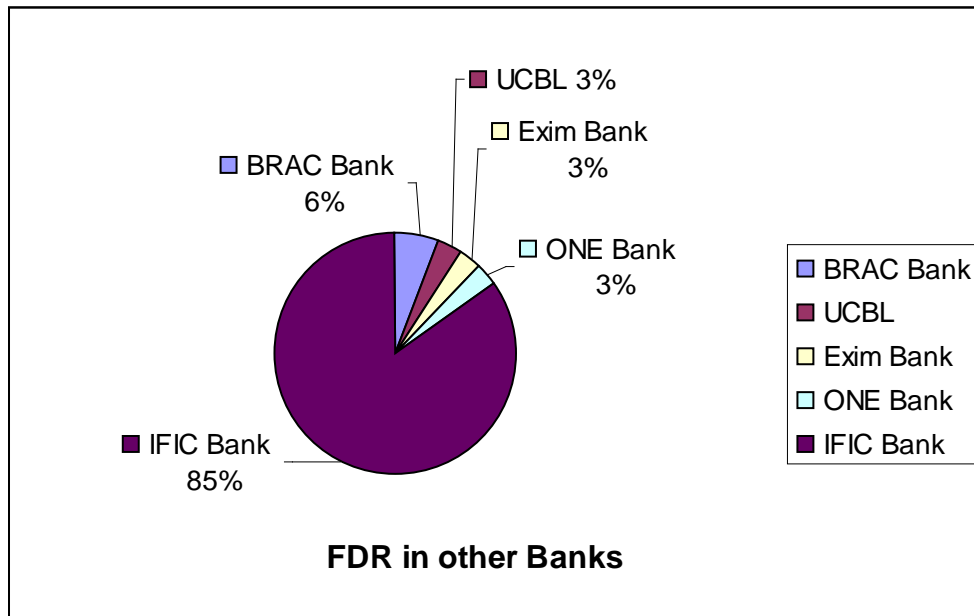
So those who open FDR for one month before April after 2nd may when their account will mature they will get interest based on earlier rates. So it could be a loss for them. But people who open MIS for minimum one year they will get earlier rate for next one year maturity time.

After 2nd month MIS is also decreases and because of that rate of opening MIS account also decreases. Now customers are also not that much interest to open MIS at this rate.

2. FDR in other banks

16% customer said that they also have FDR indifferent bank. Rest of 85% have only have FDR in IFIC Bank. Many customers do not want to share their private information in public, from them only few share. It is major problem while doing the survey.

Which bank-



Within 15% customer 6% of them have FDR in BRAC Bank, 3% customers have FDR in UCBL, 3% have FDR in ONE BANK and rest 3% in other bank. These entire bank’s FDR interest rates are same as IFIC Bank. These banks’s rate is also maximum 12.5%. Also now a day’s advertisement is a major factor which can attract customer. UCBL and ONE Bank has this



A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

advantage. And BRAC Bank is a well known bank now a day's. Because of these reasons customer's also have FDR in different Banks.

It means still most of the customers have only FDR in IFIC bank.

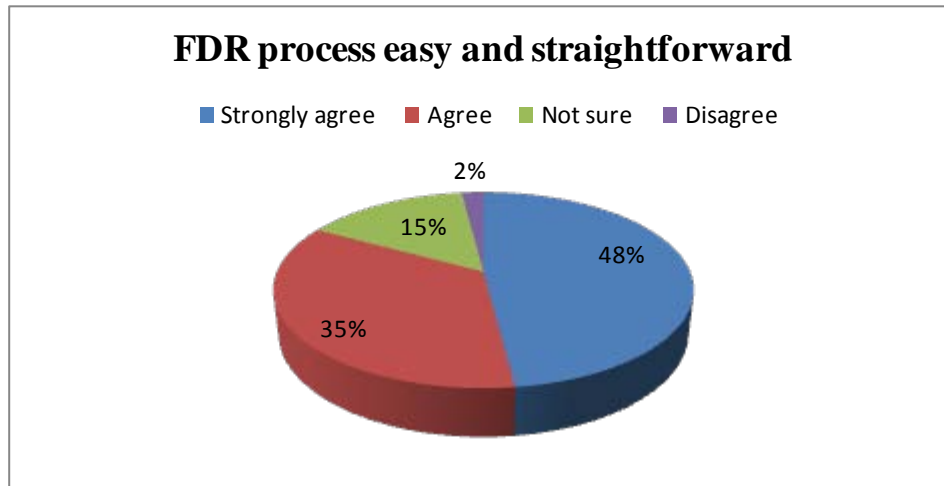
3. Access to FDR throughout the process was easy and straightforward

Most of the customers think it is an easy and straightforward but few of them think it is a lengthy process because few customers are always in Harry. But they prefer this most of the time because they do not need nominees signature or any kind of savings account with in that branch. To open a FDR Customer only need Passport sized Photographs of account holder(s) and nominee duly attested, Signatures(s) of account-holder(s), introducer, and etc. duly admitted/verified, Personal information Form(s). Customers are Also national identity card and TIN (Taxpayer Identification Number).

Any non-resident customers can also open FDR. They only need to show their passport and legal paper's. Also a non-resident customer can open his/her joint-account FDR with a resident customer. For this they did not need to go through any other difficult process.

Any types of organization slow need to follow same process. They need to show all kind of organization legal paper and signature of directors.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.



From this graph I have seen that 48% customers are Strongly agree, 35% customers have preferred agree, 15% customers have looked on Not sure and 2% customers have preferred Disagree.

4. The overall process was fair and impartial

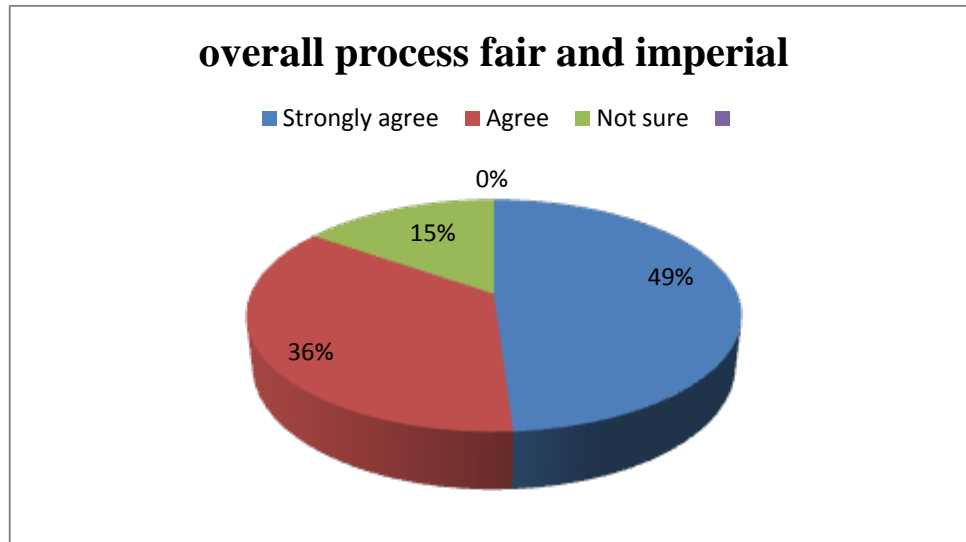
It simply involves filling out a form, putting together a set of documents and your photographs and submitting them. The bank will issue a fixed deposit receipt which you need to hold on to.

Documents required are for proof of identity, address, signature, and in case of senior citizenship, age. There are a variety of documents you can produce for proof of identity and address, such as your passport, driving license, voter's identity card, ration card, recent utility bills, and credit card bills and so on.

Signature proofs can take the form of passport, PAN card or a signed cheque. Apart from this, some banks, such as IFIC Bank, also demand an introduction letter from an account holder.

Here, all customers were strongly agreeing with that this process is fair and imperial. They think it's fair to showing photo of account holder and nominees, signature of account holder and TIN. Because now a days there are many type of people who took the advantage and make fraud with bank.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.



From this graph I have seen that 53% Strongly Agree, customer have preferred 44% Agree and only 3% customer have looked on Not sure.

5. MIS in other bank

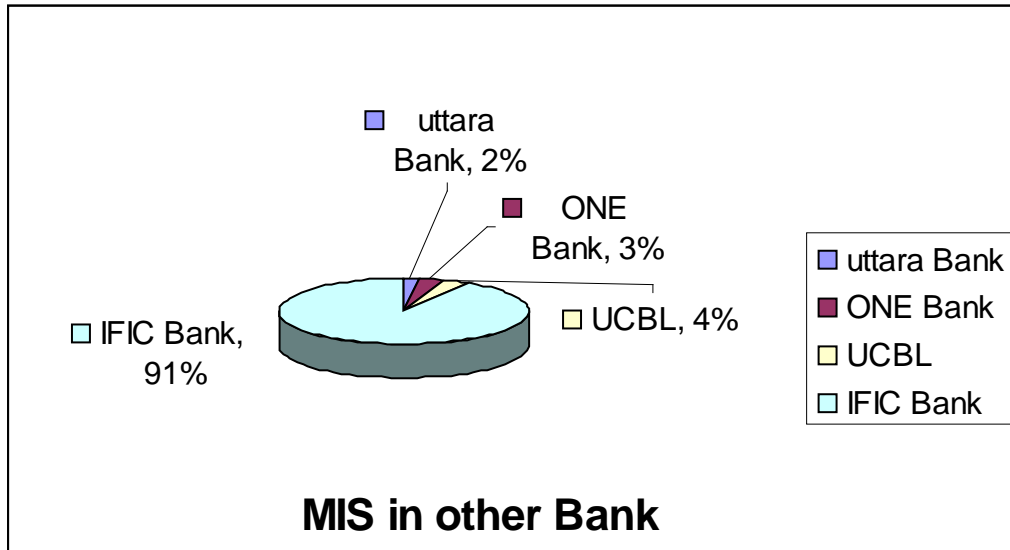
Only 9% customers have MIS in different Bank. Rests of 91% customer have MIS only IFIC Bank. Those who open MIS they always think this scheme have more benefits. Under this scheme, depositor will get a certain sum of money in each month proportion to his/her deposit during the entire tenure. Benefit starts right from the first month of opening an account under this scheme and continues up to five years. On maturity, the principal amount is paid back.

Objectives of this scheme are: help the retired persons for investing their retirement benefits, create investment opportunities for Non-Resident Bangladeshi, etc. Many banks do not provide this investment opportunity for Non-resident Bangladesh. That why most of the customer do not switch in other bank.

Those who open MIS in different they think in IFIC bank interest rate very frequently and they do not want to take any risk. That why they also open MIS in different bank.

Which bank-

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.



From them 2% of customer have MIS in Uttara Bank, 3% of them in ONE Bank and rest of 4% have in UCBL. These entire Banks are also providing this service in same rate. Now a day MIS rate is changing every month and customer do not want to take any risk that's why they think its better to open MIS in different bank.

It means still most of the customers have only MIS in IFIC bank.

6. Do you think the interest rate for MIS should be increased

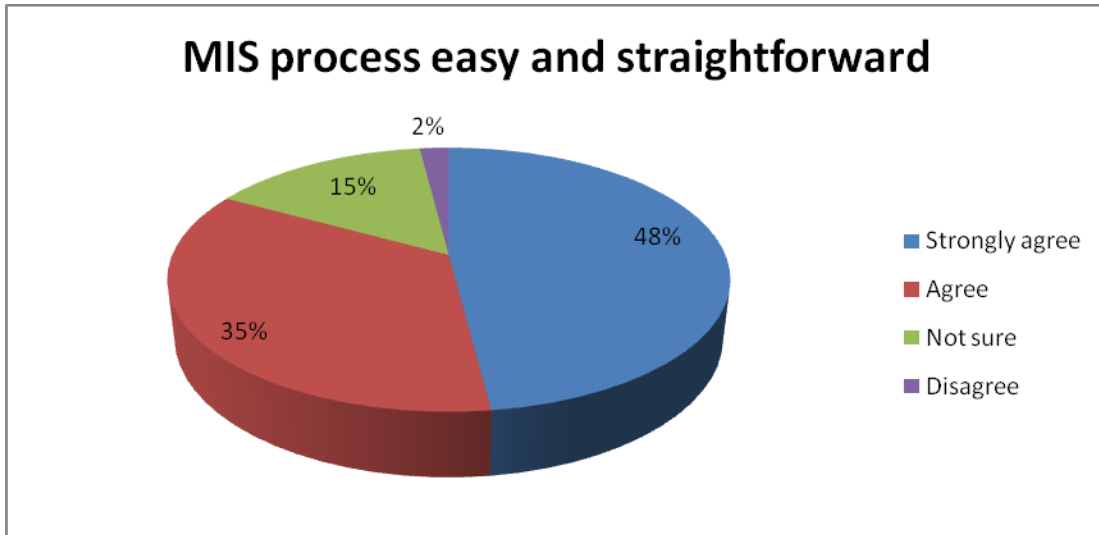
Most of the customers think that interest rate for MIS should be increased, because by this way customer can be increased and it will be benefited of them. Also if any MIS interest rate increased for a time then those rated MIS rate will be fixed for minimum 1 year. It could a benefit for the customer.

7. Access to MIS throughout the process was easy and straightforward

Most of customer think that MIS opening process is easy and straightforward but few of them think that some time it make trouble. To open MIS they need to show the nominees signature. Some time it create problem among customer because some time nominee are not available all

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

the time. Also to open MIS customer need saving accounts. People who does not have savings account they face problem to open MIS.

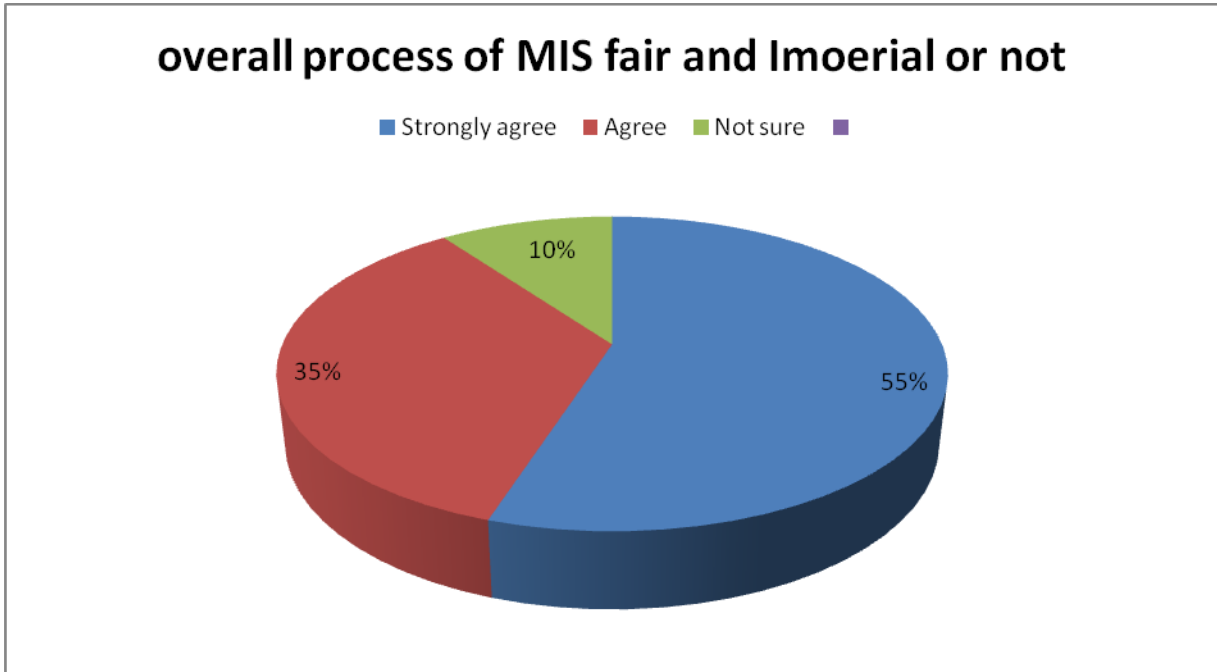


This graph is talked about throughout process of MIS easy and straightforward or not. 53% customer have looked on strongly agree, 30% looked on agree, 13% customer preferred Not sure and rest of 4% Disagree on this graph.

8. The overall process was fair and impartial

55% customers were strongly agree and 35% agree with that this process id fair and imperial. But 10% was not sure. Only 10% people think that some time nominee’s signature is not available all the time. For example- wife came to bank to open a MIS and his/her husband is not with them and husband will become nominee. That time go back home took signature and came back home it’ become irritating for them. Sometime nominee are not available in same city. So this kind of problem they face.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.



In this Graph, 55% customers strongly agree, 35% agree and 10% strongly not sure about the overall process was fair and imperial or not.

9. If the interest rate for FDR/MIS decreases in IFIC bank will you still maintain you're FDR/MIS in this bank

Customer will come to the IFIC Bank still FDR/MIS decreases. Most of the customers have a good relation with this bank and their employees. In IFIC Bank's most of the customer are old people, they think they have a strong bonding with this bank and now at this point they do not want to take any risk. At this age they do not want to take any risk. Also their children are also member of this bank; they will also have a faith on this bank.

That why 100 out of 100 customer said that, yes they will still maintain FDR/MIS in IFIC Bank through interest rate for FDR/MIS decreases in IFIC Bank.

10. Customer service satisfaction

Customer service is the most vital factor for any organization. When this question comes about a bank than it becomes more important because a bank is directly involves with its customer. To run the business safe and soundly a Bank must have to maintain a good relation with each and every customer. Basically a bank provides cash deposit service, utility bills payment service, small finances, corporate or business finance services, loan related services etc. IFIC Bank also provides all this kinds of services for its customers. IFIC Bank has got that much qualified service team who can provide the best service to the customers and can make the customer a satisfied one.

Customer service is a big factor for a bank to keep the customer happy and satisfied with the services that bank can provide with highest effort. A bank is an intermediary institution, which deposited customer's money and again invests it to other customers to reach the goal as well as specific objective. A bank cannot be able to reach the goal until it makes the customer satisfied by providing services as much as the customer needs.

In this report the importance of customer service has been highlighted. It indicates that the customers are the most valuable assets for a bank. Without having a good number of customers and a good relation with the customer a bank can't run well in this era because there is huge competition.

All customer think that in Shantinagar Branch each and every employees are sincere and all of employee attend customers proper way. Employees are always ready to provide service and they are very helpful. Each and every customer's are fully satisfied with customer service.



Chapter -06

Recommendation

And

Conclusion

Recommendation:

1. Interest rate- interest rate should increase of FDR and MIS both. Because 100 out of 100 customers demand that interest should increase. Any bank increases their interest rate when bank need more capital and want to increase customer. When demand become decreases at that point bank increases their interest rate. So at this point Bank should increase interest rate.
2. Training- many employee in Shantinagar Branch do not know how to open FDR & MIS. Some it make pressure for one person to handle so many customer at a time because in Shantinagar Branch there is one employee who know how to open FDR & MIS. So it is difficult for her.
3. Loan policy- loan policy of FDR scheme should increase.
4. Advertisement- advertisement of products should increase. So many do not know benefits about MIS where customers have more than one FDR in IFIC bank. Employee should introduce MIS to customer more.

General Recommendation:

1. Salary structure should be immediately improved if IFIC Bank wants to attract efficient workforce in their team. Also, it is necessary to reduce the turnover rate in their organization.
2. The plan for increasing the number of ATM booths should be implemented as soon as possible.
3. Technology should be updated as the present software is very slow.
4. Management should make sure that the AGM continues to be held regularly.
5. Work pressure is huge and numbers of employees are less in the Shantinagar Branch. Some more employees are needed to hire
6. The time limit for the repayment of the loan for the customers should be increased more.
7. They should improve their decoration and interior.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Conclusion:

This report is all about “A comparative Analysis between FDR & MIS services offered in IFIC Bank Ltd.” for that I took 100 surveys of IFIC Bank customers, where I asked them some question related to topic. From this survey I have been find out some analytical data. All these data help me to find out the solution that which service is better than other. From this survey I got some quantitative data which assist me to make some graph and show some graphical analysis which will help to understand my report.

At first I asked them about which service/scheme is more preferable, from 100 surveys 64% customer have FDR in IFIC Bank and 36% customer have MIS in IFIC Bank. It means 2/3 customer prefer FDR service than MIS service and 1/3 customers prefer MIS.

Then I asked them do they have any other FDR in other Banks. Only 16% customers have FDR in other banks like UCBL, EXIM Bank, ONE Bank and BRAC Bank. Rests of 84% customer have FDR in IFIC bank.

Then I asked about either whole process of FDR are easy and straightforward or not From them 48% customers are Strongly agree, 35% customers have preferred agree, 15% customers have looked on Not sure and 2% customers have preferred Disagree.

After that I talked about is overall process of FDR process is fair and imperial or not. From them 53% strongly Agree, customer have preferred 44% Agree and only 3% customer have looked on Not sure.

After FDR service I ask customer about MIS service. I asked them do they have any other MIS in other Banks. Only 9% customers also have MIS in different Bank. Rests of 91% customer have MIS in IFIC Bank. Uttara Bank, UCBL and ONE Bank are those banks where customers also have MIS. Only 9% customers have MIS in different bank which means still most of the customers have only MIS in IFIC bank.

When I asked customer that either interest rate of MID should be increased or not all of them said yes. All of them think that MIS should increase so that they will get more interest on their basic capital.

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

Then most of the customers think that MIS process is easy and straightforward. 53% customer have looked on strongly agree, 30% looked on agree, 13% customer preferred Not sure and rest of 4% Disagree on this graph.

55% customers strongly agree, 35% agree and 10% strongly not sure when I ask them about overall process was fair and imperial or not.

At the end I ask them two more questions which are if the interest rate of FDR/MIS rate decreases in IFIC Bank will they still maintain their FDR/MIS in this Bank and are you satisfied with customer service of IFIC Bank. In both of this questions customer said 'Yes'. It means they are fully satisfied from the customer service of IFC bank And because all customer are old customer so that they have a faith on this bank and attachment with this bank. They know most of the employees and they are very friendly with each other.

At the end we can see that 2/3 of customer prefer FDR than MIS. That is why IFIC Bank also focusing on FDR more than MIS. Customers also prefer MIS more than FDR because there are more benefits than MIS.



Appendix

Questionnaire Survey on ‘A Comparative Analysis between FDR and MIS Services offered in IFIC Bank Ltd.’

Dear respondent, a very good day to you. I have been doing a research titled ‘A Comparative Analysis between FDR and MIS Services offered in IFIC Bank Ltd.’ This research is a part of requirement of “Bachelor in Business Administration (BBA)” program under BRAC University, for which your opinion would be valuable. The information you provide will be used absolutely for academic purpose. Furthermore, all information you provide is confidential. If you have any questions regarding this research, please contact by the under-mentioned e-mail. Thank you for your participation.

Mosarot-E-Khuda (Samiha_083@yahoo.com)

Customer Information:

Name:

Age:

Gender: Male/Female

Occupation:

1. Which of our scheme is preferable to you?
 - a. FDR
 - b. MIS

FDR:

2. Do you have any FDR in other banks?
 - a. Yes
 - b. No
3. If yes, then which bank-
 - a. HSBC
 - b. CITY Bank

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

- c. Standard chartered Bank
 - d. UCB
 - e. Islami Bank
 - f. DBBL
 - g. Others (please specify)
4. Access to FDR throughout the process was easy and straightforward:
- a. Strongly agree
 - b. Agree
 - c. Not sure
 - d. Disagree
 - e. Strongly disagree
5. The overall process was fair and impartial:
- a. Strongly agree
 - b. Agree
 - c. Not sure
 - d. Disagree
 - e. Strongly disagree

MIS:

6. Do you have any MIS in other bank?
- a. Yes
 - b. No
7. If yes, then which bank-
- a. HSBC
 - b. CITY Bank
 - c. Standard chartered Bank
 - d. UCBL
 - e. Islami Bank
 - f. DBBL

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

g. Others (Please specify)

8. Do you think the interest rate for MIS should be increased?

- a. Yes
- b. No

9. Access to MIS throughout the process was easy and straightforward:

- a. Strongly agree
- b. Agree
- c. Not sure
- d. Disagree
- e. Strongly disagree

10. The overall process was fair and impartial:

- a. Strongly agree
- b. Agree
- c. Not sure
- d. Disagree
- e. Strongly disagree

Others:

11. If the interest rate for FDR/MIS decreases in IFIC bank will you still maintain your FDR/MIS in this bank?

- a. Yes
- b. No

12. Are you satisfied with our customer service?

- a. Yes
- b. No

A comparative Analysis between FDR & MIS Services offered in IFIC Bank Ltd.

REFERENCES:

- https://www.google.com.bd/#q=recommendation+of+fixed+deposit+receipt&spell=1&sa=X&ei=lxGmUcHUNoOtrAeF1YBQ&ved=0CCcQvwUoAA&fp=1&biw=1280&bih=699&bav=on.2,or.r_qf.&cad=b
- http://wiki.answers.com/Q/What_are_the_disadvantages_and_advantages_of_fixed_deposits
- <http://www.ibbm.org.my/v2/wp-content/uploads/2011/05/Chap-11-amended-010305t060205.pdf>
- <http://www.scribd.com/doc/79242553/144/Advances-against-Fixed-Deposit-Receipts>
- <http://www.assignmentpoint.com/business/internship-report-on-customer-service-of-ific-bank-part-4.html>
- http://bankinfobd.com/banks/23/IFIC_Bank
- <http://www.ificbank.com.bd/>