

Internship Report
On
Performance Evaluation of Dutch Bangla Bank
Limited

Submitted to: FazoleMohiuddin
Internship Supervisor
BRAC BUSINESS SCHOOL
BRAC UNIVERSITY

Submitted by: AfrozaSifatEiti
ID: 10204034

Date of submission: November 25, 2015

September 10, 2015

FazleMohiuddin

Advisor

BRAC Business School

BRAC University,

66 Mohakhali, Dhaka-1212

Subject: Submission of Internship Report

Dear Sir,

It gives me enormous pleasure to submit the internship report on “Performance Evaluation of Dutch Bangla Bank Limited” as per the Advisor’s instruction. I expect this report to be informative as well as comprehensive.

Working in Dutch Bangla Bank Ltd was an inspiring experience for me. I believe that the knowledge and the experience I gathered will facilitate me a lot in my future career life. With my limited knowledge, I have tried my level best to prepare the report worthwhile. Your acceptance and appreciation would surely inspire me. For any further explanations about the report, I will gladly be available to clarify ins and outs. You can reach me at afrozasifateti@yahoo.com

Sincerely Yours,

AfrozaSifatEti

ID: 10204034

Acknowledgment

I have completed my internship at DBBL (Mohakhali Branch) from May 27th to August 27th, 2015. My internship report would not have been possible without contribution of few people. At first I want to express my deepest sense of gratitude of Almighty Allah.

With profound regard I gratefully acknowledge my respected course teacher SharminShabnam Rahman, Lecturer BRAC Business School of BRAC University for his generous help and day to day suggestion in the process of my internship report.

Next I would like to show my gratitude towards KaziEkramullah, the First Assistant VicePresident, the General BankingDepartment In-charge along with my supervisor, Mahfuza BegumAssistant Vice President,of DBBL,Mohakhali Branch. Theyhave truly been immensely supportive to me. I can't thank enough to all the personnel ofDBBL (Mohakhali Branch). They have explained everything I asked for in details.All throughout they were never impatient.They did not allow me to feel uncomfortable for even a single moment. I am really grateful to all of them for their supportiveand friendly gesturess..

I am also grateful to the Human Resource Department of DBBL for providing me theopportunity to domy internship program in this organization.

Table of Contents

EXECUTIVE SUMMARY.....	3
1 INTRODUCTION.....	5
1.1 BACKGROUND	5
1.2 OBJECTIVE.....	5
1.3 METHODOLOGY.....	5
1.4 SCOPE OF THE REPORT	6
1.5 LIMITATIONS	6
2 THE COMPANY: DUTCH-BANGLA BANK LIMITED.....	8
2.1 HISTORICAL BACKGROUND.....	8
2.2 AN OVERVIEW OF DBBL	9
2.3 DBBLPHILOSOPHY.....	9
2.4 CORE OBJECTIVE OF DBBL	9
2.5 DBBL FOCUS.....	9
2.6 MISSION	10
2.7 VISION.....	10
2.8 DBBLSTRATEGIES.....	10
2.9 OBJECTIVES OF DBBL.....	11
2.10 DEPARTMENTS OF DBBL	11
2.10.1 Human Resources Department.....	11
2.10.2 Corporate governance	12
2.10.3 International Division	12
2.10.4 Credit department	12
2.10.5 Loans and Advances.....	13
2.10.6 IT department.....	13
2.11 ORGANOGRAM.....	14
2.12 PRODUCTS AND SERVICES.....	15
2.12.1 Products and services offered by DBBL.....	15
2.12.2 Banking Products.....	15
2.12.3 Term Deposit.....	16
2.12.4 Loan & Advances	16
2.12.5 ATM Services	16
2.12.6 Treasury	17
2.12.7 Account Service.....	17
2.12.8 Foreign Trade	18
2.12.9 DBBL Internet Banking.....	19
3 SWOT ANALYSIS.....	21
4 INTERNSHIP: MY JOB.....	23
4.1 DESCRIPTION/NATURE OF THE JOB/S.....	23
4.1.1 Account	
4.1.2 Bill Collection & Section.....	27
4.2 SPECIFIC RESPONSIBILITIES OF THE JOB	29
4.3 DIFFERENT ASPECTS OF JOB.....	29
4.4 CRITICAL OBSERVATIONS AND RECOMMENDATIONS	30
5 PROJECT	32
5.1 SUMMARY	32
5.2 DESCRIPTION OF THE PROJECT	32
5.3 OBJECTIVE OF THE PROJECT.....	32
5.4 METHODOLOGY.....	33

5.5 LIMITATIONS	33
5.6 LIFE LINE: THE SERVICES	34
5.6.1 DBBL Clean Credit Line (no cash security, no personal guarantee)	35
5.6.2 DBBL Full Secured Line	58
6 COMPARISON WITH OTHER BANKS	62
6.1 INTEREST RATE COMPARISON	66
6.2 RISK INVOLVED IN THE LOANS.....	67
6.3 INDUSTRY INTEREST RATE VERSUS LIFE LINE RATE.....	67
7 RECOMMENDATION.....	68
8 CONCLUSION.....	70
9 REFERENCES	71

Executive Summary

With the focus on providing one counter service to clients, Dutch Bangla Bank Limited (DBBL) has started its journey. Dutch-Bangla Bank is a second generation commercial private Bank. The Bank commenced its banking business with one branch on July 4, 1996. As a part of my Under Graduation Program, I have completed my internship in this organization. Throughout the period of my internship, I had been working in several departments.

One of my major responsibilities was to assist the clients in opening new accounts. Alongside, filling up IPO form, maintaining database, providing relevant information, accepting cash and credit cheques, maintaining OBC register and writing vouchers were some of the core activities during my internship. In one hand, I was assigned to provide account opening related information to the new customers. Every day, one of my responsibilities was to capture new or existing information related to account opening and then, disseminate those information to the clients who are interested to open account with DBBL. On the other hand, I was assigned to keep a database of the information collected. I had been maintaining a database of clearing cheques. Alongside, I prepared new and existing files for the department.

The project is based on my critical observation while working in different departments of DBBL.

CHAPTER 1

INTRODUCTION

1 Introduction

As a part of my under graduation program, I have completed my internship in a renowned financial institution named "Dutch-Bangla Bank Limited." Throughout the period of my internship, I had been working in several departments. However, I was officially appointed to evaluate the overall performance of DBBL Mohakhali Branch.

1.1 Background

It is mandatory to complete a three month internship program in order to complete the BBA program. After finishing my course work, I was assigned to complete my internship program in DBBL. As per the instruction of internship advisor, I was devoted to learn the banking operation of DBBL. During the tenure of my internship program, I worked in different sections of DBBL. However, I have worked more vigorously in overall performance of Dutch Bangla Bank Limited in particular. Based on the learning and practical experience, I have prepared this report. It is also mandatory to submit a report to the bank.

1.2 Objective

Objectives regarding this study are as follows:

Understanding the environment, functions and management of DBBL.

- To learn banking more thoroughly
- To fulfill academic requirement
- To identify major strengths and weaknesses of DBBL in retail products in respect to other banks
- To recommend for the successful operation of the services offered by DBBL.

1.3 Methodology

For preparing this paper, I used both Primary and Secondary data.

Primary data

Most of the necessary information has been collected from the personal observation and one to one discussion with the relevant officials. Throughout the tenure of my internship, I worked in different departments and that gave me a great opportunity to collect information and learn more.

Secondary data

The details of the bank and the selected department have been collected from secondary sources. The relevant information of other private banks has been collected from annual reports, web pages and other published documents.

1.4 Scope of the report

I have tried to evaluate the performance of Dutch Bangla Bank limited. The evaluation is based on five years (2008-2012) performance of the bank. It includes the study of Portfolio (Capital adequacy, Asset Quality, Management Soundness, Earnings and Profitability, Liquidity and Sensitivity to Market Risk) as well as Deposits Management of Dutch Bangla Bank Limited and Organization structures and responsibilities of management, challenges of Dutch Bangla Bank Limited etc.

1.5 Limitations

This report is an overall performance of Dutch-Bangla Bank Ltd. Although it has been tried on the level best to make this report based on facts and complete information available, there are some limitations that are inevitable. They are following:

- The main obstacle while preparing this report was time. As the tenure of the internship program was only three months; it was not possible to highlight everything deeply.
- Confidentiality of information was another barrier that hindered the study.
- Sufficient records, publications were not available as per my requirement.

CHAPTER 2

THE COMPANY

2 The Company: Dutch BanglaBank Limited

2.1 Historical Background

Dutch-Bangla Bank Limited is a scheduled commercial bank. The Bank was established under the Bank Companies Act 1991 and incorporated as a public limited company under the Companies Act 1994 in Bangladesh with the primary objective to carry on all kinds of banking business in Bangladesh. The Bank is enlisted with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. DBBL- a Bangladesh European private joint venture scheduled commercial bank commenced formal operation from June 3, 1996. The head office of the Bank is located at SenakalyanBhaban (4th floor), 195, Motijheel C/A, Dhaka, Bangladesh. The Bank commenced its banking business with one branch on 4 July 1996.

Dutch Bangla Bank Limited (DBBL) a public company limited by shares, incorporated in Bangladesh in the year 1995 under companies Act 1994. With 30% equity holding, the Netherlands Development Finance company (FMO) of the Netherlands is the international cosponsor of the Bank. Out of the rest 70%, 60% equity has been provided by prominent local entrepreneurs and industrialists & the rest 10% shares is the public issue. During the initial operating year (1996-1997) the bank received skill augmentation technical assistance from ABN Amro Bank of the Netherlands.

DBBL's focus is to provide one counter service to clients covering: Commercial Banking (Deposit Accounts), Consumer Banking (Retail Banking) - Traveler Cheques- Foreign & Inland Remittances, Financial Services, Corporate Banking, Asset & liability management, Liquidity & capital Resources Management, Information technology, Human Resources. DBBL Internet banking enables customer to access his/her personal or business accounts anytime anywhere from home, office or when traveling. Internet Banking gives customer the freedom to choose his/her own banking hours. It can save time, money and effort. It's fast, easy, secure and best of all.

DBBL, since its inception was active in various social activities, which increased manifold over the period of time and its growth. It is one of the fast growing leading online banks in private

sector. The emergence of Dutch-Bangla Bank Ltd. in the private sector is an important event in the banking area of Bangladesh. The Netherlands Development Finance Company (FMO) of the

Netherlands is the international sponsor of the Bank. The FMO is the Dutch development bank of the Netherlands specialized in the financing of private enterprises in Asia, Africa, and Latin America and Eastern Europe. Dutch-Bangla Bank Ltd. came into existence with joint venture as a public limited company incorporated in Bangladesh on June 26, 1995 with the primary objectives to carry on all kinds of banking business in and outside of Bangladesh. DBBL has started its business with foreign bank. DBBL commenced its business as scheduled bank with effect from July 04, 1995 with one branch-Motijheel Branch, Dhaka, with a motto to grow as a leader in

the banking arena of Bangladesh through better counseling and effect service to clients and thus to revitalize the economy of the country. All the branches are currently providing truly On-Line banking facility. DBBL resumed its operational activities initially with an authorized capital of Tk.400 million and paid up capital of Tk.202.14 million.

2.2 An over view of DBBL

Dutch-Bangla Bank is a second generation commercial private Bank. During the period of its operation, this bank creates a milestone of success in banking sector. This bank holds an experienced team of banking professional. They achieve this success because of their experienced banking professional team, proper management & so on. Dutch-Bangla Bank Limited is a Bangladesh–Netherlands joint venture scheduled commercial bank established in Bangladesh with the primary objective to carry on all kinds of banking business in and outside of Bangladesh.

Starting with one Branch in 1996, DBBL has expanded to thirty nine (39) branches including nine Branches outside of the capital. To provide client services all over Bangladesh it has established a wide correspondent banking relationship with a number of local banks. To facilitate international trade transactions, it has arranged correspondent relationship with large number of international banks which are active across the globe.

In addition to its banking activities, Dutch-Bangla Bank Limited takes part in different national activities promoting sports, culture, social awareness, etc.

2.3 Core objective of DBBL

Dutch-Bangla Bank believes in its uncompromising commitment to fulfill its customer needs and satisfaction and to become their first choice in banking. Taking cue from its pool esteemed clientele, Dutch-Bangla Bank intends to pave the way for a new era in banking that uphold and epitomize its vaunted marquee **“Your Trusted Partner”**

2.4 Mission

Each business unit needs to define its specific mission within the broader company mission.

Dutch-Bangla Bank engineers enterprise and creativity in business and industry with a commitment to social responsibility. "Profits alone" do not hold a central focus in the Bank's operation; because "man does not live by bread and butter alone". Mission statements are at their best when they are guided by a vision.

2.5 Vision

“To become a leading banking institution and play a pivotal role in the development of the

country”

Vision, a compelling view of a future yet to be, creates meaning and purpose which catapults both individuals and organizations to high levels of achievement. Dutch-Bangla Bank dreams of better Bangladesh, where arts and letters, sports and athletics, music and entertainment, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality and ethics make all our lives worth living. DBBL's essence and ethos rest on a cosmos of creativity and the marvel-magic of a charmed life that abounds with spirit of life and adventures that contributes towards human development.

2.6 Functions of Dutch Bangla Bank Limited:

The main function of the bank is to mobilize fund from the surplus unit to deposit unit and hence the two main activity of the bank is to collect deposit and disburse loan and advances. The Support division provides assistance to the above business activities and consists following departments and these departments are also functions of Dutch Bangla Bank Limited:

1. Operations
2. Finance, Administration and Risk Management
3. Information Technology Center
4. Human Resource Department
5. Legal and Compliance
6. External Affairs
7. Credit

2.7 Aims and Objectives:

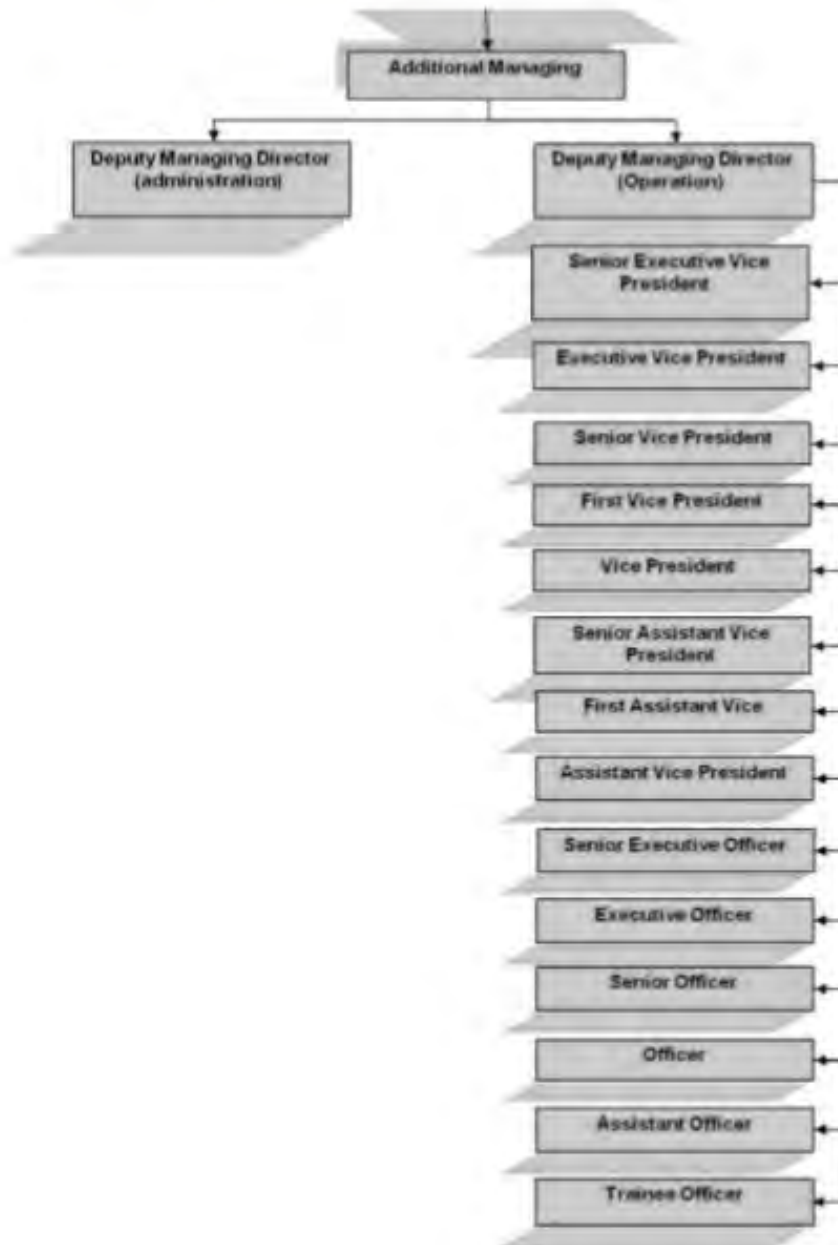
- To establish relationship banking and improve services quality through development of strategic marketing plans.
- To remain one of the best bank in Bangladesh in terms of profitability and asset quality.
- To introduce fully automated systems through integration of information technology.
- To ensure an adequate rate of return on investment.
- To keep risk position at an acceptable range (including any off-balance sheet risk)
- To maintain adequate liquidity to meet maturing obligations and commitments.
- To maintain adequate control system and transparency in procedures.
- To maintain a healthy growth of business.

2.8 Other main divisions of the bank are:

1. Marketing & Development Division
2. CAMLCO
3. Human Resources Division
4. Credit Division
5. Information Technology Division
6. Vigilance Cell
7. Internal Control & Compliance Division
8. General Service Division
9. International Division
10. Treasury Division
11. Credit Administration Division
12. Corporate Banking Division
13. Personal Banking Division
14. Credit Monitoring & Recovery Division
15. Alternative Delivery Channel Division
16. Cards Operation Division
17. Board Secretariat
18. SME Division

2.11 Organogram

2.6 Organogram of DBBL



3.9 Corporate Social Responsibility:

Corporate Social Responsibility (CSR) has been described as corporate citizenship, moral and transparent business values, ecological sustainability or corporate charity. It is a business practice to deliver sustainable and ethical values to the equity holders, employees, customers, environment, society, government and other stakeholders at large.

DBBL as a responsible corporate citizen is fully aware of its responsibility about how its operational activities impact its stakeholders, employees, customers, environment, society, government and other stakeholders.

Contribution to economy:

Primarily DBBL business strategies are based on goodwill and trust of the customers and other stakeholders. Their CSR programs help strengthen this trust. DBBL conducts its activities in responsible way to maximize values for its customers, stakeholders and the economy.

Environment:

DBBL complies with environmental standard while financing industrial projects. Projects with likely adverse impact on environment are strongly discouraged by DBBL. The bank is trying to incorporate sound environmental management process in business operations of Projects financed by the bank that can ensure healthy and sustainable lives for our

future generations. DBBL introduced a guideline demanding assessment of environmental and social impact of the projects. DBBL has been continuously creating social awareness to protect the environment that is essential for present and future generations

.

Education Sector:

- DBBL awards Fellowships to pursuer M.Phil, Doctoral and post Doctoral Degree.
- DBBL donates tk 9.73 crore to Dhaka University
- DBBL donates 102.00 crore to awards scholarship to meritorious including to physical disable students.

- DBBL has awards scholarship to 200 meritorious & needy students.
- Blind Education & Rehabilitation Organization(BERDO)
- DBBL donates books for BangaBandhu Sheikh Mujib Medical University.

HealthSector:

- DBBL distributes the treatment cards to 50 HIV/AIDS positive patient.
- HIV/AIDS Assistance Program
- Smile Brighter Program
- Support to ACID &Dowry victims
- Vesico Vaginal Fistula (V.V.F) operation to improve women reproductive health
- DBBL donates a DNA detection machine to BangaBandhu Sheikh Mujib Medical University.

- DBBL donates an amount of tk 9.36 crore to diabetic Association of Bangladesh

- DBBL stands by disable and underprivileged children

- DBBL donates an Endoscope machine to National Medical college & hospital

Disaster Management:

- DBBL donates tk 25 lakh for the victims of devastating landslides in Chittagong.
- DBBL donates 130 bundles of GCI sheets to Noakhali district
- DBBL donates 700 bundles of high sheets to Gaibandha&Rangpur district
- DBBL has distributed blankets among the cold affected people

Donation to Difference Organization:

- Tk 4 crore for setting up a modern cancer hospital to Ahsania Mission Cancer Society.
- Tk 1 croresetting up a modern cancer hospital to Bangladesh Cancer Hospital.
- Tk 1.20 crore setting up a pediatric hospital to provide service to low income people whose 30% will be free and rest will be at low cost.
- Tk 90 lac to kidney foundation for setting up Operation Theater.

3.10 Dutch Bangla Bank Ltd.

...At a glance DBBL.....

Name of the bank	Dutch Bangla Bank Ltd.
Status	Public company Ltd.

Industry	Financial Services.
Incorporated at	June 3, 1996
Head Office	SenaKalyanBhaban, 4th Floor, 195 Motijheel C/A, Dhaka-1000.
Chairman	MD Sahabuddin Ahmed
Managing Director	Mr. K. ShamshiTabrez
Nature of Banking	Centralized Banking
Number of Branches	136
Unit Offices of SME	03
ATM Booth	2366
Fast Track	235
Internet Banking Started	June 13, 2010
Mobile banking Started	July 2011

Chapter 4

Activities and Products of

Dutch Bangla Bank Ltd

4.1 General Banking Department:

General Banking department is the “Heart” of all banking activities. General Banking department performs the core functions of Bank, operates the day-to-day transactions. It is the storage point for all kinds of transaction of exchange department, loans and advance department & itself. General Banking department generally deals with the following section:-

- a) Account opening section
- b) Account section
- c) Cash section
- d) Clearing
- e) Remittance (domestic)
- f) Mobile banking
- g) Internet Banking

General Banking department generally deals with the following products:-

Regular Deposit Products:

Savings Bank Account (SB A/C):

Under this Scheme savers can save their income. There are restrictions of withdrawal in both amount and frequency.

Current Deposit Account (CD A/C) :

Current Deposit Account is the net flow of current transactions with no restriction. It is an easy-to-use, convenient current account. Current Deposit Accounts are suitable for those customers who need unlimited transactions because of no restriction on withdrawal either in amount or in frequency.

Special Notice Deposit Account (SND A/C):

Any individual or corporate body can open Special Notice Deposit Account, which is an interest bearing deposit account, for a short period of time. However, 7 days of notice is required if the customer wishes to withdraw money from this account.

Excel (Student Account):

Under this scheme, Only Student can open this type of Account. This Account offers to the students without any ATM Card Charges. Excel A/C Holder also provides the interest against their deposit money on semi-annually.

Other Regular Deposit Products

- Resident Foreign Currency Deposit
- Foreign Currency Deposit
- Convertible Taka Account
- Non-Convertible Taka Account
- Exporter's FC Deposit (FBPAR)
- Non- Resident Foreign Currency Deposit

Term Deposit Products:

Fixed Deposit Account (FDR A/C):

Under this Scheme, one can deposit a certain amount of money for one year. The depositor will receive the benefit on monthly basis. The benefit amount of first year will be received in advance at the time of deposit. On maturity, the depositor will get back the principal amount with the benefit amount of second year. FDR Accounts also the following:

- Monthly Term Deposit
- Term Deposit 3 Months
- Term Deposit 6 Months
- Term Deposit 12 Months
- 1 Month TD NFCD
- 3 Months TD NFCD
- 6 Months TD NFCD

Other Deposit Products:

Deposit Plus Scheme (DPS):

Under this scheme, depositors get return a handsome amount through forced monthly savings without any cut in living style.

Millionaire Deposit Schemes (MDS):

Under this scheme, depositors get return a handsome amount through forced monthly savings without any cut in living style.

Children Education Savings Scheme (CHESS):

This Scheme creates opportunity for individuals to save for their children's future education expenditure.

General Banking department also provides the following services:

- Locker Services
- Pay Order
- Demand Draft (DD)
- Online services
- All types of customer service that related with General Banking.

4.1.2 Objective and Principle of Deposits Management:

To collect deposit from the customer is the principle of DBBL. Now DBBL has 40,00,000 depositors in all over the country. The main objective of the deposit management is to maintain loan on the base of the deposit amount. The future aim of deposit management is increase the depositor in 1, 00,000.

4.2 Credit Department:

Loans or credits comprise the most important asset as well as the primary source of earning for the Banking institutions. On the other hand, loan/credit is also the major source of risk for the bank management. A prudent bank management should always try to make an appropriate balance between its return and risk involved with the loan portfolio. Credit policy of all banks cannot be developed on same lines because of differences in their operational needs and resource structures. There are two credit Schemes:

1. Corporate Credit Scheme.

2. Retail Credit Scheme

This credit Schemes are given below:

4.2.1. Corporate Credit Scheme:

The bank is entrusted with the responsibility of providing short, medium and long term loans and other financial assistance for promotion of industrial sectors. There are 3 types of corporate credit scheme:

- Secured Over draft
- Over Draft
- Collateralized Overdraft
- Short Term Loan
- Export Cash Credit
- Payment Against Document
- Loan against Trust Receipt.
- Letter of Guarantee

4.2.2. Retail Credit Scheme:

The bank also provides retail loan to individual customer. There are different types of retail loan which helps customer to fulfill their dream. Like car loan, educational loan, travel loan etc.

4.2.3. SME Banking Services

The purpose is to meet up the working capital requirement of Business. The target customers are Small or Medium Entrepreneur like: an entity, ideally not a public limited company, does not employ more than 150 persons (if it is manufacturing concern) and 25 persons (if it is a trading

concern) and 25 persons (if it is a service concern). Loan amount ranges from Minimum: TK. 100,000/ to Maximum: TK. 5,000,000/-.

4.3 DBBL Also Offers the Following Loan Products:

NAME	DESCRIPTION	PURPOSE	RISK/REPAYMENT	TENOR / VALIDITY
SOD	<ul style="list-style-type: none"> Secured Overdraft 	<ul style="list-style-type: none"> General Purpose 	<ul style="list-style-type: none"> Low credit risk 100% cash covered 	<ul style="list-style-type: none"> 12 months
OD	<ul style="list-style-type: none"> Overdraft 	<ul style="list-style-type: none"> General Purpose Working Capital Finance 	<ul style="list-style-type: none"> High Credit Risk Recourse on Sales 	<ul style="list-style-type: none"> 12 months
COD	<ul style="list-style-type: none"> Collateralized Overdraft 	<ul style="list-style-type: none"> Financing against working/running capital 	<ul style="list-style-type: none"> Recourse on Sales Collateralized by fixed/other assets 	<ul style="list-style-type: none"> 12 months
Short Term Loan	<ul style="list-style-type: none"> Time Loan against other security / collateral support 	<ul style="list-style-type: none"> To finance inventory / receivables / operational expenses/ other short term assets 	<ul style="list-style-type: none"> Recourse on sales Collateralize by fixed/other assets 	<ul style="list-style-type: none"> Maximum 12 months
Term Loan	<ul style="list-style-type: none"> Term Loan against fixed/other assets 	<ul style="list-style-type: none"> To finance fixed asset/Capital expenditure 	<ul style="list-style-type: none"> Recourse on fixed asset High risk 	<ul style="list-style-type: none"> Over 12 months Max 20 years
ECC	<ul style="list-style-type: none"> Packing Credit against Export LC and Export Order 	<ul style="list-style-type: none"> Pre-shipment finance/For execution of export order 	<ul style="list-style-type: none"> Performance risk Lien on Export LC 	<ul style="list-style-type: none"> Maximum 180 days but not more than 21 days

NAME	DESCRIPTION	PURPOSE	RISK/REPAYMENT	TENOR / VALIDITY
				after expiry of related export LC
PAD	<ul style="list-style-type: none"> • Payment Against Document 	To facilitate settlement of import obligation in time	<ul style="list-style-type: none"> • Recourse on title to import documents 	<ul style="list-style-type: none"> • 21 days
LC/PAD-EDF	<ul style="list-style-type: none"> • PAD under Export Development Fund facility of Bangladesh Bank 	<ul style="list-style-type: none"> • To facilitate exporters by Bangladesh Bank for settling SLC obligations till receipt of export proceed 	<ul style="list-style-type: none"> • Lien on Export LC 	<ul style="list-style-type: none"> • 21 days
Advance against Cash Incentives	<ul style="list-style-type: none"> • Financing against Cash incentives of Govt. under export of non traditional items 	<ul style="list-style-type: none"> • For execution of export order 	<ul style="list-style-type: none"> • Lien on Export LC • Settlement claim of cash incentives. 	<ul style="list-style-type: none"> • Maximum 90 days
LTR	<ul style="list-style-type: none"> • Loan Against Trust Receipt 	<ul style="list-style-type: none"> • Post Shipment finance and Import LCs/Bills 	<ul style="list-style-type: none"> • Recourse on Sales • Clean finance 	<ul style="list-style-type: none"> • Maximum 180 days
CC (Hypo)	<ul style="list-style-type: none"> • Cash Credit Against Hypothecation of Inventory and Book Debts 	<ul style="list-style-type: none"> • To finance Working capital • Other business operations 	<ul style="list-style-type: none"> • Recourse on sales 	<ul style="list-style-type: none"> • 12 months

NAME	DESCRIPTION	PURPOSE	RISK/REPAYMENT	TENOR / VALIDITY
LAAB	<ul style="list-style-type: none"> • Loan Against Accepted Bills 	<ul style="list-style-type: none"> • Immediate regeneration of fund against Acceptance of LC issuing Bank to meet up working capital requirement. 	<ul style="list-style-type: none"> • Recourse on Banks through acceptance 	<ul style="list-style-type: none"> • Maximum 180 days
IDBP	<ul style="list-style-type: none"> • Inland Documentary Bills Purchase 	<ul style="list-style-type: none"> • Immediate regeneration of fund against Acceptance of LC issuing Bank to meet up working capital requirement. 	<ul style="list-style-type: none"> • Acceptance of LC issuing Bank 	<ul style="list-style-type: none"> • Depending on Usance period of ULC
FDBP	<ul style="list-style-type: none"> • Foreign Documentary Bill Negotiate (To purchase/discount /negotiate export document /bill (Sight/Usance) drawn under LC at a rate provided by ID 	<ul style="list-style-type: none"> • Post Shipment finance to exporter against Sight/Usance Export LC 	<ul style="list-style-type: none"> • Recourse on client *As per BB directives , in case of LC without recourse, negotiating Bank is held responsibility for repatriation of export proceeds not client 	<ul style="list-style-type: none"> • Maximum 180 days
SLC	<ul style="list-style-type: none"> • Sight Letter of Credit 	<ul style="list-style-type: none"> • For imports 	<ul style="list-style-type: none"> • Recourse on title to import document 	<ul style="list-style-type: none"> • At sight
ULC	<ul style="list-style-type: none"> • Usance Letter of Credit 	<ul style="list-style-type: none"> • For imports 	<ul style="list-style-type: none"> • Recourse on sales 	<ul style="list-style-type: none"> • 180 days (For Raw materials) • 360 days (For machinery)

NAME	DESCRIPTION	PURPOSE	RISK/REPAYMENT	TENOR / VALIDITY
BBLC / Acceptance	<ul style="list-style-type: none"> • Back to Back Letter of Credit against Master Export LC and subsequent Acceptance 	<ul style="list-style-type: none"> • For import of Raw Materials and execution of export order. 	<ul style="list-style-type: none"> • From Export Proceeds 	<ul style="list-style-type: none"> • BBLC max 180 days • Accept. Max 180 days
IFDBC	<ul style="list-style-type: none"> • A contingent liability stating Inward Foreign Documentary Bills for Collection ULC 	<ul style="list-style-type: none"> • To convert ULC into contingent liability under bills. 	<ul style="list-style-type: none"> • Accepted Usance Draft under ULC and Lien on Export LC for IFDBC under BBLC 	<ul style="list-style-type: none"> • Depending on usance period of ULC

4.3.1 DBBL Clean Loan:

Purpose	To purchase various consumer durables, to meet medical education, marriage travelling, festival etc. expenses, to decorate or renovate own house, to purchase low cost car, financing to professionals for purchasing small scale equipment, tools, small machineries, office decorations items etc.								
Customer Segment	Any credit worthy individuals like: <ol style="list-style-type: none"> 1. Salaried executives 2. Professionals like doctors, architects, engineers, chartered account etc 3. Land lord/land lady 4. Business individuals. 								
Loan Amount	<p>Minimum BDT 50000 Maximum BDT 1000000</p> <table border="1" data-bbox="821 989 1419 1268"> <thead> <tr> <th>Income range (BDT)</th> <th>Times</th> </tr> </thead> <tbody> <tr> <td>10000-29999</td> <td>5</td> </tr> <tr> <td>30000-59999</td> <td>8</td> </tr> <tr> <td>60000 and above</td> <td>12</td> </tr> </tbody> </table>	Income range (BDT)	Times	10000-29999	5	30000-59999	8	60000 and above	12
Income range (BDT)	Times								
10000-29999	5								
30000-59999	8								
60000 and above	12								
Repayment Tenor	<table border="1" data-bbox="821 1478 1419 1835"> <thead> <tr> <th>Month</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>12-36</td> <td>Upto BDT 149999</td> </tr> <tr> <td>12-48</td> <td>BDT 150000-399999</td> </tr> <tr> <td>12-60</td> <td>BDT 400000 and above</td> </tr> </tbody> </table>	Month	Amount	12-36	Upto BDT 149999	12-48	BDT 150000-399999	12-60	BDT 400000 and above
Month	Amount								
12-36	Upto BDT 149999								
12-48	BDT 150000-399999								
12-60	BDT 400000 and above								

Interest Rate	19%
Processing Fee	1.00% of the loan amount or BDT 1000/- which ever is higher.

4.3.2 DBBL Auto Loan:

Purpose	Purchase of new and reconditioned vehicles for personal use only.
Customer Segment	Any credit worthy individuals like: <ol style="list-style-type: none"> 1. Salaried executives 2. Professionals like doctors, architects, engineers, chartered account etc 3. Land lord/land lady 4. Business individuals.
Loan Amount	Minimum BDT 100000 Maximum BDT 2000000
Repayment Tenor	12 to 60 months
Interest Rate	16.50%
Processing Fee	1.00% of the loan amount.

4.3.3 DBBL Home Loan:

Purpose	<ul style="list-style-type: none"> • To buy new or old house/flat • To construct/extend of house/apartment • To renovate/alteration of existing house/flat
Customer Segment	<p>Any credit worthy individuals like:</p> <ol style="list-style-type: none"> 1. Salaried executives 2. Professionals like doctors, architects, engineers, chartered account etc 3. Land lord/land lady 4. Business individuals.
Loan Amount	<p>Minimum BDT 200000</p> <p>Maximum BDT 10000000</p>
Repayment Tenor	<ul style="list-style-type: none"> • New Flat/Construction: Maximum 25 Years • Old Flat/House: Maximum 20 Years • Renovation: Maximum 15 Years
Interest Rate	15%
Processing Fee	1.00% of the loan amount BDT 3000 whichever is higher.

4.3.4 DBBL Full Secured Loan:

Purpose	Any valid purpose for individuals
Customer Segment	Any individuals
Loan Amount	<p>Minimum BDT 45000</p> <p>Maximum unlimited</p>

Repayment Tenor	12 to 60 months
Interest Rate	13%
Processing Fee	BDT 1000

4.3.5 DBBL Foreign Education Loan:

Purpose	To support students want to study abroad
Customer Segment	Students who want to study abroad or their parents.
Loan Amount	Minimum BDT 50000 Maximum BDT 5 million
Repayment Tenor	2 to 12 months
Interest Rate	16% p.a quarterly rest
Processing Fee	1.00% of the loan amount

4.3.6 DBBL SOD Individual Loan:

Purpose	Any valid purpose for individuals
Customer Segment	Any individuals
Loan Amount	Maximum unlimited or LTV 90% whichever is lower.
Repayment Tenor	1 year
Interest Rate	15%
Processing Fee	As per schedule of charges of DBBL

4.3.7 DBBL Smart Cash Credit:

Purpose	To meet up working capital requirement of business.
Customer Segment	Any individuals
Loan Amount	Minimum: BDT 100000 Maximum: BDT 5000000
Repayment Tenor	1 Year
Interest Rate	16%

Processing Fee	1% on loan amount or Tk 25000 whichever is lower.
-----------------------	---

4.3.8 DBBL SMART Term Loan:

Purpose	To enhance existing business/ procurement of fixed assets
Customer Segment	Any individuals
Loan Amount	Minimum: BDT 100000 Maximum: BDT 5000000
Repayment Tenor	Over 12 months, maximum 20 years.
Interest Rate	16% ^s
Processing Fee	1% on loan amount or Tk 25000 whichever is lower.

4.3.9 DBBL Smart Women Entrepreneurs Financing:

Purpose	To meet up working capital requirement/procurement of fixed assets of Women Entrepreneurs business.
Customer Segment	Any Women
Loan Amount	Minimum: BDT 100000 Maximum: BDT 5000000
Repayment Tenor	
Interest Rate	10%
Processing Fee	1% on facility amount

4.4 Lending Policies of Dutch Bangla Bank Ltd:

A loan policy gives loan officers, relationship managers and the Banks management specific guidelines in making individual loan decisions and in shaping the Banks overall loan portfolio. One of most important ways a Bank can make sure its loans meet regulatory standard and are profitable is to establish a written loan policy. Dutch Bangla Bank Ltd. also has a good loan policy and the most important elements of the policy arc stated below:

- a) A goal statement for the Banks loan portfolio (in terms of types, maturities, sizes, and quality of loans).
- b) Specification of the lending authority given to each loan officer and loan committee (measuring the maximum amount and types of loan that each person and committee can approve.)
- c) Lines of responsibility in making assignments and reporting information within the loan department.
- d) Operating procedures for soliciting, reviewing, evaluating, and making decisions on customer loan applications.
- e) The required documentation that is to accompany each loan application and what must be kept in the Banks credit files (required financial statements, security agreements etc.)

- f) Lines of authority within the bank regarding who is responsible for maintaining and reviewing the Banks credit files.
- g) Guidelines for taking, evaluating and perfecting loan collateral.
- h) A presentation of policies and procedures for setting loan interest rates and fees and the terms for repayment of loans.
- i) A statement of quality standards applicable to all loans.
- j) A statement of the preferred upper limit for total loans outstanding (i.e. the maximum ratio to total loans to total assets allowed.)
- k) A description of the Banks principal trade area, from which most loans should come.
- l) A discussion of the preferred procedures for detecting, analyzing and working out problem loan situations. A written loan policy statement carries a number of advantages for the bank adopting it. It communicates to employees working in the loan department what procedures they must follow and what their responsibilities are. It helps the Bank moves forward a loan portfolio that can successfully blend multiple objectives such as promoting the bank's profitability, controlling its exposure and satisfying regulatory requirements.

4.5 Foreign Trade Division

Foreign trade or International trade demands a flow of goods/services from seller to buyer and of payment from buyer to seller or vice-versa (Export & Import) across international borders or territories between two countries. In this case, the bank plays a vital role to bridge between the buyer and seller. Exports and Imports involve a lot of technicalities as this takes place between two countries, under different situations, rules and regulations and culture. The difference in the nationality of the exporter and the importer presents certain problems with different monetary units and legal bindings which lead importer and exporter to communicate between them through their local trusted banks for further assurance of the international trade transactions.

Under international banking operation, Dutch-Bangla Bank Ltd has two different Sections:

1. Import Section
2. Export Section

4.5.1 Import:

We know, when buyers from a country order to purchase the goods from the seller of other country in order to the scarcity then it is called import. According to import and export control act, 1950, the office of chief controller of import and export provides the import registration certificate (IRC) to the importer in our country. After getting this, person has to secure a letter of

credit authorization (L/CA) by which person becomes a qualified importer. He is the person who requests or banks to open an L/C.

4.5.2 Regulation of Import:

Import of goods into Bangladesh is regulated by the Ministry of Commerce in terms of the **Import and Export (Control) Act-1950** with Import Policy Order issued periodically and public notices issued time to time by the office of the Chief Controller of Import and Export (CCI &E). At present, it is regulated by the Import Policy (1997-2002), which was come into effect on June 14, 1998. And Import Policy directs certain Import Procedure, which administers the whole activity.

4.5.3 Import Procedure Followed by DBBL:

As an Authorized Dealer DBBL, Main Branch is always committed to import of different goods into Bangladesh from the foreign countries. Import section which is under Foreign Exchange Department of the branch is assigned to perform this job. And to serve its client's demand to import goods, it always maintains required formalities that are collectively termed as The Import Procedure.

1. At first, the importer must obtain Import Registration Certificate (IRC) from the CCI&E submitting the following papers:
 - Up to date Trade License.
 - Nationality and Asset Certificate
 - Tax Identification Number
 - VAT Registration Number
 - Bank Solvency Certificate etc

2. Then the importer has to contact with the seller outside the country to obtain Pro-forma Invoice. Usually an indenter, local agent of the seller or foreign agent of the buyer makes this communication. Other resources are:
 - Trade fair
 - Chamber of Commerce
 - Foreign Mission in Bangladesh

3. When the importer accept the pro forma Invoice, he/she makes a purchase contract with the exporter detailing the terms and condition of the import.

4. After making the purchase contract, importer settles the means payment with the seller.

4.5.4 Application for opening L/C:

At first, an importer will request banker to open L/C along with the following documents.

- An application
- Indent or Pro-forma Invoice
- Import Registration Certificate (IRC)
- Taxpayer's Identification Number (TIN)
- Insurance cover note with money receipt
- A bank account in DBBL
- Membership of chamber of commerce

4.5.4. Delivered forms by banker to Importer:

After scrutinizing above mentioned documents carefully, officer delivers following form to be filled up by importer and the banker should check:

- Whether the goods to be imported is permissible or not.
- Whether the goods to be imported is demanding or not.

4.5.5 L/C Authorization Form (LCAF):

The Letter of Credit Authorization Form (LCAF) is the form prescribed for the authorization of opening letter of credit/payment against import and used in lieu of import license. The Letter of Credit Authorization Form (LCAF) contains the followings-

- Name and address of the importer
- IRC number
- Amount of L/C applied for
- Description of item(s) to be imported
- Signature of the importer with seal
- List of goods to be imported

4.5.6 Import Permit Form (IMP):

- L/C authorization form number

- Date
- Value in Taka
- Registration of LCAF
- Quantity of goods
- Invoice value
- Country of origin
- Port of shipment
- Name of the steamer
- Indenter's address.

4.5.7 Lodgment:

Lodgment means payment of import bills or transfer of funds for import bills. Here, DBBL (as an issuing bank) arranges to make payment against L/C through reimbursement bank or any other way. Through SWIFT, a telex message is transmitted to the correspondent bank ensuring that payment has made. After scrutinizing the import-negotiating document, if no discrepancy is found then it is treated to be accepted after the end of five banking days for the day of receipt of the document. But if any discrepancy is found then the DBBL informs it to the importer that whether they will accept the bill with discrepancies or not. If the importer does not accept, DBBL informs it to the negotiating bank within seven banking days from the date of receipt of the documents, otherwise it is treated to be accepted and the DBBL must bound to pay. Steps involved in lodgment:

- At first all the particulars of the document are entered in BLC (Bill under letter of credit) register. BLC no. seal is given on all the copies of the document.
- Conversion of the foreign currency into Bangladeshi currency.
- Preparing the lodgment voucher.
- Sending IBCA to the head office
- Entry is made to L/C monitoring cell of Bangladesh Bank through its website.

4.5.8 Intimation:

After lodgment, DBBL sends the importer an intimation regarding the document arrival notice. On intimation, the importer calls on the bank's counter requesting retirement of the shipping documents against payment to the debit of their account by the bill amount and other charges payable. Steps involved for retirement are:

- Calculation of interest if any.
- Entry in the register.
- Endorsement is made on the back of the bill of exchange as received payment.

- Acknowledgement received on the office copy of the cost memo from the importer in his authorization agent.
- Filling of the office copy.

4.5.9 Realization of Bank charges:

DBBL has its own L/C opening Commission, fixed by the Head office. Normally there is a particular percentage of commission for the 1st quarter (90 days from the date of opening to the date of expiry and for the subsequent quarter of the L/C.) Telex, SWIFT, and Foreign Correspondence charges, where required, are to be realized from the applicant. Fifty dollars is charged as disbursement charge after all proceeds and 0.4 % is cut-off as commission from the amount included in pro-forma invoice.

4.5.10 Import Financing By DBBL:

LIM (Loan against imported merchandise):

When importers get informed that the imported commodities have been arrived, but in that moment importer has not adequate money to release the goods, then DBBL pays the amount and maintains the goods with the own responsibilities. After that the importer gets the release of the products from the bank by a several payment.

LTR (Loan against trust receipt):

Sporadically DBBL grants the importer to pay back the money after sealing the products. The goods are handed over to the importer under trust with the arrangement that sale proceeds should be deposited to liquidate the advances within a given period. The borrower agrees to take delivery of the merchandise as the bank's agents and the bank remains owner of the goods and they will be holding the goods on behalf of the bank as trustees until complete repayment of the debts to the bank. Usually the loan is granted on the basis of trust and is allowed 60-90 days' time to make payment with 12% interest rate which changes time to time.

BL/C (Bills under letter of credit):

When the importer fails to pay the amount payable to the exporter against L/C, then DBBL gives Bills under Letter of Credit (BL/C) to the importer. The importer will bear all the expenses i.e. go down charges, insurance fees, etc. and the ownership of the goods is retaining to the bank and the outstanding Bills of Exchange is transferred to Bills under Letter of Credit (BL/C) account. Usually the loan is granted and allowed 21 days' time to make payment.

4.6 Export:

Export is one of the most important activities that increase economic and social well-being through transaction of goods and services from domestic economic agents to foreign economic agents for which domestic economic agents receive payments, preferably in valuable foreign currency. The import and export trade in our country is regulated by the import and export (control) Act, 1950. Most of the exporters who export through DBBL are readymade garments exporters. They open export L/Cs here to export their goods, which they open against the import L/Cs opened by their foreign importers. Export L/C operation is just reverse of the import L/C operation. For exporting goods by the local exporter, DBBL acts as advising bank and collecting bank (negotiable bank) for the exporter. There are some formalities, which an exporter has to fulfill before and after shipment of goods.

4.6.1 Registration of the Exporter

The primary requirement to engage in the business of import and export registration with the Chief Controller of Imports and Exports (CCI&E). For this purpose an application in the prescribed, form is require to be submitted to that office along with the following documents:

- Trade license issued by the municipals authority.
- Nationality certificate from the local authority.
- Bank certificate.
- Income Tax clearing certificate.
- Payment of registration and renewal fees in a Treasury Chalan.
- Copies of Contract or L/C (if any)

4.6.2 Export Registration certificate (ERC) :

The exports from Bangladesh are subject to export trade control exercised by the Ministry of Commerce through Chief Controller of Imports and Exports (CCI&E). This certificate is very important issue for an exporter to accomplish the export trade to the foreign buyer. No exporter is allowed to export any commodity permissible for export from Bangladesh unless he is registered with CCI & E and holds valid Export Registration Certificate (ERC). The ERC is to be renewed every year.

4.6.3 Export Permit Form (EXP)

After getting the ERC, the exporter applies to DBBL with trade license. And if the bank is satisfied, then a DBBL EXP is issued to the exporter. The EXP contains the following particulars

- Name & address of the authorized dealer.
- Particulars of the commodity to be exported with code
- Country of destination.
- Port of destination
- L/C value in foreign currency.
- Terms of sales.
- Name and address of the importer.
- Name of carrying vessel.
- Bill of lading.
- No. & date.
- Port of shipment.
- Land custom post.
- Shipment date.
- Name and address of the exporter.
- Sector (Public or Private) under which the exporter falls.

4.6.4 Securing the order

Upon registration, the exporter may proceed to secure the export order. Contracting the buyers directly through correspondence can do this or the exporter can take help from- Liaison office, buyer's local agent, export promoting organization, Bangladesh mission abroad, chamber of commerce, trade fair etc.

4.6.5 Signing of the contract

While making the contract, the followings are to be considered- After communicating buyer, exporter has to get contracted (writing or oral) for exporting exportable items from Bangladesh detailing:

- Description of the goods.
- Quantity of the commodity.
- Price of the commodity.
- Shipment
- Insurances
- Inspection

4.6.6 Receiving Letter of credit

After the contract is made for sale, the exporter asks the buyer or the importer for Letter of Credit (L.C) stating clearly the term and conditions of the export and the payment. The following are the main points to be considered for receiving or collecting export proceeds by means of Documentary Credit

- The terms of the Letter of credit are related with those of the contract
- The L/C is an irrevocable one, preferably confirmed by the DBBL.
- L/C allows the sufficient time for shipment and a responsible time for registration. If the exporter wants the L/C to be transferable, divisible and advisable, he should ensure stipulations are specially mentioned in L/C.

4.6.7 Advising the L/C

When export L/C is transmitted to DBBL for advising, the bank sends an advising letter to the beneficiary showing that, L/C has been issued.

4.6.8 Add confirmation of export L/C

Bank adds additional confirmation to export L/C where there are specific instructions from the L/C issuing bank to do so. Additional confirmation of L/C gives the seller a double assurance of payment. Bank's requirement of adding confirmation:

- Issuing Bank should be a reputed bank
- Credit line /Arrangement with the L/C issuing bank.

- L/C clause is to be acceptable to DBBL.
- Approval from the competent authority for adding confirmation of exports L/C.
- Confirmation charges are to be recovered as per rules.

4.6.9 Shipment of Goods:

The exporter makes shipment of goods as per the agreement.

4.6.10 Documents for Negotiation

With the shipment of goods, the exporter has to submit some document to the Bank along with the Letter of Indemnity to DBBL for negotiation. Then the officer of the bank scrutinizes all the document, and if they are eligible to take, then DBBL purchases the document. This is known as foreign documentary bill purchase (FDBP). And there are some documents involved in the shipment are:

- EXP form,
- ERC (valid),
- L/C copy,
- Customer Duty Certificate,
- Shipping Instruction,
- Transport Documents,
- Insurance Documents,
- Invoice,
- Other Documents,
- Bills of Exchange (if required)
- Bills of Exchange (if required)
- Certificate of Origin,
- Inspection Certificate,
- Quality Control Certificate,
- G.S.P. Certificate

4.6.11 forwarding foreign bills for collection

DBBL forwards document for collection due to the following reason

- If the documents have some discrepancies.
- If the baker is in doubt.
- If the exporter is a new customer.

- Foreign documentary bill of collection signifies that the exporter will receive payment only when the issuing bank gives the payment.

4.6.12 Common discrepancies in Export document

DBBL usually finds the following discrepancies while checking the above mentioned documents—

- Whether bill of lading is undated or unauthenticated on Board notation.
- Whether the shipment is effected from the designated port or not stipulated in the credit.
- Whether the full set of Bill of Lading is present or not.
- Certificate of Origin is provided or not.
- Certificate of weightiest is present.
- Whether the description of goods in the commercial invoice differs from the Pro-forma Invoice
- Whether the description of goods in the commercial invoice differs from the Pro-forma Invoice
- Late shipment
- Absence of signature where required in the document
- Whether the freight is paid or not
- Packing list is submitted or not

4.6.13 Export Financing

Financing exports constitutes an important part of a bank's activities. Exporters require financial services at four different stages of their export operation. DBBL provides different types of financial assistance depending on the nature of the export contract during each of these phases exporters need.

Pre-shipment credit:

Pre-shipment credit, as the name suggests, is given to finance the activities of the exporter prior to the actual shipment of the goods for export. The purpose of such credit is to meet working capital needs starting from the point of purchasing of raw materials to final shipment of goods for export to foreign country. Before allowing such credit to the exporters the DBBL takes into consideration about the credit worthiness, export performance of the exporters, together with all other necessary information required for sanctioning the credit in accordance with the existing rules and regulations. At DBBL, Pre-shipment credit is given for the following purposes:

Cash for local procurement and meeting related expenses.

- Procuring and processing of goods for export.
- Packing and transporting of goods for export.
- Payment of insurance premium.
- Inspection fees.
- Freight charges etc.

gives DBBL clients full access to 'anytime anywhere' banking nationwide. All international and many local banks use the DBBL ATM network for their own clients. DBBL has installed over 2000 ATMs nationwide. As with most things, ATM access to all DBBL ATMs is unlimited and free for all DBBL clients. If a client of a member bank (not DBBL) uses a DBBL ATM, the member bank may add a transaction charge.

DBBL has the largest IT budget in Bangladesh. DBBL maintains the state-of-the-art Electronic-Banking Division. The Electronic-Banking Division oversees and maintains DBBL's investment as well as implementing upcoming projects.

DBBL is the only local bank to have a off-site Data Recovery Site (DRS). DRS ensures that customer records are safe, backed-up, and up to date in the event of a major catastrophe at the Electronic-Banking Division headquarters.

Since 2004, DBBL has introduced SMS and Alert banking. With a mobile phone, customers can perform many banking operations with their phone.

DBBL is a primary license holder for both VISA and Mastercard. It is authorized to issue and accept payments from both organizations. DBBL also works closely with both organizations to bring you the latest in card technology. DBBL also offer Visa and Mastercard Debit Cards.

4.9 Internet Banking System:

This is the smart way of doing banking without going to the bank branch. With internet connectivity, a customer gets access to his/her bank account to get the balance, account detail, see account transactions, print account statement, transfer funds, open/redeem term deposit accounts, pay utility bills/tuition fees and many more. Banking has never been so fun! To make the transactions secure, the bank has adopted the industry standard SSL (Secured Socket Layer) technology and obtained certification from world famous VeriSign. The Bank has been one of the pioneers in introducing Internet Banking in the country back in 2004. The number of Internet Banking users is growing rapidly day by day. This system allows a customer to access his/her account from home or office or while travelling by virtue of internet connectivity.

With the up gradation in the existing banking automation system in 2012, internet banking facility has been made much flexible and userfriendly. Customers now can check statement in different formats with different date ranges and can avail various existing services much quicker. At all Electronic Student Booths, internet banking has been made a compulsory facility for students to pay tuition fees. This special service has become very popular among students and guardians and as a result, collection of tuition fees through internet banking has been considered as a flourishing service sector for the Bank. Many universities in the country are now interested to avail DBBL InternetBanking facilitiesand reduce the hassle of manual fee collection process. This fee collection facility via internet banking has been considered as a revolution among the educational institutions.

4.10 SMS and Alert banking System:

Considering the availability of mobile phones in the hand of every individual, the bank has introduced SMS and Alert banking for the convenience of the customer. This is becoming very popular and useful means of enquiring bank account information. With this small device a customer can enquire about his account balance, see on the screen last few transactions, transfer funds, pay utility bills and many more.

CHAPTER 4

Performance Evaluation of Dutch Bangla Bank Ltd

5.0 Performance Evaluation:

Performance evaluation is an important tool to assess the success of any business including financial industry. For performance evaluation setting the bench mark is also vital to make the comparison of desired and actual performance.

Performance of the banking sector under CAMELS frame work, which involves analysis and evaluation of the six crucial dimensions of banking operations. Thus CAMELS consists of a set of performance measures that give a comprehensive view of the banks.

The six factors examined are as follows:

C - Capital adequacy

A - Asset quality

M - Management quality

E – Earnings & Profitability

L - Liquidity

S - Sensitivity to Market Risk

Bank supervisory authorities assign each bank a score on a scale of one (best) to five (worst) for each factor. If a bank has an average score less than two it is considered to be a high-quality institution, while banks with scores greater than three are considered to be less-than-satisfactory establishments. The system helps the supervisory authority identify banks that are in need of attention.

5.1 Capital adequacy:

The rating system is designed to take into account and reflect all significant financial and operational factors examiners assess in their evaluation of an institutions performance.

References are made in this Letter (C) the five net worth categories which are: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," and "critically undercapitalized."

Focuses on the total position of bank capital and protects the depositors from the potential shocks of losses that a bank incur.

5.1.1 Capital Adequacy Ratio of DBBL:

The bank has in place a capital adequacy framework by which the bank's business projections and the capital adequacy projection are linked in a cohesive way. The bank's capital adequacy ratio is periodically reviewed by the management. The composition of capital is also analyzed to ensure stability in the capital structure.

Table 5.1

Year	Capital Adequacy Ratio
2008	10.90%
2009	11.60%
2010	9.60%
2011	11.20%
2012	12.00%

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

From the table the lowest Capital Adequacy Ratio was in 2010 (9.60%). Every year the bank has maintained a good ratio which is more than 10%. Highest Capital Adequacy ratio was in 2012 (12.00%). The DBBL is maintaining the capital adequacy ratio in a better position.

5.2 Asset quality:

Asset quality is high loan concentrations that present undue risk to the credit. The asset quality rating is a function of present conditions and the likelihood of future deterioration or improvement based on economic conditions, current practices and trends. This includes loans, investments, other real estate owned (OREOs), and any other assets that could adversely impact by a credit condition.

5.2.1 Recovery of Credit:

Advances granted in any form are repayable either on demand or on the expiry of the validity period, or through agreed installments. When repayment is not forthcoming in accordance with the repayment terms, recovery efforts should be launched.

When the repayment pattern of the advance is such that continuance of the facility is not worthwhile or while the advance allowed on installment has been defaulted or the advance allowed confronts with the following circumstance advance should be recalled:

- Borrower or the grantor dies.
- Borrower or the grantor has become insolvent.
- Borrowing Company has been liquidated.
- Partnership has been dissolved.
- Borrower does not come forward to renew the documents much before the expiry of the period of limitation.
- Value of the security has been deteriorated.
- Financial position of the borrower has deteriorated alarmingly which is beyond restoration.
- The party commits fraud of any sort.
- Policy of the bank has undergone change in relation to certain types of advances.
- Bangladesh Bank has imposed restriction on certain type of advance and desires its adjustment etc.
- For the recovery of the advances, branch should take the under mentioned steps:
- Make formal demand for repayment in writing.
- Put pressure on the borrower by utilizing the most effective and meaningful media, which can exert adequate influence on the borrower.
- Intimate the borrower about bank's ultimate resorting to file suit in the event of non-repayment.
- Advise the guarantor if any to adjust the advance or have it adjusted by the principal debtor.
- If the borrower and his guarantor (if any) comes forward and proposes repayment arrangement and the same is considered to be an acceptable proposal, the branch should seek controlling decision in this regard and act in accordance with the instruction.

Table 5.2

Year	Percentage of Non-performing loans to total Loans and Advances	Credit recovery Rate
2008	3.30%	96.70%
2009	2.50%	97.50%
2010	2.46%	97.54%
2011	2.75%	97.25%
2012	2.98%	97.02%
Average	2.80%	97.20%

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

From Table it is observed that, during 2008 to 2012 every year the recovery rate was more than 96% and average recovery rate is also more than 97%(97.20%). This is a good indication of DBBL Asset Quality. The highest credit recovery rate was in 2010 (97.54%) and lowest credit recovery rate was in 2008 (96.70%).

5.3 Management quality:

Management is the most forward-looking indicator of condition and a key determinant of whether a credit union possesses the ability to correctly diagnose and respond to financial stress. The management component provides examiners with objective, and not purely subjective, indicators. An assessment of management is not solely dependent on the current financial condition of the credit union and will not be an average of the other component ratings.

Reflected in this component rating is both the board of directors' and management's ability to identify, measure, monitor, and control the risks of the credit activities, ensure its safe and sound operations, and ensure compliance with applicable laws and regulations. Management practices should address some or all of the following risks: credit, interest rate, liquidity, transaction, compliance, reputation, strategic, and other risks.

The credit union's strategic plan is a systematic process that defines management's course in assuring that the organization prospers in the next two to three years. The strategic plan incorporates all areas of a credit union's operations and often sets broad goals, e.g., capital accumulation, growth expectations, enabling credit union management to make sound decisions.

The board of directors should review and approve the business plan, including a budget, in the context of its consistency with the credit union's strategic plan. The business plan is evaluated against the strategic plan to determine if it is consistent with its strategic plan.

Information systems and technology should be included as an integral part of the credit union's strategic plan. Strategic goals, policies, and procedures addressing the credit union's information systems and technology ("IS&T") should be in place.

An area that plays a crucial role in the control of a credit union's risks is its system of internal controls. Effective internal controls enhance the safeguards against system malfunctions, errors in judgment and fraud. Without proper controls in place, management will not be able to identify and track its exposure to risk. Controls are also essential to enable management to ensure that operating units are acting within the parameters established by the board of directors and senior management.

Other Management Issues:

Other key factors to consider when assessing the management of a bank include, but are not limited to:

1. Adequacy of the policies and procedures covering each area of the bank operations
(written, board approved, followed).
2. Budget performance compared against actual performance.
3. Effectiveness of systems that measure and monitor risk;
4. Risk-taking practices and methods of control to mitigate concerns;

5. Integration of risk management with planning and decision-making;
6. Responsiveness to examination and audit suggestions, recommendations.
7. Compliance with laws and regulations;

The Management of the DBBL are highly qualified and knowledgeable in the field of education and experience. They are doing well in the banking industry. The overall development of DBBL is done by the Management.

DBBL was successful in achieving higher operating profit and net profit after tax in 2012. Sustainable growth was achieved in deposits, loans and import & export business. The profit growth was achieved even after higher investment cost in IT, HR, branch, ATM network and mobile banking services which constrained the profit growth to some extent. However, DBBL has been consciously making these strategically important investments to provide much better customer service with a wide range of products that will definitely bring long term growth and enhance shareholders' value. This was supported by increased

investment and up gradation of online banking software and infrastructure. Classified loan as a percentage of total loan portfolios marginally increased to 2.98% at the end of 2012 mainly due to introduction of new and more conservative loan classification and provisioning policy by Bangladesh Bank. Still our NPL ratio is much lower than the industry average.

That is where DBBL is different from other banks in the country. As you also know, a

significant part of the profit is also returned to the common and distressed people of the country through various Social Causes Programs in which DBBL is a pioneer in the country. Without such social programs, the amount of profit of the Bank could have been much higher. We strongly believe that our strong social commitment and better customer service at affordable cost will make DBBL stronger and provide long term sustainable growth to enhance shareholders' value and to protect depositors' money.

5.4 Earnings & Profitability:

The continued viability of a Bank depends on its ability to earn an appropriate return on its assets which enables the institution to fund expansion, remain competitive, and replenish and/or increase capital.

In evaluating and rating earnings, it is not enough to review past and present performance alone. Future performance is of equal or greater value, including performance under various economic conditions. Examiners evaluate "core" earnings: that is the long-run earnings ability of a bank discounting temporary fluctuations in income and one-time items.

5.4.1 Net Profit after Tax:

Profit is the ultimate goal for any kind of organization. Profit is important to survive in the market in the long run. Profitability of DBBL has been increasing over the years. It is mentionable that DBBL has the positive growth of profit from the period 2008 to 2012.

Table 5.3

Year	Net Profit After Tax (TK. In Million)
2008	821.70
2009	1137.70
2010	2002.30
2011	2154.90
2012	2314.10
Average	1686.14

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

5.4.2 Return on Asset:

Return on asset is an indicator of how profitable a Bank is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by

dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Sometimes this is referred to as "Return on investment". Higher ratio indicates better performance of the Bank. The growth of ROA of Dutch Bangla Bank Limited has been given by the following table:

Table 5.4

Year	ROA
2008	1.50%
2009	1.60%
2010	2.20%
2011	1.90%
2012	1.70%
Average	1.78%

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

5.4.2 Return on Equity:

Return on Equity is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a Bank's profitability by revealing how much profit a company generates with the money shareholders have invested. Shareholder's equity does not include preferred shares. Higher ratio indicates better performance of the bank. The growth of ROE of Dutch Bangla Bank Limited has been given by the following table:

Table 5.5

Year	ROE
2008	29.90%
2009	30.30%
2010	35.30%
2011	27.00%
2012	23.40%
Average	29.18%

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

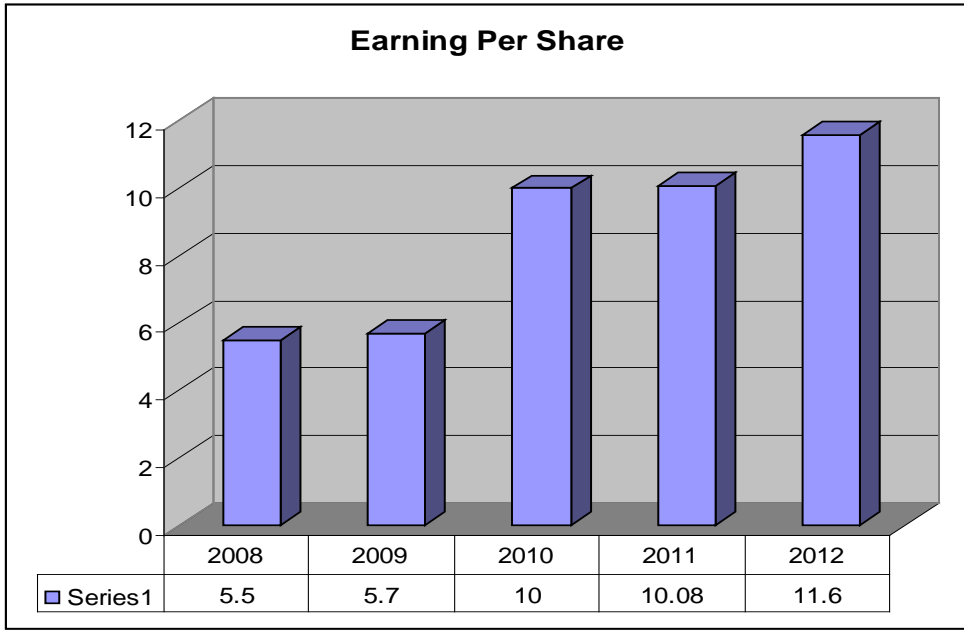
From the table I found that in 2010 the ratio is 35.30% which is higher in 5 years (2008-2012). 35.30% indicates that for every 100.00 taka equity, there is 35.30 taka income. Lower ratio indicates lower performance. In 2012 the ratio is lower which 23.40% is. Higher the growth rate is in 2010 and lower growth rate is in 2012. But the Over all growth of the equity is better.

5.4.3 Earnings Per Share (EPS):

EPS is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

The growth of EPS of Dutch Bangla Bank Limited has been given by the following table:

Figure 5.6



Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

From the table I found that in 2012, EPS is 11.6 which indicate that per share earnings is 11.6 . Higher ratio is better, so 11.6 is better in 5 year’s (2008-2012) EPS. In 2008 the EPS is 5.5 which is lower. The EPS of DBBL is increasing over the years. It is indicating that the performance of DBBL is well.

5.4.4 Price Earning Ratio:

The P/E ratio is commonly used to assess the owners appraisal of share value. The P/E ratio measures the amount that investors are willing to pay for each taka of bank’s earning. The level of the P/E ratio indicates the degree of confidence that investors have in the bank’s future performance.

Table 5.7

Year	Price Earnings Ratio
2008	78.7
2009	34.40
2010	22.9
2011	15
2012	9.9
Average	32.18

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

From the table I found that in 2008 P/E ratio is 78.70 which is higher. The figure indicates that investors are paying Tk 78.70 for each Tk 1 of earning. In 2012 the ratio is 9.9 which are lower.

5.5 Liquidity:

Liquidity Risk - the risk of not being able to efficiently meet present and future cash flow needs without adversely affecting daily operations. Liquidity is evaluated on the basis of the bank's ability to meet its present and anticipated cash flow needs, such as, funding loan demand, share withdrawals, and the payment of liabilities and expenses. Liquidity risk also encompasses poor management of excess funds.

The examiner considers the current level of liquidity and prospective sources of liquidity compared to current and projected funding needs. Funding needs include loan demand, share withdrawals, and the payment of liabilities and expenses.

The cornerstone of a strong liquidity management system is the identification of the bank key risks and a measurement system to assess those risks.

5.5.1 Loan Deposit Ratio:

Loan deposit ratio indicates the growth of loan as per deposit growth. Because Bank can lend only 81.00% against its Tk. 100.

Table 5.8

Year	Loan Deposit Ratio
2008	80.85%
2009	71.41%
2010	81.30%
2011	79.10%
2012	73.10%
Average	78.10%

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

The Liquidity of DBBL is stronger. The Loan Deposit ratio indicates that DBBL has properly maintained its liquidity.

5.6 Sensitivity to Market Risk:

Sensitivity to market risk, the "S" in CAMELS is a complex and evolving measurement area. It was added by Bangladesh Bank primarily to address interest rate risk, the sensitivity of all loans and deposits to relatively abrupt and unexpected shifts in interest rates. Unlike classic ratio analysis, which most of CAMELS system was based on, which relies on relatively certain, historical, audited financial statements, this forward look approach involved examining various hypothetical future price and rate scenarios and then modeling their effects. The variability in the approach is significant.

Interest rate risk as the exposure of a bank's financial condition to adverse movements in interest rates resulting from the following:

1. Repricing or maturity mismatch risk.
2. Basis risk - imperfect correlations in the adjustment of rates earned and paid on different instruments with otherwise similar repricing characteristics (e.g. 3 month Treasury bill versus 3 month Bank Rate)
3. Option risk - interest rate related options embedded in bank products.

Sensitivity to market risk can cover ever increasing territory. What began as an assessment of interest rate and farm commodity price risk exposures has grown exponentially over time.

The Overall Position of DBBL in the Banking Industry is better. The DBBL is not the risk taker in the banking industry but it is moderate in any kind lending and taking deposit.

Other Performance of Dutch Bangla Bank Limited:

Some other indicators that shows the growth and development of a bank. These are showing the performance of a bank and also enjoying competitive advantage. For example The numbers of branch is increasing means network of service is increasing. Some of these are given below:

5.7 Branches of Dutch Bangla Bank Limited:

Table 5.9

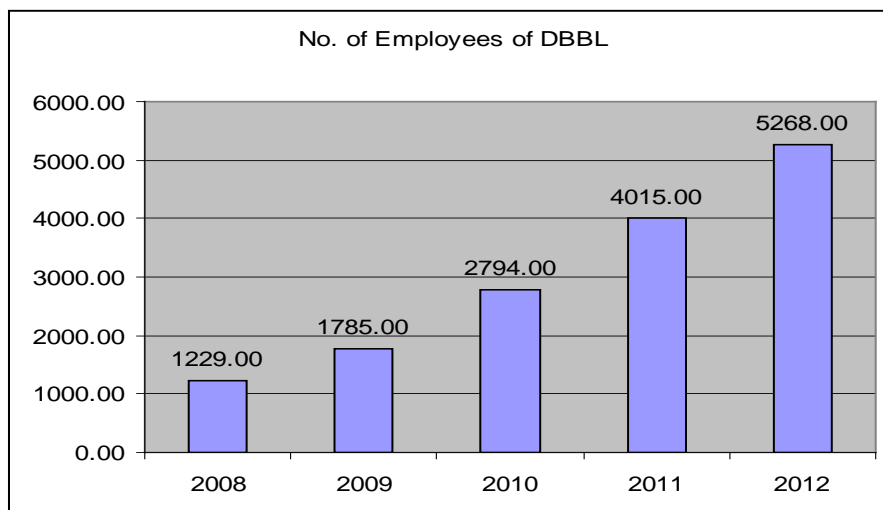
Year	No of Branches	Growth
2008	64	-
2009	79	23%
2010	96	22%
2011	111	16%
2012	126	14%

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

It has been observed from the table that during (2008-2012) every year number of branches has been increased. Now there are 126 (one hundred and twenty six) branches and 3 (three) SME service centers all over the country.

5.8 Number of Employees of DBBL:

Figure 5.10



Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

It has been observed from the table that during (2008-2012) every year number of employees has been increased. Now 5268 employees are working in 126 branches all around the country. The employees are highly skilled to perform the banking job as required. And management's vision is to expand the service and branch network; as a result new employees will be recruited.

5.9 Number of Automated Teller Machine (ATM) of DBBL:

ATM is working as Bank Officer (Teller) in most efficiently and accurately. DBBL introduces more ATMs according to customer need and demand. It was found that the number of ATM in 2008 was 350 and 2012 it was 2366. DBBL has the largest ATM holders and ATM Network. Now TK. 1000 note is available at DBBL ATMs. There are 3 groups of ATMs for dispensing 3 combinations of notes as under:

Group-1:	Tk.	1000	&	Tk.	500	notes	Only
Group-2:	Tk.	500	&	Tk.	100	notes	Only
Group-3:	Tk. 500 notes Only						

Figure 5.11

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

5.10 No of Deposit Account holders of DBBL:

The Customer is the king of any business. The number of deposit account holders was increased rapidly over the years. The number of customers in 2008 was 4,31,841 but in 2012 it was more than six times of 2008. It indicates that DBBL customer's base is increasing.

Table 5.12

Year	No. of Deposit Account
2008	431841
2009	761120
2010	1352870
2011	2026189
2012	2755149
Average	1465434

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

5.11 Growth of Deposits:

Table 5.13

Year	Deposit Amount (BDT in million)	Growth of Deposit
2008	51,575.70	-
2009	67,788.50	31.43%
2010	83,244.80	22.80%
2011	100,711.00	20.98%
2012	125,431.04	24.55%

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

From table it is observed that during 2008 to 2012 every year the deposit amount of DBBL had increased from the previous year. This shows an improvement in the process of collecting funds from surplus unit. This is a good indication of future prospect. During 2008-2012, in most of the year deposit has increased by more than 20%. It indicates an encouraging picture of deposit growth. The lowest growth of deposit was in 2011 (20.98%) and highest growth of deposit was in 2009 (31.43%).

5.12 Loans and Advances Given Over Last 5 Years:

Increase in the amount of loan and advances is a good indication of future prospect and it is also the reasons of many banks to become more risky in terms of credit risk. If a borrower fails to pay the loan amount, then the banks become more vulnerable against the financial risk. DBBL's primary way of ensuring their revenue comes from the interest arises from the Loans and Advances.

Table 5.14

Year	Loans and advances(million)	Growth
2008	41,698.30	-
2009	48,411.00	16.10%
2010	67,657.70	39.76%
2011	79,660.70	15.07%
2012	91648.95	15.05%
Average	65,815.33	

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

From the Table it is seen that, in 2008 the bank provided BDT 41,698.30 million as a part of their funded finance. However in the end of 2012 it becomes BDT 91648.95 million, which is more than 2.20 times of 2008. It is a good indication of DBBL investment growth. During 2008-2012 every year loans has increased from the previous year. In most of the year investment has increased by more than 15%. The highest growth of loans and advances was 39.76% which occurred in 2010 and lowest growth was 15.05% which occurred in 2012.

5.13 Debt to Equity Ratio:

Debt to Equity measure for every Tk. 1 equity how much debt a shareholder has. Lower the ratio is better.

Table 5.15

Year	Debt to Equity Ratio
2008	45.00%
2009	34.80%
2010	20.20%
2011	15.10%
2012	11.0%

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

5.14 Provision for Loan Losses:

A loan loss provision is an expense that is reserved for defaulted loans or credits. It is an amount set aside in the event that the loan defaults. From a balance sheet perspective, a loss on a loan is still a loss of an asset. However, on an operating basis, because of the *loan loss provision*, cash flow remains available. The loan loss provision ensures that banks will have sufficient funds to provide services to its depositors. Therefore, higher provision for loan losses is better for the performance of a bank. The growth of Provision of Loan loss of Dutch Bangla Bank Limited has been given by the following table:

Table 5.16

Year	Provision for Loan Losses (in million)	Growth
2008	258	-
2009	428	65.8915
2010	462	7.94393
2011	232	-49.784
2012	388.5	67.46

Source-Annual Report of Dutch Bangla Bank Ltd, 2008-2012

From table it is observed that, the highest provision for loan losses of DBBL was in 2010 and lowest provision for loan losses was in 2011. During 2008-2012 every year provision for loan losses has decreased from the previous year except 2009 ,2010and 2012. From 2008 to 2012 most of the year it has positive growth except 2011.It is not a good indication of Bank's performance.

5.15 Import Performance of DBBL:

Table 5.17

Figure in Million Taka

Year	Total import	GROWTH (%)
2008	43,999.40	-
2009	53,088.70	20.66
2010	87,662.60	65.12
2011	83,434.40	(4.82)
2012	104,306.10	20.01

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

During the year above review, import business of DBBL stood at Taka 104,306.1 million and the growth rate is 25% which is better from previous year.

5.16 Export Performance of DBBL:

Table 5.18

Figure in Million

Year	Total export	Growth (%)
2008	40,083.10	-
2009	41,162.50	2.69
2010	73,499.50	44.00
2011	92,412.40	25.73
2012	108,878.60	17.82

Source-Annual Report of Dutch Bangla Bank Ltd., 2008-2012

During the year above review, export business of DBBL stood at Taka 108,878.6 million against Taka 92,412.4 million registering a growth of 17.8% while import trade stood at Taka 104,306.1 million.

In Bangladesh the number of banks is 56. So the Competitors are increasing in the industry. The business and the source of money is the remain same. It is challenges for every banks and DBBL also considers the competitors and the market. To find out the Challenges, we have conducted SWOT Analysis:

6.1 SWOT ANALYSIS:

A SWOT analysis is a structured planning method used to evaluate the strength, weakness, opportunities, and threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieve that objective. The technique is credited to Albert Humphrey who led a convention at Stanford Research Institute in the 1960s and 1970s using data from fortune 500 companies. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit. Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

The overall evaluation of company's strength, weakness, opportunities, and threats is called SWOT analysis. It is the way monitoring external and internal marketing environment. So in case of Dutch Bangla bank, they carefully analysis the SWOT in compare to its major competitors.

6.2 Strength of DBBL:

- Leading CSR provider in banking sector.
- Managing low cost of fund
- Mass Banking
- 1st Time in Bangladesh introducing Mobile Banking
- Contemporary automation system, proper banking channel and one stop customer services.
- Recruitment policy is followed by Bangladesh Bank Guide lines.
- DBBL sponsor shareholder did not take any dividend for the initial five years in order to increase capital base bank.
- DBBL extend free facilities under its “Rural health service programs “to the member of the general public around the rural branches.
- DBBL promotes different socio-cultural and sports activities.

- DBBL given Tk. 102 crore from scholarships to meritorious and needy students of the countries from the years 2010.
- DBBL Has set up the Dutch bangle bank foundation for carrying out social and philanthropic activities
- DBBL distributes up to 2.50% of its annual profits among its employees as profit sharing.
- DBBL objective is not only to make profit but also simultaneously contribute toward social and human development through various unselfish activities.

6.3 Weakness of DBBL:

All things in this Universe are limited with their works. It may be organization or any powerful creation. So, this limitation is natural. For this reason, Dutch-Bangla Bank has some limitations which are the great impediment about their information Technology.

- Network problem in ATM cash withdrawal.
- Lack of Manpower to cover the response all of the customers.
- Lack of product promotion and branding
- Strict rules and regulation of credit policy to disburse loan and credit card.
- Lack of adequate Banking On-Line resources.
- Discourage high cost deposit
- Lack of Inadequate brunches: It has 126 brunches but it's not fulfilling the demand of the people.
- Low concentration in SME Financing
- ATM booth's servicing problem: Most of the time some machines are out of service and now a days this problem is increasing radically.
- Shortage of money in ATM booths: DBBL has agreement for free uses of ATM transaction with more than 20 Banks as a result a huge demand are created, So money supply is not sufficient to meet up the demand.
- Shortage of Cash Deposit Machine (CDM)
- No POS machine in brunches.
- Insufficient brunches in overall Bangladesh.
- Lack of banking advertisement

6.4 Opportunity of DBBL:

- Huge Market as the demand is increasing at a faster rate.
- Better IT Infrastructure and quite compatible with other Local Bank in country.

- Proper and skilled Human Resources
- Expanding More Branches and Booth and this growth is not limited only in a city like Dhaka but all over the country.
- More SME facility(several Schemes) and people are more encouraged to do business don't thinking about risk factor and highly motivated which is directly contributing to our economic development
- Necessary or required software are available and easily upgraded when needed for avoiding any disaster in future.
- By offering more attractive interest rate and lowering the minimum balance for interest, the bank can attract lot of old customer.
- Has the ability to arrange the additional human resources when the bank wants. There is always surplus efficient human resources who are quite eligible to fulfill banks requirements.
- Machineries are always up-dated.
- As an On-Line banking system POS (Point Of Sales) is essential in each brunch.
- To save time, deposit machines should be installed in ATM booths.
- Effective and quick networking system is to be operated.
- No brokerage house
- Use Easy accessible to on-line banking system
- Market Share low but possible to coverage high market share

6.5 Threat of DBBL:

A segment is unattractive if it already contain numerous, strong, or aggressive competitors. It is even more unattractive if it is stable or declining and if fixed cost or exit barrier are high or competitors are high stakes in staying in this segment. The condition will lead to price war, advertising battle and new product introduction will make it expensive to compete.

- More Competition, and recently most of the private commercial banks are going to enter into On-line Banking System.
- A significant no. of Banks are in the Market. And more 09 new banks started their business.
- Depends of ISP services provider.
- Unhealthy Completion in collecting deposit with higher rate of interest.
- Unethical banking supports to borrower by some bank. (Hall Mark conspiracy).
- Political instability.
- Bindings from Central Bank.
- External Disaster like-flood, earth quake.

Furthermore the new comer of private bank, are coming with very competitive product.

Chapter 07

Conclusion

Conclusion:

Dutch Bangla Bank Limited is a modern commercial bank. It is committed to provide high quality financial services / products to contribute to the growth of G.D.P. of the country through stimulating trade & commerce, accelerating the pace of industrialization, boosting up export, creating employment opportunity for the educated youth, raising standard of living of limited income group and overall sustainable socio-economic development of the country.

The Bank is operating efficiently with its existing products and services. It has remained profitable from the inception of its operation in the commercial banking sector. The emergence of fierce competition and adverse economic condition has forced the bank to be innovative in offering its products and customer services. Service quality is a critical component of customer perceptions. In the case of pure services, service quality will be the dominant element in customers' evaluations.

The services which the branch provides to their clients, are very prompt and quality one compare to other private or foreign banks.

References:

- Chien, T., Danw, S. Z. (2004), “Performance Measurement of Taiwan Commercial Banks”, *International Journal of Productivity and Performance Management*, Vol. 53(5), pp. 425-434.12.
- M., Yaisawaran, K. (1993), “Output Allocative and Technical Efficiency of Banks”, *Journal of Banking and Finance*, Vol. 17, pp. 349-366.14.
- Elizabeth, D., Greg, Elliot (2004), “Efficiency Customer Service and Financial Performance Among Australian Financial Institutions”, *International Journal of BankMarketing*, Vol. 22(5), pp. 319-342.
- Avkiran, N. K. (1995), “Developing an Instrument to Measure Customer Service Quality in Branch Banking”, *International Journal of Banks Marketing*, pp. Vol. 12(6),10-18.
- Helpel, G., Coleman, A., Smon, D. (1986), *Bank Management Text and Cases*, Willy, New York.
- Basle Committee on Banking Supervision, January 1998, Framework for the Evaluation of Internal Control Systems. Bank for International Settlements.
Download from www.bis.org/dbbl
- Bangladesh Bank, Annual report, 2006.
- Dutch Bangla Bank Ltd. Annual Report 2008,2009,2010,2011,2012
- Dutch Bangla Bank Ltd. Web site(www.dbbl.com)
- Credit Management Policy Order: 2008 2009
- Guidelines for Credit Management of Bangladesh Bank 1996.

- www.bangladesh-bank.org/mediaroom/.../cregradnbbankjun07.pdf
- www.bangladesh-bank.org/mediaroom/corerisks/creditrisk.pdf
- www.studymode.com
- www.thefinancialexpress-bd.com