AN INTERNSHIP REPORT
ON
GENERAL BANKING ACTIVITIES OF DBBL

SUBMITTED TO:

Department of Business Administration
Sonargaon University (SU)
Green Road, Dhaka-1215

SUBMITTED BY:

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Dhaka-1215

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Submitted for the partial fulfillment of the degree of EMBA Program

Submission Date: January 12, 2023

LETTER OF TRANSMITTAL

Date:

To

Md. Shahbub Alam
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Dhaka-1215

Subject: Submission of Internship Report.

Dear Sir,

I am highly delighted to submit my internship report on **General Banking Activities of DBBL** as a requirement of internship program for the fulfillment of EMBA program under the supervised and guidance of my supervisor. I have completed my internship in Dutch Bangla Bank Limited. I have tried my level best to represent all the information that I have learnt during my internship program accurately but if I do any mistake, please try to perceive it in the eyes of mercy.

Therefore, I sincerely expect that you would be kind enough to accept my report for evaluation and oblige thereby.

Sincerely Yours,

_____

Mohammad Robiul Alam Bhuiyan
EMBA2103024016
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STUDENT'S DECLARATION

I am Mohammad Robiul Alam Bhuiyan, EMBA2103024016, declaring that the internship report on **General Banking Activities of DBBL** is unique and prepared by me under the supervised and guidance of my supervisor Md. Shahbub Alam, Lecturer, Sonargaon University (SU)

I further affirm that the work reported in this thesis is original and no part or whole of the report has been submitted to, any other university or institution for any degree or award or any other purpose.

.....

Mohammad Robiul Alam Bhuiyan

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SUPERVISOR'S CERTIFICATE

This is to certify that the Internship Report on **General Banking Activities of DBBL** prepared and submitted by Mohammad Robiul Alam Bhuiyan, a student of EMBA program, EMBA2103024016, under my supervised and guidance. This report is an integral part of the requirement of EMBA Degree from the Department of Business Administration, Sonargaon University (SU).

This Internship Report can be accepted as a constructive work and significant part of the whole program.

……

Md. Shahbub Alam
Lecturer
Department of Business Administration
Sonargaon University (SU)

ACKNOWLEDGEMENT

First, all praises go to the Almighty Allah, the most gracious, the most merciful, the most kind and generous to man and his action. This internship report is on **General Banking Activities of DBBL.**

I would like to convey my sincere gratitude to my university supervisor **Md. Shahbub Alam,** Lecturer, Department of Business Administration, Sonargaon University (SU). Without his guidance and assistance the report would not have been seen and light of day.

Finally, my deep gratitude goes in favor of my university for getting library, lab facilities and my teachers to enrich my knowledge, which helps me in different stages to complete this report.

My warm thank goes to Mr. Md. Yeasin Ali, Managing Director, Md. Wahidul Uddin Senior officer who always guide me and advised me effective guidelines to make this report worthwhile. I also thanks to Md. Saiful Islam Sr. Executive Officer and FaizusSalehin First Executive officer, Md. Moshiur Rahman senior officer, Mohammad Ishaque officer, Shirin shahid, Salina Akter, Farhana ahmed, Zakia Abedin, AsmaKhatun, Harun-or-Rashid Cash Officer.

Finally I would like to convey my best regards to all officials of the Dutch Bangla Bank Limited, Dhaka.

EXECUTIVE SUMMARY

General Banking activities is one of the most important part of any bank even most of the profit of a bank are comes from this section. This report is originated as a partial requirement of EMBA program, Sonargaon University (SU), Dhaka. To prepare this report I have necessary assistance from Dutch Bangla Bank Limited (DBBL) during my internship period. The major objective of this report is analyzing General Banking of DBBL. To prepare this I have followed the methodology which contains both primary sources of data & secondary sources of data with questionnaire survey. To make this report I had to face some limitations which I include in this report.

In Second chapter of my report basically covers background of DBBL. It tells about its objectives, mission &vision. I have described the procedures, rules & regulations of DBBL.

Chapter three mainly focus on General Banking activities. Describe TT, DD, Pay order, and account opening, foreign remittance of DBBL, different types of deposit scheme, dispatch system.

I analyzing data related with general banking related in Chapter four. I have used financial data & graphical presentations to measure the performance of general banking activities of DBBL. The report focuses about the movements of the related figures including the financial activities of the bank & review of the annual report of Dutch Bangla Bank limited. I have found out some problems in my selected areas. I have recommended DBBL to take some steps to remove those problems in this report. I have faced new challenges in every step of banking procedure. I tried to present all the banking activities that I have come across during my internship program.

ACRONYMS

AIBT	Asian institute of Business technology
ALCO	Asset & Liability Committee
EMBA	Bachelor Of Business Administration
DBBL	Dutch Bangla Bank Limited
DBP	Domestic Bill Purchased
DD	Demand Draft
DFCBL	Development Finance Commerce Bank Limited
FDR	Fixed Deposit Receipt
IBCA	Inter Branch Credit Advice
KYC	Know Your Customer
OBC	Outward Bills for Collection
PO	Pay order
STD	Short term Deposit
TT	Telegraphy Transfer

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CHAPTER-1

INTRODUCTION

1.0 Background of the Study

The student undertakes EMBA degree at Sonargaon University (SU) shall have to go for intership to an organization for 12 weeks togather practical knowledge and experience. Internship is an arrangement by which a student works in an organization for a limited period in time.Achievement of high economic growth is the basic principles of present economic policy. In achieving the objectives, the banking sector plays an important role. The banking sectors channel resources through deposit mobilization and providing credit for different business venture. The successful running of a bank business depends upon how effectively the credit management recovered the funds.

1.1 Significance of the Study

This report based on an internship program. DBBL arranges internship program to gather practical knowledge about banking activities followed by DBBL for university students as universities conducted with different organization after the completion of theoretical courses of program of Department of Business Administration (EMBA). Education becomes more effective when there is a combination of theory and practical knowledge. Theoretical knowledge achieved perfection with the implication of practical knowledge. Professional experience is very important to be established. In this situation I got a bit practical experience by analyzing the overall banking activities of Dutch Bangla Bank limited.

1.2 Scope of the Study

The scope of the report is limited at drawing exploratory rather than descriptive presentation of DBBL. The report is based on my practical work which I have learned, experienced and done in Dutch Bangla Bank Ltd. This also provides an opportunity to the student to minimize the gap between theoretical and practical knowledge. Finally this report helps me to know the atmosphere and environment of an organization. Thus report is very rational and significant.

1.3 Objective of the report

General objective:

The prime objective of this report is to analyze the **General Banking activities of Dutch Bangla Bank Limited.**

Specific Objective:

- To know about products of DBBL that it offers to the customer.
- To know the general banking operations of Dutch Bangla Bank Ltd.
- To have an idea of customer perception towards the different general banking activities of DBBL
- To compare DBBL with PBL and DBL on the basis different services and charges.
- To identify problems about customer's satisfaction and suggest some recommendations to solve those problems.

1.4 Methodology

1.4.1 Type of Research:

This is a 'Descriptive Research' which briefly shows the general banking & also analyzes the "**General Banking Activities** of Dutch Bangla Bank Limited".

1.4.2 Sources of Data

The following sources have been used for the purpose of gathering and collecting data as required.

Primary Sources

- Practical deskwork
- Expert opinion from the officers
- Questioner Analysis

Secondary Sources

Data was also collected from various manuals, journals, publications as well as web sites.

- Official records of DBBL
- Annual report
- Working Papers
- Office Files
- Periodical published by Bangladesh Bank
- Selected Books
- Printed Forms
- Published & Unpublished Documents

1.4.3 Data collection procedure:

We have used judgmental process for sampling as I have collected information from banking services in Mirpur by conducting as survey.

- **Target source:** The target sources of information's have been the customers of DBBL, Mirpur branch.
- **Population:** The population has been the customers of DBBL.
- **Sample size:**

Population	Sample unit	Sample size
Dutch Bangla Bank Limited.	Client of general banking department	30

1.5 Limitation of Study

Three months project is not enough to learn everything about banking sector. Although I have obtained wholehearted co-operation from all the employees of DBBL, they are extremely busy. They are very much friendly and helpful but they were not able to give me much time as they and I would like. Besides, total duration of project is not sufficient to give me more than a superficial idea of the functioning of the various departments I was rotated through the way of my Study. I have faced the following problems, which may be temped as the Limitation/shortcoming of the study. These are as follows:-

a) The main constraint of the study was insufficiency of information, which is required for the study.

b) Since the employees are very busy with their activities, as a result they failed to co-operate with me to complete this report.

c) The major limitation of the study was shorter time period. For an analytical purpose, adequate time is required. But I was not given adequate time to prepare such as in-depth study.

d) Such a study was carried out by me for the first time. So, in-experience is one of the main factors that constituted the limitation of the study.

e) To protect the organizational loss in regard of maintaining confidentiality, some parts of the report are not in depth.

CHAPTER-2

OVERVIEW OF DBBL

2.1 A Snapshot of DBBL

Historically, commercial banks have been playing a vital role in the world economy and financial system it is the place where the people with surplus fund can deposit the money with full trust and safety and also the people who are in deficit position can borrow money to fulfill their needs. Bank is not only a financial institution; it is a helping hand for the common people, different organizations and also for the government.

Banks services are not only limited in deposit and loan services, the functions of commercial banks have changed as the needs of the economy have changed. There are other financial institutions that also provide the service of deposit and loan. But there are some difference between other financial institutions and banks. Other financial institutions do not provide the withdrawal service of money through demand deposits and they also do not concern about the basic financial needs of the consumers like fund remittances inside and outside the country. And they also do not have foreign exchange service, which is one of the most important services that banks provide.

By continuous research and development commercial banks are providing the best financial services with the superior technological facilities. They are acting as intermediary between the deficit units and surplus units. Through their activities they are actually driving the wheel of the economy. Country's prospect and future economic conditions largely depend on the activities of the commercial bank.

Dutch Bangla Bank Limited is also playing its role efficiently for the prosperity and good economic future of the country.

2.2 Background

Dutch-Bangla Bank Limited (the Bank) 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 listed 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 Senakalyan Bhaban (4th floor), 195, Motijheel C/A, Dhaka, Bangladesh. The Bank commenced its banking business with one branch on 4 July 1996.

2.3 Profile of the bank

Dutch-Bangla Bank limited is the first Bangladesh-European joint venture commercial bank incorporated in 1995. With the permission of Bangladesh bank limited, commenced formal commercial banking operation from the 3rd June 1996.

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, Latin America and Eastern Europe.
Under a technical assistance grant from the FMO, ABN-AMRO bank of the Netherlands provided technical assistance to Dutch-Bangla Bank Limited during the first year of operation of the bank (1996-97)

Dutch-Bangla Bank Limited (DBBL) primarily is a public company limited by shares, incorporated in Bangladesh under company act 1994. It is also guided by the bank company act 1991 (and its subsequent amendment) and Bangladesh Bank ordinance 1972, so as to enable the company for doing banking business.

2.4 History of DBBL

Dutch-Bangla Bank Limited is a brainchild of its chairman Mr. Mohammad Shabuddin Ahmed. He dreamed it long back, when he, had been trying to arrange fund for Tammijuddin Textile Mills Ltd. (TTM) and Kader Synthetic Fibers Limited (KSFL) through the traditional banking system. TTML is a public ltd. company. Its main business is yarn manufacturing with conventional spinning mills of 44000-spindles capacities. KSFL is also a public company limited by shares with an investment of about Tk. 2.0 billion and, now engaged in manufacturing polyester draw texturized and twisted yam. Three international financing agencies like ADB. FMO, AFIC AND two local development-Financing institutions, BSB & SABIONCO have their investment in KSFL, both in terms of loan and equity. The projects were implemented, but had to face time and cost over run due mainly to the procedural delay in getting access to credit. Among others this might be a good reason for thinking about a bank where in the entrepreneurs will have easy access to modem banking services.

Mr. Ahmed has close relationship with FMO, the Netherlands development finance co. limited since 1983. Netherlands Financiering-Maatschappij voor Ontwikkelingslanden n.v. (FMO), a well reputed Holland based international financing institution has been extending their services, especially in development of SSE, SME and many other socio-economic activities mainly in the developing countries. Mr. Ahrried however: opened dialogue with FMO regarding the banking project some times in "1989:1 So-fat my knowledge goes, the first evidence in black and white was the letter dated January 07,1990 written to one Mr. D.C. VenderBiji, the then manager south west-Asia department, of FMO. In a letter dated March 22, 1990 Mr. Groosman, another brilliant offer of FMO visited Bangladesh and wrote to Mr. F.J. Smit, the then Deputy Managing Director, FMO advocating Mr. Ahmed's proposal. In this way, correspondence in writing, discussion over telephone had been going on. Mission came to study the market, to prep are feasibility report and memorandum of understanding. The proposed name of the bank at first was 'Development Finance and Commerce Bank Limited (DFCBL). At one stage opinion passed by the FMO mission that Bangladesh is not yet ready for such investment'. But Mr. Ahmed did not leave the idea; rather he started exploring the possibility more vigorously.

At last Mr. M.E.H.J Groot of small-scale department of FMO in his letter, dated December 07, 1992 responded positively indicating that 'small enterprise department of FMO is in a position of finance intermediary Bank' and accordingly asked for a 'Business plan'. The interim reply we are working on it and the document is coming in due course, we sent of FMO on 22-12-92.

The vigorous exercise of market and collection of primary data in crude from through ‘questionnaires’ started. The proposed name at that stage changed to ‘long term credit’ and commerce Bank lid. Thereafter lots of reports were prepared, tons of papers were utilized and not only man-days but also hundred of man-nights were spent before materializing the dream through convincing FMO, taking approval of GOB, Bangladesh Bank, MOF, RJC, SEC, BOT etc. The result is today’s DBBL, the First European joint venture Bank in Bangladesh.

Any way, let us now come to the theoretical aspects of the topic that usually requires following for formation for a company, in general and banking company, in particular.

Banking company is also a company like others and required to be formed by way of incorporating it with the register of joint companies and firms (RJSC &F) as per companies act. 1994. But unlike others, it is also guided by the Bank company act 1991 and Bangladesh Bank ordinances.

The major steps to follow may been seen on the screen, During the formation stage several including preparation of per-investment feasibility study, strategic plan, business plan, which inter-alias covers setting goals and objectives, formulating strategic plan, forecasting financial profitability, analyzing SWOT etc. The investors required to be convinced and satisfied with the goals, objectives, profitability and risk involvement before making investment.

2.5 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".

2.6 Vision

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

2.7 Core Objectives

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 upholds and epitomizes its vaunted marques "Your Trusted Partner".

2.8 Board of Directors

1. Mr. Abul Hasnat Md. Rashidul Islam, Chairman

Mr. Islam is the Chairman of the Bank. He is an M.Com and has wide experiences in International Business (Import & Export) of various commodities since 1973.

2. Mr. Zaheed Hossain Khan, Director

Mr. Khan did B.Sc Engineering (Chemical) from Bangladesh University of Engineering and Technology (BUET). He is an Ex-Banker and also held a higher management position for more than 10 years in a joint venture Cotton Spinning & Synthetic filament yarn manufacturing Industry.

3. Mr. Bernhard Frey, Director

Mr. Frey, who is a Swiss national, is the Managing Director of Etacol Hong Kong Limited, a reputed business and trading firm of Hong Kong. He has been nominated as a Director of DBBL by Etacol Hong Kong Limited, one of the foreign Shareholders of the Company. Mr. Frey is a Chartered Accountant and well experienced in trading, manufacturing and banking administration.

4. Mr. Shahabuddin Ahmed, Director

Mr. Ahmed has been elected as Director from the General Public Shareholders. He is a renowned and well-experienced yarn merchant. He is the proprietor of M/S. Haji Ramijuddin Traders, Madhabdi, and Narsingdi.

5. Mr. Md. Shahidur Rahman, Director

Mr. Rahman is an M.S.S in Public Administration. He is a renowned garments industrialist and has wide ranging experiences in this line. He is the Managing Director of Alike Design Ltd. and Aright (BD) Limited; both are export oriented garments manufacturing industries.

6. Mr. Md. Yeasin Ali, Managing Director

Mr. Ali is the Managing Director and Ex-Officio Director of DBBL. During his long banking career, he held the position of Managing Director of Rajshahi Krishi Unnayan Bank, Rupali Bank Ltd., Bangladesh Shilpa Bank and important position in Bangladesh Krishi Bank and Agrani Bank.

2.9 Management Setup

Name	Designation	Division
Abul Kashem Md. Shirin	Managing Director	
Shahidur Rahman Khan	Additional Managing Director	
Abedur Rahman Sikder	Deputy Managing Director (Administration)	
Md. Ahteshamul Haque Khan	Deputy Managing Director (Operation)	
Mr. Muhammad Shahidul Islam	Senior Executive Vice President	Credit Division
Mr. Abul Kashem Md. Shirin	Senior Executive Vice President	Information Technology Division
Mr. Khan Tariqul Islam	Senior Executive Vice President	Accounts Division
Mr. Khan Tariqul Islam	Company Secretary	Board Secretariat
Mr. M. Mominul Haque	Executive Vice President	General Service Division
Mr. Moyen Uddin Ahmed	Executive Vice President	Card Division
Mr. A. K. M. Nazmul Hossain	Executive Vice President	International Division (Treasury Back Office)
Mr. A. K. M. Shah Alam	Senior Vice President	Marketing & Development Division
Mr. A. K. M. Shah Alam	Senior Vice President	Treasury Division (Front Office)
Mr. Abul Munim Khan	Senior Vice President	Corporate Banking Division
Mr. Iqbal Amin	Senior Vice President	Credit Administration Division
Mr. Md. Shams-uddin Ahmed	Senior Vice President	Human Resource Division
Mr. Md. Harun Azad	Senior Vice President	Internal Control & Compliance Division
Mr. Mohammad Abdul Motalib	Senior Vice President	Credit Monitoring & Recovery

		Division
Mr. Md. Kamruzzaman	Vice President	Retail Banking Division

Other Department/Section/Wing:

Name	Designation	Dept./Section/Wing
Mr. Tasnim Uddin Ahmed	Executive Vice President	Training Wing
Mr. Md. Shahazada Basunia	Asst. Vice President	Public Relations

2.10 Committees

A. Asset & Liability Committee (ALCO)

1. Managing Director	Chairman
2. Additional Managing Director	Member
3. Deputy Managing Director (Operation)	Member
4. Deputy Managing Director (Administration)	Member
5. Head of Credit Division	Member
6. Head of Corporate Banking Division	Member
7. Head of Treasury Division (Front Office)	Member
8. Head of Accounts Division	Member Secretary

B. Credit Committee (CC)

1 Additional Managing Director	Chairman
2. Deputy Managing Director (Operation)	Member
3. Deputy Managing Director (Administration)	Member
4. Head of Credit Division	Member
5. Head of Credit Administration Division	Member
6. Head of Retail Banking Division	Member
7. Head of Corporate Banking Division	Member Secretary

C. Management Committee (MC)

1. Managing Director	Chairman
2. Additional Managing Director	Member
3 Deputy Managing Director (Operation)	Member

4. Deputy Managing Director (Administration)	Member
5. Head of Credit Division	Member
6. Head of Information Technology Division	Member
7. Head of General Service Division	Member
8. Head of Internal Control & Compliance Division	Member
9. Head of Marketing & Development Division	Member
10. Head of Human Resource Division	Member Secretary

D. Recruitment/Promotion / Interview Committee

1. Managing Director	Chairman
2. Additional Managing Director	Member
3. Deputy Managing Director (Operation)	Member
4. Deputy Managing Director (Administration)	Member
5. Head of Information Technology Division	Member
6. Head of Human Resource Division	Member Secretary

E. Purchase Committee: 01

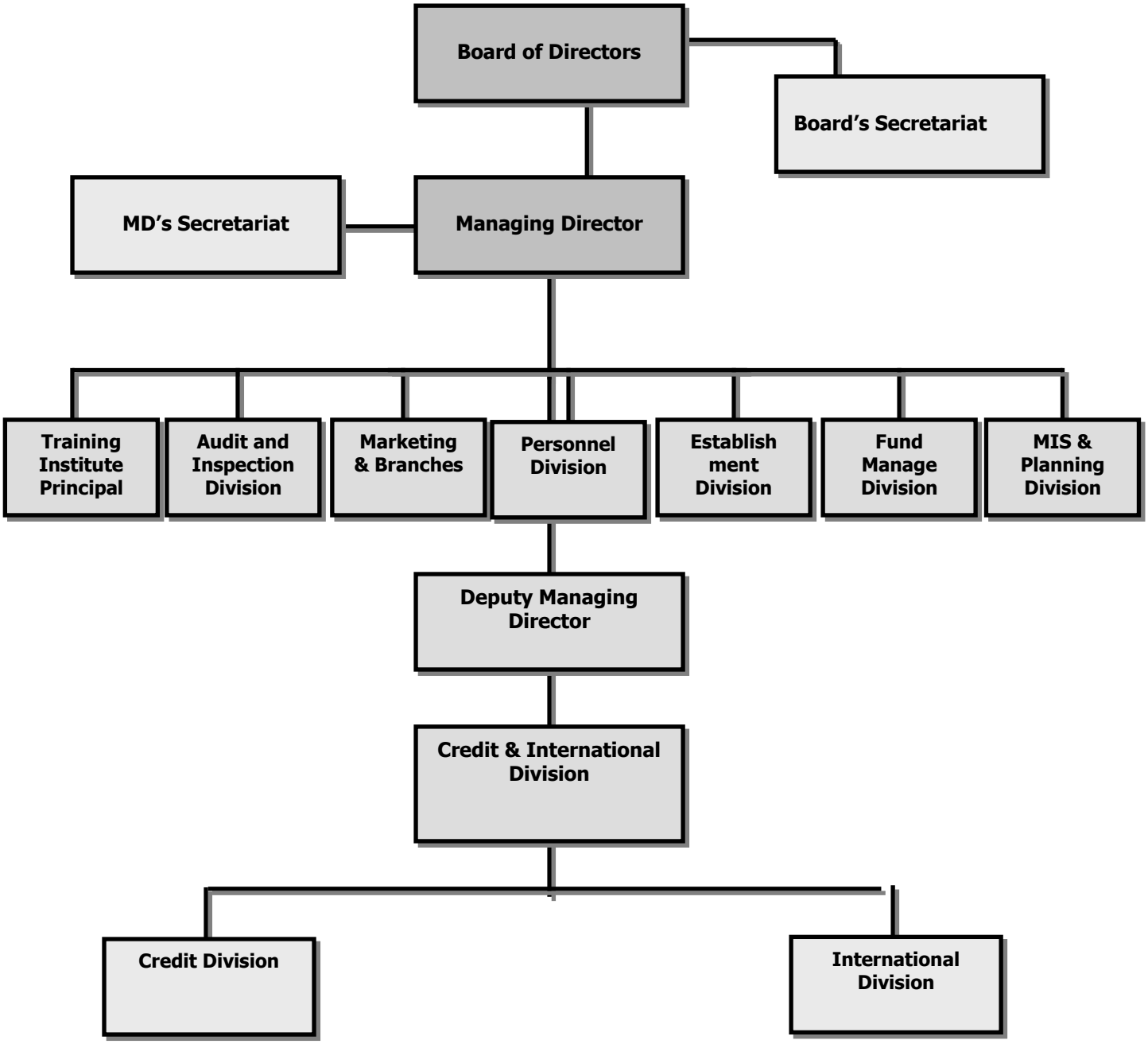
1. Managing Director	Chairman
2. Additional Managing Director	Member
3. Deputy Managing Director (Operation)	Member
4. Deputy Managing Director (Administration)	Member
5. Head of Information Technology Division	Member
6. Head of Internal Control & Compliance Division	Member
7. Head of General Service Division	Member Secretary

F. Purchase Committee: 02

1. Additional Managing Director	Chairman
2. Deputy Managing Director (Administration)	Member
3. Head of Information Technology Division	Member
4. Head of Internal Control & Compliance Division	Member
5. Head of General Service Division	Member Secretary

2.11 Organizational Structure of Dutch Bangla Bank Limited

Chart 1: Organizational Structure



2.12 Responsibilities of Divisions

Board's Secretariat

Conducting annual general meeting, board meeting and communicating with the members of the board of the directors and helping stockholders for any banking affairs. They also update list of the shareholders and maintain the registration procedure of the new shareholders.

MD's Secretariat

Assisting the Managing Director in bank's operational affairs by providing necessary information and particulars. This department also maintains the daily program of the MD's.

Training Institute

Arranging training program, seminar, and workshop for development of skill of bank's employees. It also does the selection process of the employees for the training purpose. These institutions not only arrange training courses itself; they also have a contract with Bangladesh Institution of Bank Management to provide training to the employees of Dutch Bangla Bank.

Audit & Inspection Division

Acting as internal auditor of the bank to audit the transaction of bank's account. Usually this audit has been made in the early time of the year at Dutch Bangla Bank. This audit team also evaluates the performance of the employees individually and reports it in the human resources division. Some time audit comes from the Bangladesh Bank also. They especially check the foreign exchange transactions.

Marketing & Branches Division

Although Dutch Bangla Bank does not provide any tangible product to its consumers but it also needs a strong marketing strategy to serve its services comparatively better than the competitors. The division looks after this job. They take the necessary steps to promote the banking products and services. It also communicate with the branches for banking affairs, like any branch can face liquidity problem or low deposit problem then this division takes proper initiatives to solve that. It keeps contract with the big corporations and institutions to accumulate big amount of deposits.

Personnel Division

Recruiting human resources and maintaining the salary system. It controls the promotion system of the existing officers. They also provide internship facilities to the students of the business school.

Establishment Division

Maintaining bank's assets and providing stationary items to the branch and head office. It operates the maintenance account and sets the fund range for the branch to spend for the needed accessories. But if the branch exceeds the fund range then they have to take the permission of the head office.

Central Accounts Investment and Fund Management Division

In Dutch Bangla Bank the master account is operated by the head office. It operates the operation of the clearing house for all branches and also the other internal transactions through inter branch transaction account. It also maintains the accounts of the bank for investing the idea fund in the money market instruments.

MIS & Planning Department

This department controls the central database, which contains all the confidential information, the instructions and the bylaws of central bank, and important research works and also the competitor's information. This department actually does the job of research and development.

Credit Division

Monitoring the advance and approving the proposal of advances through the board of directors. It also maintains all the information about the loan of each branch. They especially process this information for Bangladesh Bank's Credit Cell called "Credit Information Bureau".

International Division

Maintaining the foreign exchange transaction of the head office and branches. It controls the international fund transfer among the branches and also verifies the letter of credit and sets the margin for it. It time to time notifies the latest instruction of the central bank to all its authorized dealer branches. This department also keeps the record of foreign currency reserve and disbursement and informs central bank every month with particular statement. They also provide daily exchange rate list to all its AD branches through telex or fax. So these are the responsibilities or job description of the different divisions of Dutch Bangla Bank Limited. The employees who work in these divisions or in the branches are also very important for the bank. Because only their good performance can help Dutch Bangla Bank to reach the expected destination.

2.13 Employees Benefits

In addition to fixed salaries and allowances, employees of Dutch Bangla Bank Limited are given following incentives to motivate them in working.

Incentive Plans

Dutch Bangla Bank Limited provides Cash, Accelerated Promotion, and Special Increment etc. as incentives to its deserving employees. Like every year head office sets a deposit limit for every branch. If the branch can exceed that limit then the employees will enjoy some monetary incentive. Also in between the branch the Vice-President ask the employees to provide their personal contribution to increase the deposit of the branch. The employee who contributes the highest amount of deposit by using their link has been given a nice incentive.

Pension Plans

Dutch Bangla Bank Limited does not have any pension plan, but its employees receive gratuity. They also have provident fund and welfare fund for the employees. The head office invests these funds on the securities, which are non-speculative in nature.

Number of Paid Holidays

The employees of Dutch Bangla Bank Limited get 45 days holidays in a year. They get casual leave of 10 days, and earned leave of 35 days. If one employee does not take the casual leave then he/she will not get this in the next year.

Insurance

Dutch Bangla Bank Limited does not facilitate its employee with medical, dental or individual life insurance policies but maintains group life insurance for all. If any body died then his/her family will get some amount by the designation.

Bonuses

Dutch Bangla Bank Limited gives two bonuses every year, amounting one basic each. Usually in the Eid time they get these two bonuses.

2.14 Products and Services

Banking Products Deposit

- Savings Deposit Account
- Current Deposit Account
- Short Term Deposit Account
- Resident Foreign Currency
- Deposit
- Foreign Currency Deposit
- Convertible Taka Account
- Non-Convertible Taka Account
- Exporter's FC Deposit(FBPAR)
- Current Deposit Account-Bank

Short Term Deposit Account-Bank

Term Deposit
Monthly Term Deposit
Term Deposit 3 Months
Term Deposit 6 Months
Term Deposit 12 Months
Term Deposit 12 Months
Term Deposit 24 Months
Term Deposit 24 Months 1 Year Payout
Term Deposit 36 Months
Term Deposit 36 Months 6 Months Payout
Term Deposit 36 Months 1 Year Payout
Term Deposit Above 36 Months
Monthly Term Deposit Banks
Term Deposit 3 Months Banks
Term Deposit 6 Months Banks
Term Deposit 12 Months Banks
1 Month Td Nfcd
3 Months Td Nfcd
6 Months Td Nfcd

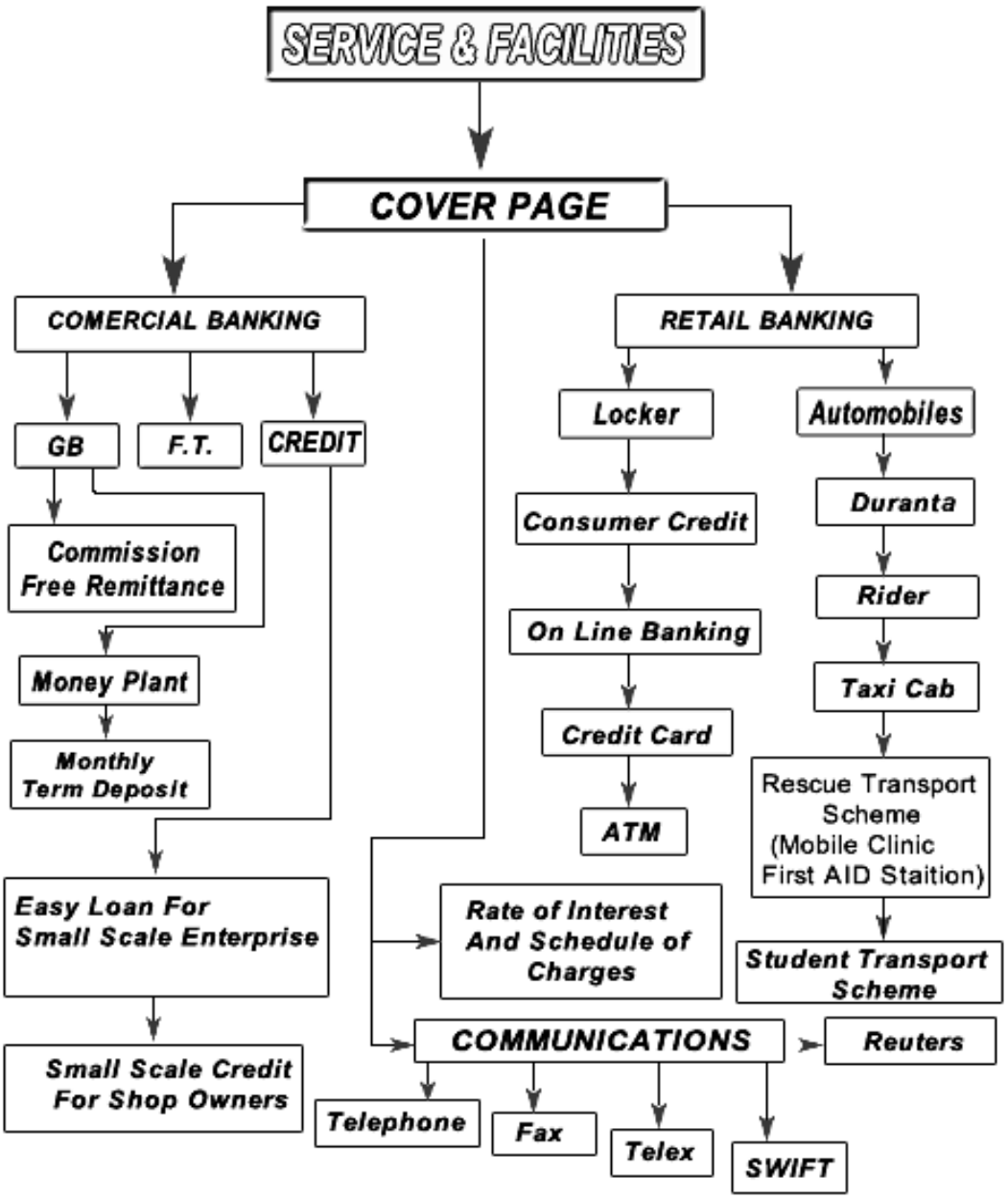
Loan & Advances

Loan agst. Trust Receipt	**Transport Loan**	**Consumer Credit Scheme**
Real Estate Loan (Res. & Comm.)	**Loan Agst. Accepted Bill**	**Industrial Term Loan**
	Agricultural Term Loan	**Lease Finance**

Other Term Loan

FMO Local currency Loan for SME	**FMO Foreign currency Loan**
Cash Credit (Hypothecation)	**Small Shop Financing Scheme**
Overdraft	

2.15 Service Facilities of DBBL



CHAPTER-3

ANALYSIS & EVALUATION

3.0. About Bank:

Bank:

Banks are the financial depository institution which are allowed or licensed by the central banks to accept deposit for doing lending business

Banker:

Banker is one who in the ordinary course of his business honors cheques drawn upon him by persons from and for whom he received money or currents accounts

Banking:

Generally all the activities of a bank is called banking. In a broader sense, banking is the summation of financial service like collection of deposits from people, collect cheques, grants loan, transfer money, invest fund, safeguards money for its customers etc

Central bank:

.The central bank is the organ of government that under takes the major financial operations of the government and by its conduct of these operations and by other means influences the behavior of financial institutions so as to support the economic policy of the government."

Commercial Bank:

Commercial bank is one which collects small savings from the public by offering them affixed rate of interest and advancing the loan able funds out of the deposited money to enterprising clients charging relatively higher rate of interest.

Bank rate:

A bank rate is the interest rate that is charged by a country's central or federal bank on loans and advances to control money supply in the economy and the banking sector. This is typically done on a quarterly basis to control inflation and stabilize the country's exchange rates. A fluctuation in bank rates triggers a ripple-effect as it impacts every sphere of a country's economy. For instance, the prices in stock markets tend to react to interest rate changes. A change in bank rates affects customers as it influences prime interest rates for personal loans.

3.1. General Banking:

General Banking is the heart of Banking. Here money collection procedure occurs. Other services like cheque encashment, account transfer, account closing, bills and remittance are provided here. So general banking section is the life blood in banking service. The activities perform through some procedures such as – Dispatch (inward and outward), Deposit, A/C Opening and closing, Transfer, Cheque book issue, local remittance (payment order and DD, TT),Foreign remittance, Collections-transfer delivery, Cash, Vault etc

Services Offered by General Banking Division:

1. General Banking

Financial institution intermediary that mediates or stands between ultimate borrowers and ultimate lenders is knows as banking financial institution. Banks perform this function in two ways- taking deposits from SURPLUS UNIT i.e. from various areas in different forms and lending that accumulated amount of money to the DEFICIT UNIT i.e. to potential investors in other different forms. General banking department aids in taking deposits and simultaneously provides some ancillaries services.

General banking is the starting point of all the banking operations. General banking is the front-side banking service department. It provides those customers who come frequently and those customers who come one time in banking for enjoying ancillary services. In some general banking activities, there is no relation between banker and customers who will take only one service from bank. Everyday it receives deposits from the customers and meet s their demand for cash by honoring cheques. It opens new accounts, remit funds, issues bank drafts and pay orders etc. Since bank is confined to provide the services everyday, general banking is also known as ‘retail banking’. On the other hand, there are some customers with who bank are doing its business frequently.

General banking activities:

1 Account opening section
2 Remittances (Local and Foreign)
3 Bills and clearing section
4 Deposit section
5 Cash section
6 Other activities

3.2 Account Opening Section

3.2.1 Accepting Deposit

The relationship between banker and customer begins with the opening an account by the customer. Opening an account binds the banker and customer into contractual relationship. Infect all kinds of fraud & forgery start by opening an account. So, the bank should take extreme caution in selection customers.

Bank is a financial intermediary, which mobilizes fund from surplus unit and allocates it to deficit unit. Surplus unit means the people who have surplus money and willingness to save. Deficit unit means the people who need money for industry, trade, business, or for personal use but don't have sufficient money of their own for such purposes. Bank mobilizes the fund by accepting deposits from depositors and allocates the fund by providing loan to borrower.

So accepting deposits is one of the two classic functions of commercial banks. In DBBL account opening section deal with

- Current deposit (CD)
- Savings deposit (SB)
- Short term deposit (STD)
- Fixed deposit (FDR)

3.2.1 Current Deposit Account

General Characteristics:

- CD accounts are unproductive in nature as banks loan able fund is concerned. Sufficient fund has to be kept in liquid form, as current deposits are demand liability.
- Businessmen and companies are the main customers of this product.
- Thus huge portion of this fund become non-performing. For this reason banks do not pay any interest to CD Account holders.
- There is no restriction on the number and the amount of withdrawals from a current account.
- Service charge and incidental charges are recovered from the depositors since the bank make payments and collect the bills, drafts, cheques, for any number of times daily.
- The Banks through current accounts grant the loans and advances
- In practice of DBBL, a minimum balance of TK.5000 has to be maintained.

3.2.2 Savings Deposit Account

General Characteristics:

As per Bangladesh Bank instruction 90% of SB deposits are treated as time liability and 10% of it as demand liability

- ❖ Interest is paid on this account. DBBL offers a reasonable rate of interest (6.5%) for SB A/C on day basis.
- ❖ Generally, banks require a 7-day prior notice if the total amount of one or more withdrawals on any date exceeds 25% of the balance of the account unless is given. But in DBBL there is no restriction about drawing money from savings account. Any time holders may draw money of any amount without prior notice.
- ❖ Generally householders, individuals and other small-scale savers are the clients of this account
- ❖ Minimum Balance of Tk.500 is to be maintained. But initial deposit is Tk 2000.
- ❖ Very limited service charge (Tk.25 per year) as it is an interest bearing account.
- ❖ Govt. charge 10% only on interest income of the customer.

3.2.3 Account Opening Process:

Under this section, DBBL Bank Assistant Officer opens different types of accounts on the request of clients. The procedure of opening account is given is given below.

Step 1: Receiving filled up application and signed by account holder in bank's prescribed form mentioning what type of account is desired to be opened

Step 2: The form is filled up by the applicant himself / herself.

- ✓ Two copies of passport size photographs from individual are taken, in case of firms photographs of all
- ✓ Partners are taken.(attested by the introducer)
- ✓ Applicants must submit citizenship certificates: Photocopy of valid passport or ward commissioner certificate
- ✓ Application must sign in A/c opening form and KYC (Know Your Customer) form
- ✓ Introducer's signature and accounts number – verified by legal officer.
- ✓ Nominee name, signature and photograph one copy.

Step 3: Authorized Officer accepts the application

Step 4: Minimum balance is deposited – only cash is accepted

Step 5: Account is opened and a pay-in-slip book is given

Bank activity: After fill up account opening form and KYC by customer the assistant officer done following job:

- ✓ Verify all information by assistant officer then
- ✓ Entry all customer information into DBBL's online server
- ✓ After completion of entry assistant officer it sends to Second officer/Manager for authorization.
- ✓ If Second officer/Manager satisfies with customer information he gives authorization.
- ✓ Assistant officer gets new account number for certain customer after authorization.

After fulfilling the above formalities, DBBL Bank provides the customer pay-in-slip book that customer deposit their initial deposit.

Checkbook: In online banking it is difficult to issue cheque book immediately that is why it takes one or two days.

ATM Card: An account holder gets a NEXUS Debit card at free of cost after opening account. It takes two or three weeks and sends him by mail.

Special Caution must be taken for the following customers:

In the name of individual

The client has to fill up an account opening form. Terms and conditions are printed on the back of the form. The form contains the declaration clause, special instructions etc.

In joint name

In this type, the formality is same as individual account, but in the special instruction clause, either or survivor' or 'former or survivor' clause is marked |

Proprietorship

In addition, the customer has to submit the valid Trade License and Tax Paying Identification Number (TIN) along with the application.

Partnership Firm

A copy of notarized partnership deed certified by all the partners or Registered partnership deed.

Resolution of the partners regarding account opening.

Photographs attested of those who will operate.

Trade license.

Mandate as to operation of the account.

Public Limited Company Certificate of Incorporation

Copy of Memorandum and Articles of Association duly certified by the Register of Joint

Stock Companies.

Certificate of Commencement

Form-xii and schedule X - duly certified by the Register of Joint Stock Companies.

Copy of Resolution of the Board of Directors

Private Limited Company

Certificate of Commencement is not necessary

Certificate of Incorporation

Copy of Memorandum and Articles of Association

Copy of Resolution of the Board of Directors

Non-trading Concerns

Registration Certificate under the Societies Registration Act, 1962

(Societies, Clubs, Certified copy of Bylaws & Regulations/ Constitution).

Associations Certified copy of Resolution for opening and operation of account.

Power of attorney to borrow |

Joint account

A minor cannot open an account in his own name due to the incapacity to enter into a minor contract. He can open an account in DBBL in joint name of another person who will be guardian of him.

Short Term Deposit Account (STD)

General Characteristics:

- ✓ Customers deposit money for a shorter period of time.
- ✓ STD account can be treated as semi-term deposit
- ✓ STD should be kept for at least thirty days to get interest.
- ✓ The interest offered for STD is less than that of savings deposit.
- ✓ In practice, DBBL offers 5.00% rate of interest (half yearly compounding) for STD account. It may increase depending on the fund.
- ✓ Volume of STD A/C is generally high. In DBBL, various big companies, organizations, Government Departments keep money in STD accounts.
- ✓ Frequent withdrawal is discouraged and requires prior notice.

Term Deposits

The fixed deposit account is repayable after the expiry of a predetermined period fixed by the customer himself. The period varies from three months to three years. The customer may open his /her account for different time periods, which may be for three months, six months, one year, two years and three years. The interest rates of FDR accounts are as below:

Interest rate for Fixed Deposit:

Name of Deposit	Interest Rate	Remark
a) 1 month	10.50%	Unchanged
b) 3 Months	10.75%	Revised
(i)Below Tk. 1.00 Million	10.75%	
(ii)Tk. 1.0 Million & above	11.50%	Revised
c) 6 Months		
(i)Below Tk. 1.00 Million	11.25%	Unchanged
|(ii)Tk. 1.0 Million & above	11.50%	Revised
d) 12 Months		
(i)Below Tk. 1.00 Million	11.75%	Revised
(ii)Tk. 1.0 Million & above	11.50%	Revised
STD Account	5.00%	
STD Account (Bank)	4.50%	
Savings Account	6.50%	

General Characteristics:

- ✓ Popularly, it is known as Fixed Deposit Receipt (FDR). Term deposits are made with the bank for a fixed period of time.
- ✓ The bank needs not to maintain cash reserves against these deposits and therefore, the bank offers high rate of interest on such deposits.
- ✓ In DBBL, fixed deposit account is opened in customer choice time.

Opening Of Fixed Deposit Account:

- ✓ The depositor has to fill an application form
- ✓ In case of a deposit in joint name, DBBL also takes the instructions regarding payment of money on maturity of the deposit.
- ✓ The banker also takes the specimen signatures of the depositor(s).
- ✓ Necessary entries are given on the FDR register and on line.
- ✓ An FDR is then issued to the depositor acknowledging receipt of the sum of money mentioned therein. It also contains the rate of interest & the date on which the deposit will mature.
- ✓ Payment of Interest:
- ✓ It is usually paid on maturity of the fixed deposit. DBBL calculates interest at each maturity date and provision is made on that “Miscellaneous creditor expenditure payable accounts” is debited for the accrued interest.

- ✓ But the Bank may pay interest to depositor every 6 months or credit the amount of interest to his savings or current account, at his request.

Premature Encashment of FDR:

A depositor has the right to claim for refund of his deposit before expiry of the fixed term thereof. Bank may in special consideration allow premature encashment on application of the depositors subject to the under noted conditions:

- ✓ For FDR which are 3 months maturity no interest will be payable at the premature encashment, only the principle amount will be refunded.
- ✓ When premature encashment is allowed of FDR with tenure of over 3 months, interest will be paid if encashment before expiry of 6 months at the rate of 3 months prescribed interest rate.
- ✓ Premature encashment is allowed of FDR with tenure of over 6 months, interest will be paid if encashment before expiry of 12 months at the rate of 6 months prescribed interest rate and the same theory will also be applicable for premature FDR encashment of 2 years and 3 years.

Lots of FDR:

If the instrument is lost from the possession of the holder, the holder is asked to fulfill the following requirements:

- ✓ Party should inform it to the bank immediately;
- ✓ Furnish an Indemnity Bond;
- ✓ On fulfilling the above requirements a duplicate FDR is then issued to the customer by the bank.

Renewal of FDR:

- ✓ FDR is automatically renewed within seven days after the date of its maturity if the holder does not come to en-cash the instrument.
- ✓ Renewal will be for the previously agreed maturity period.

General Practice for All Types of Accounts:

Cheque book

- ✓ To facilitate withdrawals and payment to third parties by the customer, DBBL provides cheque book to the customer.
- ✓ CD account cheque book contains 20 and 50 leafs, while SB account cheque book has 10 leafs. Bank maintains a separate register and also record in online in this regard.
- ✓ Requisition slip is provided to the customer in cheque book to issue new cheque book.
- ✓ A new cheque book should be delivered only to the account holder. Otherwise authorization letter is needed from client for delivery to other person.
- ✓ Issuing cheque book after verification of signature & photo and signature keep record in register.

When cheque book is lost:

A guarantee form is taken from the account holder when his book is lost, where he indemnifies the bank in this regard. A new requisition sleep is given to him for a new cheque book. Only verification of senior officer will approve in this case.

Incidental charges:

- ✓ TK. 100/- each for twice a year is debited from customer's CD account for rendering service to him.
- ✓ Again TK. 100/- each is debited from customers account for providing him the solvency certificate.
- ✓ Service charge for Savings A/C is TK.25.00 per year. If the balance is below the minimum amount (Tk.500) then Tk.200.00 is charge additionally.
- ✓ TK. 30/- is charged from customer as penalty if his cheque is dishonored.

Compounding of interest:

- ✓ In DBBL, interest-compounding period varies with products.
- ✓ Interest on term deposit i.e. FDR is compounded at its maturity period. Such as 3 monthly, 6 monthly, yearly etc.
- ✓ Interest on savings bank (SB) deposit is compounded on day basis.
- ✓ Interest on STD accounts is compounded yearly.

Crediting interest:

Crediting interest implies that so for interest accrued is attached with the principal amount. In practice of DBBL

- ✓ FDR interest is credited at the maturity date.
- ✓ For SB account the crediting season is six-month period.
- ✓ Interest of STD is credited after each year.

Tax:

Whatever the amount of interest is accrued 10% tax is debited from the account at the time of crediting interest.

Closing of an A/C:

The closing of an account may happen:

- If the customer is desirous to close the account
- If DBBL finds that the account is inoperative for a long duration.
- If Garnishee Order is issued by the court on DBBL.

To close the account, the cheque book is to be returned to the bank. DBBL takes all the charges by debiting the account and the remaining balance is then paid to the customer. Necessary entries are given to the account closing register and computer.

Transfer of an A/C:

Account holder may transfer his account from one branch to another branch. For this he/she must apply to the manager of the branch where he is maintaining account. Then manager of Kawran Bazar sends a request letter to the manager of the branch where the account holder wants to transfer his account. With his request he sends original copy of account opening application and specimen Signature Card and photocopy of application for transferring the account with the balance remained account. But now-a-days customer need not transfer their account from one branch to another branch. They can make transaction any DBBL branch with truly on-line facility.

Account inquiry:

A customer can obtain the statement of his account by the submission of an application in prescribed balance inquiry receipt. DBBL not charges any amount for this statement.

3.3 Local Remittance Section

In banking language money transmitted domestically are known as local remittance. For local remittance purpose DBBL purchases and sells some instruments for its customers. The instruments are Pay Order (PO), Demand Draft (DD), Telegraphic Transfer (TT), and Mail Transfer (MT).

Pay Order (PO)

Pay order is an instrument, which is used to remit money within a city through banking channel. The instruments are generally safe as most of them are crossed.

The procedure for selling P.O. is as follows:

a. Purchaser must be an A/c holder of DBBL.

b. Deposit money with P.O. application form.

c. Give necessary entry in the Bills Payable (P.O.) on line register;

d. Payee's name, date, P.O. No. Etc.

e. Prepare the instrument.

f. After it has been scrutinized & approved by higher authority, the instrument is delivered to customer. Signature of customer is taken in the counterpart.

Practice and operation of pay order:

Types of PO

Account payee only : only can en-cash it by depositing it in his account.

Blank Crossed : Any one can en-cash it by depositing in their account.

Cash payment : P.O. can be paid in cash if buyer gives a letter of Identification regarding payee.

Settlement of a P.O.

When P.O. submitted by collecting bank through clearinghouse, the issuing bank gives payment. Thus bank's liability is settled by debiting bills payable. But before giving payment it should be examined whether endorsement was given by the collecting bank or not. If not then the instrument is dishonored marking "Endorsement required".

Unutilized P.O. / Cancellation of a P.O.

If buyer wants to cancel the P.O. he has to give a letter of instruction in this regard. He will also have to return the instrument. Adjusting entry will be :

When PO is lost:

Incase the instrument is lost, the holder whether payee or buyer will inform it to the issuing bank immediately. Bank will mark stop payment on the Bills Payable (P.O.) register. Buyer will then ask for a new instrument by submitting a G.D. Copy and indemnity bond of Tk.50.00 (issued by court). A new Instrument will be delivered marked "In lieu of".

Collection of PO:

A customer of DBBL who is the payee of a P.O. will deposit it for collection. The instrument is given to the clearing that will place it to the issuing bank in the clearinghouse. Before placement, DBBL as a collecting bank gives necessary endorsement.

Demand Draft (DD)

Demand Draft is a very much popular instrument for remitting money from one corner of a country to another. The instrument is basically used for transfer and payment. Difference between pay order and demand draft is in terms of place only. P.O. is used for remitting money within the city whereas DD is used for within the country. DD too, constitutes current liability on the part of a bank. At DBBL DD is not sold to people other than its customer. But with the introduction of ONLINE banking the

importance is DD has reduced. Now the customers can draw the money from any of its branch. Fund transfer is free of cost for all accounts holder.

Procedures for issuing a DD:

- ✓ DD application from filled in and money deposited by the customer.
- ✓ Necessary entries are given to a register name DD OUT – concern (drawn on) branch. A number, which is taken from this register, is known as "Controlling number."
- ✓ An "Account payee only" crossed instrument given.

The I.B.C.A. (Inter branch Credit Advice) is dispatched to drawn on branch. Issuing an I.B.C.A. implies that the branch is being credited to whom it is issued I.B.C.A. contain s the controlling number.

Role of a drawn on bank:

Lodgment is given after receiving an I.B.C.A. (Inter branch Credit Advice) Necessary entry is given in a register called "DD-In-Issuing branch," Controlling number of the I.B.C.A should match the serial number of this DD-in register.

When finally the instrument arrives through clearing, the cancellation mark is given on the register. In case where I.B.C.A. has not yet received from the issuing bank but where instrument has been placed, bank cannot hang a party for the I.B.C.A. In this case payment is given to the party from the suspense account.

Charges taken for the draft:

Tk. 50.00 as postage charge is taken and no commission is charge for this purpose. The postage charge credited to the concern stamp account.

Cancellation of a DD:

If the holder of the instrument wants to cancel it, he should submit a request letter in this regard. Issuing branch then sends an I.B.D.A. to the drawn on branch against the I.B.C.A., which was sent previously.

Duplicate DD

When DD is lost a duplicate instrument is given subject to fulfillment of the following requirements:

- ✓ Tk. 50.00 indemnity bond issued from the court.
- ✓ After losing the instrument, holder should immediately inform it to the bank that puts "stop payment" mark on the register.

3.4 Bill Collections and Clearing Section:

Customers do pay and receives bill from their counter party as a result of transaction. DBBL collects the bills on behalf of their customers. Collection mechanisms in DBBL are clearing, Outward Bill for Collection (OBC), Inward Bills for Collection.

3.4.1 Clearing

When the bill is within the range of the clearinghouse it is sent for collection through clearing section. As far as safety is concerned customers get crossed cheque for the transaction Crossed check can't be encashment from the counter; rather it has to be collected through banking channel i.e., clearing. If a client of DBBL received a check of another bank that is located within the clearing range and deposit the instrument in his account at DBBL, then DBBL will collect the money through clearing house. After received the check DBBL will credit client account. However, the amount is credited in the customer a/c but he will not get the money until the check is honored.

Procedures for collection:

- ✓ "Received" seal is stamped on the cheque
- ✓ b. Crossing of the cheques are done
- ✓ c. Proper endorsement is given
- ✓ d. "Clearing" seal with date is given
- ✓ e. Cheques are sorted bank wise and entries are given to the software-NIKASH2 (Provided by Bangladesh Bank)

Function in the Clearing House:

- ✓ The clearinghouse is an assembly of the locally operating scheduled banks for exchange of checks, drafts, and other demand instruments drawn on each other and received from their respective customers for collection.
- ✓ The house meets at the appointed hour on all working days under the chairmanship of the central bank. The clearinghouse sits twice in a working day.
- ✓ The members submit the claimable checks in the respective desks of the banks and vice-versa.
- ✓ Consequently, the debit and credit entries are given.
- ✓ At the end, the debit summation and the credit summation are calculated. Then the banks clear the balances through the check of Bangladesh Bank.
- ✓ The dishonored checks are sorted and returned with return memo.
- ✓ The dishonored instruments for Kawran Bazar are given following treatment:
- ✓ If the instruments are dishonored then they are sorted again and sent back to the returning house along with their return memo.

- ✓ Later on all the instruments of DBBL which were claimed by other banks are sorted and delivered to respective branches.
- ✓ If the instruments are honored the treatment is:

Instruments of other branches

However, the Kawran Bazar clears its checks as well as the checks of other branches. Because, no other branch is allowed to represent directly. The other branches send the instruments along with IBDA. Kawran Bazar acts as an agent in this case.

Dishonor of Cheque:

If the cheque is dishonored, DBBL sends (with cheque return memo) to the customer stating the reason. If the cheque is dishonored due to insufficiency of funds, DBBL charges TK.30/= as penalty.

3.4.2 Outward Bills for Collection (OBC):

If the bill is beyond the clearing range then it is collected by OBC mechanism. Customer deposit cheque, drafts etc. for collection, attaching with their deposit sleep, Instrument within the range of clearing are collected through local clearing house, but the other which are outside the clearing range are collected through OBC mechanism. A customer of DBBL Kawran Bazar Dhaka is depositing a cheque, of Sonali Bank Cox's Bazar. Now as a collecting bank DBBL Kawran Bazar will perform the following task;

Procedure:

- Depositing the cheque along with deposit-slip
- Crossing of the cheques are done indicating Kawran Bazar as collecting bank.
- Endorsement "Payee's A/C will be Credited on realization" is given
- Entries are given in the Outward Clearing Register (OBC)

Collecting bank can collect it either by its branch or by the drawer's bank. They will forward the bill then to that particular branch. OBC number will give on the forwarding letter. Now following procedures will take place in case of the following two cases.

Bills collected through Branch:

If the bill is forwarded to branch they will collect it through IBC procedure. Collecting branch will receive an I.B.C.A. from that particular agent branch. Accounting treatment from the angle of collecting branch will be;

In this case commission will be charged by the collecting branch, not the agent branch and the drawers bank will send a DD to the collecting branch. Here both the banks will charge for collection from the customer. It should be scrutinized that D.D. is containing the OBC number.

(0.15% commission of the instrument value, 15% VAT and Tk. 20/- as postage charge in deducted. The minimum amount is Tk.43.00 and maximum amount is Tk.3000.00)

Balance Sheet effect

OBC create asset and liabilities simultaneously for bank. When send for collection, it is bank's liability and as well as customers liability i.e. banks asset.

- ➢ Liability head Bills for collection being bills receivable as per contra
- ➢ Asset head Bills receivable being bills for collection as per contra.

After realization the contra is settled. This item is a stock variable of balance sheet at a particular date.

Balancing

Balancing is done on the bankers liability account. The day-end balance is shown on balance sheet.

Domestic Bill Purchased (DBP):

Bank has to serve its customer by any means. But some customers are valued as far as deposit is concerned. So banks give them some benefits depending on the situation. Clients get bill that is as per agreement collected by the bank. This collection procedure takes usually 2-3 days. But in many cases valued clients need money urgently. In this situation bank purchase the bill of the client paying him money then the then. Later on bank collects the bill and adjust accordingly.

This is kind of credit which is offered to the valued clients only. However no credit line facility is needed for them. Commission is charged from them at a higher rate, which is equivalent to lending rate of 14-15% for the collection period only.

3.4.3 Fixed Deposit

Fixed deposit is one, which is repayable after the expiry of a predetermined period fixed by him. The period varies form 3 months to 1 year. These deposits are not repayable on demand but they are withdrawal subject to a period of notice. Hence, it is a popularly known as 'Time Deposit' or 'Time Liabilities". Normally the money on a fixed deposit is not repayable before the expiry of a fixed period.

In case of Fixed Deposit Account the Bank needs to maintain a cash reserve. So DBBL Bank offers a high interest rate in Fixed Deposit accounts. The Interest rates followed by DBBL Bank in Fixed Deposit accounts are. The FDR becomes renewed automatically in DBBL Bank if the customer does not en cash it within 7 days of maturity. In case of encashment of F.D.R in maturity, following accounting treatments are given:

If the customer wants to draw the interest only, then following entries are given-

In case of 'before maturity enactment' interest is calculated for the days from the date of opening the FDR account in a Saving A/C. rate of interest.

3.5. Cash Section

Cash section demonstrates liquidity strength of a bank. It is also sensitive as it deals with liquid money. Maximum concentration is given while working on this section. As far as safety is concerned special precaution is also taken. Tense situation prevails if there is any imbalance in the cash account.

3.5.1 Vault:

All cash, instruments (PO, DD, cheque) and other valuables are kept in the vault. Principal branch's vault is incurred up to Tk. 2 crore with a local insurance company. If cash stock goes beyond its limit of Tk. 2 crore, the excess money is transferred to Bangladesh Bank. If there is shortage of cash during transaction period money is drawn from the central bank. There are three keys of the vault, which are given to three seniors most officer. Daily, an estimated amount of cash is brought out from the vault, for transaction purpose.

Functions of Cash Department:

Cash Payment

- ✓ Cash payment is made only against cheque
- ✓ This is the unique function of the banking system which is known as "payment on demand"
- ✓ It makes payment only against its printed valid Cheque

Cash Receipt

- ✓ It receives deposits from the depositors in form of cash
- ✓ So it is the "mobilization unit" of the banking system
- ✓ It collects money only its receipts forms

Cash payment or Cheque cancellation process:

Step 1 : Receiving Cheque by the employee in the cash counter

Step 2 :Verification of the followings by the cash Officer in online.

- ✓ Date of the Cheque (it is presented within 6 month from issue date)
- ✓ Issued from this branch
- ✓ Amounts in figure and sentence written does not differ
- ✓ Signature of the drawer does not differ
- ✓ Cheque is not torn or mutilated

Step 3: Gives pay cash seal and sends to the payment counter (verified by an officer)

Step 4 : Payment officer makes payment

3.5.2 Books maintained by this section:

Though most of transactions are through On-line and signature, photo and account balance are check in computer that network with server. But following registers keep for this section.

3.5.3 Cheque and Crossing:

A "Cheque" is a bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand. [According into section-6, negotiable instrument Act, and 1881.]

A cheque may be classified into:

- ✓ An open cheque, which can be presented for payment by the holder at the counter of the drawer's bank.
- ✓ A crossed cheque, which can be paid only through a collecting banker.

Crossing cheque: A cheque is said to be crossed when two transverse parallel lines with or without any words are drawn across the face. Crossing may be general, special or restrictive.

3.6 Other Activities

1. Pin mailer of ATM card delivery

- ✓ After opening account an inactive ATM card send to customer within two or three weeks.
- ✓ Then account holder come to the branch with card and fill up the form for requesting activation of ATM card.
- ✓ A secret PIN number delivered the account holder.
- ✓ Concern officer verify signature and photo of account holder.
- ✓ ATM Card will be activated with in one week and user can use it.

2. Western Union pays out to the customers

- ✓ Money receiver fill up the Western Union Form and also 10 digits number in the form.
- ✓ Concern officer verifies the information and receive copy of citizenship certificate (passport)
- ✓ Then receiver collects money from cash section.

3. Account related activities

- ✓ Scanning photo and signature of new account holder
- ✓ And linked with server
- ✓ Proper preservation of respective files
- ✓ Change of account holder address (application from customer)
- ✓ Change of Board resolution of several limited company account
- ✓ Issuing of thanks letter to A/C holders & introducers

4. Provide all information to the customer and also provide in phone

5. Receiving Chaque, instrument, refund warrant etc.

6. Checking of daily outward clearing activity report with vouchers & their proper preservation and also Inward clearing, communication with client regarding inward cheque confirmation.

7. Posting or entry of salaries of different corporate client and transactions related to GB.

3.7 Closing of an Account:

For two reasons, one can be closed. One is by banker and other is by the customer.

By banker: If any customer doesn't maintain any transaction within six years and the A/C balance becomes lower than the minimum balance, banker has the right to close an A/C.

By customer: If the customer wants to close his A/C, he writes an application to the manager urging him to close his A/C.

Different procedures are followed in cash of different types of A/C to close. Fixed deposit A/C is closed after the termination of the period. BCD A/C is closed when the certificate is surrendered.

Closing process for current & savings A/C:

- ✓ After receiving customer's application the officer verifies the balance of the A/C.
- ✓ He then calculates interest and other charges accumulated on the A/C.
- ✓ If it bears a credit balance, the officer writes advice voucher. He gives necessary accounting entries post to accounts section.
- ✓ The balance is returned to the customer. And lastly the A/C is closed.

But in practice, normally the customers don't close A/C willingly. At times, customers don't maintain any transaction for long time. Is this situation at first, the A/C becomes dormant and ultimately it is closed by the bank.

3.8 Online Banking

On-line Banking 'Truly On-line Banking of DBBL'

3.8.1 Introduction & Set up

The year 2004 therefore, will always be a landmark in the history of DBBL, a year which witnessed successful implementation of its on-line computerization project, culminating tow years of massive planning, research, hard work and dedication displayed by all the members of DBBL family.

The journey for ' Truly On-line Banking of DBBL' started in the year 2002, when the Board of Directors of DBBL conceived the idea of a fully on-line banking in its truest sense with a view to materializing their dream of providing world class banking facilities to its valued customers.

After completion of all necessary formalities, such as floating of international tender's, evaluation of tender documents the board of Directors of DBBL formally approved the project at a cost of Taka 250.00 million in September, 2003. The main components of the project were the world renowned, robust and tested banking software FLEXCUBE from 'I-flex solution limited India word famous server from IBM USA switching software form oasis technology, Canada, world renowned Die bold ATM machines and Hyperion POS Terminals. The project also included an online disaster recovery site (DRS), first of its kind in Bangladesh to have effective disaster management system in place.

The customers of DBBL can now enjoy the following world class banking service locality at a reasonably and affordable price through the fully automated real-time any-where any-brace banking services covering 24 hours a day and 365 days year which include:

3.8.2 Function of Online Banking

Through branches:

- ✓ A customers can avail services with any branches of DBBL
- ✓ He /she can withdraw or deposit money in any branch of DBBL
- ✓ He/she can deposit loan installment to any branch of DBBL
- ✓ International financial transaction can be carried out by the on-line
- ✓ SWIFT Interface of the banking software
- ✓ He/she can enjoy facilities of:
- ✓ Loan installment payments from his/her savings/current accounts
- ✓ fund transfer to other accounts
- ✓ Sweep-out facility, enabling him/her to transfer the money from an
- ✓ account when it exceeds a pre-defined amount
- ✓ Sweep-in facility, enabling him/her to bring money from anothe account when the first account balance falls below a pre- define amount.

Through ATMs:

By using the DBBL's own ATM pools any where in the country, the valued customers of the bank can perform the following functions at any time:

- ✓ Account balance enquiry
- ✓ Cash withdrawl-24 hours a day, 7 days a week, 365 days a year
- ✓ Cash deposit to some designated number of ATMs any time
- ✓ Mini statement printing
- ✓ Statement request
- ✓ pin (personal identification number) change
- ✓ Request for cheque book
- ✓ Fund transfer within his/her own accounts
- ✓ Payment of mobile/T&T phone, gas, electricity, water, internet, credit card
- ✓ Bills from customer's saving/current account
- ✓ Payment of school/college/university fees by debating one's savings/current
- ✓ Account
- ✓ Purchase of activation number for mobile/internet pre-paid cards

Through point of sale (POS) terminal:

Bill settlement at any DBBL POS (point of sale) terminals installed at strategic locations.

Area	No. of POS	Area	No. of POS
Gulshan	47	Mirpur/Kafrul	21
Banani	33	Shantinagar/BailyRoad	40
Uttara	38	Moghbazar/Paltan	30
Dhanmondi/MirpurRoad	110	Others	39
Ele.Road/P.path/K.Bazar	114	Total	480

* Addresses are available in www.dbbl.com.bd

3.9 Through Internet:

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.

The following are the Internet Banking Features for DBBL's Retail and Corporate Customers:

- ✓ Checking of account summary: The Customer will be able to view the list of Current, Saving, Term Deposit and Loan accounts with the current balance.
- ✓ Account Activity: The customer can see or print his transaction activity in a given account for a particular period.
- ✓ Transfer Funds: The customer can transfer funds from one of his accounts to another of his accounts within the bank.
- ✓ Pay Bills: The customer can pay his utility bill (like Electricity, WASA, GAS, Telephone, Mobile, ISP etc.)
- ✓ Open/Modify Term Deposit: The customer can open a term deposit by transferring funds from one of his current or savings accounts with the bank. He can also modify the TD and redeem / part-redeem it.
- ✓ Loan Repayments: The customer can make payment of the loan installment from his CASA account.
- ✓ Statement Request: The customer can make a request for account statement for a required period. The bank will manually service this request.
- ✓ Cheque Book Request: The customer can make a request for a Cheque book.
- ✓ Cheque Status Inquiry: The customer can choose an account and enter the Cheque number for which the status should be viewed.

- ✓ Stop Payment Cheque: The customer can mark his Cheque leaf as stop payment.
- ✓ Interest Rate Inquiry: The customer can query on the interest rates on CASA & Term Deposit Products.
- ✓ Foreign Exchange Rate Inquiry: The customer can query on the Foreign Exchange (FX) Rates using this function.
- ✓ Change Password: The customer can change his Internet Banking Password using this function.
- ✓ Extra Features for Corporate Customer
- ✓ Letter of Credit: The customer can initiate the LC application through Internet Banking.
- ✓ Bank Guarantee: The customer can initiate the Bank Guarantee through Internet Banking.
- ✓ Limits Query: The customer can view his Loan Limits and Limits Utilization through Internet Banking.

3.10 Foreign Remittance

Non- resident Bangladesh can enjoy instant fund transfer and other banking facilities trough DBBL internet banking for example.

-Non-resident Bangladeshi by opening one account for himself and other accounts for his/her near and dear ones with DBBL can transfer fund through SWIFT from any bank in the world.

-He/she can now enjoy full range of internet banking facilities from aboard; such as.

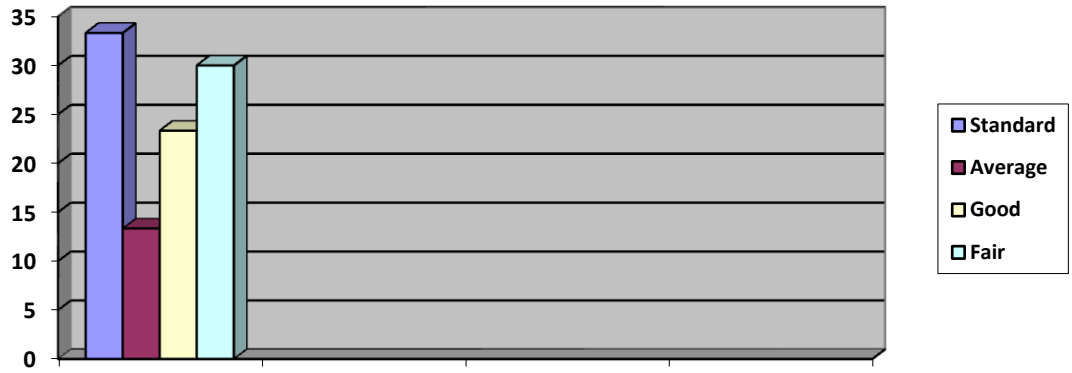
- ✓ Monitoring balance and transfers of his/her account
- ✓ Utility bill payments in Bangladesh
- ✓ Payment of loan installment due with any other
- ✓ Organization/banks in Bangladesh
- ✓ Opening of FDR account debiting his/her savings/current account
- ✓ Issue standing instruction on his/her account with DBBL to transfer a fixed amount of money in a particular date of every month to other accounts of his/her near and dear ones with DBBL.

His/her near and dear ones can now enjoy full facilities of DBBL's on-line branches, ATMs POS terminals and internet banking.

3.11. Customer perception on quality of general banking activities

Table: Average quality of general banking activities.

Particulars	No. of Clients	Percentage
Standard	9	33.33%
Average	10	13.34%
Good	7	23.33%
Fair	4	30 %
Total	30	100%



Source: Questionnaire survey

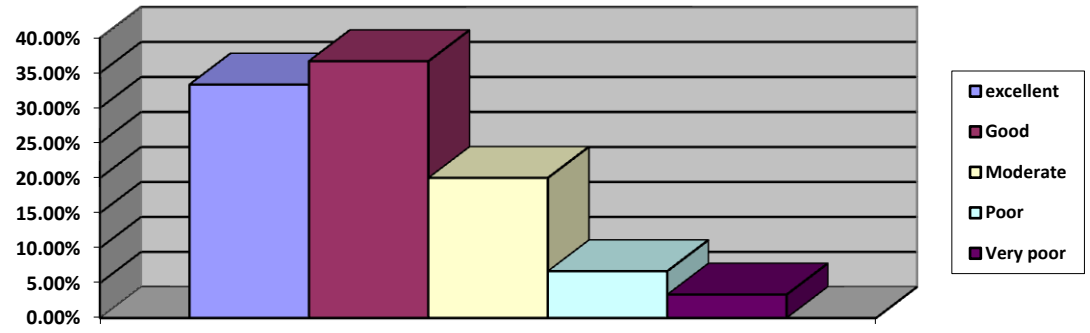
Graph: Average quality of general banking activities

The above graphical presentation shows that 33.33% of customers are average satisfied on general banking activities. Where 30% standard, 23.33% good, 13.33% fair. So, Customers are average satisfied on the performance of general banking activities.

3.12. Customer perception on A/C opening procedure:

Table: Customer perception on A/C opening procedure

Customer perception on A/C opening procedure	No. of Clients	Percentage
Excellent	10	33.33%
Good	11	36.67%
Moderate	6	20%
Poor	2	6.67%
Very poor	1	3.33%
Total	30	100%



Source: Questionnaire survey

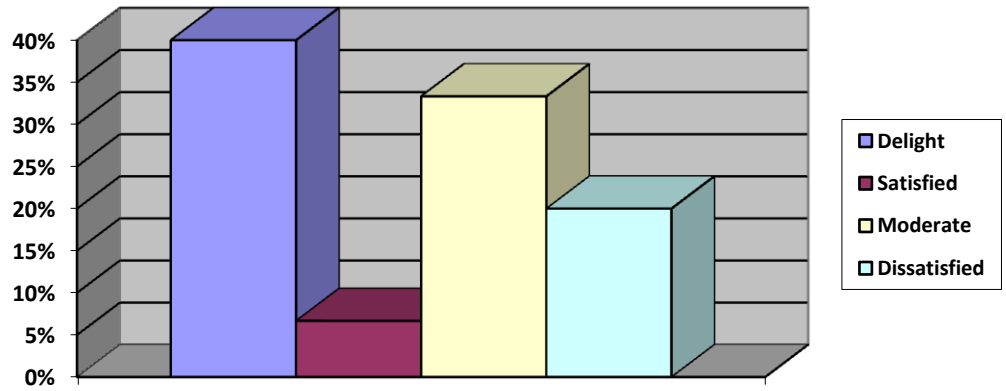
Graph: **Customer perception on A/C opening procedure**

The above graphical presentation shows the customer perception on A/C opening procedure. 33.33% customer said excellent, 36.67%customer said good, 20% moderate, 6.67%poor, and 3.33% very poor.

3.13. Customers perception on service:

Table: Customer's perception on service

Customer's perception on service	No. of Clients	Percentage
Delight	6	40%
Satisfied	12	6.67%
Moderate	10	33.33%
Dissatisfied	2	20%
Total	30	100%



Source: Questionnaire survey

Graph: Customer's perception on service:

The above graphical presentation shows that 6.67% customer have Satisfied perception on service of DBBL 33.33% customers are Moderate, 20% are delighted and 40% percentage of customer shows their dissatisfaction.

CHAPTER-4

FINDINGS, RECOMMENDATIONS AND CONCLUSIONS

4.1 Major Findings:

I have identified some sort of issues in case of general banking of DBBL on the basis of customer perception and secondary information which are given bellow:

Customer Perception:

- Customer perception on average quality of general banking activities.
- DBBL have not provides easy term and condition for account opening & any transaction to customer. It means some difficulty there in term & condition.
- The service of DBBL is satisfactory.
- Modern technical equipment such as computer is sufficient in general banking department.
- Locker service facility is much secured because they take an extra care for this service.
- Charges on various services are so competitative.
- Interest rate provided for deposit A/C is attractive.
- DBBL local remittance business is moderate because employees are train up in using technology.
- Quality of money transfer facilities is Satisfactory

And also I have identified some sort of information by comparing DBBL with PBL and DBL on the basis different services and charges.

- When a person open and closing a saving and current account A/C a, he/she need to deposit a minimum balance. If clients want open and closing a saving and current A/C in DBBL, it maintain lower amount that belongs to a positive sign.
- DBBL maintenance charge on saving A/C is lower in compare to PB and DBL.
- Every banks FDR interest rate is more or less flat because it is set by the central bank. But its saving interest rate is lower in compare to PBL and DBL. But, In case of current account doesn't take any charge of all the bank.
- DBBL ATM (credit card) charge low that is a progressive decision to attract new clients even first year it doesn't take any charge.
- DBBL locker service charge is low but their service providing quality is high.
- DBBL impose on lowest charge on DD/PO/TT service followed by Dhaka Bank and prime Bank.

4.2 Recommendations:

Some necessary steps are recommended bellow on the basis of collected data, observation, expert staff's opinion and my knowledge and judgments. For the probable solutions of the identified problems ensure better process to DBBL in future.

- Banking is a service-oriented business and it business profit depends on its service quality. So, it should increase service quality by increasing the number of branches and first track services and also improve the professional skill.
- Charges on various services should be flexible.
- DBBL should be provided easy terms and condition for account opening & any transaction to customer.
- DBBL should be conscious about local remittance business.
- DBBL money transfer procedure should be improved by including easy terms and condition.
- Some rule is followed in case of minimum balance of opening and closing account but it not properly handled for new customer which discourse the new customer in opening and closing an account in the bank. So, I think management should be more emphasis behind this.
- Charge and fees of DBBL comparatively low than other banks. My suggestion is to keep up this charges and fees only for sustain the competitive banking business.
- Though a large number of Automated Teller Machine (ATM) are available in DBBL but not properly service to the customer. So, it should properly monitor by appointing more qualified employee and also trained up of the existing employee.
- The number of security cameras are also very few. So the management authority should increase the number of security cameras in case of bank safety.
- Theoretically any person can purchase pay order, demand draft and telex transfer by depositing money and commission. But the person who wants to purchase these should have account in the bank branch. These will discourage customers to transact with bank. So my suggestion is to withdraw this rule.

4.3 Conclusions:

Dutch-Bangla Bank Limited is one of the most potential Banks in the banking sector. It has a large portfolio with huge assets to meet up its liabilities and management of this bank is equipped with the export bankers and managers in all level of management.

In the last decade there has been a revolution in the communication media through the introduction of internet and other forms of secure dial-up media. This had an immense impact on all the sectors of the industry specially the banking sector. The number of banks is increasing day by day because the demand of the customer for the banking service is high .as a result there is a highly competetative situation in the banking sector and people have many option increase of taking banking services .As a central bank of Bangladesh The Bangladesh Bank always adopting measures for putting banking institution on right track and also monitors the activities of these banks to prevent from doing illegal activities.

Banks always contribute towards the economic development of a country. Compared with other Banks DBBL is contributing more by investing most of its funds in fruitful projects leading to increase in production of the country. It is obvious that right channel of Banking establish a successful network over the country and increases resources; will be able to play a considerable role in the portfolio of development in developing country like ours.

Dutch-Bangla Bank Limited is a socially responsible bank in the country. The bank maintains a regular donation program to all over the country. DUTCH-BANGLA BANK FOUNDATION is the official name of the donation program

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