

**Internship Report**  
**On**  
**General Banking Activities and Customer Perception**  
**regarding the DBBL services: A hands on practice**  
**through the Satmasjid Road Branch, Dhanmondi.**

**Submitted To**  
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**14<sup>th</sup> January, 2018**



**General Banking Activities and Customer Perception  
regarding the DBBL services**

## Letter of Transmittal

Date: 14<sup>th</sup> January, 2018

**Sarker Rafiq Ahmed Ratan**  
Assistant Professor  
School of Business & Economics  
United International University

**Subject: Submission of Internship Report on “General Banking Activities and Customer Perception regarding the ‘Dutch Bangla Bank Limited’ services”**

Dear Sir,

With due respect and humble submission I have the honor to place before you my report on the above-mentioned title for the partial fulfillment of the requirements of BBA Program. With a view to having pragmatic exposure over practical arena, I tried my level best to put the best effort for the preparation of this report. I hope you will find the report up to your expectation.

Thank you for your sound knowledge about the subject matter that helped me to lead the report to its successful completion.

Sincerely yours

.....  
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## Acknowledgement

First of all I would like to show my gratitude to the all mighty Allah who made me capable and physically fit to prepare this report.

To submit the Internship Report, I would like to show my gratitude and great acknowledgement to everyone who contributed to carry me closer to the deep root understanding of Banking Sector from the very beginning.

I would like to take this opportunity to express my gratitude to my internship supervisor, Sarker Rafiq Ahmed Ratan; Assistant Professor; School of Business & Economics, United International University for continuous inspiration, supervision and patience. Without his guidance and support it would not have been possible to submit this report.

I also thank full to all my teacher's, and other stuffs for their full support with their valuable advice and rare collection of reading materials. I am also very grateful to all the officers and employees from 'Dutch Bangla Bank Limited' who provide me their valuable time to give me information about the general banking activities and customer perception regarding their Bank.

## Summary

Internship creates a unique opportunity for the student to apply their theoretical knowledge into practice and gain valuable real world business experience. During the internship period, student can also realize existing business condition apart from having opportunities to solve the problem using various analytical tools. Banking is now an essential part of our economic system. Modern trade and commerce would almost be impossible without the availability of suitable banking service. The health of the economy is closely related to the soundness of its banking system. Modern banks play an important part in promoting economic development of a country. Banks provide necessary funds for executing various programmes underway in the process of economic development.

Dutch-Bangla bank (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. The word DUTCH implies that this is a joint venture company and Dutch involvement is there.

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## CHAPTER: ONE

### INTRODUCTION

#### 1.1 Background of the Report

Economy of Bangladesh is in the group of world's most underdeveloped economics. One of the reasons may be its underdeveloped banking system. Modern banking system plays a vital role for a nation's economic development. Throughout the most recent couple of years the keeping money world has been experiencing a considerable measure of changes because of deregulation, mechanical advancements, globalization and so on. These progressions likewise rolled out progressive improvements of a nation's economy. Present world is changing rapidly to face the challenge of competitive free market economy. It is well recognized that there is an urgent need for better-qualified management and better-trained staff in the dynamic global financial market. Bangladesh is no exception of this trend. Banking sector in Bangladesh is facing challenges from different angles though its prospect is bright in the future. Money and banking is the center around which all economic science clusters.

Internship creates a unique opportunity for the student to apply their theoretical knowledge into practice and gain valuable real world business experience. During the internship period, student can also realize existing business condition apart from having opportunities to solve the problem using various analytical tools. Banking is now an essential part of our economic system. Modern trade and commerce would almost be impossible without the availability of suitable banking service. The health of the economy is closely related to the soundness of its banking system. Modern banks play an important part in promoting economic development of a country. Banks provide necessary funds for executing various programmes underway in the process of economic development. They collect savings of large masses of people scattered throughout the country, which in the absence of banks would have remained ideal and unproductive. These scattered amounts are collected, pooled together and made available to commerce and industry for meeting the requirements. Economy of

Bangladesh is in the group of world's most underdeveloped economies. One of the reasons may be its underdeveloped banking system. Government as well as different international organizations have also identified that underdeveloped banking system causes some obstacles to the process of economic development. So they have highly recommended for reforming financial sector. Since 1990, Bangladesh Government has taken a lot of financial sector reform measurements for making financial sector as well as banking sector more transparent, and formulation and implementations of these reform activities has also been participated by different international organization like World Bank, IMF etc. As a part of the internship Program of BBA course requirement, I was assigned to do my internship in 'Dutch Bangla Bank Limited' for a period of three months

## **1.2 Objective of the Report**

The essential target of the examination is to meet the fractional prerequisites for the satisfaction of the course 'practical orientation in banks'. The core objectives of the practical orientation program in banks are as follows –

- To fulfill the partial requirement of 4<sup>th</sup> term, BBA program.
- To increase down to earth exposures in various saving money exercises, this will be useful for the second year courses of BBA program.
- To acquainted with the workplace in bank.
- To apply hypothetical learning in the viable field.
- To watch and examine the execution of the particular branch and the bank all in all.
- To be familiar with everyday working of administration arranged saving money business.
- To study existing banker customer relationship
- To learn about foreign trade.
- To learn about loans and advances.
- To learn about general banking.

- To know about the function of administration.

### **1.3 Methodology**

Keeping in mind the end goal to make the report more important and satisfactory, two wellsprings of information and data have been utilized broadly.

The ‘Primary Sources’ are as follows –

- Eye to eye discussion with the particular workplaces the branch.
- Casual discussion with the customers.
- Down to earth work exposures on various work areas of the branch secured.
- Important document contemplate as gave by the officers concerned.

The ‘Secondary Sources’ of data and information’s are –

- Annual report (2015) of Datch-Bangla Bank Limited.
- Periodicals published by Bangladesh Bank.
- Different publications regarding banking functions, foreign exchange operation and credit policies.
- The internet was also used as a theoretical source of information.

A proper procedure has been taken to complete this study. The procedure were as follows:

- a. Observing the procedure of banking activities followed by each department.
- b. Face to face discussion with the respective personnel.
- c. Reading various files.
- d. Desk work: During the practical orientation I worked in the following desk for a period of 2.5 months.

## **1.4 Job Rotation Schedule**

The different departments of principal branch have been covered by me as per the ‘Job Rotation Schedule’ prepared by the Dutch-Bangla Bank LTD. (DBBL) during my practical orientation period. The following shows the job rotation schedule.

General Banking: From 21.02.03 – 05.03.03

Accounts: From 15.01.03 – 20.02.03

Loans and Advances: From 06.03.03 – 31.03.03

Foreign Trade: From 01.04.03 – 15.04.03

## **1.5 Plan of Presentation**

The report is divided into five parts. Chapter one contains ‘Introduction’. Chapter two contains ‘Organizational overview’, which includes history of DBBL, its management and function. Chapter three describes ‘General Banking’. Chapter four comprises with ‘Credit Department’. Chapter five contains ‘Foreign Exchange’ and Chapter six includes ‘Observations and Conclusion’.

## **1.6 Limitations**

A good report ‘sells’ the results of the study, but it should not oversell. Every project has limitation.

I faced some usual constraints during the course of my Practical Orientation.

- a. Time was inadequate
- b. Inadequate data sources

## **CHAPTER: TWO**

### **DUTCH-BANGLA BANK LIMITED IN A NUTSHELL**

#### **2.1 Profile of the bank**

Dutch-Bangla bank is a Bangladesh-European joint venture commercial bank incorporated in 1995. With the permission of Bangladesh Bank Limited, commenced formal commercial banking operation from the 3<sup>rd</sup> June 1996.

The Netherlands Development Finance Company of the Netherlands are the international sponsors 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 limite (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. The word DUTCH implies that this is a joint venture company and Dutch involvement is there.

#### **2.2 History of DBBL**

Dutch-Bangla bank limited is a brainchild of its chairman Mr. Mohammed Shabuddin Ahmed. He dreamed it long back, when he had been trying to arrange fund for Tamijuddin Textile Mills Limited (TTM.) and Kader Synthetic Fibers Limited (KSFL) through the traditional banking system. TTML is a public limited company. Its main business is yarn manufacturing with a conventional spinning mills of 44000-spindles

capacity. 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 yarn. Three international financing agencies like ADB, FMO, AFIC and two local development financing institutions, BSB & SABINCO 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 wherein the entrepreneurs will have easy access to modern banking services.

Mr. Ahmed has close relationship with FMO, the Netherlands Development Finance Co. Limited since 1983. Nederlandse 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. Ahmed however, opened dialogue with FMO regarding the banking project some times in 1989. So far my knowledge goes, the first evidence in black and white was the letter dated January 07, 1990 written to one Mr. D.C. Vender Bijl, 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 prepare feasibility report and memorandum of understanding. The proposed name of the bank at first was 'Development Finance and Commerce Bank Bangladesh 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 Enterprises 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 to FMO on 22-12-92.

Banking company is also a company like others and required to be formed by way of incorporating it with the registrar of Joint Stock 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 be seen on the Screen. During the formation stage several studies including preparation of per-investment feasibility study, strategic plan, business plan, which inter-alia covers setting goals and objectives, formulating strategic plan, forecasting financial profitability, analyzing SWOT etc. The strategies, objectives, goals etc. set for the bank before launching it.

### **2.3 Strategies**

1. Synchronized and steady growth of the bank.
2. Utilize all available resources to develop various plans, policies and procedures in each of the objective and goal areas.
3. Implement plans policies and procedures.
4. Draw upon the connections, advice etc. of the foreign partners.
5. Utilize a team of professional employees.
6. Search for a total customized solution of I.T. for the purpose of full automation step.

### **2.4 Goals**

1. Develop a realistic deposit mobilization plan.
2. Develop appropriate lending risk assessment system.
3. Develop capital plan.
4. Develop a system to make good advances.
5. Develop a recruitment, compensation training and orientation plan.

6. Develop a plan for offering better customers service.
7. Develop appropriate management structure, systems, procedures and approaches.
8. Develop scientific MIS to monitor bank's activities.

## 2.5 Business Objectives

1. Important document contemplate as gave by the officers concerned.
2. Make sound credits and speculations.
3. Meet capital amleness necessity at constantly.
4. Ensure 100% recovery of all advances.
5. Guarantee a fulfilled work drive.
6. Concentrate on expense based wage.
7. Adopt a appropriate management technology.
8. Install a scientific MIS to monitor bank's activities.

## 2.6 Current Position

### 2.6.1 Capital

The authorized capital of bank is Tk. 400.00 million. Total shareholders' equity capital at the end of June 30, 2002 stood at Tk. 627.27 million consisting of paid-up capital of Tk. 202.135 million, share premium Tk. 11.068 million and reserves and retained earnings Tk. 414.07 million. On close of business on June 30, 2002 the capital adequacy ratio 9.13% as against accepted standard of 8.00%.

### 2.6.2 Share Market

Dutch-Bangla Bank Limited has gone into public floatation during the 1<sup>st</sup> quarter of 2001 and has been listed with both DSE and CSE. Banks total issue is only 10%. Market prices of DBBL share rose up to Tk. 574.25 average share price on last transaction day was Tk. 406.00 per share.

### **2.6.3 Branch Expansion**

On June 8, 2002 Dutch –Bangla bank limited has opened its Mirpur branch in Dhaka. It is the 15<sup>th</sup> branch of the bank. 2 more braches at Gulshan and Uttara has been opened shortly.

### **2.6.4 Office Automation**

Basic accounting system of the bank's branches has been automated to optimize benefits and increase overall efficiency of superior customer services by way of increased speed, accuracy and also to ensure security. The bank has to continuously look for more and more sophistication and efficiency with this end in view, the bank has established information technology (IT) division as a top priority area. The division has been working for early automation of the full ranger of banking operation including launching of plastic money.

### **2.6.5 Social Partnership**

DBBL's profile has been upgraded past the business field because of its advancing and disparaging brandishing and get-togethers in Bangladesh. Dutch-Bangla bank constrained had turned into a piece of Test Cricket history by supporting the notable inaugural test coordinate amongst Bangladesh and India. Dutch-Bangla bank Bangladesh open 2001 hung on February 2002 additionally gave a decent introduction to the bank.

Bangladesh saw a profound emergency of Dengue beginning from the Mid of the year, took a pandemic frame spreading everywhere throughout the nation and made passing a critical quantities of patients. This far reaching emergency of Dengue had draw the consideration of DBBL. The bank stretched out administrations to the dengue patients in supporting medicines and crating familiarity with the general individuals through course, symposium and daily paper Champaign. The bank has given dengue location packs to Bangabandhu Medical University and a radial Machine with cooler (Blood Cell Separator) to Sandhani, Dhaka Medical College Unit, including nitty gritty program for blood accumulation for dengue-influenced patients.

DBBL has also played a positive role in flood-relief activity in the last year. The bank donated another most modern and sophisticated blood cell separator to sandhani shahid Ziaur Rahman Medical College unit, Bogra.

Dhaka Ahsnia Mission has started establishment of one cancer hospital in Dhaka at an estimated cost of Tk. 1000 million. Their initial program is to start with few 'Primary Cancer Detection Centers'. DBBL has donated a considerable some of money for importing full range of laboratory equipment and machinery for one of the centers at Dhaka.

With a specific end goal to ingrain an imaginative soul in the general population of the general public, to extend assistance to the bothered mankind, to create intellectual capacity through granting preparing, granting grant, and so forth and furthermore to maintain the humanity by method for Medicare, bank specialist shaped an 'Establishment' by separating and building up a store producing from the yearly benefit @ 2.5% under the name and style 'Dutch-Bangla Bank Foundation'. It is trusted that by rendering such exercises DBBL may contribute for the prosperity of the general public with a specific end goal to make a superior world for the future ages all in all, and in the keeping money division specifically being a confided in accomplice of the average citizens. The establishment has begun its working by granting grants to the meriting worthy understudies of various Universities.

On 3<sup>rd</sup> June, 2002 DBBL celebrated its 6<sup>th</sup> Anniversary in a befitting manner. On this grand occasion, the bank donated wheel chairs and prize bond to war wounded freedom fighters, distributed food to the orphanages, donated two modern ambulance to Anjuman Mafidul Islam, planted trees in most the bank financed factories, created public awareness about violence, anti polithene etc.

You have already been informed that Dutch-Bangla bank limited is maintaining an upward trend and increase of Deposit, loans and advances, import & export business and other banking business activities.

## 2.7 Prospects

Following are brief features of new products for the customers.

- a. Commission free remittance: 'Dutch Bangla Bank Limited' has abolished commission on pay orders, demand drafts & telegraphic transfers, which obviously maximizes customer benefit by saving cost.
- b. Small Scale Credit Facility for Shop Owners: For small shop owners loan facility without security for want of which they could not get banking support and compelled to avail the informal source with unusually high rate of interest. Dutch-Bangla bank limited brought them under the umbrella of banking service.
- c. Small Scale Taxi and Transport Scheme: To have a hassle and pollution free, environment friendly city ride and to ease the traffic congestion and modernize the transport system, Dutch-Bangla bank limited has introduced comfort taxi cab, duranta and rider schemes. Duranta and rider are urban minibus service.
- d. Monthly Term Deposit: Depositing minimum of Tk. 50000.00 will allow an attractive monthly earning and instant loan facility against the deposit.
- e. Consumer Credit Scheme: You will be happy to know that DBBL has already introduce Consumer Credit Company of USA has executed a contract with one of our local clients for marketing their product through Dutch-Bangla bank limited under this scheme. We are actively thinking to open the items as well as selling house for the clients.
- f. Student Transport Scheme: DBBL is one of the pioneers in commercial vehicle financing such as DURANTA, DIGANTA, RIDER, COMFORT TAXICAB etc. These schemes reflect the bank's policy to respond with the Government's effort to make pollution and traffic jam free Dhaka City. In line with the above success the bank has undertaken a new scheme entitled an 'Student Transport Scheme' with an objective

of financing transports at a lower cost for the educational institutions. The financing scheme will provide loans to educational institution covering government and private schools, colleges and universities for transport of the student.

- g. Rescue Transport Scheme: As a part social commitment and with a view to take the medical facility to the doors of the common people, DBBL has introduced transport scheme for hospital and clinic entitle as 'Rescue Transport Scheme' and offered vehicles for First Aid Station, Mobile Clinic and Ambulance at a lower cost.
- h. Interest on Current Account: DBBL started paying interest on deposits on current account. This is also a unique product of the bank.

Apart from the above the bank is always keen in developing the banking section, in general and the DBBL, in particular with the help of its trained and efficient work force.

## **2.8 Objectives**

The main objective of the Dutch-Bangla bank limited is to blend in its operation traditional commercial banking with modern international banking. With the new and varied demands of modern customers, the bank has been pursuing a policy of achieving harmony in transactions between the bank and its customer living up to the high standards of a free market economy.

## CHAPTER: THREE

### GENERAL BANKING

#### 3.1 Introduction

The connection amongst broker and client starts with the opening of a record by the client. Opening of a record ties the broker and client into authoritative relationship under the lawful structure of the 'Agreement Act – 1872'. Be that as it may, determination of client for opening a record is exceptionally significant for a bank. Truth be told, misrepresentation and falsification of various types begin by opening record. In this way, the Dutch-Bangla bank ltd. Takes most astounding alert in such manner.

#### 3.2 General Banking Department

- Amid my temporary position I was put in nearby office of Dutch-Bangla bank ltd. General dealing with a record of this branch includes different fragments, specifically Account opening portion, check book issue, dispatch segment, settlement segment, clearing and bills segment, money area.
- 
- General section is considered as the prompt customer advantage center. It is the starting phase of all the keeping cash operation. It opens new records, transmits stores, regard checks, takes stores, issues bank draft and pay mastermind et cetera. General sparing cash is generally called retail dealing with a record. Following are the significant segment in General keeping money.
  - Account opening section
  - Clearing section
  - Remittance section
  - FDR section
  - Cash section

### **3.2.1 Account Opening Section**

According to the law and practice the banker – customer relation arises only from contract between the two. And opening of account is the contract that establishes the relationship between a banker and a customer. So this section plays a very important role in attracting customer and therefore should be handled with extra care.

According to the international code of conduct banks should maintain following steps regarding their customers:

- Banks will act fairly and reasonably in all their dealings with their customers.
- Banks will help customers understand how their accounts operate seek to give them a good understanding of banking services.
- Banks should maintain confidence in the security and integrity of banking and payment systems.

Individual or firm intended to open account in the branch applies for opening account in a prescribed form. The form is duly filled in by the applicant himself. The applicant is also required to fill the specimen signature sheet. Applicant must submit required documents with application form. Different kinds of document are needed for different kinds of account. For individual only introduction by another account holder of the bank is sufficient. But for firm and others, relevant documents must be submitted. Then the authorized officer scrutinize the introduction and examine the documents submitted. If every thing appears satisfactory. Then he opens account.

#### **3.2.1.1 Types of Account**

##### **Types of Account**

Following types of account are generally opened by the Dutch-Bangla Bank:

- Current Deposits Account
- Savings Deposits Account
- Short Term Deposit
- Fixed Deposit

- Bearer Certificate Deposit
- Monthly Term Deposit

### **3.3.1 Savings Deposits Account**

Dutch-Bangla bank ltd. Offers interest on every day's balance in savings account @ 8.50% P.A.

Requirements for opening Savings Deposits Account

- Introducer
- Signature card
- Photographs

To open a saving account customer will have to fill up an application form supplied by the bank. The form contains following particulars:

- a. Name of the applicant
- b. Name of father/husband of the applicant
- c. Profession of the applicant
- d. Two Photographs
- e. Present address
- f. Permanent Address
- g. Introduction by any account holder or by a person acceptable to the bank.
- h. Verification by the concerned officer of the branch.
- i. Signature of the applicant.

After filling the form applicant will have to sign thrice on the specimen signature card. Most important thing is that these signatures must match with the signature on application form. These documents are then checked by the concerned officer and sent to the manager of the branch. Manager rechecks all the information and talk with the applicant to know more about him/her. When he is fully satisfied he put his signature

on the form and verify the signature. If any special instructions are required manager write it down at the end of the specimen signature card.

The form and the specimen signature card then sent to the officer who put an account number on the form and on the card. After completion of the above mentioned formalities a new account is opened with the bank for the new customer. Account can be open in joint name by two or more parties but who will operate the account it should be mentioned in the application. To obtain a cheque book the new account holder must deposit at least Tk. 3000/= in the account. This amount may vary depending on nature of the relationship of the person with the bank.

### **3.3.2 Short Term Deposit Accounts (STD)**

Short term deposit or STD account opening procedure is similar to that of the saving account. The rate of interest on this type of account is 6.5% per annum. The deposits held in STD A/C are payable on short notice.

Requirements for opening STD A/C

- Account opening agreement form.
- Specimen signature card.
- Approval of authority

### **3.3.3 Fixed Deposit Receipt Account**

Fixed Deposit Receipt Account deposit is taken for some maturity period

Requirements for opening FDR A/C

- Account agreement form
- Amount and period of deposit must be mentioned clearly
- Specimen signature card
- Approval of the authority
- Photograph

Fixed deposit is the amount deposited by the customer for a fixed period of time. In Dutch-Bangla bank ltd. This time period is minimum three months and maximum three years and above. The duration and the rate of interest on different time period FDR is shown in the table below:

Duration	Rate of Interest
3 months	9.5%
6 months	9.75%
12 months	10.25%
24 months	10.50%
36 months	10.75%

#### Opening procedure of FDR Account

- Bank provides the interested customer a fixed deposit form.
- Customer fills the form, which contains name of the customer, amount of money, duration, rate of interest etc.
- After filling the form customer pay the money in cash or by cheque.
- After receiving the form from the customer the respected office look for the cash seal or transfer seal. If any of these are present and the form is properly signed the officer provides a specimen signature card to the customer.
- Customer signs thrice on the specimen signature card along with his/her full name.
- At the same time respected officer issue a fixed deposit receipt on the specific FDR block.

This block has two parts, one for customer and another for the bank, containing same information on both parts. These are:

- Name of the customer
- Amount of money deposited
- Date on which the money is deposited
- Due date – on which the FDR will be matured

- Duration for which FDR has been made
- Rate of interest to be paid

When all required information is written on the block it is signed by at least officers and the manager verifies the specimen signature and put his sign on it.

Before taking his/her part of the FDR block the customer must sign on the back of the part to be kept in the bank and the signature must match the signatures on the specimen signature card.

Customer will receive interest depending on the duration of the FDR and will not get any interest if (s) he encash it before three months. Suppose a customer have an FDR account for the duration of 12 months and (s) he wants to encash it 10<sup>th</sup> month. In this case the customer will receive interest for (6+3) or 9 months. But if the duration is 3 months and the FDR is encashed before the maturity period then no interest will be paid on.

### **3.3.4 Current Account**

The neighborhood office of Dutch-Banla bank ltd. encourages clients with various kinds of current record. There are present records for people, proprietorship firms, organization firms, business entity and corporate body.

Record opening structure for these classes is extraordinary. A few terms and reports may vary yet the general procedure of record opening is like that of the sparing record. Here I get a kick out of the chance to state what sorts of data to be outfitted in the frame and which archives client ought to give.

Requirement of CD account may vary upon individual, legal status of company and clubs, societies and associates.

#### **3.3.4.1 Individual CD A/C**

- Name of the Applicant

- Profession or Business of Applicant
- Address of the Applicant
- Photographs of the Applicant
- Introduction by an account holder of the branch or by a person acceptable to the branch
- Signature on the Application form
- Signature on the Specimen Signature card
- Verification of details and signatures by authorized officer.

#### **3.3.4.2 Joint CD A/C**

All the requirement of individual CD a/c must be fulfilled in addition with the joint account should be mentioned.

How the accounts will be operate.

#### **3.3.4.3 Sole Proprietorship**

- Introducer
- Photographs
- Account agreement form
- Trade license
- Specimen signature card
- Rubber-stamp impression

#### **3.3.4.4 Partnership**

- Introducer
- Partnership deed
- Memorandum
- Photographs
- Specimen signature card
- Account agreement form

- Letter of Partnership
- Trade License

#### **3.3.4.5 Limited Liability Company**

- Registration certificate from register of joint stock companies
- Certificate of Incorporation
- Memorandum of Association
- Articles of Association
- Annual audit report
- Copy of Board Resolution containing
- Name of the persons authorized to operate the bank account on behalf of the company
- Specimen signature card
- Account agreement form

#### **3.3.5 Bearer Certificate Deposit**

This is transferable by mere delivery. This certificate doesn't contain any information about the depositor. Opening of such account doesn't require any kind of document.

### **3.4 Closing of an Account**

A client may close his/her record whenever by presenting an application to the chief or to the Branch in control. The record of the client is then verified how much cash is still in it. The client is then approached to draw a last check for the credit sum in the record barring account close charge and other coincidental charges. The client at that point surrenders remaining checks to the regarded officer who remove these checks. Vouchers are then issued charging the specific record and crediting accidental charges account.

If there should be an occurrence of shared service the application to close the record must be marked by the holders despite the fact that the record is worked by both of

them. All the joint holders should likewise sign the last check for withdrawal of the accessible adjusts in the record.

### **3.5 Cheque Book Issue and Remittance Section**

#### **3.5.1 Issuance of Cheque Book (For New Account)**

At the point when another record is opened and the client stores the base required cash in the record the record opening structure is sent for issuance of a check book regarded officer first draw a check book kept under his own transfer. S/he at that point fixed it with branch name. S/he enters the quantity of the check book under tight restraints issue enroll. S/he additionally records the name of the client and the record number in a similar enlist.

Record number is then record on the substance of the check book and on extremely leaf of the check book including demand slip. The name of the client is additionally composed down on the substance of the check book and on the order slip. 'Issued on' alongside the date of issuance is composed down on the demand slip. Number of check book and date of issuance is additionally composed on the application frame. Next, the client is requested to sign in the check book issue enroll. At that point the regarded officer signs on the substance of the order slip put his underlying in the enlist and hand over the check to the client.

#### **3.5.2 Issuance of Cheque Book (Old Account)**

All the methodology for issuing another check book for old record is same as the system of new record. Just distinction is that client need to present the demand slip of the old check book with date, mark and his/her address. PC presenting is then given on the order slip to know the position of record and to know what number of leaf/leaves still not utilized. The quantity of new check book is entered on the back of the old demand slip and is marked by the officer.

In the event that the check is given over to some other individual then the record holder an affirmation slip is issued by the bank tending to the record holder with points of interest of the check book. This affirmation slip must be marked by the

record holder and came back to the bank. Generally the bank won't respect any check from this check book.

At the end of the day all the requisition slips and application forms are sent to the computer section to give entry to these new cheques.

### **3.6 Remittance Section**

Clients of a bank need to exchange his reserve or cash to anyplace inside the nation they can do it through the settlement area of the bank. Remittance section of general banking deals with only local remittances. During my internship I have observed local office branch deals with four types of local remittances. These are:

- Demand Draft (DD)
- Telegraphic Transfer (TT)
- Pay Order (PO)
- Mail Transfer (MT)

#### **3.6.1 Demand Draft**

This is an order to pay money, drawn by one office of a bank upon another office of the same bank for a sum of money in any place, which is outside of the clearing house area of issuing branch. It is a negotiable instrument. It can be crossed or not. For payment of DD bank checks the 'Test Code' first mentioned on the draft. If test code agrees, then the bank makes payment. The issuing bank sends an advice about the DD to the paying branch, for further confirmation. Demand Draft is an instrument containing an order by the issuing branch upon another branch known as drawee branch, to pay a certain sum of money to the payee or to his/her order on demand.

### **Demand Draft Issues**

- Customer is supplied with DD/MT form.
- Customer fills up the form which includes the name of the drawer, name of the payee, amount of money to be sent, exchange, name of the drawee branch, signature and address of the drawer.
- The customer may pay in cash or by transferring the amount from his/her account (if any).
- After the money is paid and the form is sealed and signed accordingly it is given to the DD issuing desk.
- Upon receiving the form concerned officer issues a DD on a particular block.
- DD block has two parts, one for bank and another for customer.
- Bank's part contains issuing date, drawer's name, payee's name, sum of the money and name of the drawee branch. Customer's part contains issuing date, name of the payee, sum of the money and name of the drawee branch.
- After furnishing all the required information entry of the DD is given in the DD/MT issue register and at same time bank issues a DD confirmation slip addressing the drawee branch. This confirmation slip is entered into the DD advice issue register and a number is put on the confirmation slip from the same register. Later on the bank mails this slip to the drawee branch.

At least two officers sign the DD block and if the amount of the DD is Tk. 20000/- or more than the amount is sealed on the DD with a special red seal to protect it from material alteration. The number of DD is put on the DD form. Next the customer signs on the back of the DD and is supplied with his/her part of DD.

### **Duplicate DD issues**

If the customer reports that original DD purchased by him/her is lost or stolen and produces legal documents then the bank may issue a duplicate DD.

## **Demand Draft Payment**

When a DD is brought for payment, the branch check out the following matters:

1. Whether the DD is drawn on them
2. Whether it is crossed or not
3. Whether it is properly signed by authorized officers of the issuing branch
4. The branch then checks out whether the confirmation slip has arrived or not
5. If the confirmation has not arrived, the DD is given entry in the Ex-advice register.

Afterwards, when the confirmation slip arrives it is given entry in the DD/MT advice register and the word 'Ex' is written down beside the amount. The date of receiving the confirmation slip is written down in the contra date column of the Ex-advice register.

Concerned officer write down the date on which the DD was paid, on the confirmation slip, sign it and write 'E.P. on < date of receiving the confirmation slip >' between two parallel lines.

When the confirmation slip arrives before the DD, it is entered into the DD/MT advice register and kept in a file. Later when the DD arrives the date is put on the confirmation slip and the above-mentioned procedure is applied.

When the situation of payment arises concerned officer check out whether it is crossed or not.

If all the particulars are alright and the payee is genuine bank made the payment.

## **Stop Payment of Demand Draft**

The issuing can issue instructions to the drawee bank to stop the payment of the DD issued by them only on written request of the drawer and should inform the drawee bank immediately. Once the drawee branch made the payment, no action can be taken against it.

### **3.6.2 Pay Order (PO)**

It resembles money however not precisely money. It is an instrument which is issued from a specific branch of a bank and should be encashed from a similar branch. Not at all like check, there is no plausibility of disrespecting pay arrange in light of the fact that before issuing pay arrange bank takes out cash of the compensation arrange ahead of time. It isn't a debatable instruments since it can not be supported or crossed.

Installment request or PO gives payee the privilege to guarantee installment from the issuing branch. At the end of the day it is an endeavor by the issuing bank to pay a specific aggregate of cash to the payee or to arrange on request.

#### **Pay order (Issue)**

Following procedure is maintained for the issuance of PO:

- a. Customer is provided with PO frame.
- b. After filling the frame the client pays the cash in real money or with check.
- c. The concerned officer at that point issues PO on its particular piece. This square has three sections, one for bank and other two for the client. A/C Payee crossing is fixed on all compensation orders issued by the bank.
- d. The officer at that point records the quantity of the PO hinder on the PO frame.
- e. Two approved officers sign the piece.
- f. At the end client is furnished with the two sections of the piece in the wake of marking on the back of the banks part.

#### **Pay Order (Payment)**

As the PO issued by the bank is crossed one it is not paid over the counter. On the contrary the amount is transferred to the payees' account. To transfer the amount the payee must duly stamp the PO.

### **3.6.3 Telegraphic Transfer (TT)**

In case of TT the issuing branch sends a telegraphic message to another branch to pay a certain some of money to a named payee account. Test code is furnished on the TT message for the protection of it. Generally for such kind of transfer, payee should have

account with the paying bank, otherwise it is very difficult for the paying bank to recognize the exact payee.

At customer's request branch transfers fund to another branch through telex and it is known as the TT, in short. TT facility is available only in that branch having telex facility. The procedure of issuing and paying TTs are stated below:

#### **TT (Issue)**

- a. Customer fills up the TT form and pays the amount along with commission in cash or by cheque.
- b. The respected officer issues a cost memo after receiving the TT form with payment seal, then sign it and at last give it to the customer.
- c. Next a TT affirmation slip is issued and its entrance is given in the TT issues enlist.
- d. A test number is also put on the face of the slip. Two authorized officer signs this slip.
- e. Telex operator then transfers the message to the drawee branch mentioning the amount, name of the payee, and name of the issuing branch, date and test number.
- f. The confirmation slip is send by post.

#### **TT (Payment)**

- a. When a TT arrives through telex it is sent to the respected officer for the verification of the test number. If the test number is OK, the officer write down 'Test Agreed' on it and sign it. Otherwise a message is sent back to the issuing branch for the correction of the test number.
- b. After agreeing the test the branch issues a debit voucher and accredit voucher – debiting the issuing branch and crediting the payees account. Branch also

issues a credit advice slip addressing the payee informing him/her about the arrival of the money.

- c. Later, when the confirmation slip arrives the contra date, on which the payment was made, is put on it and the officer sign it.

### **3.6.4 Mail Transfer (MT)**

Where there is no message machine or phone line, at that point this technique is utilized. It is the minimum utilized system for exchanging reserve since it is tedious and dangerous in light of the fact that mail might be missed.

When the transfer of fund from one branch to another takes place by mail but most of the time over telephone, it is called MT. The process of TT and MT is almost identical, only difference is the media. Procedures of issuing and payment of an MT is discussed below:

- a. Customer is provided with the MT form
- b. Customer fills up the form, deposits the amount to be sent along with exchange and mail or telephone charge
- c. A cash memo is then issued in favor of the customer mentioning the amount paid by the customer, name of the drawee branch, name and account number of the payee and the date. The officer then signs it and gives it to the customer.
- d. An MT is then issued on a prescribed block, known as the MT block. Two authorized officers sign it and a test number is put on it.
- e. The number of MT is entered into the MT issue register along with other details, such as name of the drawee branch, name of the payee, date of issuance, amount and exchange, name of the drawer and test number.
- f. If it is to be sent by mail then the branch mail it by normal post or by courier, depending on drawer's request
- g. If it is to be sent over telephone, the message is sent over telephone with test number as soon as possible and the following sentence is written on the MT block – "Message is conveyed over telephone"
- h. This block is then sent by the mail.

### **MT (Payment)**

- a. When the branch receives an MT over phone or telex the test numbers checked.
- b. If the test is OK the MT is given entry in the DD/MT advice register.
- c. A credit voucher is issued on the same time - debiting the issuing branch and crediting the payees' account.
- d. Later on when the branch receives the MT block it checks in the MT advice register to see whether the payment is made or not. If it is paid on then contra date is put on the block and it is vouched.
- e. If it is not paid on before, then it is entered in the MT advice register and payment is made to the respective payee.

### **3.6.5 Test Code**

It is the security number which is decoded by the paying bank so that the paying bank can be sure that the DD/TT/MM is not a forged one. Banks maintains secret code number for each of its branch, date, week, year and amount to be transferred. Only authorized officer access to these code numbers.

### **3.7 Cash Section**

Money is the most fluid resource and it ought to be managed painstakingly. So this division is extremely given with concentrated care. This division begins the day with trade out vault. All money receipts and installments are made through this division.

Money segment is an extremely delicate organ of the branch and handle with additional care. I was not approved to bargain in this segment on account of its affectability. Be that as it may, I was sufficiently lucky to know the methods of this area. Operation of this segment starts toward the begin of the saving money hour.

Cash officer beings his/her transaction with taking money from the vault, known as the opening cash balance. Vault is kept in a very secured room. Keys to the room are kept under control of cash officer and branch in charge. The amount of opening cash balance is entered into a register. After whole day's transaction, the surplus money remains in the cash counter is put back in the vault and known as the closing balance. Money is received and paid in this section.

### **3.7.1 Cash Receipt**

Depositors deposit money in their account through this section by deposit slip. This section also receives cash from customer for opening pay order, bank draft, telex transfer etc. This is bank's all cash receipts are taken by this department.

- At first depositor fill up the deposit in slip. There are two types of deposit in slip in this branch. One for saving account and another for current account.
- Subsequent to filling the required store in slip, investor stores the cash.
- Officers at the money counter gets the cash, tally it, enter the measure of cash in the parchment enroll kept at the counter, seal the store in slip and sign on it with date.
- Then this slip is passed to another officer who enter the scroll number given by the cash counter in his/her register along with the amount of the money, sign the slip and keep the bank's part of the slip. Other part is given to the depositor.
- In this branch, Officers at the money counter gets the cash, tally it, enter the measure of cash in the parchment enroll kept at the counter, seal the store in slip and sign on it with date.
- All stores of sparing record are kept up by one officer and different records by another officer.
- All the end of the day entries of both of these registers are cross checked with the register kept at the cash counter to All the finish of the day passages of both of these registers are cross checked with the enroll kept at the money

counter to see whether the exchanges are right or not. See whether the transactions are correct or not.

### **3.7.2 Cash Payment**

This section accepts the cheques from the depositors for payment in cash. After receiving cheque, first the cheque is scrutinized whether it is a valid one. Cash officer judges the amount both in figure and the word, date of the cheque and signature etc. Then finally authorized officer compares the signature on the cheque with the specimen signature, and check whether the balance in the account is sufficient. If very things is satisfactory, then payment is made against the cheque. This department is also make payment against various debit vouchers for various miscellaneous expenses of the branch.

- At the point when a man goes to the bank to money a check, s/he first offers it to the PC work area to know the position of the check and posting of the check. In the event that the record has adequate store the PC in control will post it into the PC, will sign it and seal it.
- This check is then sent to the concerned officer. There are two officers who confirm the checks – one for funds and comparable kinds of record and another for present and comparative sorts of record.
- Subsequent to accepting the check regarded officer first checks it painstakingly for any sort of false movement. S/he additionally checks the date of the check, sum in word, sum in figure and mark of the cabinet.
- On the off chance that the instrument is free of all sort of blunder the regarded officer will request that the conveyor sign on the back of it.
- S/he will then put his/her underlying alongside the bearers' mark. S/he will likewise sign it on its reality, will record the sum by red pen and will put on a parchment number from his/her parchment enlists.

- At that point the check will be sent to the money counter. At the money counter conveyor will be requested that again sign on the back of the instrument.
- The cash officer will then enter the scroll number in his/her register and will pay the money to the bearer.
- At the end of the day these scroll numbers of the registers will be compared to ensure the correctness of the entries.

### 3.8 FDR Section

This section deals with Fixed Deposit Receipt and Bearer Certificate Deposit. FDR is a important factors for the bank and volume of FDR determined the investment bases of the bank.

#### 3.8.1 Kinds and Interest of FDR

Dutch-Bangla Bank provides the following maturity period and interest rate for the FDR

Kinds of FDR	Interest Rate (%)
3 Months	8.50
6 Months	8.75
1 Year	9.00
2 Years	9.25
3 Years	9.50

#### 3.8.2 Opening of FDR

Any individual firms or government/non-governments organizations can open FDR. Minor can open FDR A/C jointly with the guardian.

#### 3.8.3 Liquidation of FDR

Only the account holder and the authorized person can liquid the FDR after maturity. In case of joint name, authentication from both is necessary. In case of 'Either or

Survivor' any one can liquid. In case of death the survivor can't encash FDR even in there exit the either or survivor clause without the succession certificate from the court.

### **3.9 Clearing & Bills Section**

Local offices branch of DBBL receives different types of instruments, such as cheque, PO, DD etc from its customers for collection. It also pays on behalf of its customers for those instruments that come to it through clearing house. When instruments of DBBL are sent for collection or received for payment through clearing house it is called Inter Bank Clearance or IBC. These are treated in a little different manner than instruments of other banks.

When the cheques are presented to a bank by the other banks for collection of fund and to credit that into the party's account, the instrument must be cleared through Bangladesh Bank clearing house. A receiving officer, receiver check by a deposit slip over the counter.

### **3.9 Inward Clearing**

At the point when instruments are sent to the bank strive clearinghouse, it went into the clearing in enlist. The officer checks the instruments completely before it is sent to the PC area for posting. In the event that any sort of mistake is found in any instrument it is shamed and sent back with proper purpose behind doing as such. Instruments are likewise shamed for deficiency of store. The data is then sent back to the clearinghouse for making suitable move.

- The instruments drawn on Dutch-Bank are received from other banks in the clearing house.

- The amount and numbers of instrument received are entered in the house from the main schedule of respective banks.
- The instruments with schedules are arranged branch wise.
- The instrument sent to branches concerned for clearance and IBCA's are collected from them for honored cheques.
- The instruments are sent to the respective departments and the schedules are filled.

## **CHAPTER: FOUR**

### **CREDIT DEPARTMENT**

#### **4.1 Introduction**

Like every other business activity banks are profit oriented and profit is the central point on which the entire business activity rotates. A bank invests its funds in many ways to earn income. The bulk of its income is derived from loans and advances. Since major part of bank's income is derived from credit and since the money banks credited is customer's fund, banks should follow a cautious policy and sound lending principles in the matter of lending.

Banks are the central wellspring of credit for borrowers. Banks give advance capable assets to a large number of family units, for most neighborhood units of government and for horticultural, business and modern actuates of a country. Around the world, banks allow a bigger number of portions credits to purchasers than some other budgetary foundation. Bank credit is an impetus for achieving financial improvement. Without sufficient back there can be no development or support of a steady yield. Bank loaning is critical to the economy, for it makes conceivable the financing of various areas. In the meantime, a bank will, thusly, convey its assets among different resources in a way as to determine adequate wage. Yet, as liquidity and gainfulness are clashing contemplations. Dutch-Bangla Bank Ltd. as a bank, while utilizing the assets pays due respect to both productivity and liquidity.

## **4.2 Kinds of Advances**

There are various kinds of borrowing facilities provided by banks to their clients.

These facilities can be broadly classified into following categories:

### **4.2.1 Loans**

The bank propels a singular amount for a specific period at a concurred rate of enthusiasm, if there should be an occurrence of credit. Credit might be a request advance or a term advance. The whole sum is paid on an event either in trade or by credit out his present record, which he can draw whenever. The premium is charged for everything endorsed whether he pulls back the cash from his record or not. The credit might be reimbursed in portions or at expiry of a specific period.

### **4.2.2 Overdraft**

Overdraft is a temporary accommodation usually granted to an operating account subject to the limit sanctioned. This is a permanent arrangement and the customer need not to draw the sanctioned amount at once, but draw the amount as and when required. This interest is charged on the amount, which he withdraws, not on the sanctioned amount. OD is of two types practiced in Dutch-Bangla Bank Ltd. Foreign Exchange branch. These are as follows –

#### **4.2.2.1 Secured Overdraft (SOD)**

Branch sanctions SOD against different securities like FDR, Sanchaypatras and work orders.

#### **4.2.2.2 Temporary Overdraft (TOD)**

It is given to the esteemed clients as it were. It isn't that much secured. Normally it advances with no security or in some cases practice lien against the instrument, stored in the bank. The processes of extending SOD are as follows –

The gathering must have a current A/C with the branch if the responsibility for firm is proprietorship, at that point an exchange permit must be submitted and if there should be an occurrence of a restricted organization, every one of the reports required to open

a current A/C, ought to be submitted. The money related explanations of the concerned firm ought to likewise be submitted. The gathering must keep up a decent exchange with the branch and have a decent turnover rate. The gathering will apply to the officer accountable for credit division of the branch for SOD plan.

The concerned officer of the branch will give him a credit application shape and the gathering should top off this frame. In this shape he uncovers all the data about his worry, reason for the advance, depiction of security, and so on. The concerned officer will set up a 'Credit Proposal', where he expounds on the business concern, points of interest of proprietors/chiefs of the worry, administration structure, the current credit offices, the particulars about the offices that requested –, for example, edge restrain, date of expiry, subtle elements of security, and some other applicable data. At that point the proposition is sent to the Head Office, Credit Division for endorsement. The capable bureau of the Credit Division will evaluate the proposition and in the event that it appears to a feasible then the advance will be authorized.

After the advance is endorsed, the branch will issue two duplicates of an authorize counsel, where every one of the terms and conditions set by the bank is specified. The borrower is encouraged to compose, 'acknowledged' on the first duplicate in the event that he is happy with the terms and states of the bank and hold the copy one as record.

#### **4.2.3 Cash Credit**

By this plan, a broker enables his client to acquire cash up to a specific point of confinement. CC is a most loved method of obtaining by exchanges, industrialists, and so forth to meet their working capital necessities. It is worked like overdraft account. Contingent upon the necessities of the business, the borrower can draw on his money credit account at various time and when he gets cash can modify the risk. Dutch-Bangla Bank Ltd. charges enthusiasm on the day by day adjust of the record. In view of charging securities, there are two types of money credit.

#### **4.2.3.1 Cash Credit (Hypothecation)**

Hypothecation is a lawful exchange whereby products are made accessible to the loaning investor as security for an obligation without exchanging either the property in the merchandise or ownership. The investor has just evenhanded charge on stocks, which for all intents and purposes amounts to nothing. It is given against enlisted home loan of land and building, hypothecation of merchandise and individual certification of Directors.

#### **4.2.3.2 Cash Credit (Pledge)**

Vow is the bailment of merchandise as security for installment of an obligation or execution of a guarantee. Exchange of ownership is the legal sense. In the event of promise merchandise the bank gain the ownership of the products or a privilege to hold products until the reimbursement for credit with an exceptional appropriate to offer after due notice to the borrower in case of non-reimbursement. It isn't pertinent in outside trade branch.

The processes of opening a CC a/c are as follows –

The invested individual must have a current A/C and great exchange with the branch; applies for CC promise or hypothecation game plan; tops off the 'Credit Application shape' as gave by the separate officer; the concerned officer readies a 'Credit Proposal' itemizing all important data; sends the credit proposition to the Head Office, Credit Division for vital activity, Head office, Credit Division looks at the proposition and if thinks that its feasible at that point sanctions it and sends it to the branch; the branch issues two duplicates of 'Endorse Advice', one for its own record and the other for the gathering to keep.

After getting the cash credit arrangement, the banker will issue a cheque book for withdrawing cash from the account. Whenever the CC account holder wants to withdraw cash from the account, the cash officer will scrutinize the amount of cheque in order to make sure that the total drawings does not exceed the sanctioned limit.

#### **4.2.4 Loan (General)**

It is given against personal guarantee, hypothecation of goods and land & building.

#### **4.2.5 Staff Loan**

Nearby office branch gives advances to the staff to acquiring house, building, sanchaypatras, and getting together certain necessities like family medicinal, individual restorative, wedding purposes. Bank gives this office under portions, advance capable sum fluctuates based intentionally.

#### **4.2.6 Bills Portfolio**

Local Office branch purchases demand bills of exchange that are called 'Draft' accompanied by documents of title to goods such as bill of landing, railway receipt, truck receipt. The purchase of bill of exchange drawn at an issuance, i.e. for a certain period maturing on a future date and not payable on demand or sight.

#### **4.2.7 Term Loan**

Dutch-Bangla Bank Ltd. is progressing both short and medium term credit to the business area based on their capital structure, constitution and liquidity thought. It is given against land and working alongside apparatus, individual certification of Directors and hypothecation of crude materials.

#### **4.2.8 Bills Purchased and Discount**

Banks grant advances to their customers by discounting bill of exchange.

#### **4.2.9 Loan Against Imported Merchandise (LIM)**

Advances took into consideration retirement of transportation archives and arrival of good foreign made through L/C taking viable control over the products by promise fall under this kind of progress. At the point when the shipper neglected to pay the sum payable the exporter against import, L/C, at that point DBBL gives credit against imported stock to the merchant. The merchant will bear all the cost i.e. the godown

charge, protection expenses, and so forth and the responsibility for merchandise in hold to the bank. This is likewise an impermanent progress associated with import, which is known as post import fund.

#### **4.2.10 Payments against Documents (PAD)**

The importers are to open letter of credit through any bank for importing goods. Most of the time, the banks are to extend credit to the importers, without violating the rules and circulars of Bangladesh bank, for buying required foreign exchange. This loan on receipts of the shipping documents from the negotiating bank is transferred and lodged to PAD. PAD is associated with import and import financing. This kind of loan is issued in favor or the exporter to fulfill the commitment of issuing bank of L/C to the exporter.

#### **4.2.11 Loan against Trust Receipt (LTR)**

Progress took into consideration retirement of transportation reports and arrival of products imported through L/C falls under this head. The products are given over to the merchant under trust with game plan that deal continues ought to be saved to exchange the advances inside a given period. This is post import back by DBBL.

#### **4.2.12 Inland Bill Purchased (IBP)**

Installment made against reports speaking to offer of products to neighborhood send out arranged enterprises, which are regarded as fares and which are designated in nearby money/remote cash falls under this head. The bill of trade is held as the essential security. The customer presents the usance charge and the bank rebates it. This transitory obligation is movable from the returns of the bills.

IBP is one of the moods of advancing money by bank and it is a profitable way of deploying banks fund for short period. The party himself must draw genuine trade transaction and the bill and he is not the purchaser of the bill. ILC and mother L/C of export is needed to sanction the loan. The banks scrutinize the shipping document of ILC and asked the ILC opening bank for acceptance of the bill with maturity date. The bill will purchase up to 80% of the accepted value.

#### **4.3 Credit Policy of Dutch-Bangla Bank Ltd. (DBBL)**

The credit approach of any keeping money organization is a mix of certain acknowledged time tried models, and some other dynamic components controlled by the substances of differing and changing circumstances in the commercial center.

Credit approach sets out the DBBL standards and wide parameters of the loaning operations. The key is to a sound, solid and productive credit operation, in any case, lies in the nature of judgment and feeling of extent of the officers settling on loaning choices, and their insight into the borrowers and the commercial center.

DBBL considers the loans that are sanctioned for more than one year as term loans. Under this facility an individual or enterprise is financed for various purpose.

#### **4.4 Rate of Interest on Loan**

Lending Type	Rate of Interest (%)
Agriculture:	
Loan to Primary Producers	11.50
Other (Loan to Agriculture Input Traders/Fertilizers)	14.00
Term Loans to industry (Other than and cottage industry)	15.50
Working capital loan	15.50
Export credits	10.00
Commercial credits	16.00
Term loan to small and cottage industries	12.00
Others	16.00

#### **4.5 Securities against Advances**

All securities are suitable for all types of advances. Each security has its own suitability. Specific security to be obtained by the local office branch while allowing advance are shown below against the types of advances:

Types of Advances	Securities
Loans	Lien of various kinds of Sanchaypatras, Govt. Securities and shares quoted in the stock exchange, debentures, fixed deposit receipts, pledge of gold/gold ornaments, and hypothecation of vehicles. Collateral of immovable properties.
Overdraft	Sanchaypatra, Non-resident foreign currency deposit, shares debentures, Govt. promissory notes, fixed deposit receipts, life insurance policies, gold ornaments, and work order.
Cash Credits	Pledge or hypothecation of stock in trade, goods, produce and merchandise, machinery, land & building on which machinery are installed.
Inland bill purchased	Bill itself
Pad	Shipping documents for imports
Lim	Pledge of imported merchandise
Ltr	Trust receipt obtained in lieu of import documents
Export cash credit	Pledge or hypothecation of goods or export trusts receipts.
Foreign bill purchased	Shipping documents.

## CHAPTER: FIVE

### CUSTOMER PERCEPTION

#### **Customer Perception Regarding the DBBL Services:**

To know and get a better understanding about the consumers' perception, behavior and their attitude towards the services offered in DBBL, the following questions have been designed for the consumers. I have done a questionnaire survey and also have asked several questions during the interview. DBBL has always tried to increase its efficiency in terms of service quality. For this a couple of years ago, DBBL took an ambitious objective of becoming the number one private commercial bank in Bangladesh. In order to achieve this goal, DBBL is still going through an immense renovation process and emphasizing a lot in its service quality level.

In the questionnaire the consumers were asked many questions related to the service quality of the bank. The questions were like the consumers were asked how did they knew about this Dutch Bangla Bank Limited branch and the main reason for choosing the bank, whether they were having any account in this branch or not and if they have one then are they satisfied with the services which they are getting. In some banks the account opening process has become hazy and lengthy; the consumers of this bank were asked how they feel about the account opening process of this bank. Then the consumers were also asked what they think about the fees and service charges of the bank and whether it is reasonable in comparison to other banks. Then it is also an important question to know what the consumers think about the modern banking equipments such as credit card, ATM booth, Modern Software etc. of the bank services. To know in more details the consumers were also asked questions about the quality of the ATM services provided, the locker services, as well as the deposit products and loan products. Beside all these services, the customers were asked some questions about the behavior of the employees of the bank. Last of all some of the questions were asked were related to the overall customer satisfaction.

#### **Question 01**

The first question was merely an introductory question to give a glimpse of the topic to the respondents. This question was related about how the customers knew about Dutch Bangla Bank Limited. It was also to make sure how the respondent did know about Dutch Bangla Bank Limited. I found that 22 of the consumers knew about this bank from their friends and colleagues, 16 from their relatives, 8 from self-interest, 4 from advertising and 10 from other sources.

It is seen that 27% of the respondent customers knew about this bank from their relatives and also have mentioned the service as very good. So the customers are very much satisfied with the service. Then 7% customers have known about this bank from advertising, 13% from their self-interest, and 36% knew from their friends and colleagues and the rest of the 17% customers knew from other sources.

Then 27% consumers know from their relatives. For example if the parents are having an account in this bank then they also open an account for their children or tell their sons/daughters about this bank and this happens only if the parents are satisfied with the particular services they are taking from this bank. Other group of the consumers knew about this bank as some of the consumers are coming to pay the tuition fees in this bank from there they know about this bank, then as DBBL has lots of branches in different areas so the people of that areas know about the bank from those places and get influenced to open an account in this bank.

## **Question 02**

### **Reasons for choosing the Bank:**

From the above answer, it is seen that the highest number of the sample customers (43%) of Dutch Bangla Bank Limited have chosen the bank for personal relationship. On the other hand, 38% customers have opened their account for the location of the bank. The rest of the clients have come for size of the bank, network of branches and the reputation of the bank. But the least number of the respondent customers have chosen the bank for the network of branches of the bank.

From the above analysis, we can see that personal relationship and location of the bank are the main priorities of the customers in choosing a bank. DBBL believes in personal relationship with the clients and most of the customers are satisfied with the steps that have taken by authority of DBBL bank for maintaining the personal relationship with customers.

## **Question 03**

### **Type of account in DBBL:**

From the questionnaire it is found that in DBBL 48% customer are having savings account which is more compare to the current account (35%) and Fixed A/c (17%).

The majority of the customers are having savings account. The customers of Savings Account are satisfied as they get more value than the other customers. And in fact it

true that Southeast Bank actually provides more interest to the customers under the savings accounts than the other accounts of this bank.

#### **Question 04**

##### **Consumer's perception by having the account in DBBL:**

Dutch Bangla Bank provides more interest to the customers under the savings accounts than the other accounts of this bank. Customers of savings accounts can easily express their opinion to the management and management takes it very carefully. Employees are more helpful to the customers of savings account. The employees understand the needs of customers of Savings account very carefully. The customers of Savings accounts get more facilities and opportunities than the other customers of this bank.

For all these reasons the customers are of savings account are satisfied. Some of the customers of Fixed Account are dissatisfied. The customers think that the employees of DBBL think that customers of Savings account are more valuable than the other accounts' customers. So, as a result they do not properly care the customer and are not that much helpful and friendly to others. Beside this all rules and regulations of DBBL are not favorable to the customer of fixed account. So the relationship between the employer and customer is not that much good as like savings account customers. To keep the customers of fixed account satisfied the management can take the necessary steps to avoid the Account wise discrimination among their customers.

#### **Question 05**

##### **Consumers view of the account opening process:**

From the diagram it is seen that 75% of the customers have graded the account opening process is not hazy & lengthy and 25% have said that it is hazy & lengthy.

From the above analysis it shows that the most of the clients have agreed that the account opening process is not hazy & lengthy, they think the formalities that the bank asks for opening an account is very good and they are much satisfied with the asked formalities and very few said that the account opening process is hazy & lengthy. Since a person becomes a customer of a bank by opening an account with the bank, a bank should be very much cautious about asking formalities for opening an account so that the strictness of formalities for safety purpose does not discourage any person from opening an account with the bank.

## CHAPTER: SIX

### Findings Recommendation and Conclusion

#### 6.1 Problem Findings

I have found out some points by screening the whole study, which is expressed as major findings. The conversations with the ‘Dutch Bangla Bank Limited’ officials were very significant for the findings.

- As a commercial bank, ‘Dutch Bangla Bank Limited’ still follows the traditional banking. This organization still concentrates on production oriented approach. The large distribution channel and the inefficiency of the employees do not permit the proper marketing orientation in Banking.
- The venture of the ‘Dutch Bangla Bank Limited’ has expanded in the most recent year to. This is great sign for the bank. Since if the speculation is expanded in the bank it will increase greatest benefit.
- Inefficient allocations of resources have created a huge amount of bad debt.
- Sometime pressure groups are involved in sanctioning loan.
- Absence of monetary duty with respect to the borrower, the outcome being the disappointment of activation of value by them in future means they redirect their value in other reason in the wake of getting the advance sum.
- Lack of adequate, updated, and accurate information from the management information systems.
- Adequate attention is given to social benefits.
- ‘Dutch Bangla Bank Limited’ has different loan system such as staff agriculture loan.
- ‘Dutch Bangla Bank Limited’ collect pries bond as an investment.
- Website facilities are not sufficient for SBL. Because all information are not available in website.
- There is a training institution and a human resource division of ‘Dutch Bangla Bank Limited’ to run the activities of human resources.

## 6.2 Recommendations

Some recommendations for ‘Dutch Bangla Bank Limited’ is given below-

- In Dutch Bangla banking department it is necessary to implement modern banking process instead of traditional system. It should be more computerized.
- The large distribution channel should be well trained to be continue the success.
- It should change of budgetary responsibility with respect to the borrower, the outcome being the disappointment of assembly of value by them in future means they redirect their value in other reason in the wake of getting the credit sum.
- It should increase allocations of resources decreasing a huge amount of bad debt.
- In our country, it is important to make investment in information technology followed by human resources with necessary training and sales and distribution.
- ‘Dutch Bangla Bank Limited’ should try increase the collect of pries bond.
- Loan is an investment. Its business profit depends on its service quality. That’s why the authority always should be aware about their service quality.
- There need proper maintenance for all the branches of SBL.
- Although ‘Dutch Bangla Bank Limited’ net profit margin is increasing trend they should try to more for increasing their operating efficiency.
- It should increase marketing of loan and investment.
- Designation of expert ought to be sufficiently made to influence the speed of giving administration to quick.

## Conclusion

### 6.3 Conclusion

‘Dutch Bangla Bank Limited’ is the biggest business bank and additionally the biggest boss in both general society and private area in Bangladesh. The bank is assuming an essential part in the financial improvement through the advancement of modern division. The bank gives all the traditional managing an account benefit and additionally some particular advance exercises to the economy.

In fine we can say the profitability of the bank was comparatively satisfactory because the fluctuation is not highly significant. Again some new branches were opened during the study period. So as new bank its performance is quite satisfactory. Finally we can say if the bank controls its expenses and takes proper steps to overcome its little limitation, it will become a first rows bank of Bangladesh.

So in conclusion one might say that each association has its positive and in addition negatives and if there should be an occurrence of ‘Dutch Bangla Bank Limited’ presence of the later one is not as much as the prior one and as the administration is decide to achieve the pick of progress it appears that in not so distant future.

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