

**An Internship Report on  
General Banking & Foreign Exchange of Jamuna Bank Limited, Bangladesh**



**Submitted to**

**Islamic University of Technology  
in partial fulfillment of the requirements for the degree of  
BBA in Business and Technology Management (BTM)**

**Submitted by:**

**I understand that my final report will become part of the permanent collection  
of the Islamic University of Technology BBA in Business and Technology  
Management Program. My signature below authorizes release of my final  
report to any reader upon request.**

**Student Details**

**Arman Sarkar**

**Student ID 170061038**

**Department of Business & Technology Management**

**Islamic University of Technology**

**Approved by:**

**Supervisor Details**

**Md. Abdullah Al Mamun**

**Assistant Professor**

**Department of Business & Technology Management**

**Islamic University of Technology**

## Letter of Transmittal

April 6, 2022

To,

Md. Abdullah Al Mamun

Assistant Professor

Business and Technology Management

Islamic University of Technology

**Subject: Submission of the Internship Report.**

Dear Sir,

It's my immense pleasure to submit the internship report on **“General Banking & Foreign Exchange of Jamuna Bank Limited (Malibagh Branch)”** as part of BBA program of Islamic University of Technology (IUT, OIC). I've followed the guidelines provided by the department while preparing this report.

This internship report has been completed by the knowledge and experience I had gathered while working in Malibagh branch of Jamuna Bank Limited. I'm very thankful to all those persons specially my company supervisor who provided me the valuable information for the report.

I render my special gratitude for your time, support and supervision. I've tried to prepare the report with relevant information and in a precise manner. It'll give me much joy if this report satisfies the fulfillment criteria. However, it'll be very much appreciated if you help me to further improve the quality of the report. I would be very glad to provide feedback for any sort of discrepancies you may have.

Sincerely Yours,

Arman Sarkar

Student ID 170061038

Department of Business and Technology Management

Islamic University of Technology (IUT, OIC)

## **Acknowledgement**

In the very beginning, I'd like to express my heartfelt gratitude to Almighty Allah subhanahu wa ta'ala for giving me the strength and composure to finish the report properly. I would never be able to accomplish both my internship and report without His divine blessings.

After that, I'd want to use this occasion to convey my gratitude to my honored supervisor, Md. Abdullah Al Mamun, Assistant Professor, Department of Business and Technology, Islamic University of Technology (IUT, OIC) for his continual supervision and support in resolving all the issues I've encountered while preparing the internship report. I am very grateful for his competent supervision, consistent assistance, and motivation.

My internship supervisor, Mr. Ferdous Ahamed, deserves a special recognition and gratitude. His invaluable guidance and information played a major role in completing my internship and report. I'd also like to express sole gratitude to Jamuna Bank Limited (JBL), Bangladesh for providing me with an internship opportunity. During my internship and the completion of report I gained a tremendous amount of experience and knowledge.

Then my sincerest gratitude goes to Mr. Omar Farook (Vice President & Head of Branch), Mr. Sadaat Hossain (Operations Manager), Mr. Shahdhwain Mallik Chowdhury (General Officer, Foreign Trade) Mr. Ferdous Ahamed (General Officer, Foreign Trade), Md. Mamun Hossain Majumder (General Officer, Credit Division), Mr. Mahmud Hassan (Executive Officer, Credit division), Mrs. Marzia Akter (Executive Officer, Accounts Clearance) for offering their help and guidance. All of them have helped me by providing their valuable time, advices and resources such as papers, documents and information to complete my report. Special appreciation to other personnel of Jamuna Bank Limited (JBL), Bangladesh for extending their helping hand in the completion of my report.

Finally, I'd like to express my heartfelt gratitude to the Islamic University of Technology (IUT, OIC) Authority for making this internship program mandatory for students. It truly prepares students to do official jobs prior to entering the business world.

## **Executive Summary**

The banking industry of this country has played an integral role in our USD 325 billion economy for numerous years, with banks accounting for more than 80% of net financing activity. They facilitate international trade and service payments, remittance, enhance the rural economy, and expand the housing sector, among other things.

In this report, I focused on the comparative analysis (2016-2021) of the foreign trade operations of Jamuna Bank Limited, Malibagh Branch. The study analyzes the foreign trade division of the JBL and pointed out all the possible insights on both import and export L/C, yearly profit, and performance in different industries along with credit division and other financial services.

The whole report is divided into different segments. The introduction of the report includes the background and purpose of the report, scope of the study and terms of references.

In the description of company/institution, the company history and its sector of operation is briefly detailed. It also includes organizations structure, mission, vision, core values, scale of the company and service offerings.

Industry Analysis discusses the banking industry analysis using different strategy tools. The most important part is the analysis details of foreign trade of JBL Malibagh Branch which comprises the processes of local trade, the procedure and regulations. To analyze the performance, data analysis has been done very carefully.

Description of main duties discusses the field experience of the internship at Jamuna Bank Ltd. including the duties, schedules, responsibilities, and contribution to the organization. This section provides an overall view and learning of my internship journey.

In the Analysis section, both connection and application of theories and observed practice is presented. A bit of light is shed on professional, market and company level analysis mostly with primary and secondary data.

Along with the recommendations, risks, benefits & challenges are described for Jamuna Bank Ltd., Malibagh Branch in conclusion and recommendations part.

## Table of Contents

<b>Introduction.....</b>	<b>1</b>
1.1 Background of the Report.....	2
1.2 Terms of References .....	3
1.3 Purpose of the Study .....	3
1.4 Scope of the Study .....	3
<b>Description of the Company/Institution .....</b>	<b>4</b>
2.1 The Company.....	5
2.2 Scale of Company .....	6
2.3 Vision.....	6
2.4 Mission.....	6
2.5 Core Values.....	7
2.6 Objectives .....	7
2.7 Products and Services Offered.....	7
2.8 Organizational Structure .....	8
2.9 Customers and Segmentations .....	10
2.10 SWOT Analysis .....	11
<b>Industry Analysis .....</b>	<b>13</b>
3.1 Industry Analysis: Bangladesh & The World.....	14
3.1.1 Porter’s Five Forces Model.....	14
3.1.2 PESTEL Analysis .....	16
3.2 Technological Factors Affecting Banking Industry .....	17
3.3 External Economic Factors and their Effect on the Industry .....	18
3.3.1 Macroeconomic Factors.....	18
3.3.2 Financial Structure .....	18
3.4 Performance, Regulation and Supervision.....	18
3.4.1 Performance of the Banking sectors .....	19
3.4.2 Regulations .....	19
3.4.3 Supervisions.....	19
3.4.4 Seasonality .....	19
3.5 Industry Size and Growth Trends .....	19
3.5.1 Competitive Environment and Changes.....	20
3.6 Observations .....	22

3.7 Foreign Trade.....	23
3.7.1 Local Rules .....	24
3.7.2 International Rules .....	24
3.7.3 Methods of Payment of Foreign Trade .....	24
3.7.4 Parties of Letter of credit .....	25
3.7.5 Types of L/C .....	25
3.7.6 Import LC issuing process .....	26
3.7.7 Back to Back LC issuing process.....	27
3.7.8 Amendments to LC .....	29
3.7.9 Charges for LC.....	29
3.7.10 Risks related to LC.....	30
<b>Description of Main Duties .....</b>	<b>31</b>
4.1 Main Duties and Schedules.....	32
4.2 Duties of the General Banking Division .....	32
4.3 Duties of Cash Section.....	33
4.4 Clearing Section.....	33
4.5 Duties of Account Section .....	33
4.6 Duties of Credit Section.....	34
4.7 Duties of Foreign trade division.....	34
4.8 Contributions to the Organization.....	35
4.9 Tools .....	35
4.9 Applied Skills.....	36
4.9.1 Adaptability.....	36
4.9.2 Communication.....	36
5.9.3 Politeness .....	36
5.9.4 Teamwork .....	36
<b>Analysis .....</b>	<b>37</b>
6.1 Application of Theories in the Workplace .....	38
6.2 Company Level Analysis .....	39
6.2.1 Number of Import LC issued .....	40
6.2.2 The Amount of Import LC .....	41
6.2.3 The number of Back to Back LC issued .....	43
6.2.4 The amount of Back to Back LC .....	44
6.2.5 Percentage of Import & Back to Back LC issued .....	45

6.2.6 Overall profit growth rate of JBL (Malibagh Branch) .....	46
6.2.7 Import Performance of JBL .....	48
6.2.8 Export Performance of JBL .....	49
6.2.9 Findings & Observations: .....	50
6.3 Market Level Analysis .....	51
6.3.1 Financial Status .....	51
6.3.2 Company's Competitive Position .....	53
6.4 Professional Level Analysis .....	53
6.4.1 Correlation between Activities and Knowledge .....	54
6.4.2 Challenges and Difficulties .....	54
<b>Conclusions &amp; Recommendations .....</b>	<b>55</b>
<b>7 Conclusion .....</b>	<b>56</b>
<b>8 Recommendations .....</b>	<b>57</b>
8.1 Issues to be Changed in the Organization .....	57
8.1.1 Transferring to AD branch from non-AD branch: .....	57
8.1.2 Technological Advancement: .....	57
8.1.3 Risk and Marketing Diversification: .....	57
8.1.4 Letter of Credit & General Banking: .....	58
8.1.5 Work Environment:.....	58
8.2 Risks & Challenges for Successful Implementation of the Proposed Recommendations .....	59
8.3 Key Stakeholder Mapping .....	59
8.4 Benefits & Impacts of the Proposed Recommendations .....	60
<b>List of References .....</b>	<b>62</b>
<b>Appendices.....</b>	<b>64</b>

## List of Figures

Figure 1: Organizational Hierarchy of Jamuna Bank Ltd.....	9
Figure 2: SWOT Analysis.....	12
Figure 3: Porter’s 5 Forces Model .....	16
Figure 4: PASTEL Analysis .....	17
Figure 5: Growth Trends in Banking Industry.....	20
Figure 6: Deposit and Advance of some local banks.....	22
Figure 7: Percent of Classified Loan in some local banks.....	22
Figure 8: Process of opening import LC.....	26
Figure 9: Process of issuing Back to Back LC .....	28
Figure 10: No. of LC issued per year.....	40
Figure 11: LC Transaction amount in USD per year .....	42
Figure 12: Year wise Import LC according to industry .....	42
Figure 13: Percentage of Import LC according to the industry in JBL – Malibagh branch .....	43
Figure 14: Issuance of BTB LC and it’s trending.....	44
Figure 15: BTB LC Transaction amount in BDT per year .....	44
Figure 16: Comparison of issued import and BTB LC.....	45
Figure 17: Percentage of import and BTB LC.....	46
Figure 18: Year wise profit in Malibagh Branch .....	47
Figure 19: Year wise profit growth in Malibagh Branch.....	47
Figure 20: Import Transaction amount in Malibagh Branch .....	48
Figure 21: Year wise Import growth rate of Malibagh Branch .....	48
Figure 22: Year wise export Transaction amount in Malibagh Branch.....	49
Figure 23: Year wise Export growth rate of Malibagh Branch .....	50
Figure 24: Cost of deposit, fund, Yield on advance and spread of three local competitive bank	52
Figure 25: Company’s Competitive Position.....	53



## List of Tables

Table 1: Network of Branches in Divisions (Annual Report 2020): .....	5
Table 2: Business Status of Jamuna Bank Ltd., (Malibagh Branch) .....	20
Table 3: Business Status of some local competitor bank.....	21
Table 4: Charges for Letter of Credit.....	30
Table 5: Total transaction amount in import LC per year (USD).....	41
Table 6: Earnings in BTB LC per year .....	45
Table 7: Overall financial status of three local competitive bank .....	52

# **Introduction**

## **1.1 Background of the Report**

Internship programs play a vital role in satiating a student's graduation in Business and Administration program. Students can reap benefits from internship program in many ways. They can apply their learnings in the real professional environment and gain coveted experience. It also helps students to develop their leadership skills and gain exposure to their preferred field. Its main purpose is to get practical experience and knowledge of the present corporate world.

Classroom's traditional education primarily works as a catalyst to propel a graduate into the corporate world by granting a degree, and the internship program is the first flash of it. Since internship report is mandatory for all BTM students to graduate, they are required to participate in internship program. As a prerequisite to complete my Bachelors of Business Administration in Technology Management under the Department of Business & Technology Management, Islamic University of Technology (IUT, OIC) I had to perform a 3-month long internship. This internship has provided me the opportunity to implement my gained theoretical knowledge into practical life. During my internship period at Jamuna Bank Limited (JBL) Bangladesh, my concern was to give my full potential to make the report trustworthy. All the officials of Jamuna Bank Limited always encourage such internship programs. I have worked in Malibagh branch of Jamuna Bank Limited. Through this internship program, I have gathered vast practical experiences and knowledge. Generally, it takes a few weeks to understand the working environment properly.

In this report, apart from the overall general banking and foreign exchange a comparative analysis of foreign trade operations of the JBL Malibagh Branch for the years 2016-2021 is presented. This includes the number of L/C that has opened, the amount of LC, the overall profit of the branch, charges related to the LCs. Official data related to the foreign trade operation of Malibagh Branch, Jamuna Bank Limited. I have collected all the necessary information for this report while working for this analysis. I got a chance to work in the foreign trade division of JBL (Malibagh branch) and it is one of the most important divisions of Banks, my interest was to analyze the functions of that division.

Due to the high number of commercial banks in our country, the foreign exchange and trade markets are quite competitive. Bangladesh, on the other hand, has a relatively tiny free market economy with a significant expatriate workforce and modest imports and exports. As foreign trade

has a greater impact on the economy of any country. So through analysis, we can get a broader view of the overall performance of that division for the year 2016-2021

## **1.2 Terms of References**

During my three-month long internship at Jamuna Bank Limited (Malibagh Branch), I have been assigned to General Banking & Foreign Trade division. This report is conducted on the foreign trade division of JBL. I usually work there five days in a week. I have worked there from 10 AM to 5 PM. At the beginning of my internship, I have worked in the General Banking division and Credit division. After that, I have worked in both of the divisions simultaneously. In the Foreign Trade division Mr. Ferdous Ahamed & Mr. Shahdhwini Mallik Chowdhury, foreign exchange division helped me to comprehend the foreign trade operation of JBL, Malibagh Branch.

## **1.3 Purpose of the Study**

The main purpose of this report is to conduct a comparative analysis on the Foreign Trade operations of Jamuna Bank Limited (Malibagh Branch) to show how it is contributing to the foreign trade division. I've also tried to show the procedure, overall scenario and, analysis of the foreign trade division of Jamuna Bank Limited. In this report, my most concern was to show the findings of my own through analysis and experience of the JBL Malibagh branch.

## **1.4 Scope of the Study**

The worldwide financial situation has remained unfavorable as a result of the epidemic, making it difficult to maintain and attain sound progression for a country like Bangladesh and its alike. The banking system of any country play a vital part in its economy. It is very crucial to a country's growth. In this regard, Jamuna Bank Limited is performing admirably. In 2021, the banking sector continued to produce significant profits.

This paper covers JBL 's (Malibagh Branch) background, activities, General Banking division and in particular, the Foreign Trade. This report offers a prospect to gain a complete understanding of the branch's banking operations. It's a good chance to learn and practice the entire process of General Banking and Foreign Trade activities in a hands-on environment. I obtained a broad understanding of foreign trade activities such as Letter of Credit - BTB, import, export, local etc., Cross border trade, LTR and so on.

# **Description of the Company/Institution**

## 2.1 The Company

Jamuna Bank Limited (JBL), a commercial bank of Bangladesh was incorporated under the Companies Act, 1994, on 2nd April 2001. On 3rd June 2001, the private Bank initiated its operation. This bank has a huge network of 149 branches (In Table -1, the network of branches in divisions are showed), 28 sub-branches, 15 banking booths, and 314 ATMs all over the country (Annual Report 2020). Currently, it has 157 operating unit throughout country. The bank has earned trust & confidence of the customer for its reasonable and satisfactory service.

Table 1: Network of Branches in Divisions (Annual Report 2020):

<b>Division</b>	<b>No. of Branches</b>
Dhaka	73
Sylhet	6
Chittagong	31
Barisal	3
Rangpur	10
Khulna	5
Rajshahi	17
Mymensingh	4
<b>Total</b>	<b>149</b>

All of the branches operate as independent operating units. The bank uses the most advanced way to record each and every transaction. All the branches are required to present a report of activities returns to head office. After that, at the last working day of each week and each month all the transactions and affairs are consolidated as balance sheet of the bank.

Jamuna Bank Limited (JBL) is offering several services & products and has gained popularity & authenticity. To facilitate trade & commerce in Bangladesh it undertakes all types of banking transactions in the field of import, export, infrastructure, servicing & manufacturing. New entrepreneurs are getting supports from this bank and the bank maintains a strong relationship with customers. A highly professional team is conducting the operation and management of the bank.

Conventional & Islamic banking services both are offered by Jamuna Bank Limited. In order to cope up with the changing needs of customers it is constantly upgrading its strategies to serve new products & services. During its 20 years of journey which starts from 2001, JBL has achieved remarkable success and has built a reputation in the Banking sector of Bangladesh.

## **2.2 Scale of Company**

Jamuna Bank Limited has moderate ability to adapt itself with the changing market demands. It has benefitted from the previous and existing economies of scale by quickly ramping up the products and services. JBL has increased technological I different banking divisions to increase scalability.

According to Annual Report 2020,

- The ownership of JBL is compositioned into 4 entities: General Public, Directors, Foreign Investors and Financial Investors.
- Total number of Employees: 3096
- Total Eligible Capital: BDT 28,197.42 (Million)
- Market Capitalization: BDT14,085.44 (Million)
- Key People: Chairman: Md. Ismail Hossain, Managing Director & CEO: Mr. Mirza Elias Uddin
- Various Divisions: Internal Control & Compliance, Credit Administration, Credit Risk Management, Corporate Division, International Division. SME Division, ICT Division, Retail Banking Division, MIS Division, Card Division, Treasury Division, Finance & Accounts Division, Human Resource Division, NRB Banking Division, Islami Banking Division, Offshore Banking Division, Law and Recovery Division, General and Common Service Division, Agent Banking Division etc.

## **2.3 Vision**

Jamuna Bank Limited wants to establish itself as one of the major banks of Bangladesh. Its target is to contribute in the economic growth of this country and play a pivotal role in it.

## **2.4 Mission**

Jamuna Bank Ltd. is dedicated to fulfilling the various need of its customers. To ensure sustainable growth & to contribute to the country's development Jamuna bank offers various products with

the help of technology by maintaining a competitive price. The motivated & professional workforce helps in contributing to the development of the country.

## **2.5 Core Values**

JBL believes in providing quality services maintaining status quo irrespective of customers' and stakeholders. It is committed to comply with the regulations and guidelines provided by Central Bank. It also maintains professional ethics and trust.

## **2.6 Objectives**

The objective of JBL is to become a leader in the banking industry by providing high-quality banking services. Jamuna Bank Ltd. desires to be an important player in the country's economic progress. JBL maintains a high quality and standard of services while providing products & services. The organization believes in professional ethics & regulatory guidelines. The corporate slogan of the Bank is “Your Partner for Growth”

## **2.7 Products and Services Offered**

Jamuna Bank Ltd. offers a wide variety of products to their respected clients to satisfy them. JBL is always concerned to provide the right combination of products and guidance to the customers. These are described below:

**Personal Banking Services:** Jamuna Bank Limited provides different personal banking services such as Savings Bank (SB) Account, Special Savings Bank Account, Fixed Deposit Account, Current Account, Current Deposit (CD) Account, Monthly Benefit Scheme (MBS), Resident Foreign Currency (RFCD) Account, etc. Besides these JBL provides other banking services such as locker facilities, collection of cheques, Jamuna Bank Card Services such as VISA Debit Card, VISA Platinum Credit Card, VISA Local Gold Credit Card, etc.

**Deposit Schemes & Loan Product:** Jamuna Bank Ltd. provides different deposit Schemes such as Lakhpati Deposit Schemes, Millionaire Deposit Schemes, Kotipati Deposit Schemes, Pension Deposit Schemes, Mudaraba Monthly Saving Scheme, Mudaraba Monthly Benefit Scheme, Rural Deposit Schemes, etc. JBL also provides Personal Loan, Salary Loan, Education Loan, SME financing, Agriculture & Rural Credit.

**Corporate Loan Products:** Jamuna Bank Limited provides a broad array of financial solutions through its corporate banking. These includes: Short Term Finance such as SOD, CC, Time Loan



etc., Long Term Finance such as Lease Finance, Estate Finance etc., and Work Order Finance such as SOD, Bid Bond, APG etc.

**Islamic Banking Investment Products:** In terms Islamic investment JBL offers different Bai Muzal schemes and Sirkatul Meik schemes.

**International Banking Service:** In terms of foreign trade and foreign transactions JBL is providing extensive trade service through its worldwide network. JBL provides different services related to trade finance such as import finance, BTB L/C, Overdraft, Foreign Documentary Bill Purchase(FDBP), Local Documentary Bill Purchase (LDBP), Offshore Banking Services, etc. As a member of SWIFT JBL provides the fastest service around many countries of the world. SWIFT code for JBL is JAMUBDDH.

**Online Banking:** JBL is providing different online & SMS banking services to satisfy the changing needs of the customers. Through ATM customers can get 24-hour banking facilities.

**Subsidiary Services:** Besides the traditional banking services JBL is providing some other services such as Utility Bills Pay Service, Mobile Banking i.e. Just Pay, Cash Deposit Machine, Gift Cheque, Salary Accounts for Institutions, Customs duties, etc.

## **2.8 Organizational Structure**

Organogram of the organization shows the overall picture of the corporate hierarchy. Jamuna Bank Ltd. follows a strong corporate governance framework monitored by the Boards. They have much focus on leadership, internal control & accountability.

Through an organogram, both the accountability and authority of an individual can be understood easily. In each designation there are multiple people assigned in different roles and responsibilities. Each designated personnel are assigned to some sort of responsibilities such as the branch manager of JBL (Malibagh) is a Vice President. The operation manger is an Executive Officer and the Credit in charge is also an executive officer. The corporate organogram of JBL is mostly like all the other banks The organogram of JBL is given below:

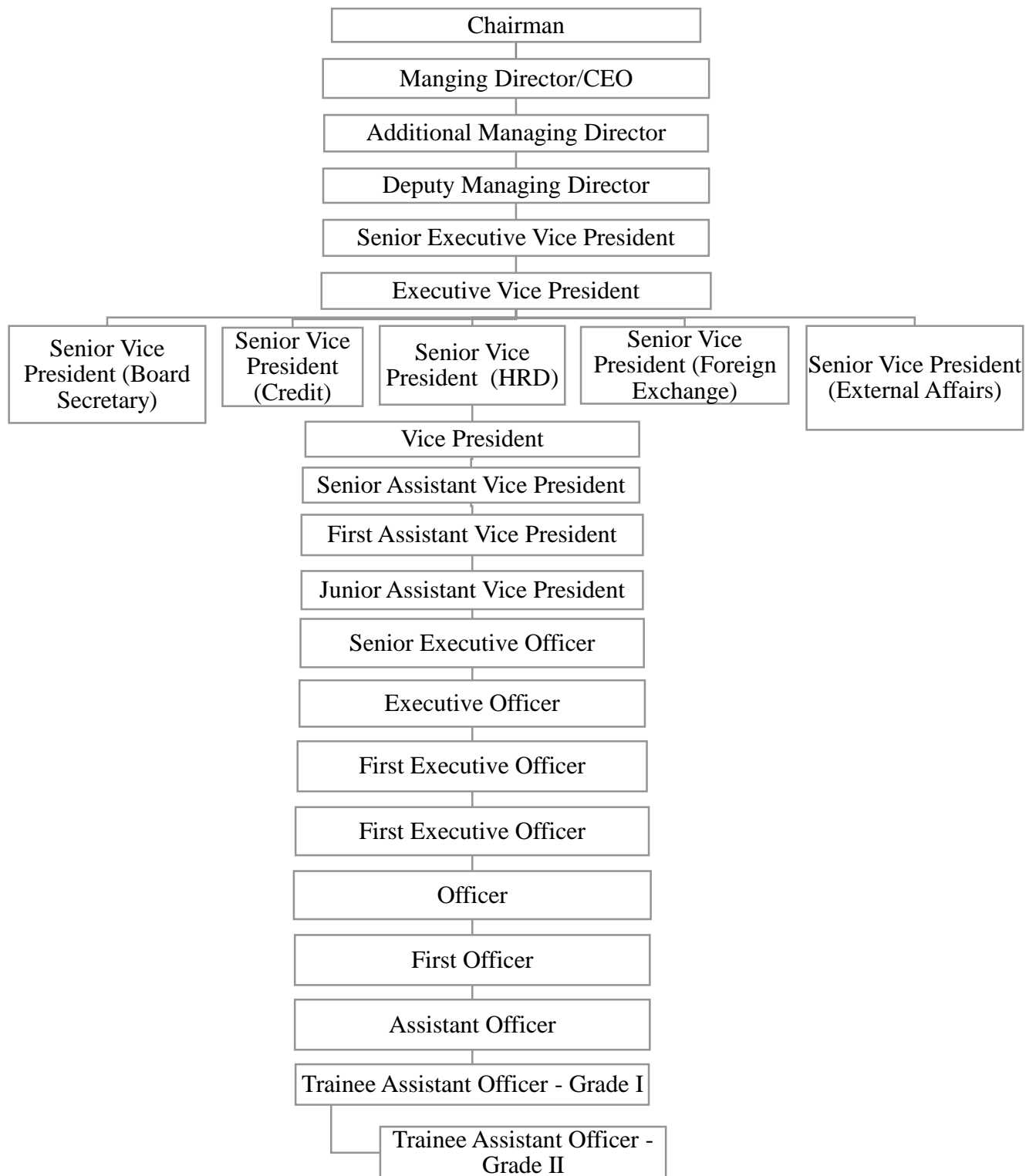


Figure 1: Organizational Hierarchy of Jamuna Bank Ltd.

## 2.9 Customers and Segmentations

There are four types of customers that receive banking service in Bangladesh. JBL serve its customers by segmenting them into different banking categories. These categories are almost same for all commercial banks in this country.

**Retail Banking:** Through this classification JBL serve that segments of customers who are in need of Deposit and Loan related products and services.

**Cards and ADC:** Through Cards and Alternative Delivery Channel JBL offers different types of debit and credit cards, SMS and Mobile Banking service to the customers who demand these.

**Corporate Banking:** Through Corporate banking JBL serve especially the importers, exporters, contractors, suppliers and other organizations.

**Islamic Banking:** There are customers who are more comfortable to get service in Islamic rules and regulations. JBL also serve those customers abiding by the Islamic Shariah.

**SME Banking:** SME Banking offers different schemes for SME startups, owners, venturers. These are Bonik, Chalantika, Green, Jantrik, Nari Uddogh, NGO Shohojogi, Shachanda, Swabalambi, Sombriddhi.

**International Banking:** JBL offers offshore banking, trade finance, correspondence banking to the customers who are mainly involved in export-import business and foreign transactions.

**NRB Banking:** Remittance, Deposit, Loan, Investment, Account and many other schemes are available for the Non-residential customers.

The four types of customers available in the context of Bangladesh are:

**Millennial:** These are the customers who are young job holders in different industries and students. Students and white collar employees use mainly internet and mobile banking. These type of are customers mainly interested in deposits and investments.

**Entrepreneur/Startup/SME Owner:** JBL offers services to these segments which restricts to the purpose of business operations. They generally avail loans and deposits, foreign trade related services for business continuity.

**Experienced Investor:** There are investors who avail banking services to avoid excessive market information to avoid impetuous decisions. They also use banks to meet financial obligations and manages cash flow. Sometimes these customers prefer savings instead of investing.

**Traditional Customers:** Traditional customers are the people who spend lots of time in the queue of the branches. They use teller machines for financial transaction such as cash withdrawal. Generally, these customers are the main targets for JBL to increase their profitable relationship.

## **2.10 SWOT Analysis**

SWOT analysis determines the strength, weaknesses, opportunities & threats of an organization. In Bangladesh currently, 61 banks are continuing their operations. So in this competitive banking industry SWOT analysis can help Jamuna Bank Limited for analyzing their performance which can help the organization for future improvement. While doing my internship at Jamuna Bank Limited I have monitored their operation very closely and presented my findings through SWOT analysis so that the performance of the organization can be evaluated.

### **Strength**

- ❖ The top management of Jamuna Bank is very much skillful.
- ❖ The customers of JBL always get fast & consistent quality service
- ❖ Jamuna Bank Limited uses internet banking operation
- ❖ The bank maintains a good relationship with their corporate clients
- ❖ The foreign exchange division of JBL is performing very well.
- ❖ During this changing business environment, JBL is constantly updating its operating system and has introduced Mobile Banking system. In January 2022 new software will be updated to be more efficient.
- ❖ The bank has invested in CSR activities very well around the country. For the social development of Jamuna Bank Foundation has incorporated various programs.

### **Weakness**

- ❖ Jamuna Bank Limited has fewer promotional activities.
- ❖ JBL has less initiative while analyzing opportunities for improvement
- ❖ The foreign trade division collects documents from their clients in the traditional way, so it takes time to start the process.

- ❖ Though the research & development department helps an organization in upgrading products or services but in JBL there is no such distinct department.

## Opportunities

- ❖ New software update can foster the overall operation process.
- ❖ E-banking will open new doors for JBL as the demand of the customer is changing.
- ❖ Banking is considered the backbone of the economy. The government is providing full support to the banks. It is a matter of great opportunity that Bangladesh Bank is rendering support to the listed banks. Investment in research & development can result in new product innovation
- ❖ Expansion of foreign exchange activities will surely open opportunities for JBL

## Threats

- ❖ Acquisition and mergers in financial institutions can make the industry concentrated
- ❖ For the low entry barrier, there are many new competitors. So in the local market competition is increasing
- ❖ Poor infrastructure of our country in terms of technological advancement.
- ❖ Interest rate reduction by the government
- ❖ Political & economic instability
- ❖ Multinational banks are increasing the competition with their superior services

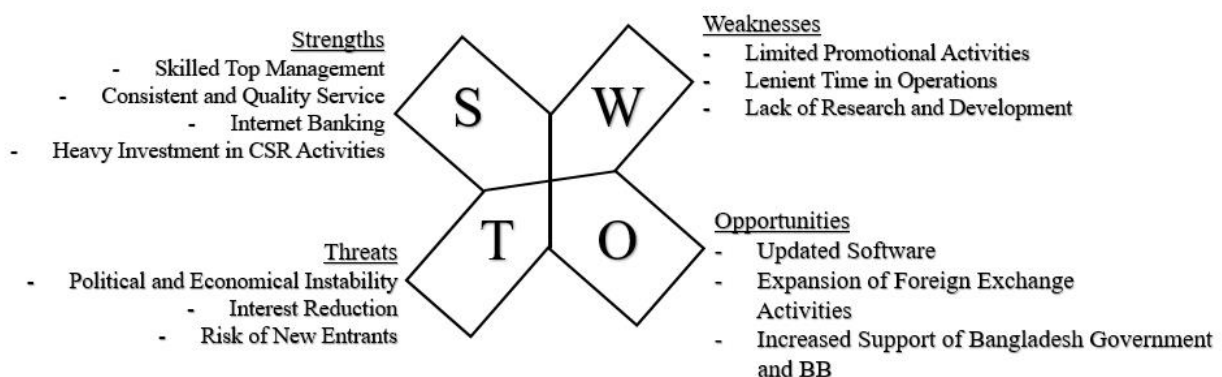


Figure 2: SWOT Analysis

# **Industry Analysis**

### **3.1 Industry Analysis: Bangladesh & The World**

The competition among the organizations influences the industry. Financial institutions are connected through a network and it is transforming day by day. Moreover, new technology is fostering the process more rapidly. In different regions, different banks are dominating. US, UK, China, France, Japan, and many more countries are holding the top position in the banking industry.

For any country, the banking industry's role in the economic progression is inevitable. Moreover, banks play a key role in investment facilitation. Grameen Bank's part in the growth of the rural & urban sectors in Bangladesh is undeniably great. Currently, there are 61 banks within the authority of central bank, Bangladesh Bank (BB).

The Banking industry is analyzed below by Porter's Five Forces Model founded by Michel E. Porter:

#### **3.1.1 Porter's Five Forces Model**

##### **1. Rivalry among existing firms**

In industry, if there is high rivalry then the profitability declines. Rivalry arises due to new product introduction, price discounting & service level that the firms are providing. The Banking industry of Bangladesh is very much competitive. The banking industry of Bangladesh is highly fragmented and so the competition is high too. Commercial banks are providing similar products and services with familiar interest rates. Moreover, the entry barrier is low. The exit barriers are becoming high due to technological advancement. To hold market position strongly global banks are now going through merger & acquisitions strategies. In Bangladesh, different multinational banks are operating along with local banks. Many of them are providing differentiated services according to the need of the customers.

##### **2. Bargaining power of buyers**

The bargaining power of buyers depends on the market condition, switching costs, products or, services. In the banking industry customers, NGOs, some other institutions are the buyers. Individual clients don't create a high threat. Interest rates & service charges are vital factors for customers. In Bangladesh, switching costs are lower as most of the banks provide similar offerings. So it becomes easier for customers to go for another organization. Also, internet banking is helping

customers to get information about organizations and so they are now able to compare prices. That's why banks should be very much careful about their service quality. In the banking industry, there are different substitute products such as loans, insurance, mobile banking services. This sometimes increases the bargaining power of buyers.

### **3. Bargaining power of suppliers**

The suppliers for the banks include depositors, employees, financial institutions, equipment, and machinery suppliers, IT consultants. These suppliers can increase their power through price increments. Individual depositors can't create high bargaining power. The powers that the suppliers hold are highly dependent on the market condition of the industry.

### **4. Threat of substitutes**

Through technological advancement, it becomes possible for banks or other financial institutions to provide identical services at a lower cost. Every bank is competing with one another in terms of similar product offerings, real-time fund transfer. If customers get highly efficient services, low-cost products then they will switch easily. Mutual funds & insurance services are provided by non-financial institutions so this creates the highest threat for the operating banks. In Bangladesh substitutes like Bkash, Nagad, Upay are providing depositing, payments for goods & utility, withdrawing services and, customers can switch easily. This is creating a threat for the operating banks in the industry. PayPal is proving worldwide services with more security. Moreover, it's becoming difficult for the banks to cope with the new strategies due to huge investments in ATM services & branches. But banks are now providing mobile banking services to fulfill the need of the customers.

### **5. Threat of new entrants**

Rules & regulation, capital adequacy & brand image of the established firms creates barriers for new entrants. The threat of new entry is very much high in the banking industry. Now in Bangladesh, many financial & non-financial firms can get entry into the banking industry. So banks should hold a strong competitive position by providing differentiated products & services.





Figure 3: Porter's 5 Forces Model

Some other macro-environmental factors influencing the banking industry & its profitability is analyzed below through PESTEL analysis:

### 3.1.2 PESTEL Analysis

- ✓ **Political factors:** All banks are liable to abide by the laws of the government. The unstable political situation, trade restrictions affects the banking industry globally.
- ✓ **Economic factors:** Factors such as inflation rate, exchange rate, recession affect the operation of the banking industry at home & abroad. If the economic stability is good, then the banking sector of that country can flourish.
- ✓ **Social factors:** Willingness of savings of people in a certain area, buying behavior influence the development of the banking industry. Without a profitable customer segment, the banking industry can't flourish as one of the major parties are depositors, without them the flow of funds will become impossible.
- ✓ **Technological factors:** Nowadays technological factors are affecting every industry. Innovations such as mobile banking, real-time money transfer, utility payment services via mobile phone, SWIFT have been influencing the banking industry worldwide. Technological advancement is facilitating the banking industry by making the operation easier.
- ✓ **Environmental factors:** Some banks are considering the green banking concept to add value to the environment. Moreover, by using technology the use of papers has been reduced and making the best use of the asset.

- ✓ **Legal factors:** All banks should follow specific laws related to trade, foreign exchange, some international regulations and, data privacy while operating in a certain country.

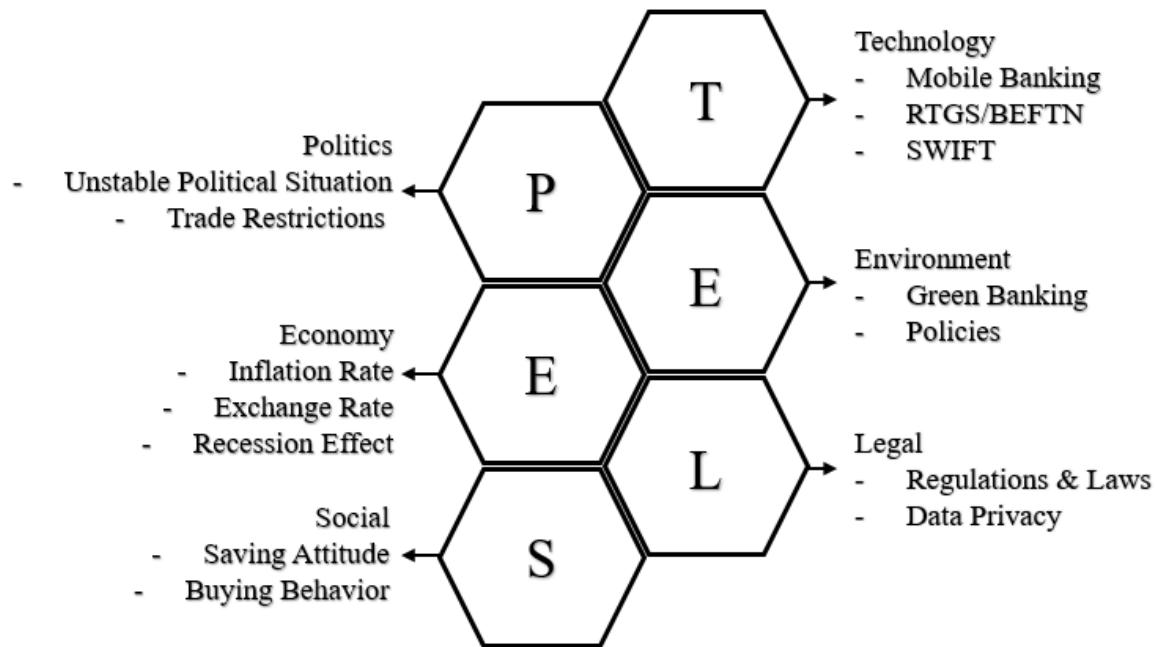


Figure 4: PASTEL Analysis

### 3.2 Technological Factors Affecting Banking Industry

The recent development on Information and Technology exerted a substantial influence in the financial services sector. Among them the banking sector taking the most advantages of it, deploying solutions based on IT. Many benefits have resulted from this change:

- Cost infrastructure of IT systems has been reduced
- Consistency in consumer data and
- Time reduction in marketing and innovating product offerings.
- Direct processing capacity
- Reduced risks and enhanced the quality of services

With the help of technology banking sector has expanded drastically along with enhancing performances. As a result, the operating costs decreased a lot which leads to increasing profits.

### **3.3 External Economic Factors and their Effect on the Industry**

Some factors are not in the hands of the upper hierarchy and have an impact on the decision-makings of the banks. Sometimes these factors provide opportunities and sometimes poses threats. These factors are classified into two broad terms – Macroeconomic and Financial Structure

#### **3.3.1 Macroeconomic Factors**

These factors may have a considerable impact on the overall performance of bank. Demand for loans rises during economic expansion, but falls during recession. In times of growth credit risk may decrease since revenue increases during increased economic expansion, bolstering the lending enterprises' overall debt capabilities. On the other hand, increased non-performing finances have an adverse influence on the performance of banks. It is projected that performance is related proportionally to the growth rate. Profitability rises with the increase of interest rates.

#### **3.3.2 Financial Structure**

A greater bank asset-to-GDP ratio implies that financial growth is essential for economy. Financial growth could signal a greater demand for services, thereby promoting new players into the sector. Furthermore, banks must evaluate and alter their strategy to maintain their market share in the event of increased competition in the industry.

Economic infrastructure can also have a substantial impact on bank profitability. Banks will have more coercive control in the sectors when it is concentrated heavily. As a result of the monopolistic influence it wields in the sector, the bank's profitability improves.

### **3.4 Performance, Regulation and Supervision**

Due to the worldwide pandemic, performance of every institutions has dropped drastically. The banking and non-banking financial institutions are also hit by it. During this critical time, Bangladesh has lost a big share in import and export earnings. To revamp the financial sector Bangladesh Bank (BB) has taken initiative measures and policies. These includes-

- Ensuring additional liquidity ratios by re-fixating ratios
- Relaxation in classifies loans and taking prudential measures to adapt the models and policies with the changing situations
- Maintaining supervisory activities in regular interval
- Evaluating banks risk management's performance regularly

### **3.4.1 Performance of the Banking sectors**

The total deposits of banking sector have increased from the previous year due to the relaxation of Covid-19 restrictions but the share percentage has change among the SCBs, SBs, PCBs and FCBs. The capital adequacy more specifically MCR has increased because of increase in deposits. Earnings and profitability has also increased after a drastic drop in the peak time of Covid-19.

### **3.4.2 Regulations**

BB has announced legal framework and measures to face the challenges posed by the pandemic. All the commercial banks were instructed to maintain BASEL III framework which entails them to maintain 10 percent of RBCA. BB has also relaxed loan classification by facilitating the borrowers through loan deferral.

### **3.4.3 Supervisions**

To protect the interest of all the stakeholders and customers, BB has devised both on-site and off-site inspection. It has also reviewed six guidelines to ensure the soundness of management, solvency, robustness and overall efficiency of banking sectors. To maintain the financial stability, macro prudential measures have been undertaken by the BB.

### **3.4.4 Seasonality**

Actually there is no vivid seasonality in banking sectors. Its peak time depends on the peak season of a country's economy and business activities. The banking sector's seasonal trend sees rough spots in January and February, with loan demand growing in March and peaking in August or September, followed by a dip until December.

### **3.5 Industry Size and Growth Trends**

In the most recent fiscal year, all financial sub-sectors experienced a drop in growth rates (2019-21). The monetary intermediation sub-sector suffered its worst year in years. The financial sector's overall contribution to GDP, decreased somewhat in the considered time.

In the fourth quarter, the ongoing Covid-19 epidemic caused some difficulties in the industry. According to experts, lending frauds, rising non-performing loans (NPLs), interest rate issues, and poor demand for money from the private sector contributed to the financial sector's significant fall in growth.

According to BSS data, growth dropped to 4.46% from 7.38% in the span of 2020 to 2019 respectively.

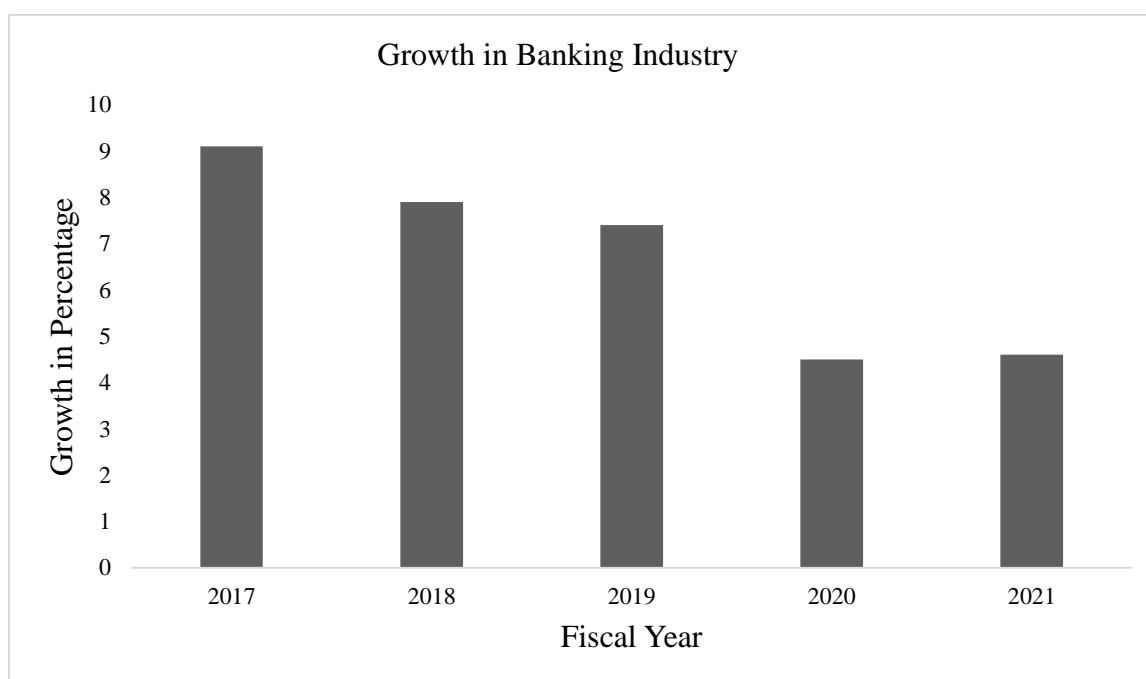


Figure 5: Growth Trends in Banking Industry

### 3.5.1 Competitive Environment and Changes

In the time of internship, I have collected some official data of the competitors of JBL. This demonstrates a clear image of the current competitiveness among the operating banks and where JBL of Malibagh branch stands. This also project the trends and changes in classified loan of the cited banks. The table 2 and table 3 below are showing the business status of some local banks compared to Jamuna Bank Ltd. (as of 31.10.2021):

Table 2: Business Status of Jamuna Bank Ltd., (Malibagh Branch)

Amounts in Crore (BDT)

Name	Year of Opening	Deposit	Advance	% of CL	Number of Accounts
Jamuna Bank Ltd, Malibagh Branch	2009	90.69	54.50	15	5962

Table 3: Business Status of some local competitor bank

Taka in Core

Name	Opening Year	Deposit	Advance	% of CL	Number of Accounts
One Bank Ltd., Banasree	2010	198.00	102.00	2.3	6,800
First Security Islami Bank, Banasree	2009	200.00	83.00	2.97	11,770
PBL, Banasree	2010	199.50	82.00	5	6,000
UCBL, Banasree	2012	134.25	34.65	-	7,075
Al Arafah Islami Bank Ltd, Nandipara	2009	445.00	230.00	12	27,600
Southeast Bank, Banasree	2013	650.00	110.00	1	7,700
SIBL, Banasree	2020	200.10	70.00	2.64	10,900
One Bank Ltd, Bashabo	2010	295.00	140.00	1.3	9,600
Islami Bank Ltd, Bansree	2018	285.00	37.00	-	6,500

Based on the above tables, it seems that Islami Bank Ltd., Banasree is in a better condition than the other competing banks including JBL. It has a good parameter in Deposit and Classified Loans. But it's a bit weak in Advance and results in lower level of income. In this parameter it is Al Arafah Islami Bank which dominates. In the Deposit parameter it is Southeast Bank which has the most amount.

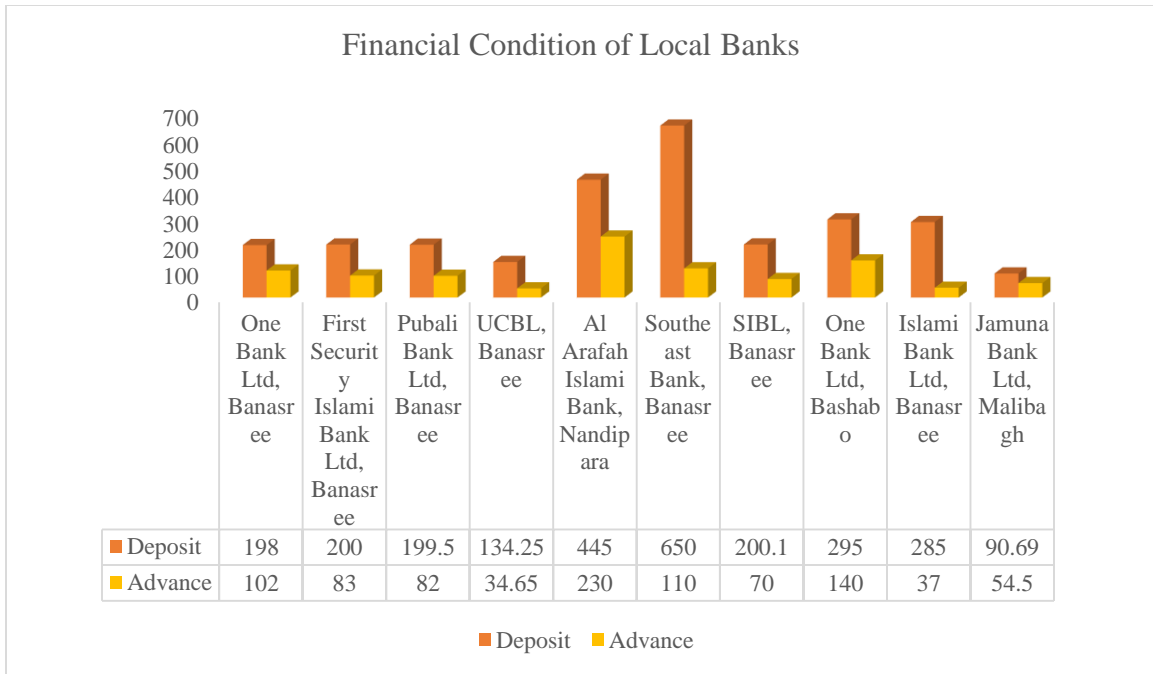


Figure 6: Deposit and Advance of some local banks

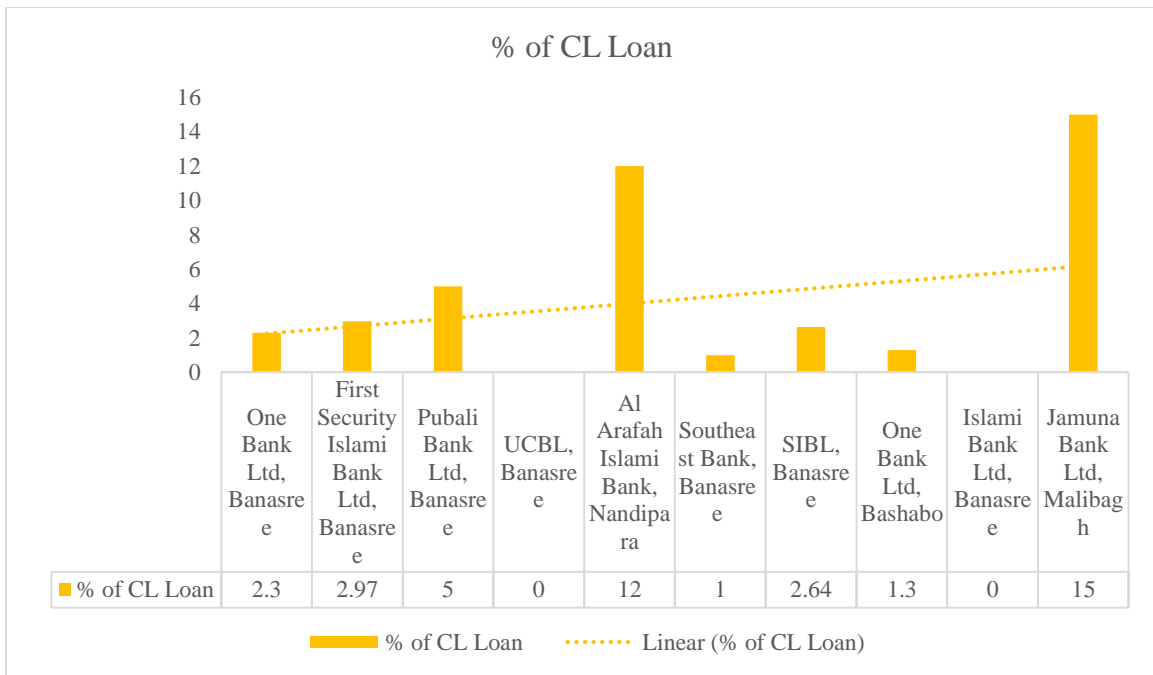


Figure 7: Percent of Classified Loan in some local banks

### 3.6 Observations

- ✚ If we compare these tables we can get an impression of the Bangladesh's banking industry for that region in considering Porter's model. It is noticeable that the competition is higher

in that region. Moreover, the macro-environmental factors are affecting the banking operation as the number of accounts, loans & deposit are according to the need of the customer.

- ✚ All branches are operating for eight to ten years. Al Arafah Islami Bank Ltd., Nandipara Branch has performed very well in terms of account opening. But the percentage of the classified loan of AAIB & JBL is quite higher. A reason is that the Covid 19 pandemic situation has affected a lot & the recovery process is taking time. On the other hand, UCBL & Southeast Bank, Banasree Branch has performed very well in this category.
- ✚ In the banking history of Bangladesh, non-performing loans are hindering profitability for several years. So banks are now very much concerned regarding this. Other than that the deposit & loan performance of the banks are competitive. Each bank tries to hold its market position by offering services according to the need of the customer as the entry barrier is low & substitute products are of various types.

From the above discussion, it can be concluded that The technological transformation is driving the banking industry through new updates on software, data security, online banking & mobile banking service which saves time for the customers both globally & in Bangladesh. Banking & financial institutions operating with the traditional procedure are now adopting the digital changes in the industry. The intense competition in the banking industry is creating challenges such as seeking change in the business model. But the change in the business model becomes costly for some organizations. Moreover, continuous innovation & investment in R&D is necessary to serve customer according to the changing need. Otherwise, the institutions will fail in customer retention & will loss the market position.

### **3.7 Foreign Trade**

A major role is played by the Foreign trade division of any bank. This includes the letter of credit (LC) for export & import, trade financing. At Jamuna Bank (Malibagh Branch) foreign trade division has many corporate clients. They are mostly their repeated customer. From the very beginning of their service, they are providing quality services and that's why the customer retention rate is much higher.



### 3.7.1 Local Rules

Every bank in Bangladesh needs to operate within the guidelines & protocols of Bangladesh Bank. In terms of foreign trade, at Malibagh Branch the Trade Finance Processing Center(TFPC) of Jamuna Bank monitors the functions as the branch is not an authorized dealer. Moreover, for the HS code of the industry sector, JBL follows codes that are universal and provided by BD Custom Tariff.

The banks should follow the foreign exchange regulation of 1947. Also, import & export guidance policy should be focused on by banks which are given by the ministry of trade and commerce. Illegal products are prohibited by Import policy order 2015-2018 and the organizations must abide by these rules.

### 3.7.2 International Rules

- a. International regulations that should be followed are as follows:
  - a. The organizations should have IRC (Import Registration Certificate) to import products from another country and an export certificate to export products to another country.
  - b. In terms of international businesses, the regulations provided by WTO should be followed if any issue arises.
  - c. Uniform Customs & Practice (UCP) under documentary credit, ICC publication no-600
  - d. Uniform Rules for Collection (URC), ICC Publication no -522
  - e. Shipment from Israel and U.N. sanctioned countries is strongly prohibited and this should be maintained.

### 3.7.3 Methods of Payment of Foreign Trade

- **Cash in advance:** Payment is received before transferring goods in order to avoid credit risk.
- **Documentary Collections:** In this method the seller collects money by forwarding documents to the buyers banks.
- **Open account:** Under this payment method with due payment, products are shipped. This is beneficial for the importer & riskier for the exporter.
- **Consignment:** Under this payment method, the exporter is paid if the products have been sold. This becomes very risky for the exporter.

- **Documentary Credit:** Letter of credit facilitates foreign trade. It acts as an obligation for the buyer to pay the seller on time. It helps to reduce risk in foreign trade & make the transaction more secure. As a result, helps the economy of a country to flourish through import & export. Moreover, fraudulent activities can be eradicated as banks are involved in the process.

JBL (Malibagh Branch) doesn't issue LC for the government sector. Their 100% of the Letter of Credit are from the private sector.

### 3.7.4 Parties of Letter of credit

Different parties involved in the process of LC are as follows:

- ✓ **Buyer(Applicant):** While buying products from the seller the buyer makes a request to a bank for the issuance of LC as an applicant. They are importers who are buying products from abroad.
- ✓ **Seller(Beneficiary):** Those who are willing to sell their goods to buyers are called sellers or beneficiaries. They will receive the payment. They are considered exporters in international trade.
- ✓ **Issuing Bank (Applicant Bank):** Applicant bank issues LC in the best interests of the applicant conferring to the trade covenant of the buyer and the seller.
- ✓ **Advising Bank (Beneficiary Bank):** Advising bank notifies the exporter about LC issuance. They are responsible to check the authentication of LC. At Jamuna Bank Ltd. (Malibagh Branch), the above mention four parties are involved. Some other parties that can be
- ✓ **Nominating Bank:** Nominating Bank can be considered either as a separate bank or as an advising bank. Nominating Bank negotiates the documents given by the exporter.
- ✓ **Confirming Bank:** Additional guarantee is provided through the Confirming Bank of LC issued by issuing bank. If an exporter is dissatisfied with the issuance of issuing bank then the involvement of the confirming bank becomes necessary.

### 3.7.5 Types of L/C

According to the nature of LC, it can be classified into two categories:

- ☞ Confirming LC & Non-confirming LC

The LCs of JBL Include no confirming bank so all of the LCs are non-confirming LCs where two banks proceed with the overall process.

According to the payment method LC can be divided into two categories:

**At sight LC:** This form of LC is the quickest for the exporter. Under this type of LC payment should be made immediately if the seller accomplishes the requirements of LC (within 5 to 10 business days).

**Deferred LC:** Under this type of LC for payment a future date or maturity date is defined after the transaction or shipment. The tenor can be 60 days, 90 days, 120 days, etc. If payment is not completed within the given tenor, then overdue is counted.

At JBL these two types of LCs are issued.

### 3.7.6 Import LC issuing process

Import plays a major in the foreign trade division of Jamuna Bank Ltd. Malibagh branch. The duration of processing is two days & if any issues occur then it may take three days. In the below mentioned sectors import LCs are issued most at JBL (Malibagh Branch):

- ✓ Manufacturing & garments
- ✓ Accessories & others
- ✓ Chemical

#### Process of opening import LC

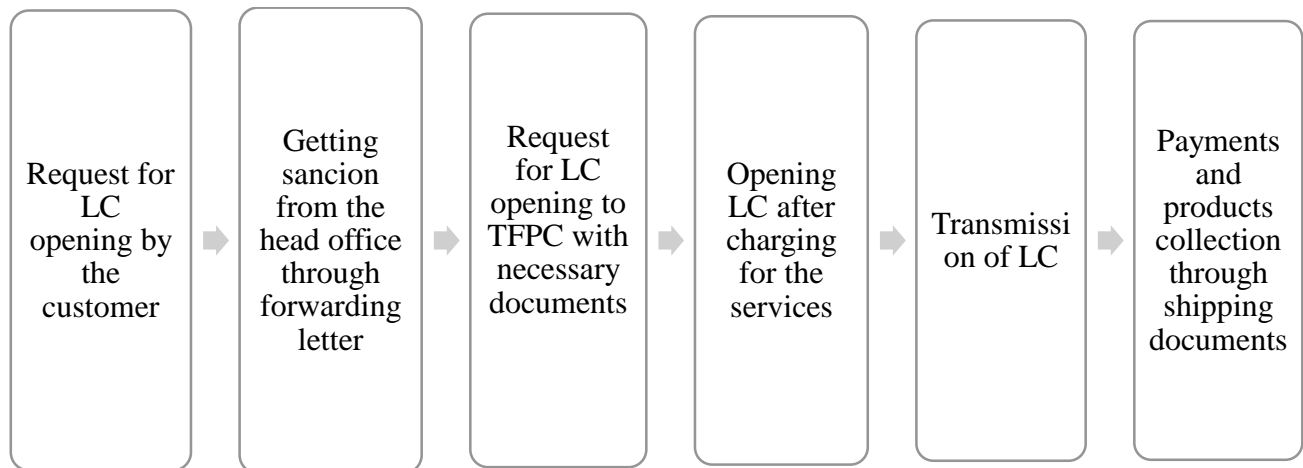


Figure 8: Process of opening import LC

## Required documents for Import LC

- Pro-forma invoice Payment
- Customer approach letter
- Six sets of Letter of Credit Authorization Form(LCAF)
- Import Permission form
- TIN Certificate
- Marine insurance
- Commercial Invoice signed by the beneficiary (4 copies)
- Bill of Lading
- Certificate of origin
- Packing lists (4 copies)
- Import Registration certificate

The exporter & the importer decides on the terms & conditions of their trade. After that the importer request for opening LC to the issuing bank with a customer approach letter & necessary documents. The customer must have a CD account for opening LC. Later on, all the inspections are completed by the bank and a forwarding letter is sent to the head office to get the sanction & an LC opens request is sent to TFPC with documents.

After cutting charges LC opens & then it is transmitted to the advising bank. JBL uses SWIFT for financial transactions. Finally, with the full payments, the importer collects shipping documents & by showing the shipping documents the importer can collect the products.

### **3.7.7 Back to Back LC issuing process**

Master LC refers to the type of LC in which LC is opened if the importer buys goods from the seller or exporter directly. Under Master LC, BTB LC can be opened. When the manufacturer wants to collect raw materials from suppliers, BTB LC is opened. JBL opens a huge amount of BTB LC each year for local organizations. After getting raw materials some organizations also export their finished goods. In the export category, JBL opens Back to Back LC. At JBL(Malibagh branch) this is considered local export.

The bank gives loans to the beneficiary against the documents of LC for a certain percentage. They consider it as purchase. When the other bank sends the payment, after cutting charges if any balance remains the beneficiary bank transfer that to the beneficiary.

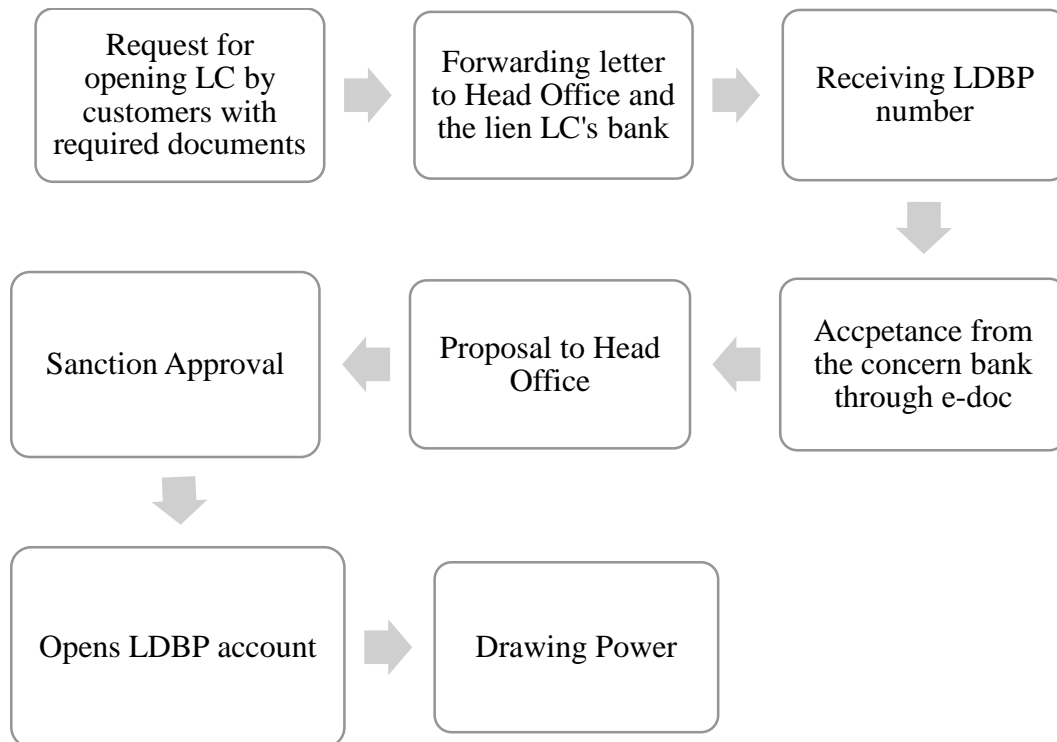


Figure 9: Process of issuing Back to Back LC

#### Essential documents for Back to Back LC

1. Bill of Exchange
2. Delivery challan (1 copy)
3. Commercial Invoice (8 copies)
4. Packing lists (6 copies)
5. Freight receipt (1 copy)
6. Certificate of origin (1 copy)
7. Beneficiary Certificate (1 copy)
8. Letter of Credit (original 1 copy)

In terms of BTB LC, after the request of the customer & checking the documents forwarding letter is sent to the head office and another bank. After that LDBC number is provided. After getting acceptance from another bank the main task is to check the status of the organization in CIB (Credit Information Bureau) report whether the organization has any bad record regarding the repayment. If any non-standard status is found, then the proposal will not be sent.

While preparing the proposal overdue status is checked and it is updated in the proposal. Later on, the sanction is got from head office & the Local Document Bill Purchase (LDBP) account opens. Lastly, a letter is sent to the head office so that the customer gets drawing power.

All the terms & conditions related to the trade are listed in LC & both the exporter & importer should abide by these conditions.

### **3.7.8 Amendments to LC**

After the authorization of LC if any changes are required in terms & conditions then it is done through amendment. Amendment shows the changes. The issuing bank will request the advising bank to amend before the expiry date & this should update in the further documents. The amendment is updated as amendment 1 if it is customized once and if the changes increase the number will increase automatically. Amendment can be done for the following:

1. To increase the date of shipment.
2. Changes in prices, conditions or quantity.

### **3.7.9 Charges for LC**

By analyzing the customer, the bank decides on the commission. After that, the above-mentioned charges are cut down from the account of the applicant during different steps of issuing and then LC opens. The fluctuations of currency value & percentage of commission affect the charges for opening LC. If the currency rate increases during the payment day, then the customer must pay according to the currency value of that day. The difference is the income of the bank. So during the daily transaction of the banks, the officials check the updated currency value. The commission is added to the income of the bank. So, this division is contributing to the profit of the organization.

At first, the Applicant must pay the marginal amount to open the LC. The commission, margin and other charges vary from customer to customer and bank to bank. These details are shown below:

Table 4: Charges for Letter of Credit

<b>Description</b>	<b>Charge</b>
Margin	Varies from customer to customer (Mostly 10% to 15%)
Commission	Varies from customer to customer
Vat	15% of commission
SWIFT charge	2800 TK
LCAF+IMP	150 TK
Stamp	300 TK
Vat	15% of SWIFT & LCAF+IMP

### 3.7.10 Risks related to LC

- In terms of import LC, the issuing bank needs to be careful in checking competitive market prices to diminish illegal money transfers. Overvalued and undervalued products can cause serious issues. So officials of JBL always compare the market price with the document price.
- Overdue creates another problem in foreign trade. If overdue increases, then the proposal for opening LC is not accepted. So checking the creditworthiness of the client is a must while starting the process for opening LC.
- In fewer cases, the issuance may come to open fake LC. That's why the officials always become more careful in documents & CIB report checking.
- Risks related to different parties involved are as follows:
  - ✓ **Risk of Applicant:** Applicant may face non-delivery risks, can get products of low quality.
  - ✓ **Risk of Beneficiary:** Beneficiary will face risks if he wouldn't able to meet the conditions and issuing bank's country risk.
  - ✓ **Risk of the bank:** During transactions, every bank faces risks. Currency value fluctuations can create risks for the banks.

# **Description of Main Duties**



#### **4.1 Main Duties and Schedules**

As an intern employee, I worked in the general banking and foreign trade division at Jamuna Bank Malibagh Branch. The duty was divided between the divisions. The cash division is prohibited for safety issues. For entry into the cash, division permission is needed. As an intern, I was supposed to work at regular office hours from 10.00 to 5.00. Every employee must obey the rules & regulations of the bank and as an intern employee, those rules & regulations were applicable for me also. The working environment of JBL is very much pleasing. The officials are very much helpful. They always helped me in understanding the banking operation.

#### **4.2 Duties of the General Banking Division**

The General Banking division is one of the most important divisions of a bank. Because it is the start section of every transaction of the bank. It can be considered the heart of all banking activities and so this division has provided great concern. In the Jamuna Bank Malibagh branch, I got the opportunity to work practically. As there was time & resource limitation so I didn't get the opportunity to work at all of the sections. But I have tried my level best to perform my duties. The Bank uses Flora Banking system for its functions. Throughout my internship period, I have observed the functions of this division, conducted face-to-face conversations with the officials of JBL, performed some desk works. The duties are given as follows:

- ✓ To fill up the account opening form and prepare the full form with all of the necessary documents such as Passport-sized photos, photocopy of NID card (for the account holder, nominee & beneficiary), TIN certificate, Employee ID card, trade license, etc. Documents may vary for different types of accounts but these are the basic documents.
- ✓ After preparing the full form the responsibility was to show it to the respective officer. After that, the approval of the branch head is needed.
- ✓ To check the authorization of the NID card of customers.
- ✓ To attend the customers when they are facing problem
- ✓ To fill up the KYC (Know your Customer) form and provide ratings to different customers.
- ✓ To check the remittance form's validity.

I have fulfilled all of the duties according to the instruction of the respective officer. The bank uses different codes for different accounts as it helps to recognize the type of the account through the account number.

### **4.3 Duties of Cash Section**

I didn't get the opportunity to work in the cash section. But I have done some indirect work such as I fill up the deposit slip for the customers, providing them the deposit book if necessary. Also, I observed the work of the officials.

### **4.4 Clearing Section**

The clearing is a process by which two banks settle their transactions between them. Bangladesh bank works as the clearinghouse. Through the provided software of Bangladesh bank, Jamuna Bank Limited completes the clearing functions. Bangladesh bank works as a clearinghouse. I wasn't assigned to do direct work of clearing but when the official was doing the clearing functions I observed her and she made me understand the whole process.

There are two types of cheques that JBL clears, those are high-value cheques (5 Lac or above) & regular value cheques (below 5 Lac). High-value cheques need to be cleared within 11.30 am and after that regular value cheques need to be cleared. Regular value cheques are of two types inward) & outward. Outward cheques are cleared before 12 pm & inward cheques are cleared after 12 pm.

I was given some indirect duties such as

- ✓ To check that whether cheques cancellation are correctly done or not
- ✓ If not, then I informed the assigned officer and then the correction process starts
- ✓ Also bore the responsibility for completion of cheque transaction.
- ✓ To validate the date and address of the couriers based on outward numbers.

### **4.5 Duties of Account Section**

A major part of the bank is the Account section. The records of all the transactions are kept and authorizations are done through this section. Wrong reports can cause serious problems that's why the officials are very much careful about this. They have to submit the report to the head office of JBL.

- ✓ To check the debit & credit supplementary and vouchers with the daily clean cash book.
- ✓ To calculate the debit & credit transaction amount of several accounts.

#### **4.6 Duties of Credit Section**

Credit section is one of the most important section of bank because of its scalability and profitability. All types of loan disbursement and EMI are done in this section. There are nearly more than fifteen loan products through which people can get their needed services with relevant charges and interests. Generally, the credit section of a bank is mostly responsible for most of the revenue.

- ✓ I've filled up and oversaw forms of different loan products such as home loan, SME loan, CC loan, IDBP loan, LDBC loan, Personal loan etc.
- ✓ I have observed credit card application procedure and payment of cards limit.
- ✓ Filled up customer information file better known as CIF for both borrowers and guarantors
- ✓ Observed and helped in performing ICRR – Internal Credit Risk Rating for amount of 1 crore.
- ✓ Made workbook of loan status containing outstanding limit, validity and schemes.
- ✓ Contributed performing RTGF/BEFTN Transfer.
- ✓ Preparing overdue reminders

#### **4.7 Duties of Foreign trade division**

The foreign trade division performs the work of import LC, export LC & BTB LC. It is the busiest department with most earnings in JBL Malibagh Branch. It also facilitates different types of loans for smooth foreign transaction such as LTR and others. In foreign trade, I used to perform the following tasks:

- ✓ Preparing the file for import LC
- ✓ Preparing document forwarding & bank forwarding letter to open back to back LC
- ✓ Checking acceptance of the LC
- ✓ Preparing proposals for the clients
- ✓ To prepare drawing power letter for account opening
- ✓ Preparing LDBC proposal letter.
- ✓ Preparing LTR and PAD.

## **4.8 Contributions to the Organization**

I have always tried to complete my assigned duties carefully during my internship period. In the assigned section I contributed to helping them in managing the relationship with the customers and helped them in being efficient. My contribution in different sections are as follows:

During the account opening, I have filled up the form & prepared the full document. I always checked that whether the customers have provided the supporting documents or not. If not then I made checklists & show them to the respective officers. Because as they worked under immense pressure so they might miss that and so I have always noted down the problems. Sometimes I checked the NID verification of the customers. Sometimes I talked with the customers via telephone if necessary for the account-related issues.

In the clearing section I helped in checking the amount of the debit & credit supplementary and if I found any problems then I have informed that to the respective officials.

In the foreign trade section, I prepared the forwarding letter & made proposals for BTB LC. Sometimes I checked the acceptance of the LC. Also for import LC, I have prepared the files.

While working I always tried to complete every task with full dedication and that's why I have also evaluated my work. For example, I was very much concerned about whether I can finish my work in time or not. From the very beginning, I tried to be efficient as much as I can and always focused on to fulfill the needs of the respective officials.

## **4.9 Tools**

In Banking sectors, most of the employees are very restricted in their usage of banking software and tools. All type of digital banking activities is performed in JBL through Flora software solutions. All the computers are connected via Ethernet and landline are used for banking communications. Apart from banking communications, whatsapp and messengers are used for personal communication among the personnel. One of the most frequent software I used during my time in the job was MS Excel and MS Word.

## **4.9 Applied Skills**

### **4.9.1 Adaptability**

Through the internship, an intern gets real work experience. So I was very much adaptive during my full internship period and adapt to the working environment very quickly.

### **4.9.2 Communication**

Throughout the internship period, I have applied this skill greatly. To get the information I did a lot of conversations with the officials. By communicating sometimes, I took initiative to learn new things.

### **5.9.3 Politeness**

Throughout my internship, I have always shown politeness & behaved well with all of the officials. Time Management This is another vital skill that is needed in the working place. I always maintained my office time and always tried to finish the work timely.

### **5.9.4 Teamwork**

In every workplace teamwork fosters efficiency. In educational institutions, we have learned teamwork through various tasks. I have applied that skill in the workplace. There was some other internee as well. So when we were assigned any task together we always worked as a team with full responsibility.

# **Analysis**

## **6.1 Application of Theories in the Workplace**

After the end of the seventh semester of my BBA program, I have acquired knowledge in several disciplines such as leadership, strategic management, negotiation, accounting, marketing, technology, finance, strategic human resource management, entrepreneurship development, economics, etc. The following are the application of theories in real-life solutions at Jamuna Bank Limited:

During my work at the general banking division, I have seen how the officials open accounts such as Monthly Savings Scheme, FDR, Super savings account. I have learned the process in my academic learning and now I have seen the real implication at JBL.

In my academic learning, I have learned about the motivation theory of the management field. At JBL I have seen the real implication of the motivation model. Senior managers always motivated their subordinates so that they can accomplish the work properly. Also if the new employees make any mistakes then senior officials try to solve that with sincerity. This motivates the employees to be connected with the organization.

I have seen how they manage good relationships with the customer, which results in the higher retention rate. We have learned about customer relationship management & at JBL I have seen the implications of it.

During my academic learning of strategic human resource management, I have learned that performance in the organization can be analyzed by KPI & feedback system. At JBL employees are given KPI that should be met. Employees are very much concerned about these KPIs. Also, the employees get feedback from their peers which is very much effective in improving interpersonal skills. So, I have seen a real-life application of my academic learning.

In my academic learning, I have learned about training (on and off the job) & succession planning. At JBL I have seen the real implications of these. When new employees are appointed in the branch they are assigned to an experienced employee. Under that employee, the new employee learns the working process in the real working environment. Moreover, the most senior personnel are sent to off-the-job training. During my internship period, I have seen two employees were sent to off-the-job training.

I have learned that strategic workforce planning involves succession planning. At JBL I have seen the practical implication of this theory. As a senior executive officer will be transferred soon so she was teaching her immediate subordinate the specific skills & competencies. I have seen real implications of all of these training & development concepts at JBL.

During my academic learning, I have gained knowledge on foreign trade. At the foreign trade division, I have seen the real application of how they are functioning Letter of Credit.

I have seen the implication of marketing at JBL. In the general banking division when customers come the officials always inspire them to open new accounts & tell them the facilities. Thus they promote their services to the customers.

I have seen credit officers negotiating with the clients. This is also related to my academic learning.

SWOT analysis, the most widely used strategic analysis of firms which I have learned as a student and applied here in the real scenario.

## **6.2 Company Level Analysis**

Jamuna banks total deposit is Eighteen thousand crore and advance is Sixteen thousand crore. In this huge number, Malibagh's contribution is very insignificant based on the numbers. In its loan disbursements, only a single company holds almost fifty percent of it. As a result, there is a concern for overall financial status of Malibagh branch since there's a huge risk involved here.

Another thing, I found is there is very little risk diversification implemented in case of loan disbursements. Jamuna Bank (Malibagh) is a non-authorized dealer bank, so the process involving foreign trade takes a longer time than any authorized dealer bank. There is also lack of utilities and equipment in the branch which impacts the overall operational activities and thus reduces its efficiency and effectiveness.

To conduct a company analysis of Foreign Trade of Jamuna Bank (Malibagh Branch) I have collected some official data during my internship period regarding the Number of Import LC opened, the amount of Import LC, the number BTB LC opened, total amount of BTB LC, import LC according to the industry, the overall profit of JBL (Malibagh Branch) for the year 2016-2021. Some data for the year 2016 were not available & the data for the year 2021 has been shown in the table are till October 2021. From the company data analysis, the overall performance scenario of



the foreign trade division of Jamuna Bank Ltd. (Malibagh Branch) can be understood. As the analysis will show the performance for several years.

### 6.2.1 Number of Import LC issued

From the chart, it is easily noticeable that the number of LC is decreasing. In 2016 & 2017 the bank has some big parties who have done regular transactions. But from 200 LCs in the year 2016, it has reached 43 LCs in the year 2020. This is because of the Covid-19 effect on the world economic condition. During the lockdown period, the worldwide business was affected badly. The same situation goes for Bangladesh also. The financial institutions and banking industry suffered a lot due to this pandemic situation. Moreover, the import was restricted to eradicate the spread of the virus.

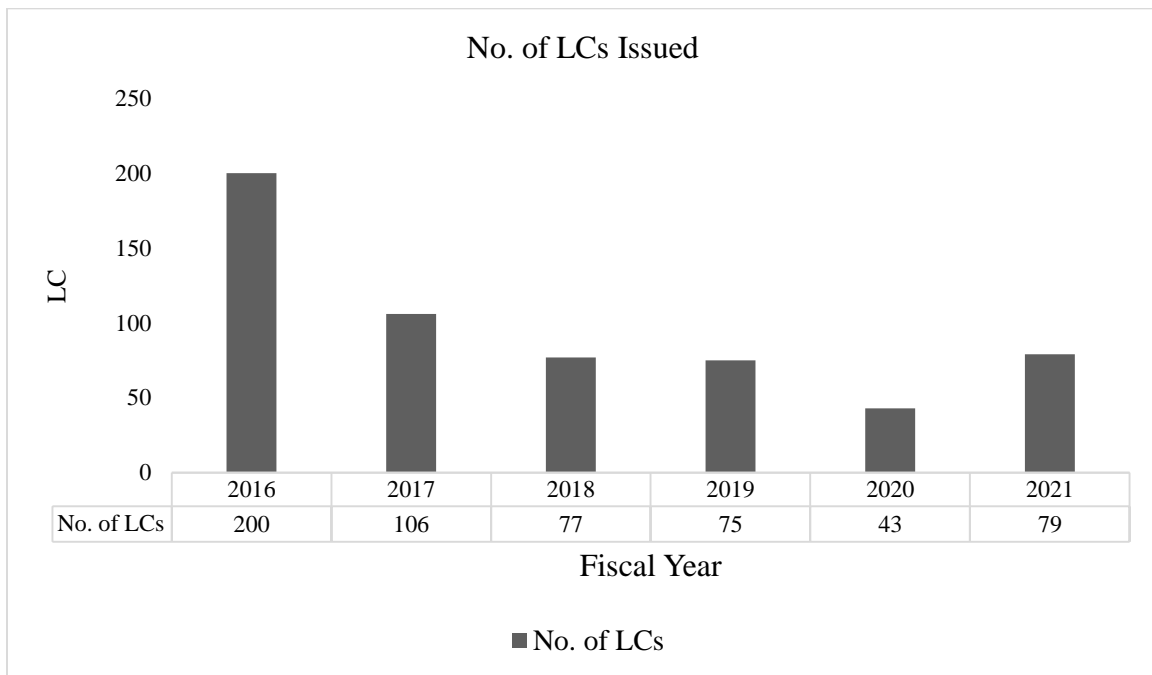


Figure 10: No. of LC issued per year

However, it is noticeable that besides this year in the years 2017,2018 & 2019 the number has also decreased. This is because of the repayment issue of the clients. Some clients were irregular in fulfilling the full payment & that’s why to manage risks the bank has gone for opening fewer LCs. But it is a matter of great hope that in the year 2021 the amount has increased to 79 till October, which indicates that the performance of the year 2021 is effective

## 6.2.2 The Amount of Import LC

Total import for JBL (Malibagh Branch) is decreasing i.e. it has a downward trend in total amount. Table 5 shows the numbers for the import LC. It happened because of many reasons, among them is –

- 2017 to 2018: Main reason is the political instability and national election
- 2019 to 2021: Worldwide Covid situation mainly contributes to the downfall of total earnings in Import and Export

Table 5: Total transaction amount in import LC per year (USD)

<b>Year</b>	<b>Amount in USD</b>
2016	3861491.89
2017	2159463.26
2018	1692276.09
2019	1218531.89
2020	440131.13
2021	1058706.12

This chart shows the percentage of foreign currency value of import LC in USD. This pie chart is showing the highest value for the year 2016 which is 37% & due to Covid 19 effect, the amount has decreased drastically in 2020. But in 2021 the percentage is increasing which is 10% as the bank is issuing more LCs this year which will positively affect the foreign trade division. It is hopeful that at the end of the year 2021 the foreign trade division will be more efficient since the pie chart is indicating a higher value for this year which has already crossed the record of the previous year of about 4%.

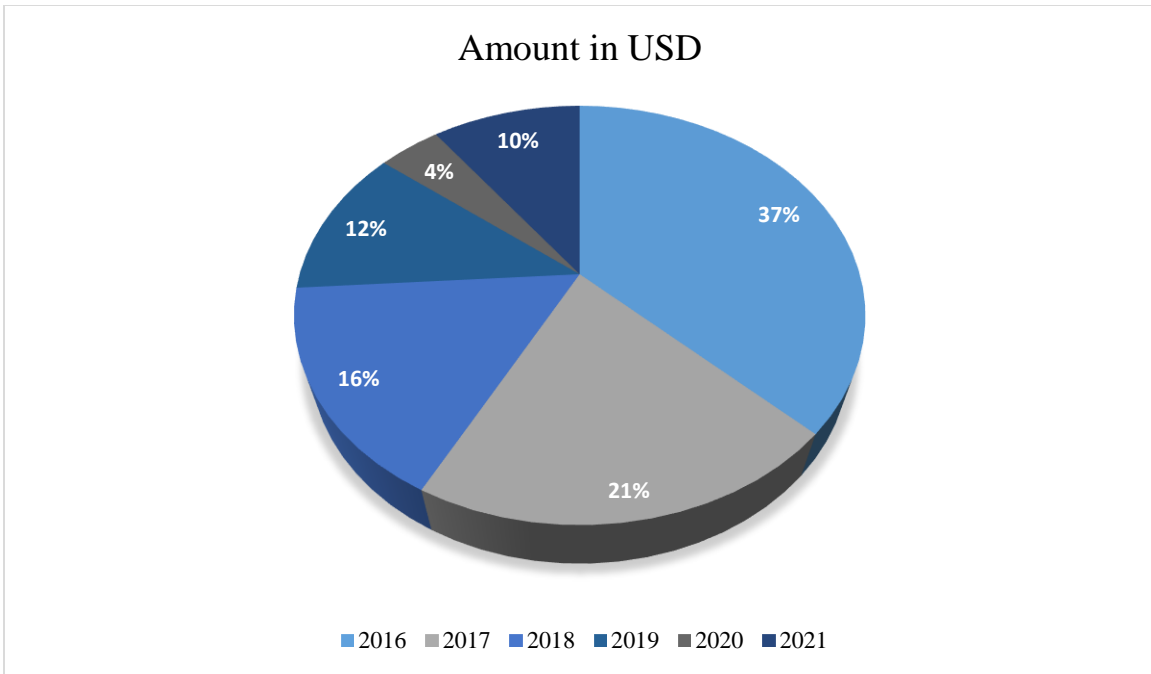


Figure 11: LC Transaction amount in USD per year

At the Malibagh branch of Jamuna Bank, LCs are opened for Manufacturing & garments, accessories & others and, the Chemical industry.

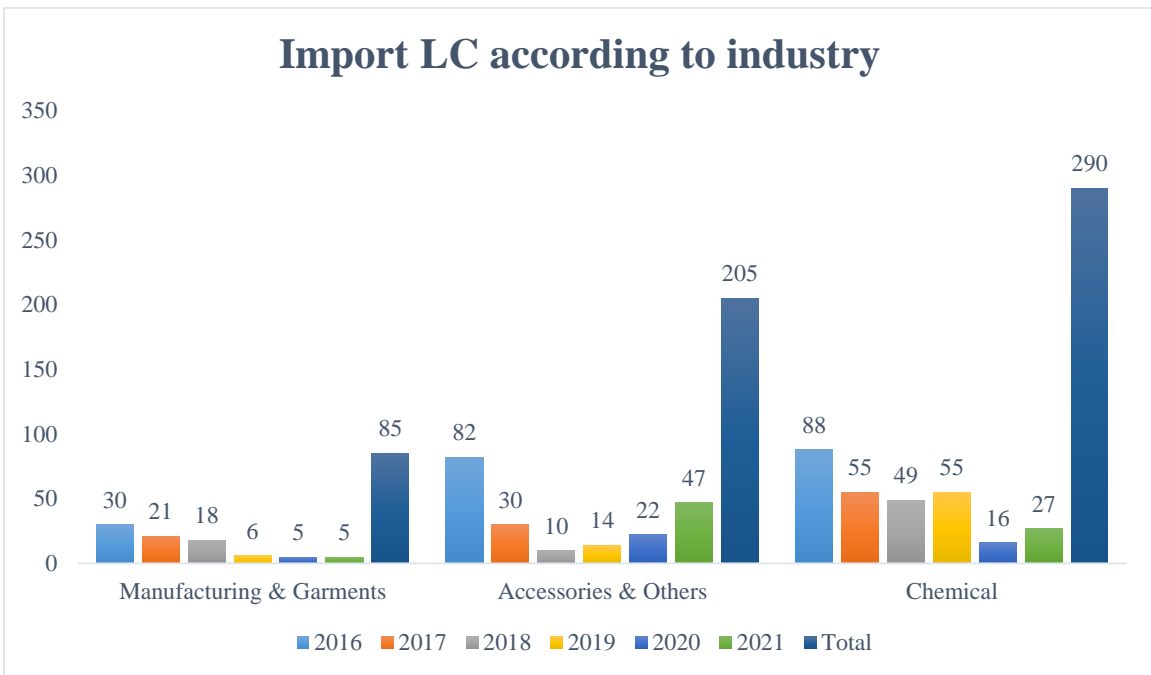


Figure 12: Year wise Import LC according to industry

From the pie chart, it is easily noticeable that 50% of their LCs are from the chemical industry, 35% are from the accessories & others and 15% of their LCs are from the manufacturing & garment sector. Half of their LCs are from the chemical industry which means JBL (Malibagh Branch) is facilitating this industry at a higher level. A major portion of their foreign trade commission is coming from this sector.

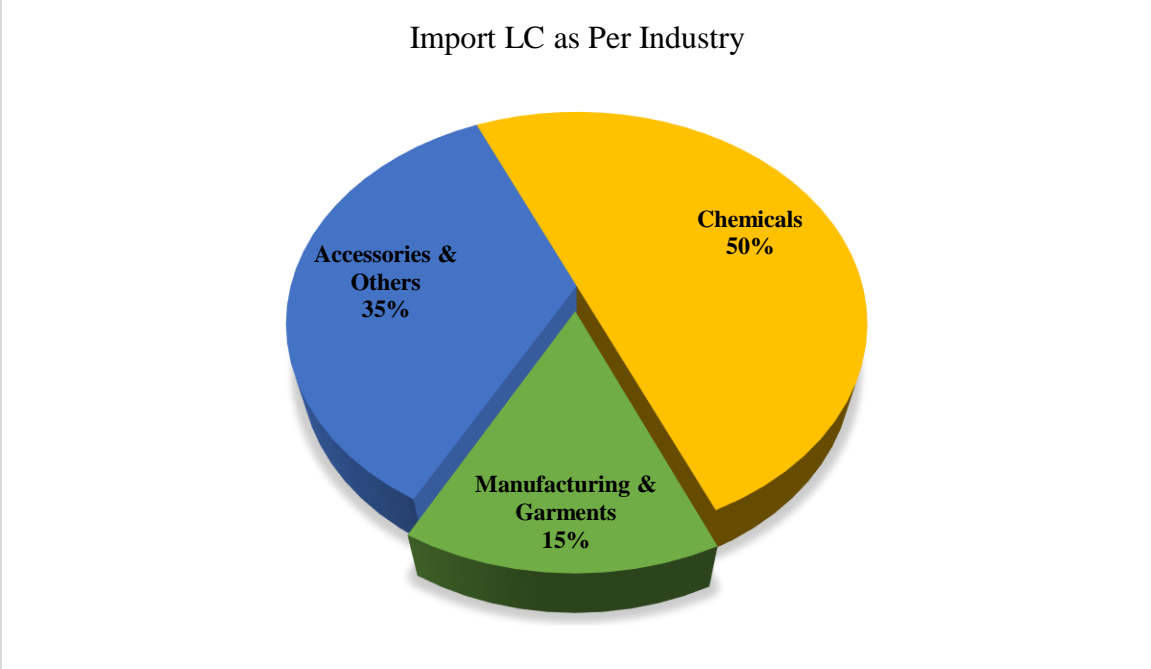


Figure 13: Percentage of Import LC according to the industry in JBL – Malibagh branch

**6.2.3 The number of Back to Back LC issued**

The below figure shows that in the years 2017 & 2018 the number of Back to Back LC was 875 & 860 respectively. But in the year 2019, it has decreased to 706 & in 2020 due to the Covid-19 effect on the world economy, the number decreases. But the number of LCs in 2021 is indicating that JBL can recover the losses as the number is increasing.

At JBL (Malibagh branch) BTB LC is opened for the manufacturing & garment industry. Most of their customer are repeat customers.

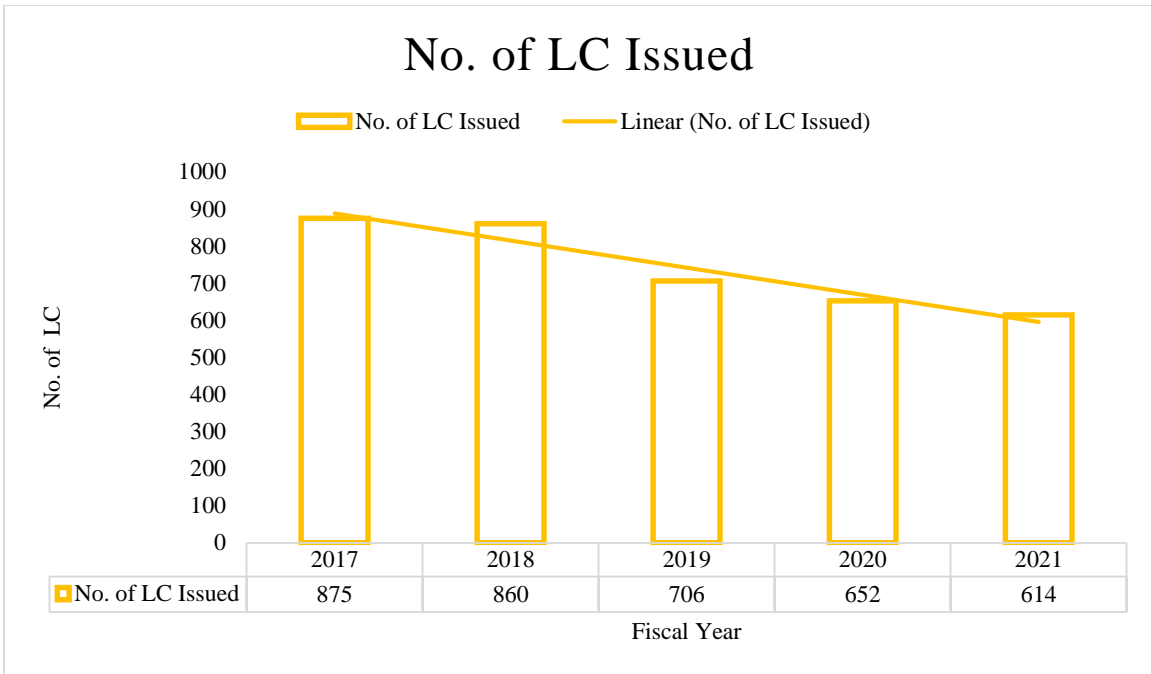


Figure 14: Issuance of BTB LC and it's trending

#### 6.2.4 The amount of Back to Back LC

The amount of Back to Back LC was high in 2017 of about 27%. But in the year 2018, 2019 & 2020 it was about 22%, 18% & 14%. Repayment issues & overdue have affected a lot in terms of new LC issuing

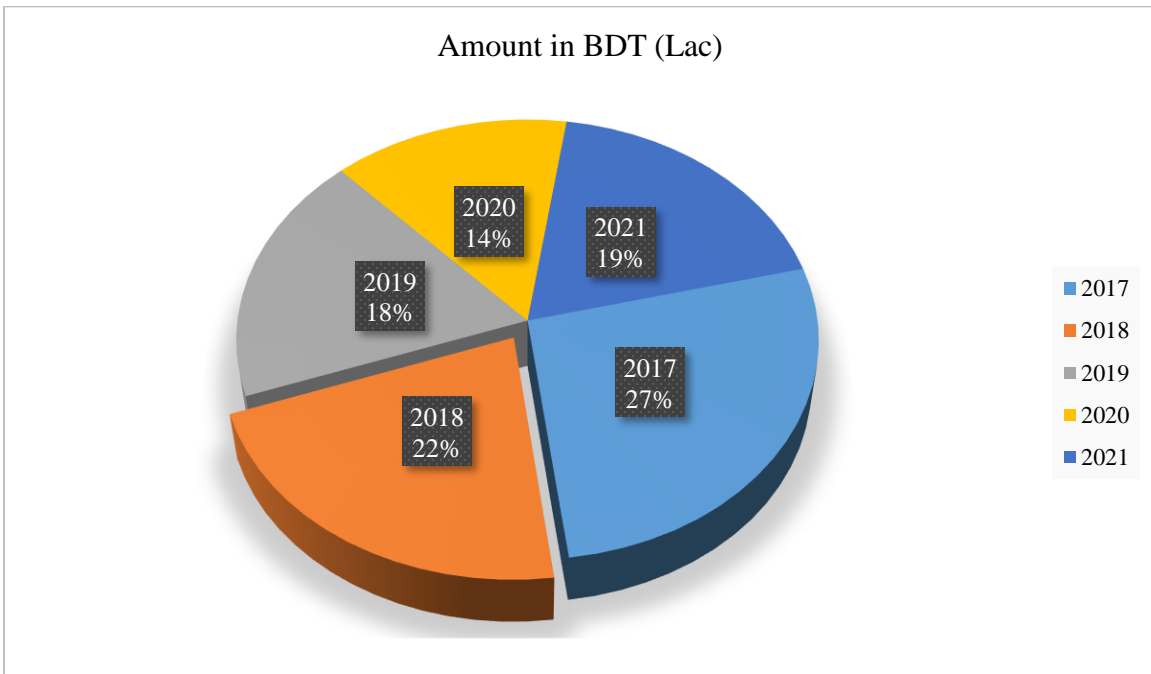


Figure 15: BTB LC Transaction amount in BDT per year

From the below table, it is noticeable that in 2021 the amount is increasing and creating hope for further improvement in this sector as well as others.

Table 6: Earnings in BTB LC per year

Year	Amount in BDT (Lac)
2017	53.27
2018	43.02
2019	36.62
2020	28.52
2021	37.30

### 6.2.5 Percentage of Import & Back to Back LC issued

Issuance of BTB LC is way higher than that of Import LC. It's because BTB LC takes less time in processing rather than processing Import LCs. Another reason is urgent necessity for the raw materials needed to perform business activities.

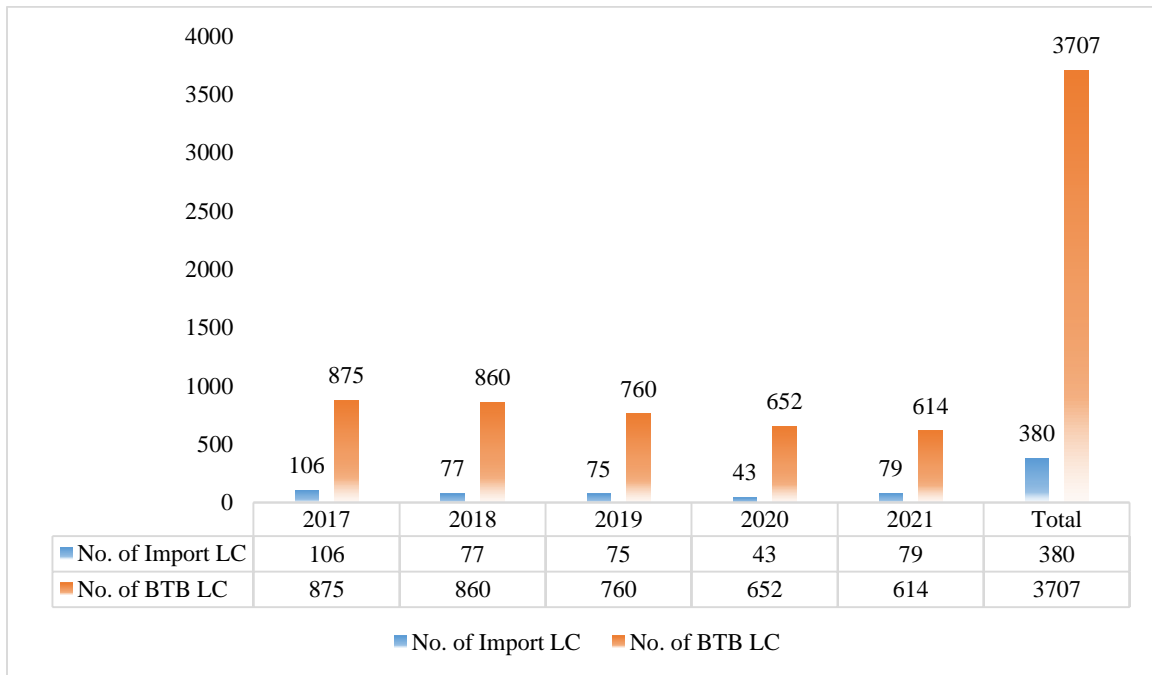


Figure 16: Comparison of issued import and BTB LC

The below pie chart shows the percentage of import & Back to Back LC from the year 2017 to 2021. The pie chart is showing that 91% of LCs at JBL (Malibagh branch) is Back to Back and 9% of LCs are import LC. Issuance of import LCs is less. It can be said that the Back to Back LC

is facilitating the foreign trade division of JBL. This service is improving the overall performance of the bank. The income from this LC is adding value to the overall profit of the bank.

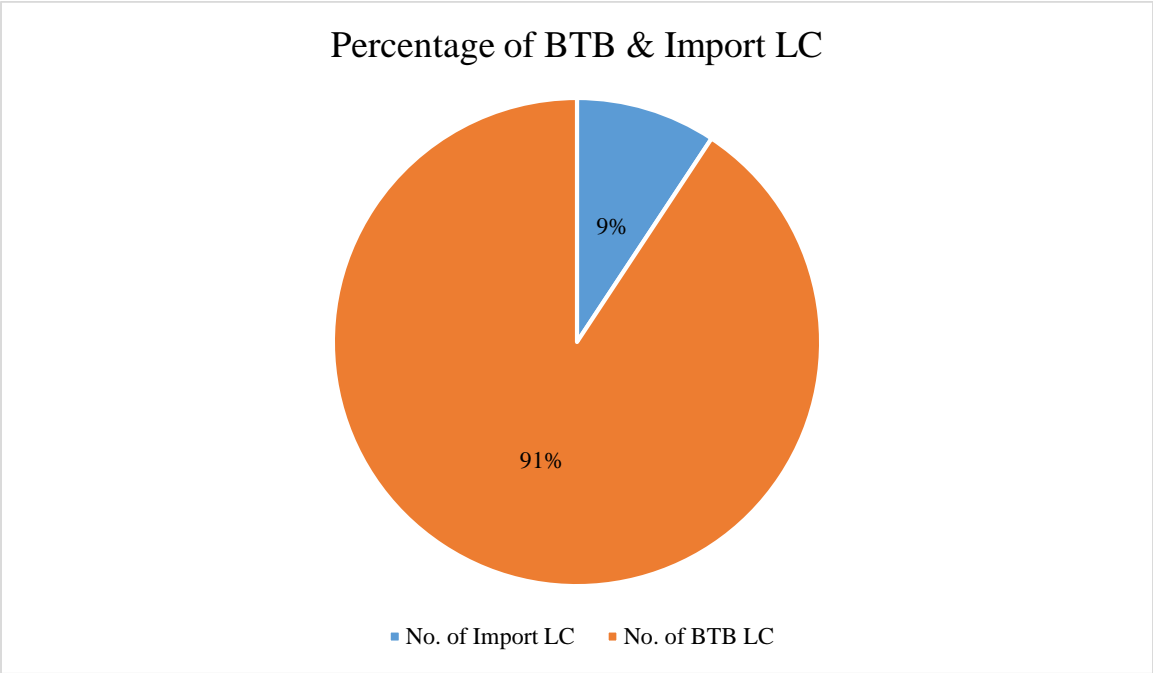


Figure 17: Percentage of import and BTB LC

**6.2.6 Overall profit growth rate of JBL (Malibagh Branch)**

The below (figure 27) trend analysis is showing the overall profit growth of JBL, Malibagh branch. In 2018 the profit growth rate was 25%, but in 2019 the bank has faced a negative profit growth of about - 15%. Moreover, the pandemic situation has affected the overall profit growth very badly because in 2020 the rate was -60% which shows severe decrease in the profit. Since the world economy is going through recovery & the other analysis of data shows that the branch has a great performance increase in the year 2021 and the negative rate has also decreased. So it is hopeful that the organization will have a higher profit margin in 2021.

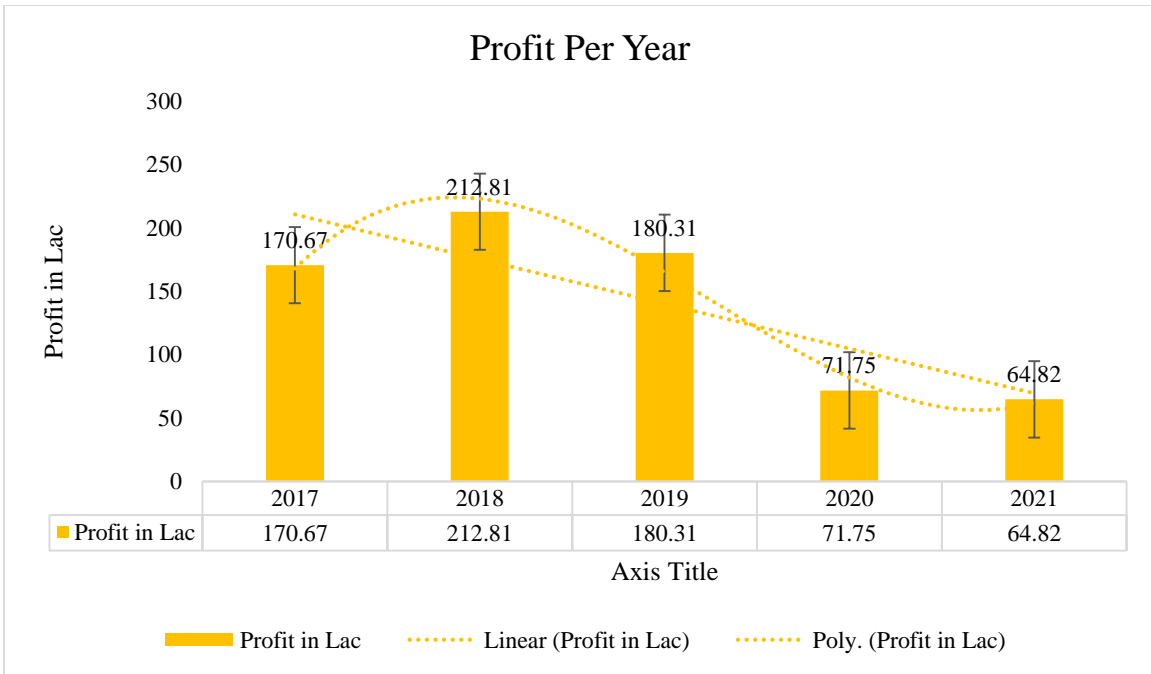


Figure 18: Year wise profit in Malibagh Branch

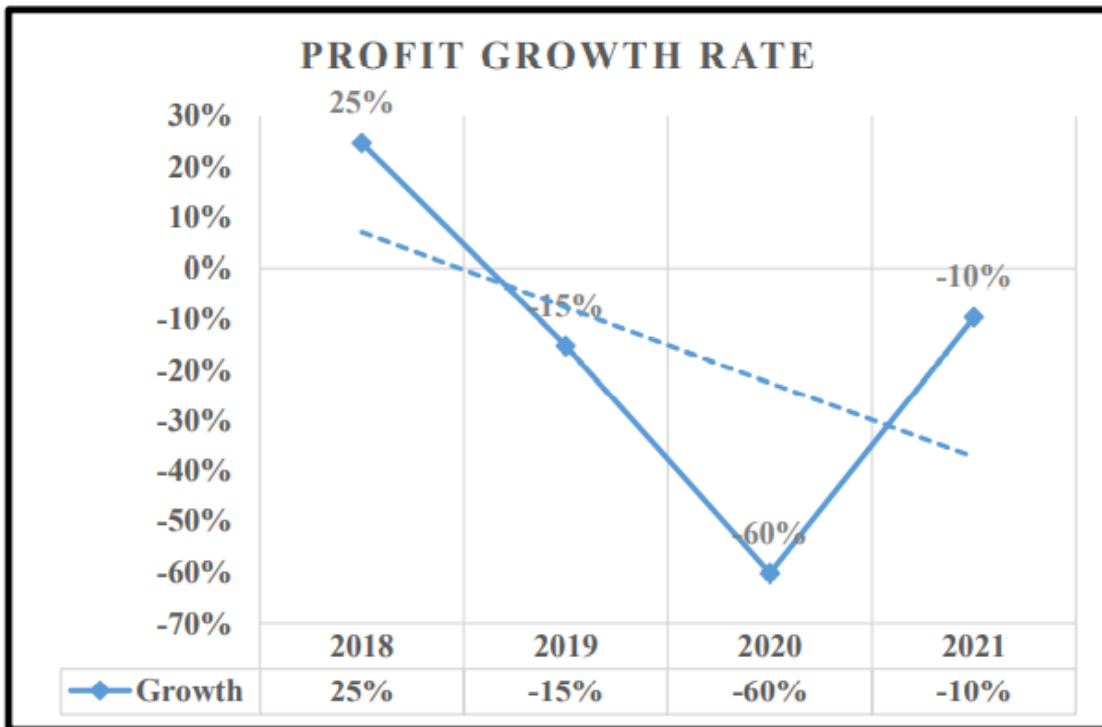


Figure 19: Year wise profit growth in Malibagh Branch



### 6.2.7 Import Performance of JBL

The below (figure 30) trend analysis is showing the overall import performance of JBL. A downward trend is seen in the above chart. In the year 2017, the growth was 21%, in 2018 it has increased to 23%.

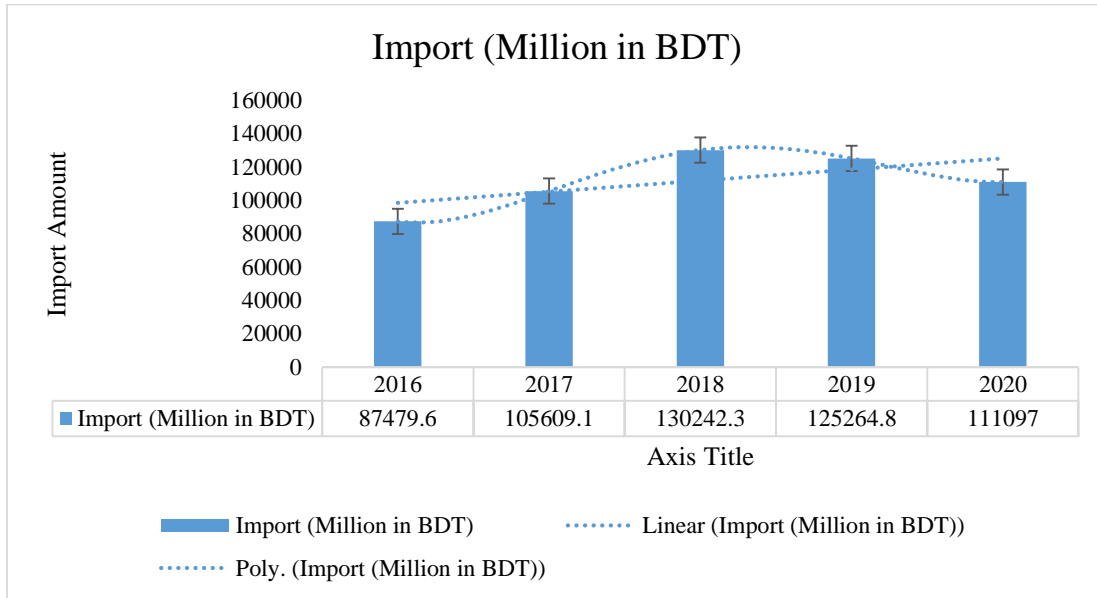


Figure 20: Import Transaction amount in Malibagh Branch

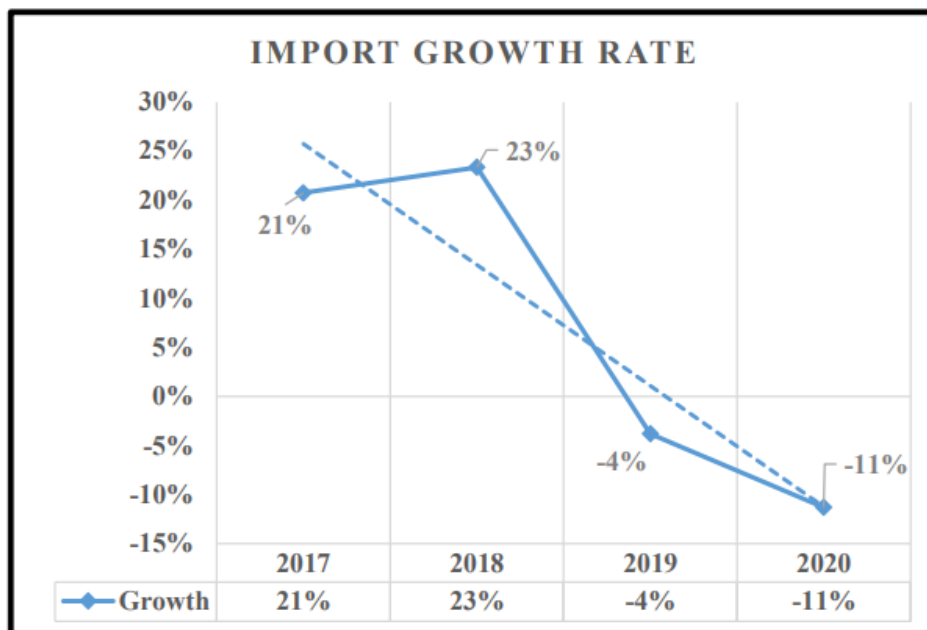


Figure 21: Year wise Import growth rate of Malibagh Branch

The positive growth indicates that the performance of JBL was satisfactory during those years. But in the year 2019, there was a negative rate of about 4%. Due to the Covid-19 pandemic situation, the negative rate was higher than before at about 11%.

### 6.2.8 Export Performance of JBL

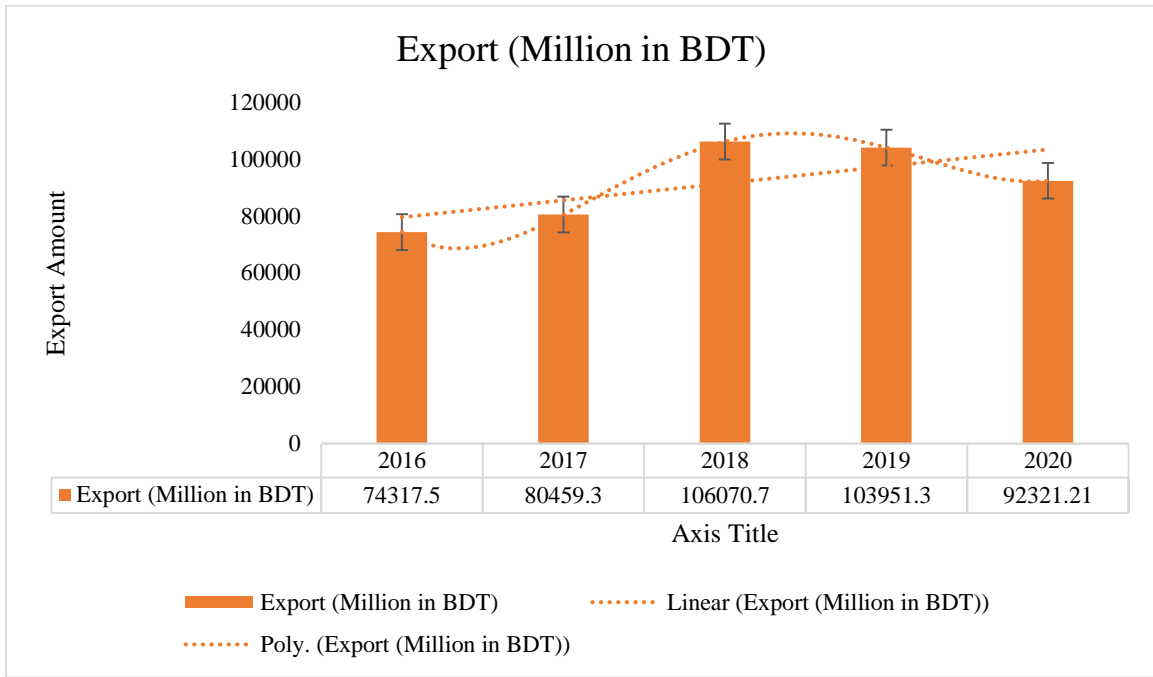


Figure 22: Year wise export Transaction amount in Malibagh Branch

The below trend analysis is showing the export performance of JBL. A downward trend is seen in the above chart. From the year 2017, the profit growth rate increased from 8% to 32%, which is 4 times higher than the previous rate. Their performance during 2018 was very much satisfactory. But in 2019 the rate was -2% and in 2020 the rate was -11% due to pandemic situation that has affected the world economy.

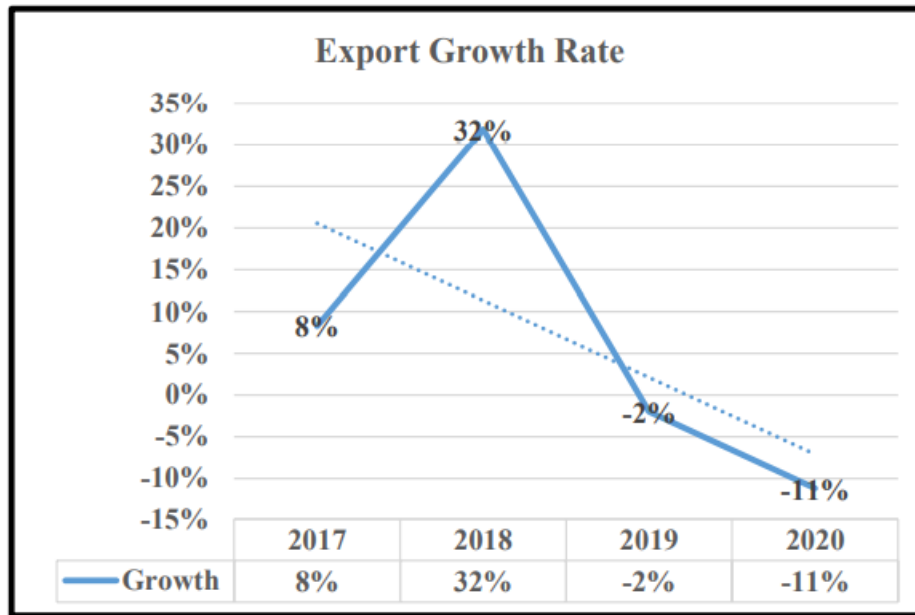


Figure 23: Year wise Export growth rate of Malibagh Branch

### 6.2.9 Findings & Observations:

- Since LCs play a major role in foreign trade and are a great source of profit for banks. So Jamuna Bank should take strategies so that clients become encouraged to repay the full amount.
- The number of LC both import & Back to Back is decreasing, indicating fewer transactions in the foreign trade division. Since the pandemic situation is overcoming day by day so they should put great emphasis on attracting customers.
- The data for the year 2021 is showing an increasing trend in the number of LCs meaning that the performance of the foreign trade division is becoming more efficient.
- The above comparative data analysis shows that Back to Back LCs are open for only the manufacturing & garment industry. On the other hand import LCs are opened for manufacturing & garment, accessories & chemical industry. So the foreign trade division should attract more industry sectors by strengthening their promotional & advertising strategy. Expansion of business in the different sectors will make their business more profitable.

- Their 91% of LCs are Back to Back LC & 9% of LCs are import LC. So they should focus on improving performance in the import section by providing new financing services.
- The import & export performance was for the overall bank. The trend analysis has shown that between the years 2017 & 2018 the overall performance of the bank was satisfactory. But for the economic downturn of 2020, the performance has decreased. But it can be anticipated from the above comparative data analysis that there are huge possibilities for JBL (Malibagh Branch) to improve its foreign trade operation.
- Their improved performance will help the import & export business to grow in our country.
- The above comparative data analysis for several years shows that the performance of the foreign trade division has decreased during the year 2019-2020. The pandemic situation has affected a lot. But in 2016 & 2017 the performance was satisfactory. The above data analysis shows that in 2021 the bank is recovering its losses as the number of LC issuing is increasing & crossing the number of the previous year.

### **6.3 Market Level Analysis**

Over the previous two decades, the banking sector of this country has seen tremendous transformations. Against the landscape of substantial macroeconomic imbalances in the early 1980s, Bangladesh moved away from centralized control to a free market by implementing a large adjustment, reform, and regulatory program with the help of the International Monetary Fund and World Bank.

These reforms had far ramifications for financial industry consolidation and competitiveness. This can boost the economic power of the major banks by promoting coercive behavior and thus impede both efficiency and competitiveness.

#### **6.3.1 Financial Status**

Malibagh branch of Jamuna bank is not in a good competitive position based on profit, deposit and advances. Though it's spread is in the marginal line with competitors but amount of deposit is relatively very low. The AD ratio is somewhat better than some of its competitors but still falls behind in some of the indicators. The following table shows Jamuna Bank's (Malibagh Branch) competitiveness with its two local rivals.

Table 7: Overall financial status of three local competitive bank

Taka in Lac

Criteria	Jamuna Bank Ltd., Malibagh	One Bank Ltd., Banasree	UCBL, Banasree
Cost of Deposit	5.13	5.29	5.23
Cost of Fund	6.87	6.93	6.79
Yield on Advance	7.16	7.34	7.41
Spread	2.03	2.05	2.18
Total Deposit	9062.93	19800	13425
Total Advance	5450.63	10200	3465
AD Ratio	60:100	52:100	26:100

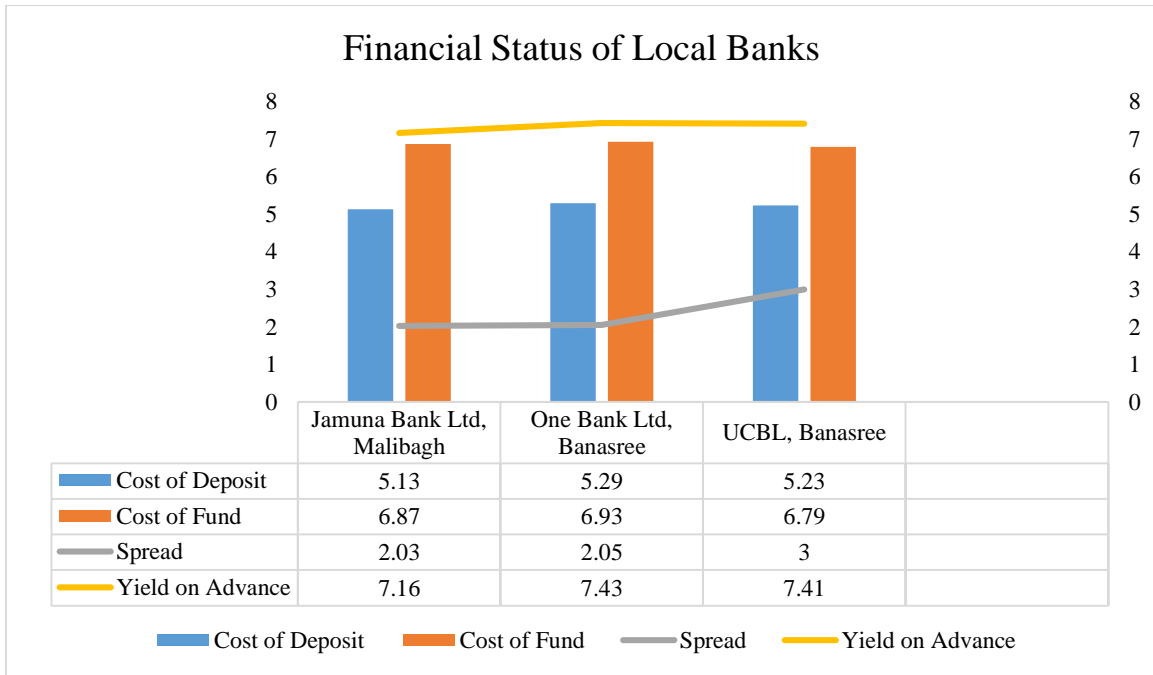


Figure 24: Cost of deposit, fund, Yield on advance and spread of three local competitive bank

### 6.3.2 Company's Competitive Position

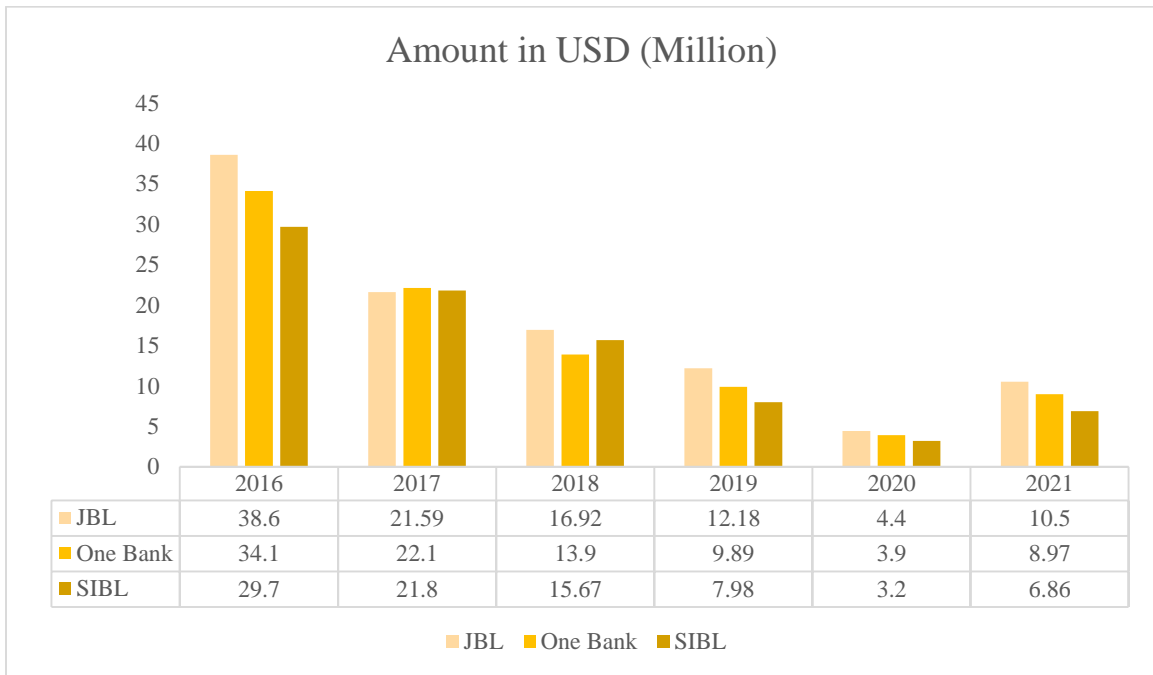


Figure 25: Company's Competitive Position

### 6.4 Professional Level Analysis

While working in JBL my critical thinking ability such as analyzing situations has improved. Working with other officials has uplifted my problem-solving ability. I always observed the officials how they are evaluating & solving any uncertain situation in the workplace. This has helped me to understand the scenario in real life.

Some skills that have improved are as follows:

- I have got practical experience while working in JBL.
- Time management skills improved professionalism.
- Some interpersonal skills have improved. It enriches my previous knowledge.
- As an intern, I had to work in a real working environment. This has made me more responsible in real life.
- Work ethics such as hard-working & loyalty improved in me. I followed how the managers & officials were loyal to their work.

#### **6.4.1 Correlation between Activities and Knowledge**

During the internship period, in many times I saw the implementation of theoretical knowledge of my academic learnings. Typically, the banking activities include Disbursements, Acceptance, Validity Check, Documentation and Processing. To complete these jobs well, one needs to have strong understanding of organizational behavior, business communication, critical reasoning, accounting, IT related skills and finance related knowledge. I'd studied all these courses in my under-grad which really came handy during my internship. I had applied all the gathered knowledge and skills accumulated in my learning year to the professional banking workplace.

#### **6.4.2 Challenges and Difficulties**

Every job comes with some daunting challenges as well as satisfaction. During the internship, I also faced some challenges and difficulties while performing my daily jobs. Sometimes these challenges were due to the complexity of the task and sometimes were due to the mismanagement. The most challenging time for me was to deal with unreasonable customers who were actually the problem customers. Apart from this some of the difficulties and challenges were –

- ✎ Incomplete information or lack of information in documentation process
- ✎ Repeating amendments for particular LCs.
- ✎ Constant security concern
- ✎ Lack of confidence in performing RTGS and BEFTN
- ✎ Lengthy procedures for IDBP/LDBP proposals.

**Conclusions**

**&**

**Recommendations**



## **7 Conclusion**

The banking industry play a very important role in the overall economic growth and development. Every day the banking industry is growing by offering new services and participating in developmental projects. To hold a competitive position in the market banks are offering products & adopting technologies according to the customer need and the changing business environment.

From the internship, at JBL, Malibagh Branch I have gathered several practical knowledge. From that experience, I have prepared the entire report.

From the analysis on the foreign trade operations of JBL, Mlibagh Branch it can be concluded that the foreign trade division is improving its performance day by day. While working in the Malibgh branch I have experienced that this division is contributing to the overall performance of the bank and the profit. From the comparative data analysis, it is noticeable that the Covid-19 pandemic situation has affected a lot in the foreign trade operation of JBL. The world economy was affected at that time. But currently, the bank is overcoming the downturn condition with their efficient & quality services. The data of 2021 (as of October 2021) is also showing improvement in foreign trade functions. As a result, they are getting satisfied repetitive customers. If the performance of foreign trade operation of a bank becomes efficient then export & import will flourish. This will ultimately help in the growth of the economic condition of a country. So for JBL, there is huge potential that the bank can add value to the economic growth of Bangladesh.

Despite all the challenges, proposed changes can help Jamuna Bank Ltd. to uphold its leadership position in the changing banking industry. Because without leadership capabilities it is difficult to survive in the technology-driven business industry. Finally, feasible policy support from the government will help further to uphold its position which will foster the economic growth of Bangladesh.

## **8 Recommendations**

During my three-month internship of at JBL, Malibagh Branch I have seen how they operate their daily activities. To upgrade the overall performance of the organization providing recommendations is difficult. Although the Malibagh Branch of JBL is performing well there is room for their improvement. From my observations, my recommendations are as follows:

### **8.1 Issues to be Changed in the Organization**

#### **8.1.1 Transferring to AD branch from non-AD branch:**

Jamuna Bank Ltd. (Malibagh Branch) is non AD Branch. That's why in terms of foreign trade transactions they must maintain some rules & sometimes it takes time to open LC. Such as they need permission from the TFPC of JBL to conduct any transaction. So if that branch can be transferred to an authorized branch then the overall process for opening LC will need fewer steps. Under the foreign exchange regulation act 1947, the bank can take authorization for the branch so that they can operate more efficiently.

#### **8.1.2 Technological Advancement:**

- Currently, the JBL (Malibagh Branch) is facing Information Technology related problem as the new software Tata TCS will be updated and so data transformation is going on. This is hampering the LC issuing process because now the acceptance of LC can't be checked in e-doc rather they are checking all the acceptance one by one so the work process is getting slower. So data transformation must be done as soon as possible. Moreover, the employees should be trained on using the updating technology. Empowered employees will surely add more value to the organization. Moreover, the banking industry is going through a huge change in recent years. So the employees should be trained enough with the updated knowledge so that they can cope up with the change.
- A separate R&D department is needed as the banking industry is going through a continuous digitization process.

#### **8.1.3 Risk and Marketing Diversification:**

- The percentage of classified loans at JBL, Malibagh branch is very high around 15% for 2 to 3 years. The percentage of the whole bank is 2.5%. The bank has taken some

steps such as sending a legal notice, case filing, request to the CIB to update CL status to minimize the risk. But they should be more careful in analyzing the creditworthiness of the client.

- The bank should try to enhance its operation in the different industry sectors. From the data analysis, we can easily find that they are serving a limited industry sector. So they should adopt a business expansion strategy to increase their foreign trade transaction. They should take customer value creation strategy so that they can serve according to the need of the customer.
- The bank should offer differentiated products for retaining customer satisfaction. The bank should take marketing & promotional strategy such as workshops, building brand image through advertisement, etc. to introduce new services. They should also conduct marketing for the government stimulus package through campaigns.

#### **8.1.4 Letter of Credit & General Banking:**

- To improve the performance of LC the banks should take strategies such as improving the good relationship among banks. To conduct the creditworthiness of the clients wisely banks should go through a proper investigation process. So that repayment can be ensured. This will help both the applicant & the bank.
- The risk that is related to LC should be taken great care of so that illegal money transfers can be mitigated.
- I observed in the GB division that sometimes their account opening process takes much time as the customers don't provide the necessary documents properly. This disrupts their overall operation. So they should take proper strategies so that the process duration can be reduced. The bank can provide leaflets to customers containing the lists of the required documents so that they don't miss any documents. Also, the audit committee found the same problem in the general banking division. So they should be very much careful regarding this.

#### **8.1.5 Work Environment:**

There were lack of utilities and hardware such as printer, scanner etc. in the Malibagh branch which hampers the regular processing. Sometimes one person needs to do the scanning jobs which leads to stacked work rate.

## 8.2 Risks & Challenges for Successful Implementation of the Proposed Recommendations

For successful implementation of the proposed recommendations, some risks & challenges may occur. Those are given as follows:

- **Additional Cost:** Technological advancement, the training program, developing the R&D department will create a huge amount of extra cost. For training, the bank will need extra manpower which can be challenging for the organizations. As this will change the cost structure. Investment in a new department creates extra risks for the bank.
- **Strong monitoring mechanism:** For the proposed changes a strong monitoring mechanism is needed that will organize & monitor the changes. For this strategic mindset is needed. This can be very much challenging for handling disruptive changes in the industry.
- **Skillful manpower:** Mostly some skillful people with a visionary strategic mindset is needed to take responsibility for the proposed recommendations.
- **Employee Attrition:** Technological advancement may cause employee attrition in some cases. Because manpower will be replaced by a machine.

## 8.3 Key Stakeholder Mapping

Customers, shareholders, employees, regulators, government, suppliers, community are the key stakeholder of JBL. The proposed change will affect the stakeholders. For the proposed recommendations key stakeholder mapping is as follows:

- ☞ For branch authorization, the Board of Directors should decide as it depends on the market condition of that area.
- ☞ To resolve IT-related problems the bank should conduct a training program for the existing employees to make them more efficient. To conduct the program, the bank authority should appoint an experienced trainer with the necessary skills.
- ☞ To improve the performance of the foreign trade division the officials should know related laws so that they can investigate the creditworthiness of the clients properly. To attract new customers, the marketing department should take promotional activities & various trade financing services at the Malibagh branch of the bank.

- ☞ To mitigate the risk of LC the risk management committee should take a proper plan & monitor the progress.
- ☞ To improve the performance of the general banking division both customers & officials should take responsibility.
- ☞ While providing services along with the changing global environment every department of the bank should work for an aligned goal. In this regard, the digitization of the banking process should be implemented with skilled manpower.

#### **8.4 Benefits & Impacts of the Proposed Recommendations**

- ❖ If the branch can be transferred to the AD branch, then the foreign trade division will be more efficient in LC transactions. As for a long process, the customers need to wait for a long time. The benefits are that LC opening time will be less, the process will be shorter, they will have more customers & can serve them in short time. This will make a long-term impact as they will be efficient & business will be sustainable.
- ❖ Early data transformation will help them to attend to more customers in a short time.
- ❖ Serving in different industries can benefit them by increasing their brand image & will increase LC transactions & the impact is that they will be able to hold their position in the competitive market.
- ❖ If JBL maintains a good relationship with other banks it will benefit them a lot while investigating the clients. As a result, fraud risk can be mitigated. This will make an impact on their corporate relationships.
- ❖ Limit on foreign currency transactions will benefit them as they will be able to avoid loss.
- ❖ A separate R&D department will help the bank to find out the need for new products with efficient features & the changing demand of the customers.
- ❖ The leaflets will help customers in understanding & the account opening time will be shortened.
- ❖ Through social media marketing their brand image, the number of accounts will be increased. As a result, they will be able to grab customer attention.
- ❖ Technological advancement can benefit an organization by cutting costs. The impact is that the bank will need less manpower.

- ❖ Through training programs, the bank will have a long-term impact. Such as employees will work more efficiently than before. The bank can get long-term customer satisfaction with advanced services. In the short run, they will get the monetary benefit.
- ❖ If the bank can provide a good working environment, then employees will be more motivated to work. This can have an impact on their employee retention.
- ❖ If the bank can improve the know-how on stimulus, then the bank can build strong customer relationships.
- ❖ Taking steps against Classified loans will help in reducing loss. The banking operation will be sustainable.

## List of References

- Types of Research Method (Definition and Best Practices). (2021) Retrieved from <https://www.indeed.com/career-advice/career-development/types-of-research-methods>
- Moazzem, Khondaker Golam; Reza, Md Minhaz M. 2018. *Growth of Employment in the Manufacturing Sector: Impact of Trade and Trade-related Policies*. © Center for Economic and Social Development. <http://hdl.handle.net/11540/8713>.
- Ermakov, V. A., Burmistrova, E. M., Bodin, N. B., Chursin, A. A., & Shevereva, E. A. (2018). A letter of credit as an instrument to mitigate risks and improve the efficiency of foreign trade transaction. *Revista ESPACIOS*, 39(06).
- Hao, Y., & Xiao, L. (2013). Risk analysis of letter of credit. *International journal of business and social sciences*, 4(9).
- Acharyya, R., & Kar, S. (2014). *International trade and economic development*. Oxford University Press, USA.
- Aarti Goswami & Pramod Borasi (2021), Investment Banking & Trading Services Market, Retrieved from <https://www.alliedmarketresearch.com/investment-banking-and-trading-services-market-A10291>
- Bangladesh Bank (2020), Banking Sector Performance, Regulation and Bank Supervision, Retrieved from <https://www.bb.org.bd/pub/annual/anreport/ar1112/chap5.pdf>
- Jamuna Bank Limited, Bangladesh (2021). Annual Report 2020, Retrieved 25 January 2022, from <https://jamunabankbd.com/front/information/13/46>
- Jamuna Bank Limited, Bangladesh (2020). Annual Report 2019, Retrieved 25 January 2022, from <https://jamunabankbd.com/front/information/13/46>

Jamuna Bank Limited, Bangladesh (2019). Annual Report 2018, Retrieved 25 January 2022, from <https://jamunabankbd.com/front/information/13/46>

Jamuna Bank Limited, Bangladesh (2018). Annual Report 2017, Retrieved 25 January 2022, from <https://jamunabankbd.com/front/information/13/46>

Jamuna Bank Limited, Bangladesh (2017). Annual Report 2016, Retrieved 25 January 2022, from <https://jamunabankbd.com/front/information/13/46>



## **Appendices**

### **A**

AD – Authorized Dealers

APG – Advance Payment Guarantee

ADC – Alternative Delivery Channel

### **B**

BTB – Back to Back

BB – Bangladesh Bank

BEFTN – Bangladesh Electronic Funds Transfer Network

### **C**

CC – Cash Credit.

CD – Current Deposit

CL – Classified Loan

### **F**

FDBC – Foreign Documentary Bill Purchase

FCB – Foreign Commercial Bank

### **G**

GB – General Banking

### **I**

IDBP – Inland Documentary Bills Purchased

ICRR – Internal Credit Risk Rating

### **J**

JBL – Jamuna Bank Limited

### **K**

KYC – Know Your Customer

### **L**

L/C – Letter of Credit

LTR – Loan Against Trust Receipt

LDBP – Local Documentary Bill Purchase

## **M**

MBS – Monthly Benefit Scheme

MCR – Minimum Capital Requirement

## **N**

NRB – Non-Residential Banking

## **P**

PAD – Payment Against Document

PBL – Pubali Bank Limited

PCB – Private Commercial Bank

## **R**

RTGS – Real Time Gross Settlement

RFCD – Resident Foreign Currency

RBCA – Risk Based Capital Adequacy

## **S**

SME – Small & Medium Enterprise

SWIFT – Society for Worldwide Interbank Financial Telecommunications

SB – Savings Bank

SOD – Secured Overdraft

SIBL – Social Islami Bank Limited

SCB – State Owned Commercial Bank

SB – State Owned Development Financial Institution

## **T**

TIN – TAX Identification Number

## **U**

UCBL – United Commercial Bank Limited

## **V**

VAT – Value Added Tax