

Internship Report

On -

HR PLANNING & POLICY AT

JAMUNA BANK LIMITED



Jamuna Bank Limited
your partner for growth

Submitted By

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Submitted To

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**Assistant Professor Dept. of
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Stamford University Bangladesh

Submission Date: 04.08.2012



Stamford University Bangladesh



LETTER OF TRANSMITTAL

Date: 04.08.2012

Naiem Jalal Uddin Ahamed
Assistant Professor
Dept. of Business Administration,
Stamford University Bangladesh

Subject: Submission of Internship Report

Dear Sir,

I am here by submitting my Internship Report, which is a part of the MBA Program curriculum. It is great achievement to work under your active supervision.

This report is based on, “**Human Resources Planning & Policy of Jamuna Bank Limited**”. I have got the opportunity to work in Jamuna Bank Limited in for twelve weeks, under the supervision of Md. Soruar Jahan, AVP, Dilkusha C/A Branch, Dhaka-1000.

I learned about the organizational culture of a prominent bank of the country. Also, the project gave me the opportunity to develop a network with the corporate people. I shall be highly obliged if you are kind enough to receive this report and provide your valuable judgment. It would be my immense pleasure if you find this report useful and informative to have an apparent perspective on the issue.

Sincerely,

Md. Atikur Rahman ID: MBA 04512890



ACKNOWLEDGEMENT

First of all, I wish to express my gratitude to the almighty Allah for giving me the strength to perform my responsibilities as an intern and complete the report within the stipulated time.

I am deeply indebted to my Faculty Advisor Mr. Naiem Jalal Uddin Ahamed, Asst. Professor, Dept. Of Business Administration, Stamford University Bangladesh for his whole-hearted supervision during my organizational attachment period. I am also grateful to Mr. Md. Shadat Hossain, as my organizational supervisor. It would have been very difficult to prepare this report up to this mark without their support and guidance.

I am delighted to Mr. Md. Soruar Jahan, AVP, Jamuna Bank Limited. Under whose supervision I have produced my report. I also thank to his subordinate of Jamuna Bank Limited Mr. Shamim Al Mamun, Md. Jasim Uddin Chyan, Mrs. Tania Zahan, for their friendly assistance.

Last but not least I would like to express my love and respect to my parents for their limitless inspiration which blesses my report worthwhile.



EXECUTIVE SUMMARY

This report is prepared on the basis of my three-month practical experience at Jamuna Bank Limited. This internship program helped me to learn about the practical scenario of Banking Company. Jamuna Bank Limited is a dynamic and leading countrywide banking service provider. It is a local, limited liability company. The Bank started its operation from 3rd June 2001. The Dilkusha Branch started its operation from June 12, 2012. This report has been presented based on my observation and experience gathered from the company. The organization has many divisions, departments and branches but the focus is given more on the level of HR planning & Policy Dilkusha Branch as I mostly got the opportunity to work in this branch. Though to collect sufficient data about the topic I had to visit the Head Office and Dilkusha Branch.

The report mentions about the Job Assessment Process of Jamuna Bank Limited to judge the performance of their employees. A research is conducted to draw a conclusion on the effects of this assessment process. The result that is found is quite considerable. However, Jamuna Bank Limited should work a lot to convince and sustain their existing employees. The result of the research is described in details in this report in the later chapters.

After knowing the scenario of Jamuna Bank Limited in terms of their about HR planning & Policy the assessment process, a lot of recommendations have come up. The report also consist recommendations and conclusion according to my point of view, which I think would improve the environment of the organization if implemented.

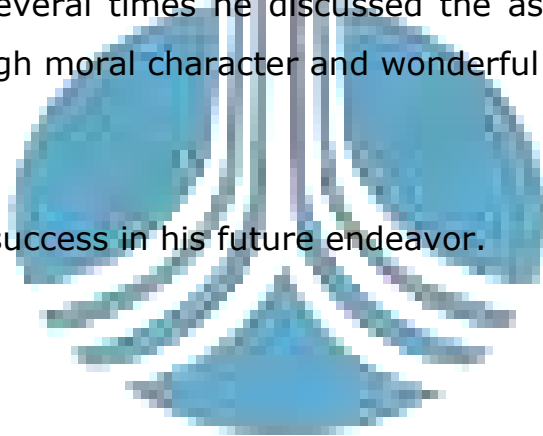


To Whom It May Concern

This is to certify that Md. Atikur Rahman, student of M.B.A program of Stamford University, Dhaka has completed his Internship on “HR Planning & policy” for three months tenure at Jamuna Bank Ltd.

As an Internee, I found him diligent and cordial in his work and responsibilities. Several times he discussed the assigned matter with me. He bears a high moral character and wonderful disposition.

I wish him every success in his future endeavor.



Mr. Naiem Jalal Uddin Ahamed,
Asst. Professor,
Dept. Of Business Administration,
Stamford University Bangladesh



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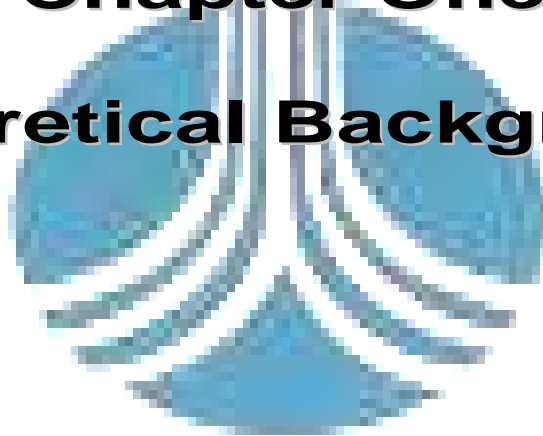


Report on
***THE HUMAN RESOURCES
PLANNING & POLICY
OF
JAMUNA BANK***



Chapter One

Theoretical Background





1.1 Introduction:

Human resource is a term used to refer to how people are managed by organizations. The field has moved from a traditionally administrative function to a strategic one that recognizes the link between talented and engaged people and organizational success. The field draws upon concepts developed in Industrial/Organizational Psychology and System Theory. Human resources has at least two related interpretations depending on context. The original usage derives from political economy and economics, where it was traditionally called labor, one of four factors of production although this perspective is changing as a function of new and ongoing research into more strategic approaches at national levels. This first usage is used more in terms of 'human resources development', and can go beyond just organizations to the level of nations. The more traditional usage within corporations and businesses refers to the individuals within a firm or agency, and to the portion of the organization that deals with hiring, firing, training, and other personnel issues, typically referred to as 'human resources management'.

1.2 Development

The objective of human resources development is to foster human resourcefulness through enlightened and cohesive policies in education, training, health and employment at all levels, from corporate to national.



1.3 Management

Human resource management's objective, on the other hand, is to maximize the return on investment from the organization's human capital and minimize financial risk. It is the responsibility of human resource managers in a corporate context to conduct these activities in an effective, legal, fair, and consistent manner. Policy is the process of getting things done effectively and efficiently with and through other people to achieve the objective of the organization.

1.4 Key functions

Human Resource Management serves these key functions:

- ☒ Recruitment & Selection
- ☒ Training and Development (People or Organization)
- ☒ Performance Evaluation and Management
- ☒ Promotions/Transfer
- ☒ Redundancy
- ☒ Industrial and Employee Relations
- ☒ Record keeping of all personal data.
- ☒ Total Rewards: Employee Benefits & Compensation
- ☒ Confidential advice to internal 'customers' in relation to problems at work
- ☒ Career development
- ☒ Competency Mapping (Competency mapping is a process an individual uses to identify and describe competencies that are the most critical to success in a work situation or work role.)



- ☒ Time motion study is related to HR Function
- ☒ Performance Appraisal

1.5 Modern analysis

Modern analysis emphasizes that human beings are not "commodities" or "resources", but are creative and social beings in a productive enterprise. The 2000 revision of ISO 9001 in contrast requires identifying the processes, their sequence and interaction, and to define and communicate responsibilities and authorities. In general, heavily unionized nations such as France and Germany have adopted and encouraged such job descriptions especially within trade unions. The International Labor Organization also in 2001 decided to revisit, and revise its 1975 Recommendation 150 on Human Resources Development. One view of these trends is that a strong social consensus on political economy and a good social welfare system facilitates labor mobility and tends to make the entire economy more productive, as labor can develop skills and experience in various ways, and move from one enterprise to another with little controversy or difficulty in adapting. Another view is that governments should become more aware of their national role in facilitating human resources development across all sectors.

1.5.1 Labor mobility

An important controversy regarding labor mobility illustrates the broader philosophical issue with usage of the phrase "human resources": governments of developing nations often regard developed nations that encourage immigration or



"guest workers" as appropriating human capital that is rightfully part of the developing nation and required to further its growth as a civilization. They argue that this appropriation is similar to colonial commodity fiat wherein a colonizing European power would define an arbitrary price for natural resources, extracting which diminished national natural capital.

The debate regarding "human resources" versus human capital thus in many ways echoes the debate regarding natural resources versus natural capital. Over time the United Nations have come to more generally support the developing nations' point of view, and have requested significant offsetting "foreign aid" contributions so that a developing nation losing human capital does not lose the capacity to continue to train new people in trades, professions, and the arts.

An extreme version of this view is that the historical inequities such as African slavery must be compensated by current developed nations, which benefited from stolen "human resources" as they were developing. This is an extremely controversial view, but it echoes the general theme of converting human capital to "human resources" and thus greatly diminishing its value to the host society, i.e. "Africa", as it is put to narrow imitative use as "labor" in the using society.

In a series of reports of the UN Secretary-General to the General Assembly [e.g. A/56/162 (2001)], a broad inter-sectoral approach to developing human resourcefulness [see United Nations Expert Meeting on Human Resources Development. `Changing Perspectives on Human Resources Development. ST/TCD/SER.E/25. June 1994] has been outlined as a priority for socio-economic development and particularly anti-poverty strategies. This calls for



strategic and integrated public policies, for example in education, health, and employment sectors that promote occupational skills, knowledge and performance enhancement (Lawrence, J.E.S.).

1.5.2 Perceptions

Terms like "human resources" and "human capital" may be perceived as insulting to people. They create the impression that people are merely commodities, like office machines or vehicles, despite assurances to the contrary.

1.6 Corporate management

In the very narrow context of corporate "human resources" management, there is a contrasting pull to reflect and require workplace diversity that echoes the diversity of a global customer base. Foreign language and culture skills, ingenuity, humor, and careful listening, are examples of traits that such programs typically require. It would appear that these evidence a general shift through the human capital point of view to an acknowledgment that human beings do contribute much more to a productive enterprise than "work": they bring their character, their ethics, their creativity, their social connections, and in some cases even their pets and children, and alter the character of a workplace. The term corporate culture is used to characterize such processes at the organizational level.

The traditional but extremely narrow context of hiring, firing, and job description is considered a 20th century anachronism. Most corporate organizations that



compete in the modern global economy have adopted a view of human capital that mirrors the modern consensus as above. Some of these, in turn, deprecate the term "human resources" as useless. Yet the term survives, and if related to 'resourcefulness', has continued and emerging relevance to public policy.

In general the abstractions of macro-economics treat it this way - as it characterizes no mechanisms to represent choice or ingenuity. So one interpretation is that "firm-specific human capital" as defined in macro-economics is the modern and correct definition of "human resources" - and that this is inadequate to represent the contributions of "human resources" in any modern theory of political economy.

1.7 Human resources Policy trends and influences

In organizations, it is important to determine both current and future organizational requirements for both core employees and the contingent workforce in terms of their skills/technical abilities, competencies, flexibility etc. The analysis requires consideration of the internal and external factors that can have an effect on the resource, development, motivation and retention of employees and other workers. The external factors are those largely out-with the control of the organization and include issues such as the economic climate, current and future trends of the labor market e.g. skills, education level, government investment into industries etc. On the other hand internal influences are broadly within the control of the organization to predict determine and



monitor, for example the organizational culture underpinned by Policy behaviors (or style), environmental climate and the approach to ethical and corporate social responsibilities.

1.7.1 Major trends

In order to know the business environment in which any organization operates, three major trends should be considered:

1.7.1.1 Demographics

The characteristics of a population/workforce, for example, age, gender or social class. This type of trend may have an effect in relation to pension offerings, insurance packages etc.

1.7.1.2 Diversity

The variation within the population/workplace. Changes in society now mean that a larger proportion of organizations are made up of "baby-boomers" or older employees in comparison to thirty years ago. Advocates of "workplace diversity" simply advocate an employee base that is a mirror reflection of the make-up of society insofar as race, gender, sexual orientation, etc.

1.7.1.3 Skills and qualifications

As industries move from manual to a more managerial professions so does the need for more highly skilled graduates. If the market is "tight" (i.e. not enough



staff for the jobs), employers will have to compete for employees by offering financial rewards, community investment, etc.

1.7.2 Individual responses

In regard to how individuals respond to the changes in a labor market the following should be understood:

1.7.2.1 Geographical spread

How far is the job from the individual? The distance to travel to work should be in line with the pay offered by the organization and the transportation and infrastructure of the area will also be an influencing factor in deciding who will apply for a post.

1.7.2.2 Occupational structure

The norms and values of the different careers within an organization. Mahoney 1989 developed 3 different types of occupational structure namely craft (loyalty to the profession), organization career (promotion through the firm) and unstructured (lower/unskilled workers who work when needed).

1.7.2.3 Generational difference

Different age categories of employees have certain characteristics, for example their behavior and their expectations of the organization.



1.8 Framework

Human Resources Development is a framework for the expansion of human capital within an organization or (in new approaches) a municipality, region, or nation. Human Resources Development is a combination of training and education, in a broad context of adequate health and employment policies that ensures the continual improvement and growth of the individual, the organization, and the national human resourcefulness. Adam Smith states, “The capacities of individuals depended on their access to education”. Human Resources Development is the medium that drives the process between training and learning in a broadly fostering environment. Human Resources Development is not a defined object, but a series of organized processes, “with a specific learning objective” (Nadler,1984) Within a national context, it becomes a strategic approach to intersectional linkages between health, education and employment.

1.9 Structure

Human Resources Development is the structure that allows for individual development, potentially satisfying the organization’s, or the nation's goals. The development of the individual will benefit both the individual, the organization, or the nation and its citizens. In the corporate vision, the Human Resources Development framework views employees, as an asset to the enterprise whose value will be enhanced by development, “Its primary focus is on growth and



employee development...it emphasizes developing individual potential and skills” (Elwood, Olton and Trott 1996) Human Resources Development in this treatment can be in-room group training, tertiary or vocational courses or mentoring and coaching by senior employees with the aim for a desired outcome that will develop the individual’s performance. At the level of a national strategy, it can be a broad intersectional approach to fostering creative contributions to national productivity.

1.10 Training

At the organizational level, a successful Human Resources Development program will prepare the individual to undertake a higher level of work, “organized learning over a given period of time, to provide the possibility of performance change” (Nadler 1984). In these settings, Human Resources Development is the framework that focuses on the organizations competencies at the first stage, training, and then developing the employee, through education, to satisfy the organizations long-term needs and the individuals’ career goals and employee value to their present and future employers. Human Resources Development can be defined simply as developing the most important section of any business its human resource by, “attaining or upgrading the skills and attitudes of employees at all levels in order to maximize the effectiveness of the enterprise” (Kelly 2001). The people within an organization are its human resource. Human Resources Development from a business perspective is not entirely focused on the individual’s growth and development, “development



occurs to enhance the organization's value, not solely for individual improvement. Individual education and development is a tool and a means to an end, not the end goal itself". (Elwood F. Holton II, James W. Trott Jr). The broader concept of national and more strategic attention to the development of human resources is beginning to emerge as newly independent countries face strong competition for their skilled professionals and the accompanying brain-drain they experience.

1.11 Recruitment

Employee recruitment forms a major part of an organization's overall resource strategies which seek to identify and secure the people needed for the organization to survive and succeed in the short to medium-term. Recruitment activities need to be responsive to the ever-increasingly competitive market to secure suitably qualified and capable recruits at all levels. To be effective these initiatives need to include how and when to source the best recruits internally or externally. Common to the success of either are; well-defined organizational structures with sound job design, robust task and person specification and versatile selection processes, reward, employment relations and human resource policies, underpinned by a commitment for strong employer branding and employee engagement strategies.

Internal recruitment can provide the most cost-effective source for recruits if the potential of the existing pool of employees has been enhanced through training, development and other performance-enhancing activities such as performance



appraisal, succession planning and development centers to review performance and assess employee development needs and promotional potential.

Increasingly, securing the best quality candidates for almost all organizations will rely, at least occasionally if not substantially, on external recruitment methods. Rapid changing business models demand skills of experiences which cannot be sourced or rapidly enough developed from the existing employee base. It would be unusual for an organization today to undertake all aspects of the recruitment process without support from third-party dedicated recruitment firms. This may involve a range of support services, such as; provision of CVs or resumes, identifying recruitment media, advertisement design and media placement for job vacancies, candidate response handling, short listing, conducting aptitude testing, preliminary interviews or reference and qualification verification. Typically, small organizations may not have in-house resources or, in common with larger organizations, may not possess the particular skill-set required to undertake a specific recruitment assignment. Where requirements arise these will be referred on an adhoc basis to government job centers or commercially run employment agencies.

Except in sectors where high-volume recruitment is the norm, an organization faced with an unexpected requirement for an unusually large number of new recruits at short notice will often hand over the task to a specialist external recruiter to manage the end-to-end resource program. Sourcing executive-level and senior management as well as the acquisition of scarce or 'high-potential' recruits has been a long-established market serviced by a wide range of 'search



and selection' or 'headhunting' consultancies which typically form long-standing relationships with their client organizations. Finally, certain organizations with sophisticated HR Policy have identified there is a strategic advantage in outsourcing complete responsibility for all workforce procurement to one or more third-party recruitment agencies or consultancies. In the most sophisticated of these arrangements the external recruitment services provider may not only physically locate, or 'embed', their resource team(s) within the client organization's offices but will work in tandem with the senior human resource Policy team in developing the longer-term HR resource strategy and plan.

1.12 Modern concept of human resources

Though human resources have been part of business and organizations since the first days of agriculture, the modern concept of human resources began in reaction to the efficiency focus of Taylorism in the early 1900s. By 1920, psychologists and employment experts in the United States started the human relations movement, which viewed workers in terms of their psychology and fit with companies, rather than as interchangeable parts. This movement grew throughout the middle of the 20th century, placing emphasis on how leadership, cohesion, and loyalty played important roles in organizational success. Although this view was increasingly challenged by more quantitatively rigorous and less "soft" Policy techniques in the 1960s and beyond, human resources development had gained a permanent role within organizations, agencies and nations,



increasingly as not only an academic discipline, but as a central theme in development policy.

1.13 Bank

A bank is a financial institution licensed by a government. Its primary activities include providing financial services to customers while enriching its investors. Many financial activities were allowed over time. For example banks are important players in financial markets and offer financial services such as investment funds. In some countries such as Germany, banks have historically owned major stakes in industrial corporations while in other countries such as the United States banks are prohibited from owning non-financial companies. In Japan, banks are usually the nexus of a cross-share holding entity known as the zaibatsu. In France, banc assurance is prevalent, as most banks offer insurance services (and now real estate services) to their clients.

The level of government regulation of the banking industry varies widely, with countries such as Iceland, having relatively light regulation of the banking sector, and countries such as China having a wide variety regulations but no systematic process that can be followed typical of a communist system.



Chapter Two

Orientation of the Report





2.1 Background

On the program Human Resource Policy I was assigned to submit a term paper on any company's Human Resource Policy in real life. I have chosen Jamuna Bank which is basically a local garments producing company for our assigned job.

2.2 Objective of the Report:

2.2.1. Primary objective:

☛ To fulfill the partial requirement as full credit subject of the Diploma in HRM program. This report is to provide a general description of the initial and present status of Jamuna Bank Limited and overall Human Resources Policy of Jamuna Bank Limited.

2.2.2. Secondary objectives:

Main objectives of my report are:

- ☛ To know the Human Resource Policy in real life.
- ☛ To know the Human resource Policy of a particular company.
- ☛ To relate our learned topics with practical activities of a company.
- ☛ To determine in human resource Policy whether there is any problem or not.
- ☛ If there is problem then giving the solution.



2.3 Methodology

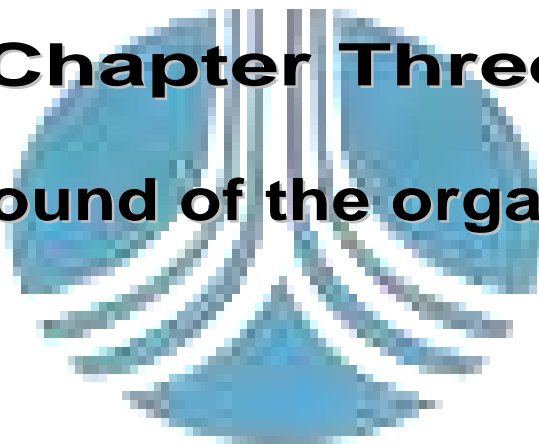
To complete the paper both primary and secondary data were required. Interviewing the employees of the company collected primary data and secondary data were collected from company's documents, web sites and books.

2.4 Scope

This paper is basically prepared to cover the real life Policy in human resource department of Jamuna Bank. But For the time constraint and to do detail on the topic I only did this term paper on selection & recruiting and compensation process of Jamuna Bank. So, only selection & recruiting and compensation process is in the report, nothing else.

2.5 Limitations

At first, I want to do our report on Olympic group; we went there and found that they are not willing to give information about their HR department and the HR department of the organization is not structured also. Then I change our organization and we choose Jamuna Bank as sample. But by that time, I lost almost half of our given time.



Chapter Three
Background of the organization



3.1 Banking Sector in Bangladesh:

Jamuna bank Limited (JBL) is a Banking Company registered under the Companies Act, 1994 with its Head Office at Chini Shilpa Bhaban (2nd, 3rd & 8th floor), 3, Dilkusha, C/A, Dhaka-1000, Bangladesh. The Bank started its operation from 3rd June, 2001.

JBL is a highly capitalized new generation Bank started its operation with an Authorized Capital of Tk. 1600.00 million and Paid-up capital of Tk. 390.00 million. As of December 2006 Paid-up capital of the bank raised to Tk. 1072.50 million. As of December 2007, their paid up capital is Tk.1225.71 million, share Premium is Tk. 85.80 million Statutory Reserve is Tk. 330.68 and profit is Tk. 824.21million.

JBL undertakes all the types of banking transactions to support the development of trade and commerce in the country. JBL's services are also available for the entrepreneurs to set up new ventures and BMRE of industrial units. The bank gives special emphasis on Export, Import, Trade Finance, SME Finance, Retail Credit and Finance to Women Entrepreneurs.

To provide clientele services in respect of international trade it has established wide corresponded Banking relationship with local and foreign banks covering major trade and financial interest home and abroad.

3.2 Jamuna Bank Limited Profile:

A fully operational commercial Bank, Jamuna Bank focuses on perusing unexplored market niches in the Small and Medium Enterprise Business, which hitherto has remained largely untapped within the country, the Bank has provide support to more than 100000 Small and Medium Enterprise. Since inception in July 2001 the banks footprint has grown to 36 branches, 427 unit offices and



more than 75 ATMs across the country.

The banks operate under a “double bottom line” agenda where profit and social responsibility to hand in hand as it strives towards a poverty free, enlightened Bangladesh.

Jamuna Bank Limited, with institutional shareholding by BRAC, International Finance Corporation (IFC) and Shorecap International, has been the fastest growing bank for last several years.

3.3 Shareholding Structure:

Name of Share Holders	% of Share
BRAC	31.745%
International Finance Corporation	9.50%
ShoreCap International Limited	8.75%
Non-Resident Bangladeshi	0.47%
Mutual Funds	2.42%
Institutions and General Public	47.11%
Others	0.06%

3.4 Vision:

Building a profitable and socially responsible financial institution focused on Markets and Business with growth potential, thereby assisting BRAC and other stakeholders build a “Just, enlightened, healthy, democratic and poverty free Bangladesh”.



3.5 Mission:

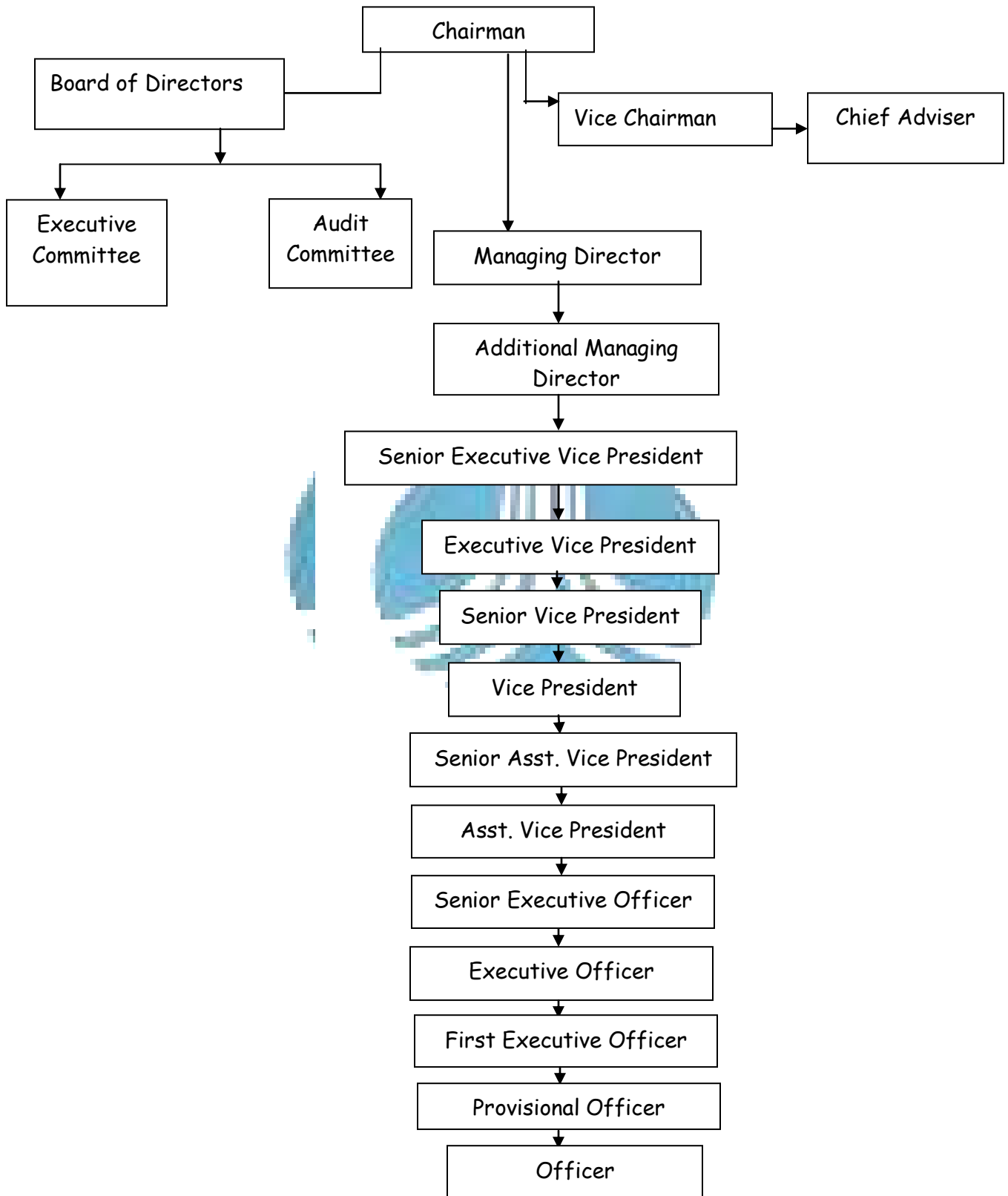
- ✓ Jamuna Bank will adhere to professional and ethical business principles and internationally acceptable banking and accounting standards.
- ✓ Sustained Growth in Small and Medium sector, continuous low cost deposit growth with controlled growth in retained Assets.
- ✓ Achieve efficient synergies between the branches, SME unit offices and BRAC field offices for delivery of Remittance and Banks other products and services
- ✓ Manage various lines of business in fully controlled environment with no compromise on service quality
- ✓ Keep a diverse, far-flung team fully motivated and driven towards materializing the bank's vision into reality.

3.6 Values:

- Our strength emanates from our owner- BRAC and we hold the following values to guide us as we do our jobs.
- Creating an honest, open and enabling environment.
- Have a strong customer focus and build relationships based on integrity, superior service and mutual benefit.
- Strive for profit and sound growth
- Work as team to serve the best interest of our owners.
- Relentless in pursuit of business innovation and improvement.
- Responsible, trustworthy and law-abiding in all that we do.



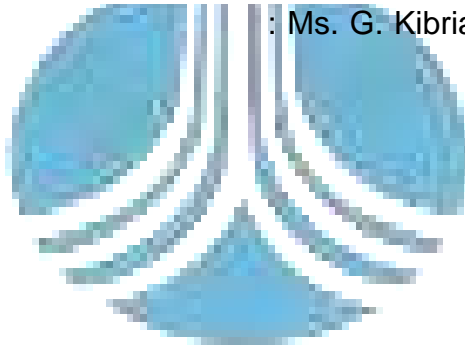
3.7 Board of Directors:





3.8 Policy Team:

Registered Name	: Jamuna Bank Limited
Registered Head office	: Chini Shilpa Bhaban (2 nd , 3 rd & 8 th floor) 3, Dilkusha C/A Dhaka – 1000
Phone No Bank	: 9570912, 9555141
Fax No	: 88-02-9570118, 9565762
E-mail Address	: jamunabk@bd.com
Web site:	: www.jamunabankbd.com
SWIFT	: JAMUBDDH
Date of incorporation	: 3 rd June 2001
Authorized Capital	: Tk.1600.00 Million
Paid up capital	: Tk.390.00 Million
Number of Branches	: 35 (Thirty Five Branches)
Chairman	: MR. Md. Tajul Islam
Managing Director	: Mohammed Lakiotullah
Auditor	: Ms. G. Kibria & Company, Chartered
Accountants	





3.9 Corporate Social Responsibility:

Jamuna Bank and ICDDR,B representatives inaugurated Jamuna Bank Short Stay Ward at Dhaka Hospital of ICDDR,B. Its Dhaka and Matlab hospitals provide free treatment to 1120,000 patients each year with a commitment to not to turn away anyone arriving for treatment. In the past, accommodating these patients required the use of tents as temporary wards.

With the support of Jamuna Bank Limited the short stay ward has been renovated with full air conditioning, new washrooms, hand washing sinks, surrounding walls and upgraded floors and ceilings. In this regard Jamuna Bank as part of their CSR activity contributed Tk.23,39,388 to develop the new Jamuna Bank Short Stay Ward.

Mr. Muhammad A. (Rume) Ali, Chairman, Jamuna Bank Limited, formally inaugurated the new Jamuna Bank Short Stay Ward at a ceremony. In his speech, Mr. Muhammad A. (Rume) Ali mentioned that Jamuna Bank and ICDDR,B has a long-standing relationship of collaboration and mutual understanding and Jamuna Bank is proud to be associated with ICDDR,B to support the underprivileged people of Bangladesh.

Among other senior officials, Mr. A.E.A. Muhaimen, Managing Director & CEO, Jamuna Bank, Dr. Alejandro Cravioto, Executive Director, ICDDR,B, and Dr. Mark Pietroni, Administrator, Dhaka Hospital, ICDDR,B were also present in that occasion.



3.10 Achievements:

3.10.1 DHL–Daily Star Bangladesh Business Awards 2008

Jamuna Bank received the prestigious Business Award styled DHL-Daily Star Bangladesh Business Awards 2008 as 'Best Financial Institution of the Year' for its innovation in products, services, financial performance/ productivity, company Policy and contribution to Bangladesh's development. Jamuna Bank is a full fledged commercial bank; yet, it has significantly contributed in the development of SME sector by creating a unique model of collateral free SME lending, which enabled the SME entrepreneurs (the missing middle) to get easy access to finance. Furthermore, with its wide distribution network, Jamuna Bank reached the greater population even at the distant corners of Bangladesh.

On behalf of the Bank, Mr. Muhammad A. (Rume) Ali, Chairman of Jamuna Bank Limited received the award from Dr. Saleh Uddin Ahmed, Governor, Bangladesh Bank and the chief guest of the award giving ceremony.



3.10.2 Jamuna Bank received National Award as the Highest VAT payer for the financial year 2007-2008:

Jamuna Bank Limited has recently received the prestigious award for being the highest VAT paying organization in national level in service industry.

Dr. ABM Mirza Azizul Haque Honorable Adviser Finance & Planning Ministry, Govt. of People's Republic of Bangladesh, handed over the award & crest to Jamuna Bank Limited at a ceremony held in Osmani Smriti Milonayaton.

3.9.3 Jamuna Bank received ICAB National Award:

Jamuna Bank Limited has been awarded ICAB National Award from Institute of Chartered Accountants of Bangladesh (ICAB) for one of the Best Published Accounts & Reports 2007 recently.

Dr. A. B. Mirza Md. Azizul Haque former Adviser Finance & Planning Ministry, Govt. of People's Republic of Bangladesh, handed over the award to Jamuna Bank Limited at a ceremony held in Bangladesh-China Friendship Conference Centre.

- Fastest growing bank in the country for the last two years
- Leader in SME financing through 350 offices
- Biggest suit of personal banking & SME products
- Large ATMs (Automated Teller Machine) & POS (Point of Sales) network.



3.10 Products:

3.10.1 SME Banking Division:

3.10.2 Loan Products:

- Anonno Rin
- Apurbo Rin
- Pathshala Rin
- Aroggo Rin
- Digon Rin
- Prothoma Rin
- Prapti Current Account
- Cash Secured Loan
- Bizness Loan
- Proshar
- Trade Plus
- Super Supply Loan

3.10.2. Retail Banking Division:


3.10.2.1 Loan Products:

- Salary Loan
- Now Loan
- Car Loan



- Teachers' Loan
- Study Loan
- Travel Loan
- Credit Card Loan
- Op up Loan
- HighFlyer Loan
- Secured Loan
- Doctors' Loan

3.10.2.2 *Deposit Products:*

- 
- A decorative graphic consisting of several overlapping, semi-transparent blue circles or arcs, creating a layered, circular effect.
- Fixed Deposit
 - Interest First Fixed Deposit
 - Abiram Account
 - EZEE Account
 - DPS
 - Savings Account
 - Short Term Deposit
 - Current Account
 - Salary Account
 - Step Up Fixed Deposit

3.10.3 Corporate Banking Division:

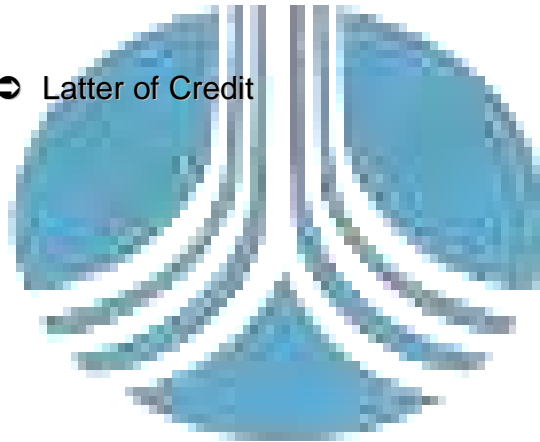
3.10.3.1 Loan Products:



- Overdraft
- Term Loan
- Lease Finance
- Loan Against Trust Receipt
- Work Order Finance
- Medium Enterprise

3.10.3.2 Trade Finance:

- Letter of Credit





Chapter Four

Payment Management

of

Jamuna Bank Limited





4.1 Overview

- Payments Policy is the central gate way of all kinds of financial payments, prepayments, vendors and supplier's payments, staff payments like salary, bonus, increment, transportation and conveyance, car allowance, insurance, utilities etc, rent payments, depreciation charge on fixed assets by proper accounting with the proper approval. This team is handling with near about 4000 General Ledger Identification Number (GL ID) as well as 60 Cost Center.
- All GL ID consists 16 digits where first four (4) digit is Service Outlet (SOL) code, next three (3) digit is ISO certified currency code, next five (5) digit is GL sub-head code which may identified as assets is started with 1 and 2, liability is started with 3 and 4, expenses is started with 6, income is started with 7 and contingent assets and liabilities is started with 8 and 9.
- Cost Center is the identification of all departments of head office, branches, sales centers, regional office centers, unit offices etc.
- Payments Policy is performing as VAT & AIT deducting authority as per local laws and regulations which is adopted with the change by the Government of Bangladesh time to time by annual budget, Statutory Regulatory Order (SRO).



- Payments Policy team have the ability to process GL on-line journal entry transactions to Finacle (Core Banking Software) directly to the availability of restricted GL as cost center wise.

- Payments Policy is the custodian of vouchers as well as related books of accounts.

4.2 Purpose:

To process GL on-line journal entries to Finacle (Core Banking Software).

- ✓ To ensure transactions are accurately recorded.
- ✓ Adjustments and corrections are made in the appropriate GL ID and Cost Center.
- ✓ GL journal entry records are maintained in accordance with the requirements of bank's internal Policy and dependency of external requirements like audit requirements, regulatory bodies requirements as well as accounting benchmark etc.
- ✓ To ensure proper Policy of cost analysis to support any types of decision making process.

4.3 Procedure

All kinds of financial payments made through their respective Jamuna Bank account, Payment Order (PO), Other Bank's Account Advice, Cash Advice, Cheque, TT/MT as well as beneficiaries request etc.

- ☒ Entry user can enter the transactions as per vouchers/documents



merit/nature wise only.

- ☒ Verifying/Posting authority can verify/post the transactions as per their work class. In some cases their have some restrictions available for better performance of the Bank.
- ☒ All kinds of SME payments made by this team.
- ☒ All kinds of Payments register like Vendor Payment Register, Staff Payment Register, Lawyer/Retainer Payment Register, Payment Order (PO) Register; Rent payment Register, Prepayments Register, Fixed Assets Register, Cheque Leaf Register etc is maintained here for smooth information. Though the information gateway is restricted as per Service Level Agreement (SLA). In some cases their have some restrictions available for better performance of the Bank.

4.4 Responsibilities of Payments Management

Payments Policy is performing the following activities efficiently:

- To make payment of salary, bonus, incentive, increment, gratuity & provident fund, staff welfare fund, staff security fund etc.
- To make payment of all vendor's/suppliers bill.
- To make payment of all utility bills like gas, electricity, mobile etc.
- To make payment of all staff related bills like transportation, conveyance, traveling etc.
- To make payment all kinds of SME staff (CRO, ZM, RM, TM, BDM etc)



bill.

- To charge depreciation on fixed assets monthly basis.
- To maintain Fixed Assets Register.
- To make Fixed Assets Schedule.
- To make amortization on monthly basis.
- To issue Payment Order (PO), Cheque, TT / MT etc.
- To issue cash advice/ other bank advice etc.
- To check the transactions daily basis.
- To make Petty Stationery, Security Stationery etc consumption.
- To make adjustment of all prepayments/advance etc. as per record of suspense accounts.
- To make rectification, modification, adjustment whenever necessary.
- To make adjustment from BRAC Afgan Bank.
- To make advice for payment of SME unit offices all over Bangladesh.
- To make adjustment receivable and payable.
- To organize in-house training session.
- To make provision and reverse on monthly basis
- To maintain all kinds of Payments data base.
- Others whatever necessary.



4.5 Provision

According to the Companies Act, 1913, 1956 or/and 1984, the term “provision” means “any amount written off or retained by way of providing for depreciation, renewals or diminution in the value of assets, or retained by way of providing for any known liability of which the amount can not be determined with substantial accuracy”.

Thus, a provision may be created either (i) for a known reduction in the value of an asset or (ii) for a known liability, the amount of which can not be ascertained accurately. From the above, it is evident that a provision is a reduction of the monetary expression of an asset or an increase of a liability resulting from the procedure of matching periodical charges against revenue.

Provision of expenditure for Head Office, Branches, SME's and ROC's is made monthly (Last day of each month).

4.6 Amortization

Provision of expenditure for Head Office, Branches, SME's and Capital expenditure (intangible assets) written off over a number of accounting periods covering their estimated useful lives. This periodic write off is called amortization, which is similar to depreciation of tangible assets. The term amortization is also used for writing off leasehold premises. Depreciation may be recorded as a credit to the asset account directly or



to a separate provision for depreciation account. Although the write-off of intangibles that have no limited life is not approved by some accountants, many concerns do amortize such assets on the ground of conservatism.

Amortization is made monthly (15th day of each month) basis.

4. 7 Prepaid advance adjustment

As per policy, all prepaid advance to be adjusted within 30 (thirty) days from the completion of traveling or execution of official work. If any body fails to adjust the advances within 30 (thirty) days then the advance amount would be deducted from his/her salary account.

4. 8 Vendor

Supplier, Service Provider, Procurement Provider, Advertising Company like aamra technologies limited, Aftab Automobiles Ltd., Anis Neon Sign, Asian Car Centre, Bangladesh Trade Syndicate Ltd., BRAC BD Mail Network Ltd., Carrot Communication, Data Edge Limited, Dhaka Regency Hotel & Resort Ltd., Emmanuelle's, etc.

Vendor Payment is made through BBL Account of vendor, Payment Order (PO) and Other Bank Cheque only. No cash payment is made to vendor.



Chapter Five

Human Resources Division of Jamuna Bank Limited



5.1 Introduction

HRD does multiple tasks for employees which includes employee leave, employee loan process, ID cards, support on travel authorization, Staff Insurance, Staff release letter, Trainings, Staffs salary and benefit, Show cause or termination, ethical questions, employee promotion/ performance appraisal etc.

5.2 Major working areas for the HR department

- Recruitment & Projects
- Compensation & Benefits
- Learning & Organization Development
- HR Administration
- MIS & Market Intelligence

5.2.1 Recruitment & Projects

5.2.1.1 RECRUITMENT POLICY

Policy determines and analyses the necessity of manpower based on recruitment required by the Departments and projected budget based on the year after discussing with different department heads.

<u>Officer Grade 1 to Officer Grade 2:</u>	
Concerned 2nd tier Department Representative (this 2nd tiers must be assigned by the Department Head)	Chair



Concerned 2nd tier Department Representative	Member
Concerned 2nd tier cross-functional representative	Member
Appointment letter to be signed by Head of Human Resources	
<u>Senior Officer to Senior Principal Officer:</u>	
Departmental Head	<i>Chair</i>
Head of Human Resources	<i>Member</i>
Cross functional Departmental Head	<i>Member</i>
Appointment letter to be signed by Head of Human Resources	
<u>Assistant Vice President to Deputy Managing Director:</u>	
Managing Director & CEO	<i>Chair</i>
Deputy Managing Director	<i>Member</i>
Departmental Head	<i>Member</i>
Head of Human Resources	<i>Member</i>
Appointment letter to be signed by Managing Director & CEO.	

Jamuna Bank recognizes the importance of manpower estimation and accordingly an Organogram is prepared for the bank and for each division & branch. This Organogram may be reviewed and revised from time to time as deemed necessary by the competent authority as per power delegated by the Board of Directors.



Regular Staff Recruitment is processed through:

- ☒ Direct Recruitment
- ☒ Through Advertisement
- ☒ Internal job posting
- ☒ Promotion
- ☒ Transfer on deputation
- ☒ Contract as specialist/consultant/counsel

5.2.1.2 Different Types of Employees

➤ **Permanent employee**

'Permanent Employee' means an employee who has been engaged on a permanent basis or who has satisfactorily completed the period of his/her probation.

➤ **HR contractual**

HR contractual jobs are for those categories of jobs for which an individual needs to work under the direct supervision of the Bank's authority and whose performance the Bank Policy monitors. Staff under HR contracts basically deals directly or indirectly with customers as a representative of Jamuna Bank.

HR recruits temporary contractual employees as per the requirement of different departments and certain regulations will be treated as terms of employment for that employee.



➤ **Outsource Staff**

These are the bank's contractual employees who are recruited through outsource agencies and not entitled to any service agreement. Outsource Staff recruitment depends on the budgeted requisition of the staff from the respective departments. However, for non-budgeted requisition it will go through after the approval process of MANCOM.

➤ **Internship**

To encourage and help human resource development in the financial industry the Bank offers internship programs to individuals or educational institutions.

Individuals engaged as Internees are paid a consolidated honorarium per month, as decided by the Policy and are not entitled to any other benefits. All Internships can be for a maximum period of six months only but will require Managing Director's consent to be extended to six months from three months.

5.2.2 Staffing and Posting:

An employee is placed in a position in such a way that he/she is the right person in the right position. While posting an employee preference is given to the overall interest of the bank as well as the educational background of the employee, his/her area of interest, the field of banking experience and his/her strengths and capabilities.



5.2.3 Career Planning of the Employees:

The Department Head and the Human Resource Division plans the career path of the bank employees. Apart from placement and posting of employees they are responsible for identifying the best and the most potential officers of the Bank and place them in suitable positions and planned posts.

5.2.4 Probation and Confirmation:

The terms of probation are as follows:

- A person selected for appointment with less than 3 years job experience will be on probation period of one year.
- An employee with job experience of 3 years or more will be on probation for 6 months.

5.3 Compensation & Benefit

5.3.1 Salaries

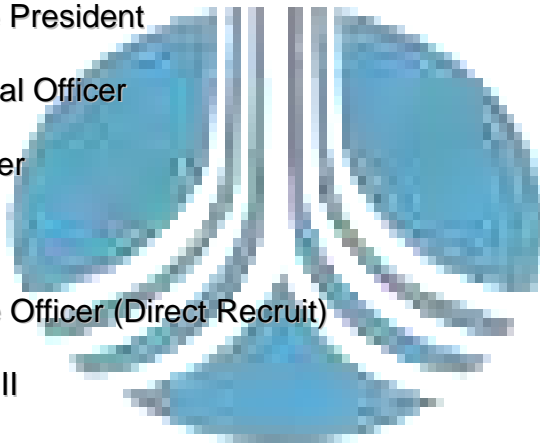
The Bank is committed to follow a fair, competitive and flexible remuneration policy. The Board is the final authority for approval of this policy and will amend and review the policy on recommendation of the Managing Director / Policy Committee periodically.

The remuneration policy of the bank will cover all persons engaged in permanent service of the bank.



The Job Grades of Jamuna Bank Limited is as follows:

- Deputy Managing Director
- Senior executive Vice President
- Executive Vice President
- Senior Vice President
- Vice President
- Senior Assistant Vice President
- First Assistant Vice President
- Assistant Vice President
- Senior Principal Officer
- Principal Officer
- Senior Officer
- Policy Trainee Officer (Direct Recruit)
- Officer Grade II
- Officer Grade I



The Salary structure of the Bank will be based on Job Grades. Job grades will be decided on the basis of an analytic assessment of the position based on the size, responsibilities, decision-making authorities and the nature of the job.

The remuneration of employees consists of:

- ✓ Basic Salary
- ✓ House Rent and
- ✓ Medical Allowance



Salaries are confidential between the employees concerned and the Management. The salary ranges for these job grades will be reviewed from time to time.

HR Temporary & outsource staff do not have any assigned job grade. The contract will have a consolidated payment per month and there will be no other entitlements applicable except commission based on job criteria.

Internees will be paid a consolidated honorarium per month, as decided by the MD/MANCOM and will not be entitled to any other benefits.

✓ **Basic Pay:**

Basic Salary Ranges (BSRs) is commensurate with the job grades and is determined by the Board on the recommendation of the Managing Director. The Board reviews the BSR at least once every two/three years. 'Basic Pay' means the pay on the scale or fixed rate of pay that has been sanctioned by the competent Authority for the post held by an employee but does not include any other remuneration. 'Gross Pay' means the summation of the all types of payment received by an employee.

✓ **House rent allowance**

House Rent Allowance may be paid to the employees at such rates and on such conditions as may be prescribed by the Competent Authority from time to time.

✓ **Medical allowance**



Medical Allowances may be paid in accordance with the job grades and on such conditions that may be prescribed by the Competent Authority from time to time.

✓ **Festival Bonus:**

- ⇒ Festival Bonus will be paid to all confirmed officers/staff @ one month basic salary which will be reimbursed twice in each calendar year. All confirmed employees would get one bonus during Eid-ul-Fitr and another one for Muslims during Eid-ul-Azha and for others based on their respective religious festival.
- ⇒ Non-confirmed (on probation) employees will be entitled to get Festival bonus as pro rata basis depending on his/her BBL joining Date.
- ⇒ HR Contract & Outsource Staff would get 1 bonus, which is 50% of their consolidated salary.

5.3.2 Re-fixation of salary adjustment based on inflation: (Once a year: effective 1st July each year):

The Board of the Directors will decide the annual salary revision and recommendation will be based on:

- ➡ Revised Pay Scale, and/ or
- ➡ Inflation

5.3.3 Performance Bonus (PB): (once a year)

The Board of Directors at its discretion, based on the Bank's profit will declare a



certain percentage of the pre-tax profit as Performance Bonus.

- ☒ The contribution measurement will be coming from the Performance Matters. Performance Matters for such purpose shall be made on the criteria set by the Policy from time to time.
- ☒ Amount of Performance Bonus will be 3% based on net profit after tax and method of distribution will be based at Policy discretion
- ☒ No bonus will be applicable to the employees rating marginal & unsatisfactory.
- ☒ Final Evaluation will be decided by the MANCOM for the entire bank after going through a 'rating' process to ensure that a consensus is reached for the entire bank.

5.3.4 Leave Fare assistance (LFA): (once a year):

All confirm employees who are entitled to avail annual leave, will get 1 (one) basic salary on the time of their mandatory leave in once a year for at least 15 calendar days.

5.3.5 Telephone policy

- ⇒ Employees from AVP and above are entitled to have mobile phone sets with all facilities (T&T incoming, outgoing, and ISD connection)



- ⇒ Employees of the bank below AVP are requested to take up a post-paid mobile at their own expense according to departmental need and also given a ceiling on the basis of their job functionality.
- ⇒ All others except SME will have to get their monthly bill approved by the departmental/divisional head prior to submission for payment disbursement.
- ⇒ Others may avail a bank's mobile, provided they seek prior approval from the competent authority.

5.3.6 Hospitalization Insurance

In the event where hospitalization or surgery is required for a member of the officer's (confirmed employee) dependent (Spouse and Children) including hospitalization on account of maternity - the Bank will reimburse the officer (Group C) up to a maximum of Tk.35,000/- per annum, for executives (Group B) Tk. 100,000/- per annum and 200,000/- per annum for MANCOM (Group A).

5.3.7 Travel allowance

An employee of the Bank may be allowed to draw traveling allowance in respect of journeys performed for the purposes authorized by the competent authority which include:

- ➔ On officially assigned tour
- ➔ To give evidence in a court of law



- On transfer
- On compulsory recall from leave
- To appear at a departmental/professional examination as authorized by the competent authority
- To attend a course of training sponsored by the Bank
- To bear the cost of travel of deceased employee

Types of allowances under travel policy:

- Traveling Allowance (Mode of Transport)
- Accommodation Allowance (Hotel Rent)
- Daily Allowance

5.3.8 Gratuity

Gratuity' means an extra benefit payable to a confirmed employee of the Bank on account of a minimum period of service rendered by him to the Bank, calculated on the basis of his Bank is controlled by the Management. Regular Employees will be entitled to get gratuity, which will be effective only after completion of 5 years continuous service. At the time of separation equal to the product at last drawn monthly basic salary, number of each completed year of service for regular employee.

5.3.9 Security Fund

If any permanent employee expires or becomes disabled, Bank will compensate by 36 times basic salary to the staff or nominee or inhere.



5.4 Learning and Organization Development

5.4.1 Staff Development & Training

Training refers to the acquisition of knowledge, skills, and competencies as a result of the teaching of professional on practical skills and knowledge that relates to specific useful skills.

Today it is often referred to as Professional Development concerned with workplace learning to improve performance.

5.4.2 Objective of Staff Development & Training

- Providing Knowledge to Improve Skills that Relate Directly to Job Requirements.
- Developing Skills needed to adjust with the Changing Environments as a result of changes in Technology or Equipment.
- Providing opportunities to Maintain Specialized Proficiencies of Employees.

5.4.3 Major Responsibility of Training Wing:

Ensure minimum 30-hour training sessions in a year for 100% of confirmed employee.



5.4.4 Types of Programs

5.4.4.1 Need Based Training Course:

Focuses on development of general knowledge or skill of Corporate Executives. For example, managerial skill development, leadership skill development, customer service, communication, professionalism etc.

5.4.4.2 Skill Based Training Courses:

Focuses on skill development of respective desk related activities such as analytical ability, credit analysis, loan processing, reporting techniques, computer literacy etc.

5.4.4.3 Knowledge Based Training Courses:

Focuses on developing knowledge regarding the respective desk related activities such as operational process, policy, compliance issues etc.

5.4.4.4 Orientation Training

Focuses on introducing the newly recruited employees with the structural and operational procedure of different divisions of the Bank.

5.4.4.5 Based on Implementation Process

- In-house Training
 - ✓ Classroom based



- ✓ E-learning
- ⇒ External Training
 - ✓ Local training
 - ✓ Abroad Training
- ✓ **In-house Courses:** The training is conducted by our own resources in our own premises.
- ✓ **E-Learning:** A web-based module to improve employee knowledge on activities of different divisions of the bank.
- ✓ **Local Institution Courses:** The training is conducted by external resources in external premises or by external resources in our own premises.
- ✓ **Foreign/Abroad Courses:** The training takes place in abroad and conducted by foreign resources.

5.4.5 Policy Trainee Program

Jamuna Bank has the following training program for its Policy Trainees.

- ⇒ Joining/ participating in orientation with different Departments
- ⇒ Foundation Course at BIBM
- ⇒ Attachment with all departments
- ⇒ Attachment with SME Unit Offices & Branches
- ⇒ On job hands-on training according to Job Description

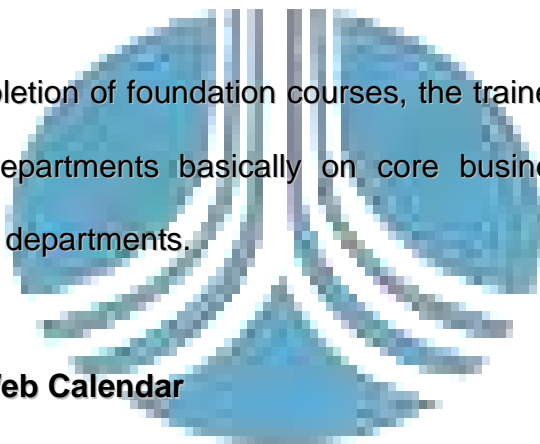


⇒ Mentoring

All the mentors will sit with the mentees on a regular basis to follow up on their program.

The whole training program will be divided into two major parts. One part is the training on foundation courses and the other part includes attachment in core and support business and operations unit.

- Core banking training comprises of BIBM – Foundation course, Induction and SME & Retail Attachment.
- After completion of foundation courses, the trainees will be attached in different departments basically on core business departments and operations departments.



5.4.6 Local Web Calendar

A Training calendar of the whole year is uploaded in their local web for the benefit of anyone to see the upcoming trainings.

5.4.7 Training Need Assessment

Assessments can be done by:

- Reviewing the Performance Matter
- Supervisors Interview
- Any General Changes in the Banking Sector or in the Policy Level



5.4.8 General Guiding Principles

- ☒ Staff development and training is an obligation for line managers who are responsible for not only identifying individual training and development needs but also supporting and encouraging them. Individual Staffs are also required to assume responsibility for their own development and training.
- ☒ Cancellations of training nominations are discouraged. If any participant wants to cancel his/her participation, the request should come through the respective department heads.
- ☒ Every department should have at least 2 contact persons for the training correspondence.
- ☒ Every department should have a pull of internal training resource person (needs to be approved by MD & CEO).

5.5 Bond

As per the bank's "terms of services" the bond policy will be applicable. For any foreign training the total cost will include tuition fees, hotel, TA, DA and others.

Employee Job Grade	Amount Range	Bond Policy
All level of employee es	Tk-100,000/- to 300,000/-	1 year bond
	Above Tk-300,000/- to 700,000/-	2 year bond



	Above Tk - 700,000/-1500,000	3 year bond
	Above Tk - 1500,000/-	5 year bond

5.6 PROMOTION POLICY

All promotions are recommended by the Department Heads and accordingly approved by MANCOM. However, promotions two levels below to be approved by the Board according to Bangladesh Bank guidelines Reference # BRPD 16/2003:

- ☒ Promotion cannot be claimed as a matter of right or as a reward of performance. Reward for performance will only be rewarded through Performance Bonus.
- ☒ Promotion depends on the availability of a position in a higher grade and on the assessed potential of an individual's capabilities of assuming higher responsibilities based on a proven track record of high competence in his/her yearly appraisals.
- ☒ The process of upgrading a job will have to be undertaken through a process of reviewing the Job Content, Job Responsibilities, Job Dimensions, and Changes in the Organization Structure etc. Full justification of the necessity of the change must be specified.
- ☒ As a minimum the individual must not have any 'marginal' or 'unsatisfactory' rating in the past three years to be able to qualify for a promotion.



5.7 Leave Policy

➤ Annual leave:

All officers will become eligible for annual leave of 24 working days after completion of one-calendar year. Of these 24 days leave 15 calendar days must be taken at a time according to Bangladesh Bank circular number M.L.P.D 267/2004-3951. However, though the employee takes 15 calendar days of leave (at a stretch) only the working days will be counted for calculating leave deducted from allotted 24 days. Any pending leave may be carried forward to the next year. Annual leave encashment facilities may be allowed to the person for a maximum of 90 days at the time of his/her leaving the bank. Any leave taken in advance to be adjusted during the final settlement period.

➤ Casual/Sick Leave:

Casual leave up to 14 days can be granted per year to an employee who may be unable to attend duty due to sudden illness or urgent private affairs. Not more than 2 days casual leave can be taken at a time in a month. Casual Leave more than 3 days will be considered as sick leave and has to be supported by medical reports. In case of prolonged illness the Managing Director may grant medical leave in excess of sick/casual leave with full pay and allowances for a period up to one month.

➤ Maternity Leave:



Female (confirmed) employees will enjoy 4 months maternity leave. One employee will be entitled to avail this leave for 2 times in her entire service period.

➔ **Study Leave:**

Study leave of maximum 2 years can only be granted to an employee without pay and allowances provided he/she has put in at least 3 (three) years of service. This leave shall, however be allowed in the entire period of service. The employee to whom study leave is granted shall be bound to give an undertaking to the Bank that s/he will work in the Bank for a period of 03 years after the period completion of study or to pay compensation equaling 12 times his last drawn gross salary to the Bank.

➔ **Leave without pay:**

Leave without pay may be granted to an employee in special circumstances where no other leave is admissible under these rules. In case of Leave without Pay, the period does not exceed 60 days.

➔ **Leave During probation Period:**

For sick leave in the probation period, the leave has to be specially mentioned by the department. Casual leave will be granted to probationary employees after completion of 6 months. Any leave taken prior to completion of 6 months will be adjusted against the casual leave.



➔ **Encashment Facilities of Annual Leave:**

Annual leave encashment facilities may be allowed to the employees for a maximum of 90 days (based on last basic) at the time of his/her leaving the bank.

➔ Leave taken in advance is to be adjusted during final settlement.

5.8 REWARD AND RECOGNITION POLICY

Reward and Recognition is a way to express appreciation for another employee's hard work, dedication and contribution to the Bank. There are many levels of Reward and Recognition, to ensure both small contributions as well as the larger ones is recognized.

There are four levels of rewards and recognition.

LEVEL 1: Individual Contribution Award & SME Monthly Award

LEVEL 2: Departmental Committee Award

LEVEL 3: Organizational Competence Award

LEVEL 4: Chairman's Excellence Award

5.8.1 Spot award:

This is an award is given to employees on the spot recommended by the customers or the employees very nicely handle any difficult client /situation.



5.8.2 Bright Ideas Program:

The “Bright Ideas Program (BIP)” is being introduced to create an environment in the Bank in which people contribute their thoughts to improve the over all control and efficiency.

The BIP is designed to reward / recognized the contribution which has impact on the performance of the bank.

5.8.3 Eligibility:

- All permanent regular staff (except for EMT members) would be eligible for the program.
- A team consisting all regular staff (except for EMT members) would be eligible for the program.
- At least three months elapsed from the date of implementation of the idea/s.

5.9 Resignation and Termination from Service

5.9.1 Resignation of Regular Employee

A confirmed employee may leave or discontinue from the services of the bank by giving 1(one) month notice, in writing or pay to the bank as compensation an amount equal to his or her total pay for 1 (One) month.

Resignation of Probationary or Temporary Employee

Probationary or any temporary employee shall leave or discontinue his/her



service from the Bank by giving 15 (fifteen) days prior notice in writing of his/her intention to do so or pay to the bank as compensation an amount equal to his or her total pay for fifteen (15) days.

5.9.2 Termination of Employee:

5.9.2.1 Regular:

The competent authority may terminate the services of a confirmed employee or call upon him/her to resign without assigning any reason, by giving him/her 01 (one) month notice in writing or on payment of 01 (one) month substantive pay in lieu of such notice and the employee shall not be entitled to any form of compensation for termination of service.

5.9.2.2 Probationary or Temporary Employee:

The service of a probationer or a temporary employee shall be liable to be terminated by the competent authority without assigning any reason without giving him or her any notice and the probationer or the employee shall not be entitled to any form of compensation for termination of service.

5.10 Retirement Policy:

An employee of the Bank shall retire on attainment of the age of 60 (Sixty) years or 27 (twenty seven) years of service in the Bank which ever is lower.



5.10.1 Kinds of Retirement:

The Retirement may be categorized in the following ways:

- ⇒ Voluntary Retirement;
- ⇒ Normal Retirement;
- ⇒ Forced Retirement;

No employee who has retired from service shall be re-employed in the service of the Banks in any capacity.

5.11 MIS and Intelligence

Perform specialized function involving head hunting for specialized people in the industry to gather market intelligence and provide current and updated MIS reports to support effective analysis of situation and decision making to quantify productivity and continuous improvement of HR department. This wing initiates the development of comprehensive computerization programs to provide current and updated MIS reports to support effective analysis of situation and decision-making. It also identifies performance baseline data and establish benchmark for continuous improvement.



Chapter Six





6.1 COMPETITOR ANALYSIS

The competitors also focus on market segments where they can meet customer needs in a superior way and command a price premium. Foreign currency business is one of the most competitive sector or almost every commercial bank. The consumer credit scheme is very much conducive to the limited income citizen. Because these type of schemes are mainly based on flexible terms and conditions and subject to installment based payment. In recent times the overall demand and prospect of these type of credit service has increased a lot. Now various commercial banks are providing this service but nine banks are the best service included Mercantile Bank.

Mercantile Bank

Mercantile Bank in a good position from its image perspective. It has a good profit since 1999. Compared the other new bank which is start their work since 1999 in that sense MBL is in a market good position.

The bank considers savings and deposits as lifeblood of the bank. Mort the deposit greater is the strength of the bank. So they intend to launch various new savings schemes with prospect of higher return duly supported by a well-orchestrated system of customer services. Technologies such as computer, ATM, 'fete-communication etc. all would be harmonized and adapted to the system in order to provide found the clock and any branch services to the clients.



The Authorized capital of the Bank is TK. 800 million and the Paid-up capital of the Bank is Tk.276.85 million as of December 31, 2001. The Authorized Capital of the Bank is Tk.800.00 million of 8,000,000 ordinary shares of Tk.100 each.

The issued, subscribed and paid-up capital of the Bank is Tk.276.85 million of 2,768,500 ordinary shares of Tk. 100 each fully paid-up in cash in 2001

Fixed deposit was the largest component of the deposit resources. Fixed deposit amounted to Tk.53 18.49 million which was 43.47% of the total deposits in 2001.

Call deposits amounted to Tk.2580.00 million which was 2 1.09% of the total deposit and deposits under schemes amounted to Tk.2076.94 million which was 16.98% of the total deposits. The other deposits which include current deposits, savings deposits, short term deposits, foreign currency deposits, sundry deposits, security deposits and bills payable amounted to Tk.225 9.27 million which is 18.46% of the total deposit resources.

☒ Islami Bank:

Islami bank is the pioneer in this sector. This bank is mainly activated and regulated by Islami sharia. They first introduced this type of scheme under title of household durable investment scheme in January 1993. Presently 73 out of 103 branches of Islami bank are under this project.

Islami bank first introduced this scheme by its four branches in January 1993. For being so popular in a short time, Soon this scheme is extended to 73 branches.



So far the no of clients under this scheme is thirty four thousand nine hundred and twenty one.

The amount of loan disbursement is 91 crore 11 lac Taka so far. The highest loan amount of household durables investment schemes is one lac. The equity is 25% and the profit rate is 13%. Beside these, one percent is for risk fund and two percent is for supervisory organization. The responsibility of overall supervision of this scheme has given to three companies by Islami bank. Their duties include client selection, investment, disbursement, collection and overall supervision. The companies are Ibne Sina Investment Company Limited, Faisal Investment Foundation and Anudip Services Private Limited.

☒ Prime Bank:

The prime bank limited has introduced this consumer credit scheme in July 1995. In beginning, it was only introduced in motijheel branch. But for having very positive feed back from the clients within one year, now the service is being provided by other more branches also. The supply rate is 11.90 percent of total disbursement and the recovery rate is 98.41%. But the scheme is slightly exceptional from other banks scheme. There are two categories under this scheme. The first one is car investment project. The credit amount is up to three lac. The equity is 50% for recondition car and 30% for new car. The second one is household durables scheme and the loan amount is one lac. The equity is 20% against the loan. The time limit for repayment is three years for recondition car and four years for new car. For others the time limit is two years.



☒ Pubali Bank:

In private sector Pubali bank has also adapted this scheme in mid July 1996. Primarily nineteen branches of Dhaka City are providing the services. But soon four branches in Chittagong and two branches in sylthet will provide the services. The credit limit is one lac and 20% equity. The rare of interest is 12%. The service charge rate is 2.75%. There are two supervisory organization, S.F. service private limitad and Advance Technology. So far the no. of client is seven hundred ninety seven and the amount of disbursement is 2 crore 75 lac 15 thousand and 75 taka. The supply rate is 1.80% and the recovery rate is hundred percent.

☒ Southeast Bank:

Presently sixteen branches of southeast Bank are under its consumer credit scheme. So far the no. of clients under this scheme is two hundred thirty one. The total amount of disbursement is 4 crore 49 lac 59 thousand taka. The overall recovery rate of southeast Bank is hundred percent. The supply rate is 2.99 percent of the total disbursement.

☒ Al Arafah Islami Bank:

Presently fourteen branches of Al Arafah Islami bank are under its consumer credit scheme. SO far the no. of clients under this scheme is four hundred four. The total amount of disbursement is 1 crore 10 lac 99 thousand Taka. The




overall recovery rate of Al Arafah Islami Bank is 97.5%. The supply rate is .74 Percent of the total disbursement.

☒ Eastern bank

The Policy of consumer credit scheme is not very much wide spread in Eastern Bank. So far the no. of client is four hundred thirteen. The recovery rate is hundred percent and the supply rate is .018 percent.

6.2 SWOT Analysis

6.2.1 Strengths

- 
- ☞ Professional, well experienced and efficient employee are working with sincerity and best effort.
 - ☞ Well planned job rotation program for Policy trainee and probationary officer.
 - ☞ Incomparable integrity in terms of maintaining privacy and confidentiality of any client account.

6.2.2 Weaknesses

- ☒ Commission and other service charges are unnecessary low comparing to those of the other banks.
- ☒ Workload on the employees are too heavy for them to provide proper answer to client's question which sometimes develops client dissatisfaction.



6.2.3 Opportunities

- Consumer credit scheme can be very profitable and prospective sector for the bank.
- Some positive movements against the defaulters by the Governments.
- Overall increase of bank deposit in a prospective manner.

6.2.4 Threats

The following chart is the reflection of most aggressive threat for UBL:

Name of the banks Amount of defaulting loan % of unrealized loan

National Bank-543 crore 65 lac-39.37%

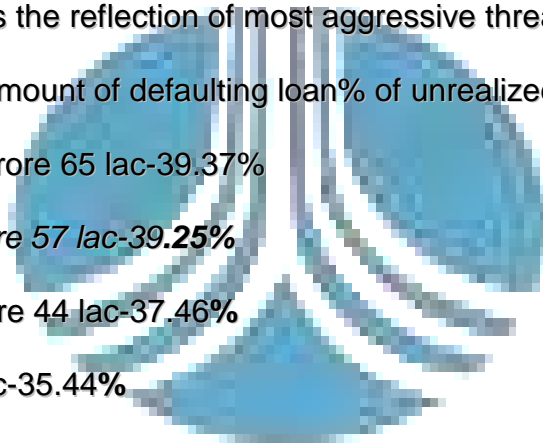
Uttara Bank-399 crore 57 lac-39.25%

Rupali Bank-720 crore 44 lac-37.46%

IFIC-475 crore 32 lac-35.44%

Janata Bank-1304 crore 26 lac-29.99%

Standard Chartered Bank-28 crore 16 lac-4.95%.





Chapter Seven

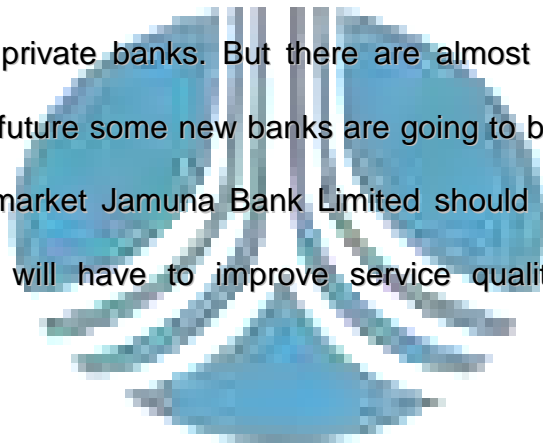
Findings & Recommendation





7.1 Proposition to progress the service quality of BBL

In order to improve the service quality customers expressed different opinion from their point of view. I can summarize their opinion, which is the gist of their suggestions. They have to take some steps to improve the service quality. More branches should be opened in Dhaka city and in other cities of the country. They will have to start consumer credit scheme and other schemes that will help the consumer. It is badly needed to provide modern banking services such as Credit Card, ATM Card, Visa Card etc. Jamuna Bank Limited is providing better service comparing to other private banks. But there are almost fifty-two banks in our country. In the near future some new banks are going to be opened. So in order to complete in the market Jamuna Bank Limited should be very careful about their service. They will have to improve service quality and provide more facilities.



Findings in different sections of the Bank

General Banking Department

- According to some client's opinion, introducer is one of the problems to open an account. If a person who is new in the city wants to open an account it is a problem for him/her to arrange for an introducer of SB or CD accounts holder.



Foreign Exchange Department

- Modern technical equipment such as Fax machine is not sufficient in foreign exchange department. As a result the exchange process makes delay and it is also complicated.

Investment Department

- Sometimes the securities taken against the loan are deliberately overvalued by the employee to unlawfully help the client. As a result if the client fails to repay the loan the bank authority can not collect even the principal money invested by selling of those assets. It is also very important factor that leads to loan default.
- The investment department takes a long time to process a loan.

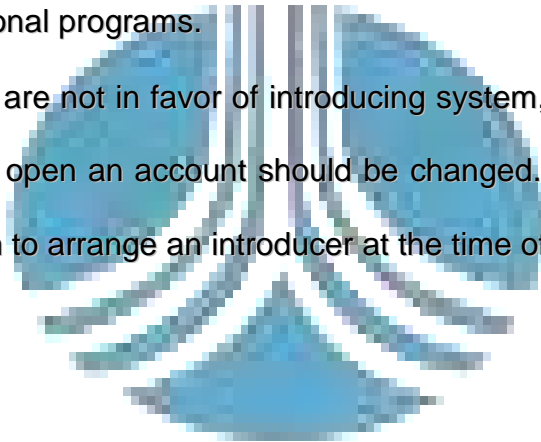
7.2 Commendations

Banking is service-oriented marketing. Its business profit depends on its service quality. That's why the authority always should be aware about their service quality.

- To provide quality service to the customer it is necessary to have a trained team of an organization or an institution. For this reason the bank should recruit fresher, bright, energetic persons such as MBA, BBA and MBM etc.
- Bank should offer more facilities to the customer such as Credit Card, Visa Card, Master Card, ATM machine etc.



- As soon as possible the bank should start more branches in Dhaka City as well as in other cities of the country.
- The bank should take attempt to enter into the share market by issuing shares to capitalize more money and invest thereafter by expanding the number of branches around the city.
- One of the business strategies is promotion. Successful business depends on how they can promote their products or services to the customer. In this connection to improve the business status bank should introduce more promotional programs.
- As the clients are not in favor of introducing system, if possible the rule of introducing to open an account should be changed. Because they face in many problem to arrange an introducer at the time of opening accounts.





7.3 Recommendations

I have the practical experience in BBL for only three months, with my experience in the bank with vast and complex banking system, it is very difficult for me to recommend. I have observed some shortcomings regarding operational activities of the bank. On the basis of my observation I would like to recommend the following suggestions:

- Though the performance of general customer service is good, but their employees are not well trained. The department needs to recruit expert human resources to provide good customer service, which will bring effectiveness of the bank's operation.
- The employees are given deposit target, which creates extra pressure to them for that reason they cannot freely provide customer service. They had to spend most of their time to marketing to fill up their target. If the bank can reduce the pressure then they could be able to provide good service.
- Margin and commission on L/Cs varies from customer to customer. A customer is allowed to open a L/C at a very low margin depends on Banker's relationship.
- In case of Export, the government encourages the exporters by giving different facilities like tax-cuts. I think the bank should also consider about such types of facilities to be given to the exporters.



- In many cases, the foreign banks choose for a confirmation from other foreign banks, which is dishonor for the local bank. It proves the poor financial condition of our country. Bank should try to improve this situation.
- To communication with the Negotiation Bank, Advising Bank, Reimbursing Bank the branch uses Telex and SWIFT. As well as these media the Bank could use the Email, which is cheaper and faster than those media.

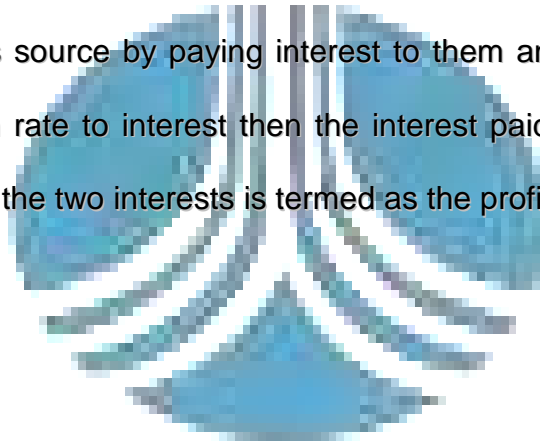


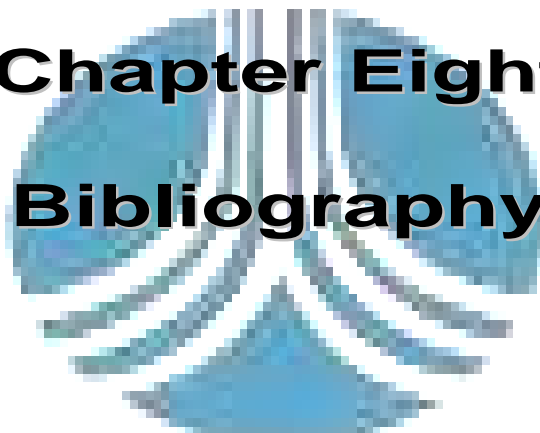


7.4 Conclusion:

Jamuna Bank Limited is bank of new generation. Though I tried to include at my report about deposit, customer service and general banking, I followed their rules and regulation and tried to use them in my report to prepare this report with my best effort.

Though all departments and sections are covered in the internship program, it is not possible to go to depth of each activities of branch because of time limitation. Bank is an institution, which acts as a financial intermediary. Since bank collect deposit from various source by paying interest to them and grant loan to some other parties at high rate to interest then the interest paid to the depositor, the differences between the two interests is termed as the profit.





Chapter Eight

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Chapter Nine

Appendix





JBL- Jamuna Bank Ltd.

ECC- Export Cash Credit

LIM-Loan against imported merchandise

Foreign Documentary Bill Purchase

CD- Current Account.

SB- Savings Account

FDD- Foreign Demand Draft

FDR- Fixed Deposit Reserve

FTT- Foreign Telegraph Transfer

STD- Sort term Deposit

TC- Travelers Cheque

PSS- Pension Savings Scheme

E.g.- For example

MSS- Monthly Saving Scheme

i.e.- That is.

LDS- Lakhpati Deposit Scheme

CCS- Consumer Credit Scheme

MDS- Millionaire Deposit Scheme

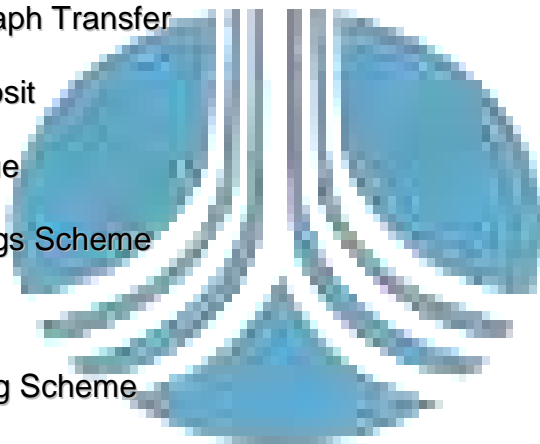
LRA- Landing Risk Analysis

KDS- Kotipati Deposit Scheme

L/C- Letter of Credit

MBS- Monthly Deposit Scheme

CI&E- Chief Controller of import & Export





DGDS- Double Growth Deposit Scheme

TGDS- Triple Growth Deposit Scheme

D&B- Dun & Bradstreet

MDS- Marriage Deposit Scheme

PAD- Payment against Document

ESS- Education Saving Scheme

DD- Demand Draft

PO- Pay Order

TT- Telegraph Transfer

OBC- Out Ward bills for collection

IBS- Inward bills for collection

SOD- Secured Overdraft

CC- Cash Credit

IBP- Inland bill purchase

TL- term Loans

