COMITTED TO SERVE THE NATION

Service Quality Assessment, Loans and Advances of Agrani Bank

Uttara University

Internship Report
On
Service Quality Assessment of Loans and Advances of Agrani Bank Limited

SUBMITTED TO:

Md. Mohedul Islam
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SUBMITTED BY

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Date of submission: 17April, 2021

LETTER OF TRANSMITTAL

02 April 2021
Md. Mohedul Islam
Assistant professor of Accounting
Department of Business Administration
School of Business
Uttara University

Subject: Internship Completion Report on “Service Quality Assessment of Loans and Advances of Agrani Bank Ltd.”

Dear sir,

I take the pleasure to submit my Internship Report, which is a requirement for my Internship and this internship program has given me the experience of working andihave gather extended knowledge on working procedures of “service quality assessment, loans and advance section of a reputed commercial bank of BD.During the three months internship period, I was assigned to prepare a report on the topic“Service Quality Assessment, Loans and Advances of Agrani Bank Ltd.”This report gave me the opportunity to apply and match my theoretical knowledge, which will be a great help for me in the future.It was my great pleasure & honor that I got the opportunity, working with them

Yours sincerely,
Md. Imran HasanForhad
ID: 2171011195
Department of Business Administration
Uttara University

STUDENT'S DECLARATION

I Imran HasanForhad hereby declare that the report of internship titled Service Quality Assessment of Loans and Advances of Agrani Bank Ltd. is prepared by me after completion of 3 month work inAgrani Bank ltd. I also would like to confirm that, the report is prepared exclusively for academic purpose not for any other purpose.

Md.ImranHasanForhad
ID: 2171011195
Program: BBA,
Batch: 42nd
Major in Accounting
Department of Business Administration
Uttara University

SUPERVISOR'S DECLARATION

02 April, 2021

Dear student,

You will be happy to know that an internship report on **"**Service Quality Assessment of Loans and Advances of Agrani Bank Ltd."has been assigned to you. You have to complete the report within a given deadline. I hope you successfully complete your report. After completing the report you have to submit your presentation on power point slide.

....

Md. Mohedul Islam
Assistant Professor of Accounting
Department of Business Administration
School of Business
Uttara University

ACKNOWLEDGEMENT

With the help of the Almighty God it has been possible for me to perform the internship program in Accounts & Human Resources Management of Agrani Bank Limited and write a report onService Quality Assessment, Loans and Advances of Agrani Bank Ltd.

It is my pleasure to thank the respected faculty of the business school of Uttara University for assigning this expertise knowledge and giving me opportunity of practical exposure through this report.

My deepest appreciation goes to Md. Mohedul Islam, Assistant Professor of Accounting, who has acted as my academic internship supervisor. His help, guidance and constructive comments were outstanding in the completion of this work.

I take the opportunity to express my sincere gratitude and respectto Md. Abdullah Al Mamun PO/Manager Agrani Bank Ltd. Tajpur Hat Branch Dinajpurfor accepting me to work in his renowned Branch. Then I express my profound gratitude toM.H.M. Shaikhul Islam, Senior Officer Agrani Bank Ltd. and Prionath Roy, Senior Officer, Agrani Bank ltd.Tajpurhat Branch Dinajpur. for his constant support, guidance and supervision on my work inAgrani Bank. I will ever grateful to him for his kind support, inspiration and open minded behavior which he has shown towards me during preparing my internship report. Without his cooperation this report might have remained incomplete.

Now at this point, I would like to recall those people's contribution, who received me as a member of their Banking family, with whom I worked for the last few months. I would like to express my deep condolence and gratitude to all of the officials and members of Agrani Bank Ltd.(Tajpur Hat Branch) for all their guidance and suggestion during my ''Internship Program''.

Lastly I would like to give my special thanks and inexpressible greets to my inmates, both seniors and fellow BBA students and others for giving me good advice, suggestions, inspiration and support. Thanks to all.

EXECUTIVE SUMMARY

One of the vital part of BBA Program is Internship Program. At the end of academic course work one need to complete the internship to gain practical knowledge to have an experience of implementation of acquired theoretical knowledge.However, at the end of my BBA course work I was placed in Agrani bank limited at Tajpur Hat Branch,Dinajpur. During my internship period I have studied almost all the section of this branch. General banking sector, Service areas, Loans and advance section etc. At the end of my few months internship period I have gained a thorough knowledge about all of those.

AgraniBank ltd. is one of the largest Public Bank in Bangladesh. This Bank focused on her Customers satisfaction and trust. Agrani Bank ltd.Agrani Bank emerged as a Nationalized Commercial Bank following the Bangladesh Banks (Nationalization) Order 1972 vide President’s Order No. 26 of 1972 under which former Habib Bank Limited and Commerce Bank Limited and renamed as Agrani Bank.

This report intends to give a comprehensive view of the bank. It consists of Eight parts. First part consists of introduction and background of the study. Second part consists of a brief history of banking. Third part consists of organizational overview of Agrani bank limited. Fourth part consists of Service Quality Assessment and fifth part consist loan and advances of ABL. And six part consist problem and recommendation with the conclusion, Seven part reference and eight part are of this report is appendix.

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TABLE PART-2

CHEPTER:1

IRODUCTION

1.1: BACKGROUND OF THE STUDY

Internship program is essential for all BBA students, because it helps him or her acquit with real life situation. For completing my BBA degree Internship Report is one of the parts at the final semester of the Department of Business Administration, Uttara University. This Report is about Agrani Bank Limited, Activities of its service quality and loan section. As I am an employee of Agrani bank limited so I preferred Agrani bank to complete my internship also.

This report covers the organizational overview of the Agrani Bank Ltd, Management and Organizational Structure, various functions performed by the Agrani Bank Ltd. It also covers overview of the service quality assessment, Loans & Advance departments.

It was a chance for me to learn about the management and service quality assessment, loans and advances of Agrani Bank ltd. This report will give us a clear picture about the service quality and others financial activities of Agrani Bank Ltd.

The scope of this study is:

- Maintaining a good relationship with customers and management
- This reports cover operational and functional area of Service Quality Assessment, Loans and Advances.
- It will help to find out the ‘‘HRM Practice’’ of Agrani Bank Ltd.

1.2: OBJECTIVES OF THE STUDY

1.2.1: Broad Objective

- To have a complete understanding and focus on the financial activities performed and management working activities in Agrani Bank Limited.
- To Provide an practical knowledge of ‘‘Service Quality Assessment, loans and Advances department activities of Agrani Bank Limited.

1.2.2: Specific Objectives

- To examine bank’s performance.
- To review the consumer banking services quality and operating system of Agrani Bank Ltd.
- To review the loan and Advances system.
- To review overall dealings of the Agrani Bank Limited.
- To identify the problems regarding transaction.

Methodology

To prepare this report both primary data’s and secondary data are needed. These data were collected from various sources including personal interviews, annual reports, prospectus, websites, previous reports and observing organizational procedurs.

1.3: LIMITATIONS OF THE STUDY

As I have finished my internship in Agrani Bank Limited, Tajpur Hat Branch Dinajpur. I have enjoyed very much this environment and agreeable place. The officers are very co-operative but they are very busy with their work, that's why they are can't give me time to get knowledge about practical activities. One more important thing is that I have been completed my internship during this corona pandemic situation. In this situation every organization along with all banks were slowdown their work. So, it was very tough for me to collect all the information in this very short time. On the way of my study, I have faced the following problems which may be turned as the limitation coming of the study. These are as follows:

1. Short time duration and lack of practical knowledge are the main limitation of this study.

2. They have to deal in a very competitive environment based on money related activities. Any mistake from me may hamper their performance and goodwill in banking sector, for this reason I deprive of having practical knowledge.

3. Because of Corona Pandemic Situation everyone maintain social distance that's why I can't communicate with everyone easily that's badly influence me for collecting data.

4. Workload of the Administration are one of the most limitation for collecting data, because, the representative of ABL are very busy with their own work, in some case I could not convers with them suitably.

1.4: RATIONALS OF THE STUDY

Reason for the conducting the study mainly for gathering the knowledge about banking sector as well as 'Service Quality Assessment, Loans and Advance' and do some study about how to improve the related this sector, how to avoid the limitation and how to do job smoothly. With this study a student will be more benefited then others, like after having this study once a student go for the real job he/she will be very fluent and works hesitation less. So this kind of study is very important for a student. We can say that an organization also be benefited with this kind of study, first of all they are getting an employee with very low cost, then the sector having or improving the student as a good employee so later on he/she can serve the better job for the organizations. Like that the policymakers and stakeholders are also be benefited with this kind of study. So at last we can say the purpose and reason of this study play a vital role for student, organizations and for every one related to this banking sector.

CHEPTER 2

COMPANY OVERVIEW OF THE AGRANI BANK LIMITED

Committed To Serve The Nation

Figure: Agrani Bank Ltd.

2.1 History of Agrani Bank Limited

Agrani Bank Limited was established on 26 March 1972 by combining two abandoned Pakistani banks Commerce Bank and Habib Bank and renamed as Agrani Bank. The Bank is fully owned by the Government of Bangladesh. The Bank was incorporated as a State-owned Commercial Bank on 17 May 2007 under the Companies Act 1994. On a going concern basis, Agrani Bank Limited took over the business, assets, liabilities, rights and obligations of Agrani Bank through a vendor's agreement signed on 15 November 2007 between the Ministry of Finance of the People's Republic of Bangladesh and the Board of Directors of ABL with retrospective effect from 01 July, 2007.

Agrani Bank Limited (ABL) is the First state-owned Commercial Bank in Bangladesh to introduce Agent Banking. Currently ABL has 280 agent booths who are operating Agent Banking activities around the rural areas of Bangladesh. In Agrani Bank Limited, Islamic Banking system is operated under 'Islamic Banking Unit' since February 28, 2010 through 15 Islamic Banking Windows. **Agrani Bank Limited Committed to serving the nation.**

At Present, Agrani Bank having 921 Branches situated in 64 Districts in Bangladesh.

2.2 Organizational Structure

Figure 1: Organizational Structure of Agrani Bank

2.3 Vision and Mission of Agrani Bank

2.3.1: Vision

To became a leading Bank of Bangladesh operating at international levels of efficiency, quality and customer service.

2.3.2: Mission

- To apply the information and communication technology for the benefit of customers and employees.
- To fuse the ideas and lessons from best practice to explore new avenues to become stronger, more efficient and competitive.
- Operate ethically and fairly within the stringent framework set by our regulatory.

2.3.3: Corporate Objective of Agrani Bank

- Growth
- Value Addition
- CSR
- Quality Standard

2.4 Product Of Agrani Bank

2.4.1: Deposit Product

- Savings Bank Account.
- Current Deposit Account.
- Special Noticed Deposit Account.
- Fixed Deposit Account.
- Agrani Bank Pension Scheme (APS).
- ABS Account.
- Agrani Bank Quarterly Income Scheme.
- Agrani Bank Sanchay.
- Agrani Bank Double Benefit Scheme.
- Agrani Bank Lakhpoti Deposit Scheme.
- Agrani Bank Probash Deposit Scheme.
- Agrani Bank Quarterly Income Scheme.
- Agrani Bank Nari Amanot Scheme.
- Agrani Bank Senior Citizen Savings Scheme.
- Agrani Super Savings Scheme.
- Agrani Bank Wages Earners Deposit Scheme.
- Agrani Education Scheme.
- Student Super Savings Scheme(S4).
- Agrani NRB Deposit Scheme.

2.4.2: Loan Product

- Personal Loan.
- Any Purpose Loan.
- Freedom Fighter Loan.
- Loan Against pension vata of retired Govt. Officer/Staff.
- Agrani Bank Loan for Overseas Worker-ALOW.
- Green Banking Finance.
- Short Term SME Loan.

2.5: Performance Of Agrani bank

Agrani bank ltd. has constantly achieved growth for his performance. Following Table summarized Years 2008-2019 Performance of the key financial indicators of the bank.

Figure in Core BDT

Years	Deposit	Equity	Import	Export	Operating Profit	Loans & Advances	Remittance	Work- -Force
2008	14,681	642	10,952	4,954	633	11,336	5,269	10,988
2009	16,628	1,144	7,753	4,461	644	12,224	5,587	11,443
2010	20,633	1,572	16,792	6,443	1,086	16,326	7,097	11,900
2011	25,221	2,594	26,877	9,310	1,474	19,409	8,682	12,085
2012	29,243	717	16,963	8,838	1,007	21,266	11,681	13,890
2013	34,868	3,564	15,947	7,845	1,064	20,297	12,657	14,005
2014	38,392	3,957	15,741	8,345	1,074	23,509	12,980	13,414
2015	43,998	4,468	10,917	7,543	878	24,480	13,204	13,396
2016	49,405	3,658	10,153	7,396	555	26,587	12,022	12,672
2017	53,035	4,073	13,267	7,059	813	31,912	10,605	12,798
2018	62,193	4,159	23,551	8,280	832	39,575	12,680	12,656
2019	69224	4,243	38,841	10,873	900	46,583	14,863	12,051

Figure 2: Performance Chart.

Chepter:3

Data Collection and Processing

The sources of the data are mainly divided in two parts that are: 1.Primary Data, or 2.Secondary Data. Various sources were explored for primary information and data collected. But, in the absences of update data or information secondary sources are inevitable. Data are also collected from the responsible officers interview, document and ABL annual reports are collected from official website.

3.1Sources of Data

3.1.1: Primary Data

- Directly Interview with the respected branch Manager.
- Data are collected from official records of ABL Bank ltd.
- Face to Face interview with respective employees and personnel.

3.1.2: Secondary Data

- Annual Report, Official data book.
- Research and various Publication of Agrani Bank ltd.
- Company Project Profile.
- Financial Statement.
- Official files and documents and
- Browsing official websites.

CHEPTER:4
Finding And Analysis/Work Experience

4.1: Services Quality Assessment

Service quality is the very sensitive point for all the banking operation. Quality of service is the main determinant factor when clients consider a bank's standard. In this point depend most of the growth. Banks have traditionally placed a high value on customer relationships with both commercial and retail customers. When Customer evaluate the quality of the service they receive from a banking institution they use. The inability of the management to control the service encounter makes the employees responsible for the quality of service delivered to the customers. In order for the management to trust that the employees are successful in dealing with their customers, the management has to give the employees the authority and necessary support to succeed at it, which is referred to as employee empowerment. The practice of which can directly affect the quality of services delivered, and customer satisfaction.

4.2: Kinds Of Banking Service

- ATM SERVICE
- SWIFT
- LOCKER SERVICE
- EVENING BANKING SERVICE
- UTILITY BILL COLLECTION
- VAT ONLINE PAYMENT
- AGENCY SERVICE
- A-CHALLAN
- WAGE EARNER’S DEVELOPMENT BOND
- NATIONAL SAVINGS
- JIBAN BIMA
- DOLLER PREMIUM BOND

4.2.1: ATM SERVICE

Agrani Bank Limited has launched Debit card under Q-cash brand shared ATM network system maintained by Information Technology Consultants Limited (ITCL). At present more than 26 banks are the members of this Q-Cash branded shared Network and more than 1200 ATMs are in operation in the network.

Facilities of ATM/DEBIT Card

- Cash Transaction
- Balance Inquiry

Annual Fee for ATM/DEBIT Card

- Issue fee is TK. 250.00
- Renewal fee is TK. 250.00
- Replacement fee is TK. 250.00
- PIN reissue fee is TK. 200.00

For Bank Personnel:

- Renewal fee is TK. 200.00
- Renewal fee is TK. 200.00
- Replacement fee is TK. 200.00
- PIN reissue fee is TK. 200.00

[NCTB: At recent time Agrani Bank Provide free ATM/DEBIT card in March 2021].

4.2.2: SWIFT

The Society for Worldwide Interbank Financial Telecommunication("SWIFT") operates a worldwide financial messaging network which exchanges messages between banks and other financial institutions. SWIFT was founded in Brussels, Belgium in 1973, supported by 239 banks in 15 countries.
Agrani Bank Limited is a member of SWIFT. SWIFT code is AGBKBDDH. Different 37 branches of the bank are connected with SWIFT through SAP(SWIFT Acess Point). SWIFT is operated via dial up connection and receives & sends messages from central server.

4.2.2.1: List OF SWIFT

Serial No.	Authorities Diller/Branch	SWIFT Code
01	Agrani Bank Ltd. Head Office	AGBKBDDH000
02	Principal Br. Motijheel, Dhaka	AGBKBDDH001
03	BangaBandhu Avenue Br. Dhaka.	AGBKBDDH002
04	Moulvi Bazar Br. Dhaka	AGBKBDDH003
05	Amin Court Br. Dhaka	AGBKBDDH004
06	Raman Branch, Dhaka	AGBKBDDH005
07	Foreign Exchange Branch	AGBKBDDH006
08	Sadarghat Branch Dhaka	AGBKBDDH007
09	Banani Branch, Dhaka	AGBKBDDH008
10	BangaBandhu Road Br. Narayangonj	AGBKBDDH009
11	Court Road Branch, Narayangon	AGBKBDDH010
12	Faridpur Chawk Bazar Branch,	AGBKBDDH011
13	WASA Branch, Kawran Bazar	AGBKBDDH012
14	Tejgaon I/A Branch, Dhaka	AGBKBDDH013
15	Nawabpur Road Branch, Dhaka	AGBKBDDH014
16	Agrabad C/A. Branch, Chittagong	AGBKBDDH015
17	Asadgonj Branch, Chittagong	AGBKBDDH016
18	Laldighi East Branch, Chittagong	AGBKBDDH017
19	Agrabad Jahan Bldg. Branch, Ctg	AGBKBDDH018
20	Rajgonj Branch, Comilla	AGBKBDDH020
21	Laldighirpar Branch, Sylhet	AGBKBDDH021
22	Choumuhoni Branch Noakhali	AGBKBDDH022
23	Sir Iqbal Road Branch. Khulna	AGBKBDDH023
24	Jessore Branch, Jessore	AGBKBDDH024
25	Shaheb Bazar, Rajshahi	AGBKBDDH027
26	Thana Road Branch, Bogra	AGBKBDDH029
27	Maldahpatty Branch, Dinajpur	AGBKBDDH030
28	Hakimpur Branch, Dinajpur	AGBKBDDH031
29	Clay Road Branch, Khulna	AGBKBDDH032
30	B.WAPDA Branch, Dhaka	AGBKBDDH033
31	Purana Paltan Branch, Dhaka	AGBKBDDH034
32	EPZ Corporate Br. Ctg/Bay Shopping	AGBKBDDH035
33	Green Road Branch, Dhaka	AGBKBDDH036
34	New Market Branch, Chittagong	AGBKBDDH039
35	Sheraton Branch, Dhaka	AGBKBDDH040
36	Strand Road Branch, Chittagong	AGBKBDDH041
37	Gulshan Corp. Branch, Dhaka	AGBKBDDH042
38	Mohakhali Corp. Branch. Dhaka	AGBKBDDH043

Figure 3: List Of SWIFT Branch

4.2.3: LOCKER SERVICE

For safekeeping of customers' valuables like important documents and goods like jewelries and gold ornaments, Agrani Locker Service is available in most of the Branches in urban areas.

Nature of Service	Nature of Charges	Rate of Charges
Custody of Locker / Safe	Rent	a .Yearly TK.2000/=for small size locker. b. Yearly TK.2500/=for medium size locker. c. Yearly TK.3000/=for big size locker. d. Key Deposit at a time foe TK.5000/=for all Categories(Refundable on Closing).

4.2.4: EVENING BANKING SERVICE

"Evening Banking", a unique service of Agrani Bank Limited, only for receiving Cash and Documents beyond transaction hours till 6 o'clock in the evening, is available in about 207 important Branches of Agrani Bank Limited. The service is attractive for those, like shopkeepers, who accumulate cash as sales proceeds in the afternoon when counters of Bank branches usually remain closed.

4.2.5: UTILITIES BILL COLLECTIONS

The following utilities are collected by Agrani Bank:

- Electricity Utility Bill
- GAS Utility Bill
- WASA Utility Bill

4.2.6: VAT ON-LINE PAYMENT

All type of VAT are paid through RTGS system at all branches of the Agrani bank for depositing revenue in the government treasury.

4.2.7: NATIONAL SAVINGS

- Savings Certificates are sold and cashes at all the branches of Agrani Bank Limited.

4.2.8: JIBAN BIMA

Agrani Bank Life Insurance Corporation collects premiums in cash and money from life insurance policy holders.

4.2.9: AGENCY SERVICE

Agrani Bank Limited, being a state owned Bank, has both commercial commitment to its clients and societal commitment to the nation. Besides catering service to its clients at nominal fees/charges the Bank has to provide a plethora of services, free of charges, in respect of transferring money to different benevolent organizations and groups of professionals in far flung areas through its branches in urban and rural areas all over Bangladesh.

Collection of Utility bills:

- Telephone bills of T &T Authority without service charges
- Grameen-Phone bills of Grameen-Phone ltd. with service charge and others charges.
- Electric bill of REB without service charges
- Electric bills of DESA without service charges
- Electric bill of PDB without service charges
- Electric bill of DESCO without service charges
- Bills of Railways without service charges
- Gas bill of Titas Gas, T& D Co. ltd without service charges
- Gas bill of Bakhrabad Gas Co. ltd without service charges
- Bill of Oil-bill of Meghna Petrolium Co. Ltd.
- Sale/encashment of Saving Certificates
- Sale/Purchase of Prize bonds
- Payment of Army/civil pension
- Payment of non-government primary /secondary school/college /Madrasha teachers benefit (government portion)
- Payment of Government primary school teacher’s salary
- Payment of Honorarium to freedom fighters.
- Payment of stipend for female students of secondary and higher secondary institutions
- Payment of Govt. allowances to Bayaska, Bidava and Dostho Mohila.
- Payment of stipend to primary students
- Payment of stipend to Shishu Kallyan Trust in urban areas.
- Maintain of BADC disbursement account with 200 branches
- Payment of Food Procurement bills.

4.2.10 A-CHALLAN

The following A-CHALLAN services are provide by Agrani Bank:

- Government of the people's Republic of Bangladesh SPMS, Department of Finance, Ministry of Finance's automatic invoicing system through this bank is running in a total of 91 Branches in Dhaka metropolis and is being operated smoothly.
- All types of income tax and password fees are being paid in Dhaka metropolis through automatic invoicing system.
- Later, it will be possible to pay government fees for 164 more treasury invoices through the system.

4.2.11 WAGE EARNER'S DEVELOPMENT BOND

Wage earners living abroad may purchase "WAGE EARNER'S Development Bond in Bangladeshi Taka under the following terms and conditions:

Denominations:

- Taka 25,000 Taka 50,000 Taka 100,0000

Terms:

- For Five years

Interest:

- 12%. In case of premature encashment interest will be paid at lower rate

Insurance Coverage:

- Any purchaser of Wage Earner's Development Bond is entitled to get death-risk benefit.

Repatriation in Foreign Currency:

- Purchaser of WEDB can repatriate the principal amount of the bond in foreign currency

Tax Benefit:

- Interest earned from WEDB is exempted from Income Tax

Availability of WEDB:

Application Forms may be collected from any AD Branch of Agrani Bank. or any other Bank in Bangladesh or Agrani Exchange House in Singapore or Bangladesh Missions abroad. But the Form has to be submitted to any AD Branch of Agrani Bank. in Bangladesh for purchasing WEDB.

4.2.12 DOLLAR PREMIUM BOND

Nonresident Bangladeshi's seeking an attractive investment opportunity in Bangladesh ,can invest in US Dollar Premium Bond & US Dollar Investment Bond issued by Bangladesh Government from 1st November, 2002 through their Foreign Currency account.

Major Features of both the Premium and Investment Bonds:

- 3 years maturity .
- Half yearly interest payment .
- Principal amount and interest can be payable in either Bangladeshi Taka or US Dollar.
- Principal and interest both are free of income tax .
- At maturity ,the principal amount can be reinvested or repatriated.
- In case of loss, partial damage or complete damage of the bond,duplicate bond will be issued.
- The bond can be enchased before maturity but partial encashment is not allowed.
- Persons buying bonds worth US $ 1 million or 10 lac US Dollar will get CIP status.
- The Bond holder can nominate a nominee and the bonds will accrue interest on behalf of the nominee even after the death of the bond holder
  .

Features of Premium Bond:

- 7.5% annual interest rate.
- Principal amount is payable in US Dollar.
- Interest is payable in Bangladesh Taka.
- Principal amount can be payable in Bangladesh Taka if the purchaser desires.
- If any customer buys bond worth 10,000 US Dollar ,continues to increase the investment up to death, he or she will get 15% to 25% of invested amount with a maximum of Taka.2,000,000/- as death risk benefit under specific terms & conditions.

Features of Investment Bond:

- 6.5% annual interest rate.
- Principal amount and interest payable in US Dollar.
- Principal amount and interest can be payable in Bangladesh Taka at the discretion of the investor.
- Face value of both the Bonds:
- US Dollar 500,1000,5000,10,000 and 50,000

Limit of Purchase:

- Lowest 500 US dollar and highest of any amount in multiple of 500.

Nominee:

In the event of the death of the holder ,the nominee and in the event of the death of both the holder and the nominee ,the heir(s) of the holder shall be able to withdraw the amount of the bond(Principal ,interest & death risk benefit if any).

CHEPTER: 5
LOAN AND ADVANCE DEPARTMENT

5.1 Introduction

Loans and Advances department is one of the most important and vital part of a bank because, the success of this section helps to increase growth of the bank. If loan department does not work properly, then the bank itself may become bankrupt. Bank makes loans and advances mostly to traders, Businessman, industrialists. Loan and advances is the most important assets as well as the primary sources of earning of a bank which help to improve financial health of a bank.

5.2 Purpose of Loan

For purchasing bus, trucks, launches, for construction of building and for capital financing of industrial projects, export finance, import finance etc. Now days, commercial banks, especially the nationalized commercial bank, in our country, are to make loans under different schemes viz. Agricultural Loans, and loans under self-employment scheme etc. Depending upon the purpose, loans may be repayable within a few months or the repayment period may extend upon a few years. Agricultural loans are generally repayable within a period of 3(three) months to 1(one) year. But repayment of transport loans & house building loans may take longer period comprising a number of years.

5.3 Principles are followed by Agrani Bank Ltd. For Loan

The following principles which ensure the proper use of loan fund in a profitability way and it's timely recovery.

- Safety.
- Security.
- Liquidity.
- Diversity.
- Productive Purpose.
- National Interest.

5.3.1 Safety

Safety should get the prior importance in the time of sanctioning the loan. Bank need to ensure that advances are safe and money lent out by them will come back. Since the repayment of loans depends on her borrower's capacity to pay and willingness to pay.

5.3.2 Security

Every Bank set his own criteria for giving loans. Manager follows some criteria for giving loan:

- Leading agreements, Security borrower's commitment of specific valuable property like, Land, Building, Share, Transport etc. which may secure repayment of a loan.
- Security Serves as protection for a lender against commitment, it can be used to offset the loan to any borrower's falling to pay the principle and interest under the terms of loan obligation.
- If the borrower's does default on a loan ,that borrower forfeits the property pledged as security, with the lender then becoming the owner of the property.

5.4 Advances Secured and Unsecure

5.4.1: \Secured Advances

Secured Advances are those advances which provide absolute safety to the banker in means of charge created on the tangible assets of the borrower's in favor of banker. Secured advances is cardinal principle of sound to ensure safety of funds lent by banker to his customer.

5.4.2: Unsecured Advances

The legal status of an unsecured creditors, In case of default he is as par with other unsecured creditors. n unsecured loan is not protected by any collateral. If you default on the loan, the lender can't automatically take your property.

5.4.3: Function of Advances Department

Ensuring that funds are disbursed only after compliance with terms and conditions or required documents received.

- Make sure that the bank has always valid and current loan documentation.
- Ensuring that the collateral security is adequate at times to support the loans. Keeping the loan documentation, under safe custody.
- Ensuring that the bank receives sufficient valid insurance cover whenever required from a recognized, insurance company.
- Monitoring the receipt of periodical receivable. Debiting the client for all charges, interest etc. Maintaining the central liability records for all extensions of credit and balancing the totals with General Ledger.

5.5 Types of Loans

- Personal Loan
- SME Loan
- Retired Govt. Officers/Staff Loan
- Staff Loan
- Cash Credit (CC)
- Over Draft
- Demand Loan
- Freedom Fighter Loan
- Any Purpose Loan
- Agrani Bank Loan For Overseas Worker-Alow

5.5.1 Personal Loan

- Applicable for any salaried person in Agrani Bank Limited
- Loan limit upto 10 lac
- Age limit 18- 55 years
- Interest Rate 9%
- 5 Years period & repayment by monthly installment
- No Security Required
- Easy Loan Processing

5.5.2 SME Loan

SME Loan Program" Funding in Cottage, Micro, Small and Medium Enterprises is an important and priority sector in the current context. Agrani Bank Limited is currently disbursing SME loans as well as general banking through the total 952 branches in Bangladesh. Besides, Agrani Bank Limited has made extensive financing in cottage, micro, small and medium enterprises in manufacturing, service & trading/business sector through every branch in order to:

- Increase Economic development.
- Employment generation.
- Poverty alleviation,.
- Increase in empowerment of women and increase the GDP collection.

Under this program, only 9.00% interest will be available for Term loan and Working capital loan (CC-Hypo, CC-Pledge, Packing Credit, over draft etc.). The loan program expands in all branches of Agrani Bank Limited.

5.5.3. Retired Govt. Officers/Staff Loan

- Applicable for any Govt. retired officer/stuff.
- Term loan.
- Age limit 65 years.
- Loan limit up to 5.00 lac
- Interest Rate 9% (changeable).
- Period 5 years and repayment by monthly installment which will be adjusted from his/her pension vata/benefit.
- Personal guarantee required.
- Easy loan processing.

5.5.4. Staff Loan

- Staff Loan Bank provides advances staff for buying motor-cycles/motor-cars, wedding their sons or daughters, House Building etc.
- Bank provides this advance at no interest. This benefit is generally calculated as the interest on the loan at a prescribed rate, minus any interest actually paid on the loan within the year or 30 days after year-end.
- Repayment is adjusted from their monthly salary

5.5.5: Cash Credit (CC)

- A Cash Credit is an arrangement by which customer is allowed to borrow money up to certain limit.
- Cash Credit is an active and continuous process in which deposits and withdrawals going on frequently.
- Interest is charged only for the amount withdrawn and not for the whole amount charged.
- It’s operated in the same way as a current account on which an overdraft has been sanctioned.
- Cash Credit accounts are maintained in a separate ledger. Primary securities under consideration in case of cash credit are goods, products and merchandise.

5.5.6: Overdraft

- Overdraft occurs when money is withdrawn from a bank account and the available balance goes below zero. In this situation the account is said to be "overdrawn".
- Overdrawn is within the authorized overdraft limit, then interest is normally charged at the agreed rate.
- If the negative balance exceeds the agreed terms, then additional fees may be charged and higher interest rates may apply.
- From customer's point of views, this arrangement is advantageous, as he is requires to pay interest on the amount actually he used by him.
- Overdraft facilities are generally granted businessmen for expansion their business against securities of stock in trade, shares, debentures, government promissory notes, fixed deposit, life insurance policies, gold and gold ornaments etc.

5.5.7: Demand Loan

Demand Loan (such as an overdraft) with or without a fixed maturity date, but which can be recalled anytime (often on a 24-hour notice) by the lender and must be paid in full on the date of demand is called demand loan.

- Demand loans are often used to fund margin accounts.
- Small Enterprise Financing (SEF).
- Consumer Financing (CF).

5.5.8: Freedom Fighter Loan

- Applicable for Freedom Fighters who avails Govt. Subsidize/Govt. allowance from any branch of Agrani Bank Limited.
- Freedom Fighters wife, son, daughter, who are involve in small business/self-employment can avail this loan.
- Loan limit up to 5.00 lac
- Interest Rate 8% (changeable).
- Period 5 years and monthly installments will be adjusted from Freedom Fighters monthly/Quarterly Govt. allowance.
- Easy loan processing.

5.5.9: Any Purpose Loan

- For any service holder who has work at-least 5 years or has services left for at-least 5 Years.
- Loan up-to 3.00 lac.
- Interest rate 9%
- 5 Years Period and repayment by monthly installments
- Client personal guarantee and guarantee from a solvent person is required
- Easy loan processing.

5.5.10: Agrani Bank Loan For Overseas Worker-Alow

- Applicable for any person who has got a valid visa abroad and also for people who are willing to go abroad for job.
- Persons who has completed Passport, Training, Visa, Health Exam, Smart card, Airline Ticket or has completed partially of these.
- Persons, wishes to go abroad for job and in need of money to complete the above functions can also apply.
- Age limit 18-45 years.
- Loan limit 50,000- 3,00,000
- Interest Rate 9% (changeable).
- Period 15-18 months.
- Repayment by monthly installment which will be deducted from his/her savings account.
- Personal guarantee of clients close relatives (Father, Mother, Brother, Sister).
- Personal guarantee of client.
- Easy loan processing.

5.6: Process Of Loan

Applicant applies for the loan in the prescribed form of the bank describing the types and purpose of loan Sanction:

- Collect trustful information about applicant earning sources.
- Personal Investigation.
- CIB (Credit Information Bureau) report from Central Bank, Bangladesh
- Evaluation of compliance with its lending policy.
- Evaluating the proposed security.
- If loan amount exceeds 50 lakh then bank goes for LRA Analysis.
- LRA is must for the loan exceeding one core – as ordered by Bangladesh Bank.

If everything is truthful then accordance the loan is sanctioned.

5.6.1: For (Personal Loan) Bank Provide

- Letter of disbursement
- Promisor Note.
- Letter of Guarantee.
- Letter of Agreement.
- Letter of Installment.
- Cheque Memorandum of Deposit.
- Letter of Acceptance.

5.6.2: For (Personal Loan) Borrower Provide

- 2 copy Password size photo of the Borrower's.
- Photo Copy of National ID card.
- Two Guarantors.
- National ID of the Guarantors.
- 2 Copy Password Size Photo of the Guarantors.
- Photo copy of National ID Card.
- Certificate of Organization.
- Salary Statement.
- Photocopy of appointment letter.

5.6.3: Document Charge

- CIB Charges 300 Taka.
- Non-Judicial Stump 300 Taka.
- Glue Stamp of 900 Taka.
- Promisary note 50 Taka.
- Letter of Installment 50 Taka.

5.7: List Out of Interest Rate of Agrani Bank

Schemes	Interest Rate
Savings Account	3.50%
Short Notice Term Deposit(SNTD) Account	3.50%
Term Deposit Accounts - Fixed Deposit Receipt (FDR)	
For 3 months	5.75%
For 6 months	5.85%
For 1 year & above	6.00%

	Agrani Bank Pension Scheme	
Term	**Monthly Deposit**	**Rate of Interest**
5 years	TK 100 To TK 500	7.00%
10 years	TK 100 To TK 500	9.00%

	Agrani Bank Special Deposit Scheme	
Term	TK 1000 To TK 10000	**Rate of Interest**
5 years	TK 1000 To TK 10000	6.00%
10 years	TK 1000 To TK 10000	7.00%

CHEPTER 6
CONCLUTION AND RECOMANDATION

6.1:Recomandation

After completion the study, I have gathered some practical knowledge about the service quality assessment, loan and advanced in Agrani Bank Limited. Agrani Bank is topped in deposit growth among its peer state owned bank in 2019 mainly due to improvement in its client services.
Its deposit growth surged to a new high at 11% in 2019.Consequently its net interest income increased in 2019 at th.6.32 billion and profit after tax at TK.1.07billion.
Now, I would like to provide some recommendations, which might be helpful to upgrade the Quality of service of Agrani Bank.

- The main Criticism of the state-owned banks is poor services they render to the client.
- All Banking exercises ought to be performed utilizing IT.
- At the present time Agrani Bank Limited start SMS receive after any transaction; but,The service quality so poor. Most of the Client are not satisfied.
- Agrani Bank need upgrade their Software Quality.
- Mostly need to upgrade their service quality outside of the city Branch.
- Need to provide up-to date technology.
- Provide Nice Decoration.
- Offering more attractive Interest Rate
- Need to ensuring proper career ladder and motivating people.
- Reduces Cost.
- Bank should introduce new product

6.2: Conclusion

Agrani Bank Limited already top rank in our any others bank for his terms of quality, services of the customer and policy. ABL is the second biggest bank in terms of transacting remittance among all banks operation in Bangladesh. Agrani Bank limited close year 2019 many more achievement and many new services launched. Agrani Bank Limited Always try to upgrade itself and better service for his nation. ABL recent time start receive SMS after complete any transaction. This has brought a dramatic change on the landscape of the services.

CHEPTER 7
Reference

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- Agrani Bank Limited, Annual Report 2019.
- https://thefinancialexpress.com.bd/trade/digitisation-spurs-agrani-banks-business-growth-1602761732
- https://www.slideshare.net/EmranHosain1/general-banking-activities-financial-performance-of-agrani-bank-limited.

CHEPTER 8
Appendix

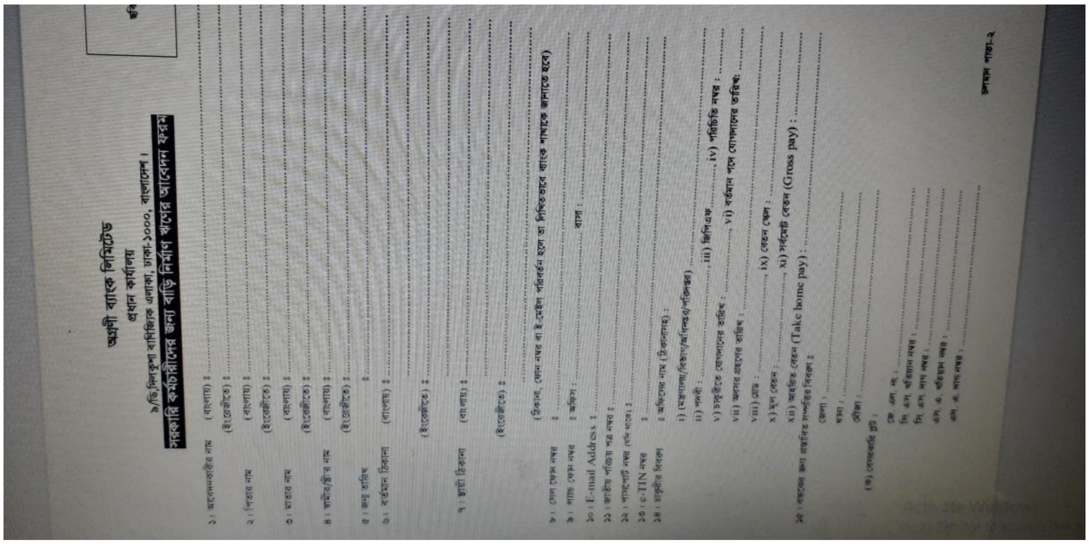

Fig: Agrani Bank House Loan Form for Govt. Employee.

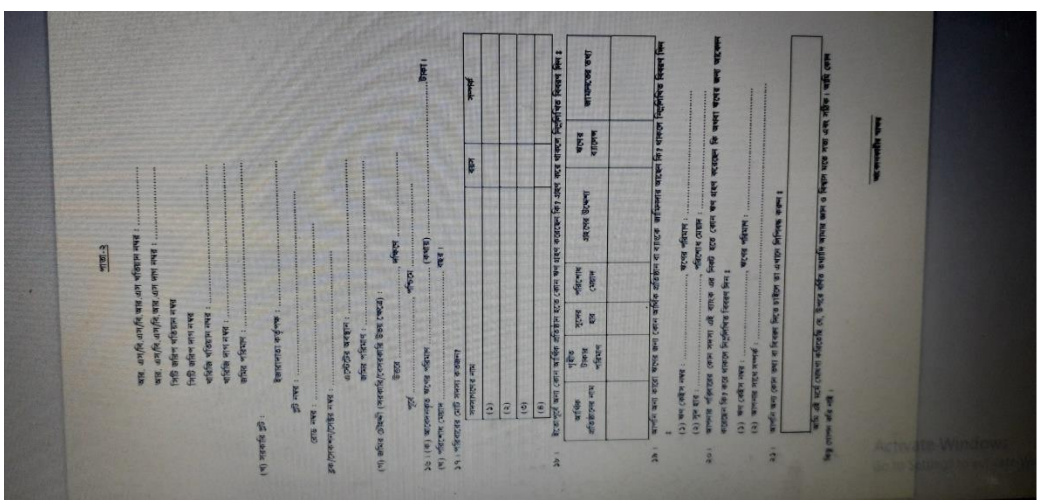

Fig: Agrani Bank House Loan Form for Govt. Employee.

Fig: T-24 Software for Agrani Banki Credit vat opening.