

AN INTERNSHIP REPORT  
ON  
“General Banking Activities of Rupali Bank  
Limited, Birampur Branch, Dinajpur”

SUBMITTED BY  
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Master of Business Administration (Evening)

*(This report has been prepared for submission into the Faculty of Postgraduate Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur, as a partial requirement for fulfillment of the MBA (Evening) Program*



FACULTY OF POSTGRADUATE STUDIES  
HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY  
UNIVERSITY, DINAJPUR-5200

OCTOBER, 2016

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MASTER OF BUSINESS ADMINISTRATION  
(EVENING)



FACULTY OF POSTGRADUATE STUDIES  
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# Letter of Transmittal

20 October, 2016

Md. Abdur Rouf

Lecturer

Department of Marketing

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Subject: Submission of the internship report.

Dear Sir,

With due respect and humble submission, I would like to inform you that, it is a great pleasure for me to submit this report on "General Banking Activities of Rupali Bank Limited, Birampur Branch, Dinajpur". As a requirement for M.B.A (Evening) program. During preparing this report, I have gather extended knowledge on working procedure of credit & loan and advance section of Rupali Bank Limited. I also got an in-depth understanding and experience, working with their banking activities at Rupali Bank Limited, Birampur Branch, Dinajpur.

It was my great pleasure & honor that I got the opportunity, working with them.

Sincerely Yours

.....

Sarkar Md. Alamgir

Student ID: E140504044, 4th Batch

M.B.A (Evening) Major in Marketing

HSTU, Dinajpur.



# Student's Declaration

I hereby declare that the report of internship "General Banking Activities of Rupali Bank Limited, Birampur Branch, Dinajpur" by me after the completing of 45 days internship with Rupali Bank Limited at Birampur Branch and a comprehensive study of General Banking Activities of Rupali Bank Limited and its implementation.

It is my pleasure and great privilege to submit my report titled General Banking Activities of Rupali Bank Limited, Birampur Branch, Dinajpur, as the presenter of this report, I have tried my level best to get together as much information as possible to enrich the report. I believe that it was a fascinating experience and it has enriched both my knowledge and experience.

---

Sarkar Md. Alamgir  
Student ID: E140504044, 4th Batch  
M.B.A (Evening) Major in Marketing  
HSTU, Dinajpur.





# Supervisor's Declaration

I hereby declare that the concerned report "General Banking Activities of Rupali Bank Limited, Birampur Branch, Dinajpur" is a work by Sarkar Md. Alamgir, M.B.A (Evening), Major in Marketing, Student ID: E140504044, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, completed his internship under my supervision and submitted for the fulfillment of the requirement of the degree of Master of Business Administration (M.B.A.) Evening, (Major in Marketing) at HSTU, Dinajpur.

---

Md. Abdur Rouf  
Lecturer  
Department of Marketing  
HSTU, Dinajpur.



# Co-Supervisor's Declaration

I hereby declare that the concerned report "General Banking Activities of Rupali Bank Limited, Birampur Branch, Dinajpur" is a work by Sarkar Md. Alamgir, M.B.A (Evening), Major in Marketing, Student ID: E140504044, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, completed his internship under my supervision and submitted for the fulfillment of the requirement of the degree of Master of Business Administration (M.B.A.) Evening, (Major in Marketing) at HSTU, Dinajpur.

---

Md. Main Uddin Ahammed  
Lecturer  
Department of Finance and Banking  
HSTU, Dinajpur.

# Acknowledgement

At the very beginning, I would like to express my deepest gratitude to Almighty Allah for giving me the strength and composure to finish the task within the schedule time. Internship program is an integral part of M.B.A. (Evening) degree. Every M.B.A (Evening) student is being placed into different organization to learn something within the pre-stipulated time by observing their organizational daily practices. In this regard my internship was arranged at Rupali Bank Limited, Birampur Branch, Dinajpur. With deliberate counseling of my intern supervisor Md. Abdur Rouf, Lecturer, Department of Marketing, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur.

I am also grateful to my honorable co-supervisor Md. Main Uddin Ahammed, Lecturer, Department of Finance and Banking, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur for his important suggestions and co-operation for prepare this report. I would like to thank from the deep of my heart to those people who are related with making of this report and make it a success.

At last but not the least, Hajee Mohammad Danesh Science and Technology University, Dinajpur for giving me an opportunity to complete my MBA (Evening) degree and give me a scope to gather practical experience and enrich my knowledge.

May Allah bless all of them.

Author



# Executive Summary

The report has been prepared based on primary and secondary data collected from the different RBL Officials of Birampur Branch, Dinajpur and the experience gathered by myself during my working tenure in this Bank. The key parts of the report are credit risk and credit management, principles of sound lending, recovery of classified loans and advances, present credit position of SBL, performances evaluation, problem identification and recommendations. The discussion in the report discloses some problems and I tried my best to recommend some ways according to me as well as the employees of different banks and creditors and depositors. The credit risk management process of Rupali Bank Limited is quite commendable. Systematic and timely monitoring and appropriate documentation are tried to be maintained. Customer satisfaction level is quite good. Informal conversation with some customers reveals that they approve the credit evaluation and management process of Rupali Bank Ltd. Filing procedure is not maintained in a definite and clear manner. It is difficult to locate the documents in a chronological and sequential manner. A definite practice, though mentioned in the credit policy is not always maintained by the credit officials. In the light of the above findings, some recommendations are proposed such as An uninterrupted network system has to be ensured. It will save the officials from much hassle and will save time. The credit sanction procedure should be made quicker since competition is very hard in today's business world. People do not want to wait for three to four weeks on an average to get a loan which is even protected by security. The limitations of the study are include as The credit policies and manuals of SBL are of confidential nature and thus it is difficult to collect the necessary literature and documents within this short time. The bank officials though helpful in every respect do not have much time to explain the internal procedures.



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# Chapter – ONE

## INTRODUCTION

## 1.1 Introduction

Banking has a long and rich history. It started as a result of people's need. And with ages it has been playing an important role in fulfilling the dire needs of businessmen and others. As the size and complexities of business is increasing day by day banking sector is also providing various innovative services with basic functions to increase size but to reduce the complexities.

Modern banking is a result of evolution driven by changing economic activities and life styles. Entering in to a new millennium, banking needs have become more diverse and exotic than ever before. It is known now that commercial bank is a profit maximizing institution. Hence it should provide loans to those sectors in which its return is higher. But the nationalized commercial banks are conducting banking business with different purposes. The main purpose is not just to make profit but also to maximize the social benefit. Commercial banks provide a variety of other services to their customers as for example remittance facilities, credit information about customers, financial advice, collection of debts and dues etc. Banks also provide a number of trust services to their customers. These services may either corporate trust services, which arise in connection with the issue of bonds; personal trust services under which they manage property on behave of their clients or corporate pension funds that provide retirement benefit for their employees. After the completion of four-years and twelve semesters academic MBA (Evening) program I, Sarkar Md. Alamgir, student of Hajee Mohammad Danesh Science and Technology University, Dinajpur, Bangladesh was placed in Rupali Bank Bangladesh Limited for the Internship Program. As a requirement for the completion of the program I need to submit a report, which includes "General Banking Activities of Rupali Bank Ltd."



## 1.2 Statement of the Problem

Rupali Bank Ltd. is one of the largest commercial bank, which plays a vital role in the economic development of the nation through saving and credit. It diverts and allocates the funds in all over the country, which are aimed to develop country's economy and add national wealth.

This study answers the following questions:

What are the necessary documents to open an account? How different types of accounts are opened?

How different types of accounts are closed? How DD, TT, PO are issued and cancelled?

## 1.3 Importance of the Topic

The topic that has been assigned by the supervisor is "General Banking Activities of Rupali Bank Ltd". The importance of this topic is given below-

- To describe the customer service process of Rupali Bank Limited.
- To know how the branches are efficiently controlled.
- To know the operation of Rupali Bank Limited in Bangladesh.
- To be accustomed with the management policy or process of Rupali Bank Ltd in Bangladesh

Give an idea regarding general banking system in RBL.

## 1.4 Objectives of the Study

- To know the different activities of the Rupali Bank Ltd.
- To know the banking sector of Bangladesh.
- To understand and analyze the overall activities of Rupali Bank.
- To give suggestion the ways and means for improvement in policy and techniques.

## 1.5 Limitations of the Study

- Learning all the banking functions within just 45 days was really tough.
- Another limitation of this report is bank's policy of not disclosing some data and information for obvious reason, which could be very much useful.
- The bank authority was very busy, so they could not give me enough time for discussion about various problems.
- In case of performance analysis secondary data are used.
- These studies completely depend on official record and annual reports.
- To prepare an analytical report need financial assistance. The financial assistance provided by the department is insufficient. In perspective of lack sufficient money, various types of analysis did not become possible.

This is my first experience on job, so there may arise some faults though I have tried my level best.

CHAPTER - TWO  
ORGANIZATIONAL  
OVERVIEW

## 2.1 Company Profile

### Historical Background

Rupali Bank Ltd. (RBL) was constituted with the merger of 3 (three) erstwhile commercial banks i.e. Muslim Commercial Bank Ltd., Australasia Bank Ltd. And Standard Bank Ltd. Which operated in the then Pakistan on March 26, 1972 under the Bangladesh Banks (Nationalization) order 1972 (P.O. NO. 26 of 1972), with all their assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations. Rupali Bank worked as a nationalized commercial Bank till December 13, 1986. Rupali Bank Ltd. Emerged as the largest Public Limited Banking Company of the country on December 14, 1986.

### Present Capital Structure::

Authorized Capital : Tk. 7000 million (US\$ 88.66 million)

Paid up Capital : Tk. 1650 million (US\$ 20.9 million)

### Break up of paid up Capital::

Government shareholding : 90.19%

Private shareholding : 09.81 %

### Present Share Structure::

Total Number of share: 16,50,00,000  
(Each lot 10)

Share Demented by: 124358890  
shareholders

### Number of Branches::

Rupali Bank operates through 550 branches. It is linked to its foreign correspondents all over the world.

### Number of Employees::

The total number of employees is 4293.

### Chief Executive::

The Bank is headed by the Managing Director (Chief executive) who is a reputed professional Banker.

### Vision



Our Vision is to expand our loyal customer base by being known as the financial partner of choice that constantly exceeds customer expectations.

## Mission

- The Bank participates actively in socio-economic development of the country by performing commercially viable and socially desirable banking functions.
- Develop Long-term relationships that help our customers achieve financial success.
- Offer rewarding career opportunities and cultivate staff commitments.
- Balance Growth strategy.
- To provide excellent Quality customer service.
- To display team spirit and professionalism.
- To be the first bank in the banking area.
- To maintain corporate and business area.
- Attract and retain quality human resource
- Firm Commitment to the society and the growth of national economy

## Core Values

- \* Social Responsibility – We care for and contribute to our communities
- \* Performance – We measure results and reward achievements
- \* Integrity – We uphold trustworthiness and business ethics
- \* Respect – We cherish every individual
- \* Innovation – We encourage creativity
- \* Teamwork – We work together to succeed

The first letters of the initial words from “SPIRIT” and carry equal importance.

## Strategic Objectives

- Develop a customer oriented service culture with special emphasis on customer care and convenience.
- Increase our market share by following a disciplined growth strategy.
- Achieve a significant share of deposit and credits from the existing and niche markets.
- Leverage our technology platform and pen scalable systems to achieve cost-effective operations, efficient MIS, improved delivery capability and high service standards.
- Develop innovative products and services that attract our targeted customers and market segments.
- Maintain a high quality assets portfolio to achieve strong and Sustainable returns and to continuously build shareholders' value.
- Strengthen the bank's brand recognition.
- Explore new avenues for growth and profitability, particularly by diversifying loan portfolio through structured finance and expansion of retail and SME financing.
- Strengthen the bank's brand recognition.

## Corporate Profile

Name of the company	:	Rupali Bank Limited
Chairman	:	Monzur Hossain
Managing Director	:	M. Farid Uddin
Company Secretary	:	Md. Shahjahan Khandaker
Legal Status	:	Public Limited Company
Genesis	:	Rupali Bank

Limited has been incorporated on 14 December 1986 under the Companies Act 1913 after taking over and acquiring as a going concern the undertaking and businesses of Rupali Bank with all of its assets, liabilities, benefits, rights, powers, authorities, privileges, borrowings and obligations. Rupali Bank, which initially emerged as a Nationalized Commercial Bank (NCB) under the Bangladesh Banks (Nationalization) Order, 1972 (President's Order No. 26 of 1972), has now become a state-owned commercial bank (SCB) through a vendor's agreement dated 15 November 2007.

Date of Incorporation : 14 December 1986  
 Registered Office : 34, Dilkusha Commercial Area, Dhaka1000, Bangladesh  
 Authorized Capital : Tk. 700 Crore  
 Paid-up Capital : Tk. 165 Crore  
 Reserves & Retained Earnings : Tk. 1374 Crore  
 Credit Rating by CRAB(2009) : Long Term - A3  
 Short Term-ST3  
 National Support- AAA  
 Listing with DSE : 19-08-1987  
 Listing with CSE : 10-10-1995  
 Commencement of Trading with DSE & CSE : 23-12-1986  
 VAT Registration : 9011039307  
 TIN Certificate : 177-200-0021/LTU/Dhaka  
 Auditors : AHMAD & AKHTAR, Chartered Accountants, BCIC Bhaban (3rd Floor) 30-31 Dilkusha C/A, Dhaka-1000, Bangladesh.  
 &  
 G. KIBRIA & CO., Chartered Accountants, ShadharanBimaBhaban (6thFloor), 24-25 Dilkusha C/A, Dhaka-1000, Bangladesh.

Legal Advisor : S.M Atikur Rahman, Barister-at-Law, Suite- D (1st Floor), 105/A Kakrail Road, Dhaka, Bangladesh.

Tax Consultant : K.M HASAN & CO. Chartered Accountants, Hometown Apartment (8th & 9th Floor), 87, New Eskarton Road, Dhaka-1000, Bangladesh.

Number of Employees : 4503  
 Number of Branches : 550  
 Number of Subsidiary Companies : 01 (Rupali Investment Limited)  
 Phone-PABX : +88-02-9551624-25, +88-02-9551525, +88-02-9551840, +88-02-9552184, +88-02-9552214, +88-02-9552746, +88-02-955093-4  
 Fax : +88-02-9564148, +88-02-9552671  
 SWIFT BIC : RUPBDDH  
 Website : www.rupalibank.org  
 E-mail : info@rupalibank.org, it@rupalibank.org

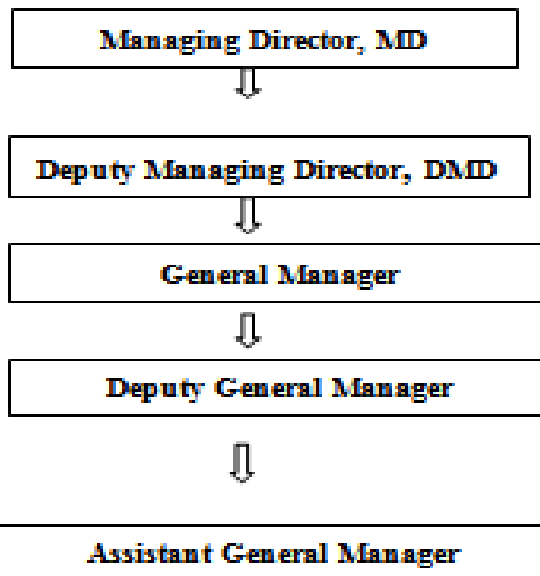
□ Organization Structure:



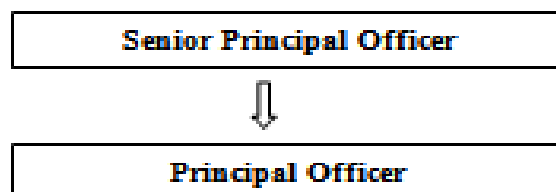


## □ Hierarchy of Rupali Bank Ltd

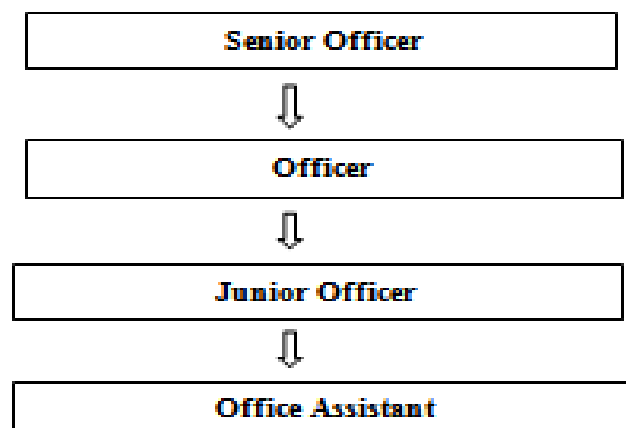
### **Top Management**



### **Mid Level Management**



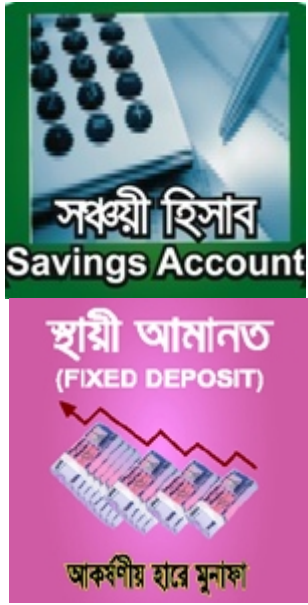
### **Lower Level Management**



Product & Services of RBL

SBA

FDR



SND

RMES



RSSA

RMSS





RMPS  
ATM



## 2.2 Rational of the Study

In order to fulfill the requirement of the Internship program it has chosen Rupali Bank Ltd, Human Resource Division (HRD) of Rupali Bank Ltd placed me to Birampur Branch, Dinajpur. The overall topic of the report has been selected by discussion between me and course instructor .The topic of my report is "General banking Activities of Rupali Bank Ltd".

# CHAPTER - THREE

## METHODOLOGY

### 3.1 Methodology

Every research program should follow some basic form of procedures. I studied various books & articles of different writers regarding the topic. However mainly this report is written on the basis of experience gathered during the period of Internship.

In order to make the report more meaningful and presentable, two sources of data and information have been used widely. Both primary and secondary data have been used to prepare the report

### 3.2 Sample:

Sampling is a procedure that uses a small number of units of a given population as a basis for drawing conclusions about the whole population. Sampling is necessary because it would be practically impossible to conduct a research to measure characteristics of all

elements of a population. Samples are also needed in cases where measurement involves destruction of the unit measured. The two major sampling methods are probability and non-probability sampling. The non-probability sampling techniques includes convenience sampling, judgment sampling, quota sampling and snowball sampling. On the other hand probability sampling methods are random sampling, systematic sampling, stratified sampling and cluster sampling.

### 3.3 Sample size:

To complete my internship report on General Banking Activities of Rupali Bank Limited (RBL): Birampur Branch, I took 50 respondents from different type of customers who come to the Birampur branch to obtain different services of Rupali Bank Limited. They also answered all the questions of my questionnaire. The reason behind taking 50 people was time limitation and limitations like many customers of RBL Birampur Branch were illiterate, so I could not take more respondents for my report. At first I had to make them understand why I was asking these questions to them and then they agreed to answer the questions. So it was time consuming forms to carry out the survey.

### 3.4 Data collection

The data required for this study were collected from both primary and secondary sources; however, the majority of the information was collected from secondary sources.

### 3.5 Location of the study

This study were collected from Rupali Bank Limited (RBL): Birampur Branch, Dinajpur.

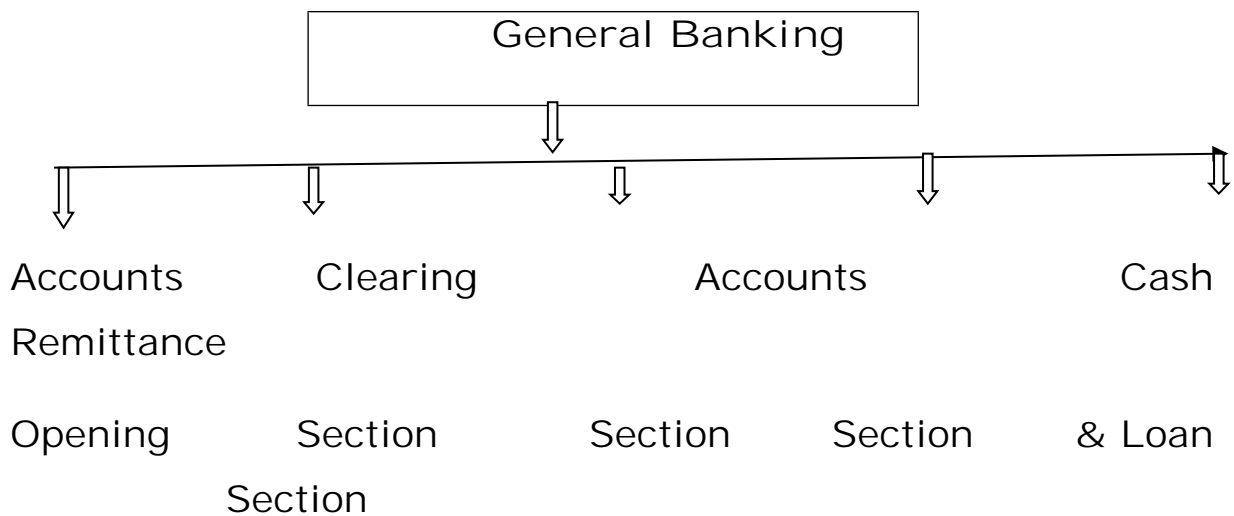
CHAPTER-FOUR  
GENERAL BANKING ACTIVITIES  
OF RUPALI BANK LIMITED,  
BIRAMPUR BRANCH, DINAJPUR

## 4.1 General Banking Section

### Introduction

It is most important side of the bank. Bank is nothing but a middleman between lenders (surplus unit) and borrowers (deficit unit). To provide loan, a bank needs a huge amount of money from the depositors. General banking is the side where banks offer different alternatives to the clients to deposit and remit their money. To encourage the clients, bank offers different options in front of their clients. Most of these options are very much similar between the banks, but the customer services and facilities may not be the same. Every Branch of Every Bank has to maintain the General Banking department. It takes Care of lot of important banking activities mainly collecting the deposits from customers.

### Function of This Department



## 4.2 Account Opening Section

The relationship between the banker and the customer begins with the opening of an account by the customer. Initially all the accounts are opened with a deposit money by the customer and hence these accounts are called deposit account. Usually a person needs to open an account to take services from it. Without opening an account, one can get only a few services from the bank. So the banking begins actually by the opening of an account with a bank.

### 4.2.1 Formalities maintained for Opening an account

#### Application on the prescribed form

The person willing to open a current account with the bank has to make application in the prescribed form. This form must be properly filled up and signed by the applicants.

#### Introduction to the Applicant

The applicant also required to furnish in the application form the names of the referees from whom the banker may make inquiries regarding the character, integrity and respectability of the applicants. In most cases the introduction is done by the customer of the bank or some other person known to the bank by signing on the application form with his/her account number (if any).

#### Specimen signature

Every customer is required to supply to his banker with one or more specimens of his/ her signature. These signatures are taken on cards,

which are preserved by the banker, and his signature of the account holder on the cheques is compared with the Specimen signatures.

#### Opening and operating the account

After the above formalities are over, the banker opens an account in the name of applicant. Generally the minimum amount to be deposited initially is tk 1000/- for opening a current account. Then the bank provides the customer with:

#### A pay slip/ deposit book

With a view of facilitate the receipt of credit items paid in by a customer, the bank will provide him/ her pay in slip either loose or in a book forms. The customer has to fill up the pa in slip at the time of depositing the money with the bank. The cashier with his/ her initial and stamps will return the counter foil to the customer on the receipt of the money.

#### Cheque Book

To facilitate withdrawals and payments to their parties by the customer, the bank will also provide a cheque book to the customer. But it is noted that to get a cheque book, the customer has to dully fill up the cheque requisition slip to the banker.

#### 4.2.2 Formalities maintained for closing an account

- The customer may inform the bank in writing of his/ her intension to close the account.
- The customer has to apply to the branch in charge for closing the account. Then the in charge will remark on the account closing application for closing the account.
- By drawing a cheque of the whole amount and a nil balance confirmation to be taken from the account holder.

- Recover the unused cheque leaves and enter into the “Broken cheque book register”
- Remove the account opening form, specimen signature card and all other papers relating to the closed account.
- Remarks of account closing at the ledger folio should be authenticated by the manage or supervising officials.
- The banker may itself ask the customer to close the account when the banker finds that the account is not been operated for a long lime.
- It the account is not operated upon for 6 months then the banker will try to do the bilateral communication with the account holder. But if the banker does not get any response from the account holder then the account becomes “dormant” account.
- If the is not the operated upon for 2 years then the account becomes “inoperative” account.
- A new register for unclaimed deposit account will be maintained called “unclaimed deposit account”.
- For withdrawal at any amount from that account, permission from head office or controlling office wins is required.

#### 4.2.3 Types of Bank Account

Generally, there are four types of accounts in rupali bank

1. Current account or Demand Deposit (CD Account)
2. Savings Deposit (SB Account)
3. Fixed or Time Deposit (FDR)
4. Other Types of Deposit

##### Current Account

Current account is purely demand deposit account because the bank is bound to pay the amount to the account holder on demand at any time. It is running and active account, which may be operated upon any number of times during a working day. There is no restriction on the



number and the amount of withdrawals from a current account. The special characteristics of a current account are as follows:

- The primary objective of is to serve big customers such as businessmen, joint stock companies, private limited companies, public limited companies etc. from the risk of handling cash by themselves.
- The cost of providing current account facilities is considerable to the bank since they undertake to make payments and collects the bills, drafts, cheques for any number of times in a particular day. The bank therefore does not pay any interest on current deposit while on the other hand some banks charge for incidental charges on such account.
- For opening of a current account minimum deposit of taka 1000/= is required. Introductory reference is also required for opening of such account.

Documentations:

Proprietorship

- Up-to-date copy of trade license
- Introducer of a CD account holder
- Two copies of passport size photographs of account holder
- Seal
- TIN
- VAT certificate

Partnership

- Up-to-date copy of trade license
- Introducer of a CD account holder
- Two copies of passport size photographs of account holder
- Photocopy of partnership Deed, notarized by Notary Public
- Account agreement (MF-06) and letter of partnership (MF-07)
- Seal
- TIN
- VAT certificate

Private Limited Company

- Up-to-date copy of trade license
- Two copies of passport size photographs of account holder
- Certified copy of Memorandum and Articles of Association signed and sealed by the managing Director.
- Photocopy of the certified of Incorporation
- List of directors as per return of joint stock company with signature
- Seal of each operating persons
- Particulars of Directors
- Resolution for opening account with the bank

#### Public Limited Company

- Up-to-date copy of trade license
- Two copies of passport size photographs of account holder
- Certified copy of Memorandum and Articles of Association signed and sealed by the managing Director.
- Photocopy of the certified of Incorporation
- Seal of each operating persons
- Particulars of Directors
- Resolution for opening account with the bank
- Certificate of commencement of business
- List of directors as per return of joint stock Company with signature.

#### Societies, clubs, Associations etc

- Up-to-date copy of trade license
- Registration from the concerned authority
- By laws/ rules and regulations duly signed and sealed by chairman
- Resolution for opening account with the bank
- Introducer of a CD account holder
- Seal of each operating persons

## Fixed Deposit Receipts (FDR)

These are the deposits, which are made with the bank for fixed period specified in advance. It is purely a time deposit account. The bank doesn't maintain cash reserves against these deposits and therefore the bank offers higher rates of interest on such deposits. At present the rate of interest for fixed deposit Receipt (FDR) in the Rupali Bank Limited is –

Term Deposit	Rate Of Interest
3 months	7.00%
6 months	7.25%
1 year	7.50%

## Savings Account

A savings account is meant for the people of the lower and middle classes who wish to save a part of their incomes to meet their future need and intend to earn an income from their savings. It aims to encouraging savings of non-trading persons, institutions, society and clubs etc. by depositing small amount of money in the bank. Both the elements of time and demand deposit are present in this account. At present the rate of interest for Saving Account (SB) in the Rupali Bank Limited is–5.00%

### Documentations:

- Two copies of passport size photographs of account holder
- Photograph of the nominee
- Introducers reference
- Employer certificate

## 4.2.4 Other types of Deposit Accounts

### Short term deposit

It is also a time deposit account. The formalities for opening of this account are to those required for current account. The only difference

is that 7 days notice is inquired for withdrawal of any sum and interest is paid.

### Savings schemes

To attract depositors and encourage saving Rupali Bank Limited introduced various schemes.

#### Monthly Savings Scheme

##### Objectives

- Building the habit of savings
- Attract small savers
- Saving for rainy days
- Ensure regular income flow

##### Mode

Monthly installments of various sizes for a Fixed deposit

##### Benefits

Lump sum returns after various terms of period

#### Monthly Benefit Scheme

##### Objectives

- Help the retired persons for investing their retirement benefits
- Create investment opportunities for non resident Bangladeshi
- Explore investment opportunities for school, college, university etc

##### Mode

Deposit a fixed amount of money, say tk. 50000 or it's multiply for five years.

##### Benefits

A fixed amount of money in every month for five years.

#### Double deposit scheme

##### Objectives

- Gives maximum profit
- Help in meeting specific needs like education, marriage etc

##### Mode

Deposit a fixed amount of money, say tk. 50000 or it's multiply for 9 year

Benefits

After seven years deposited amount will be double.

#### INTEREST RATE:

<u>Sl No.</u>	<u>Type of Deposit</u>	<u>Interest Rate</u>
1.	Savings Deposit	5.00%
2.	Short Notice Deposit	3.50%
3.	Deposit from foreign remittance	6.00%
4.	Rupali bank deposit pension-schem 2	6.50%
5.	Rmss	8.00%
6.	Rds	8.25%

#### 4.3 Clearing House

Clearing house is an assembly of the locally operating scheduled banks for exchange of cheques, drafts, pay orders and other demand instruments drawn on each other and received from their respective customers for collection. The house meets at the appointed hour on all working days under the supervision of two central bank officers or its agent as the case may be, and works within the regulations framed therefore on the basis of prevailing banking practices. In Bangladesh, clearing house sites at Bangladesh Bank where there is no office of the Bangladesh Bank, Rupali Bank acts as agent of Bangladesh Bank.

There are mainly two types of banking systems Bangladesh, such as:

- Internal clearing or inter branch clearing or inward clearing
- External clearing or inter banks clearing or outward clearing.

#### Other Parts of General Banking

Crossing

Crossing cheque is written across the face of the cheque within two parallel lines. This practice becomes common even outside of clearing house, as an element of safety.

Normally two types of cheque used in bank. Such as:

I. Open cheque: A cheque, which capable of being paid over the counter in cash is known as open cheque.

II. Crossed cheque: A cheque, which can only paid to the banker for crediting the proceeds to the amount of its payee.

Purpose of crossing

. I. To avoid possible loss that may occur by open cheques getting into the hand of wrong parties.

II. Crossing is a direction to the paying bank to pay the money generally to a bank or a particular bank, so that

III. It can be easily traced out for whose use the money was received

Forms of crossing

I. General crossing

II. Not negotiable

III. And company and co.

IV. Not transferable

V. Special crossing

Endorsement

An endorsement is the mode of negotiating, a negotiable instrument. According to the section 15 of the Negotiation Instruments Act, 1881, an endorsement is "when the maker or holder of a negotiable instrument sign the same, otherwise then as such maker, for the purpose of negotiation, on the back of face thereof or on a slip of paper annexed there to.....he is said to endorse the same and is called the endorser."

Dispatch

Dispatch includes all correspondence, letter, statements and returns and telegrams. This dispatch is also known as Mail. Dispatch is primarily divided into two categories:

I. Inward: It means what are receives from the outside.

II. Outward: It means what are sent to the outside.

This dispatch also divided into:-

(a) Ordinary.

(b) Registered and

(c) Local.

Every correspondence should have an office copy and one additional copy is

also retained in the Master file of the office.

#### 4.4 Accounts Section

Accounts Department is called as the nerve Centre of the bank. In banking business, transactions are done every day and these transactions are to be recorded properly and systematically as the banks deal with the depositors" money. Any deviation in proper recording may hamper public confidence and the bank has to suffer a lot otherwise. Improper recording of transactions will lead to the mismatch in the debit side and in the credit side. To avoid these mishaps, the bank provides a separate department; whose function is to check the mistakes in passing vouchers or wrong entries or fraud or forgery. This department is called as Accounts Department. Besides the above, the bank has to prepare some internal statements as well as some statutory statements which to be submitted to the central bank. Accounts Department prepares these statements also. The department has to submit some statements to the Head office, which is also consolidated by the Head Office later on. The tasks of the department may be seen in two different angles:

##### DAILY TASK:

The routine daily tasks of the Accounts Department are as follows, -

- Recording the transactions in the cashbook.
- Recording the transactions in general and subsidiary ledger.
- Preparing the daily position of the branch comprising of deposit and cash.

- Preparing the daily Statement of Affairs showing all the assets and liability of the branch as per General Ledger and Subsidiary Ledger separately.
- Making payment of all the expenses of the branch.
- Recording inter branch fund transfer and providing accounting treatment in this regard.
- Checking whether all the vouchers are correctly passed to ensure the conformity with the „Activity Report“; if otherwise making it correct by calling the respective official to rectify the voucher.
- Recording of the vouchers in the Voucher Register.
- Packing of the correct vouchers according to the debit voucher and the credit voucher.

#### PERIODIC TASK:

- Preparing the monthly salary statements for the employees.
- Publishing the basic data of the branch.
- Preparing the weekly position for the branch which is sent to the Head Office to maintain Cash Reserve Requirement (C.R.R)
- Preparing the monthly position for the branch which is sent to the Head Office to maintain Statutory Liquidity Requirement (S.L.R)
- Preparing the weekly position for the branch comprising of the break up of sector wise deposit, credit etc.
- Preparing the weekly position for the branch comprising of denomination wise statement of cash in tills.
- Preparing the budget for the branch by fixing the target regarding profit and deposit so as to take necessary steps to generate and mobilize deposit.
- Preparing an „Extract“ which is a summary of all the transactions of the Head Office account with the branch to reconcile all the transactions held among the accounts of all the branches.

In my 45 days internship experience at Rupali Bank, Birampur branch, Dinajpur I mainly got the chance to work with the front desk, accounts and clearing section of general banking rather than



cash section. Therefore I have very little idea about this section which I have presented below-

#### 4.5 Cash Section

Cash department is the most vital and sensitive organ of the branch as it deals with all kinds of cash transactions. This department starts the day with cash in vault. Each day some cash that is opening cash balance are transferred to the cash officers from the cash vault. Net figure of this cash receipts and payments are added to the opening cash balance. The figure is called closing balance. This closing balance is then added to the vault. And this is the final cash balance figure for the bank at the end of any particular day. Cash department in the Rupali Bank, Birampur Branch, Dinajpur is authorized dealer of foreign currency, so it can deal with buying and selling of foreign currency.

#### 4.6 Remittance & Loan:

##### 4.6.1 Types of Loan and Advances:

The bank's Loans & Advances portfolio also indicates an impressive growth. The growth rate of RBL,

Mainly two types of Loans

I Funded (Demand or consumer loan)

II. Non funded (L/C, Bank Guarantee, Tender etc.)

A lot of types of Funded Loans and Advances are available in The Branch of the Rupali Bank.

Cash Credit Hypothecation

1. Over Draft

2. Term Loan

- a) More than 5 years
- b) Less than 5 years
- c) With in 1 year

1. Demand Loan

- a) Loan against DPS.
- b) Loan against other security

- c) Loan against consumer credit.
- d) Staff loan (PO)
- 1. Bank Guarantee
- 2. Floor loan
- 3. PC (Packing Credit)
- 4. Export development fund (EDF)
- 5. Letter of Credit
- 6. Payment against documents (Import & Export)
- 7. LATR (loan against trust received)
- 8. House Building
  - a) Commercial
  - b) General
  - c) Staff
- 1. Lease Finance
- 2. Loan Sanction for the Client

Process is following

- Application for by Client in rough format than built-in format Received
- Verification (Normal than physical)

For heavy Loan, Branch has to submit CIB and Proposal to Head Office and Bangladesh Bank for permission

- Approved loan application/ Reject the proposal
- Collect security
- Give new account and permission to withdraw the loan money.

Loans & Advances is permitted on the Basis of-

- Lien
- Mortgage

LIEN:

Lien is permitted against the Following

- DPS= Deposit Pension Scheme
- FDR= Fixed Deposit Receipt
- PSE= Protirakha Sanchoy Patra

Lien (VALUE) must be higher than the value of Loans. 80% of Lien documents (VALUE) is permitted for the Loans & Advances. The position of Lien Documents must be under the hand of Bank.

Here, Interest Rate of Loans: 14%

Mortgage:

- Land
- Building
- Shop

Mortgage value must be higher than the value of Loans. 50% of Mortgage Documents (value) is permitted for the Loans & Advances. The position of Mortgage Documents need not to be under the hand of Bank only legal papers are necessary to be under the hand of Bank.

Here, Interest Rate of Loans: 13%

To get Loans & Advance for the individual client against DPS (Deposit Pension Scheme), FDR (Fixed Deposit Receipt), MBDR (Monthly Benefit Deposit Receipt), DBDR (Double Benefit Deposit Receipt), PSP (Protirakha Sanchoy Patra) etc in favor 3<sup>rd</sup> party the papers followings are needed-

- Letter of Agreement
- Letter of Authority
- Demand Promissory Note
- Balance Confirmation Slip
- Letter of Lien and authority for advances of third party's against Fixed Deposits/ Call Deposits/ Special Deposits or Margin Deposits
- Letter of Continuity
- Memorandum of Deposit of Securities

#### 4.6.2 Forgin Exchange

In any international trade the buyers and sellers are of different countries. None of them know each other nor about their business integrity and credit worthiness. Various regulations prevailing in their respective countries about foreign trade are also unknown to them. Thus, the buyer wants to be assured of goods and the seller to be

assured of payment. In such a situation commercial Banks assure these things simultaneously by opening Letter of Credit guaranteeing payment to seller and goods to buyers. By opening Letter of Credit on behalf of a buyer and in favor of a seller, Commercial banks undertake to made payment to a seller subject to submission of documents drawn in strict compliance with the terms of the Letter of Credit giving title to goods to the buyer.

International trade constitutes the main stream of business activities of Rupali Bank Limited. We offer a full range of finance and services namely, issue, advice and conformation of documentary credit; offering and arranging forward exchange rate, pre shipment and post-shipment finance, negotiation and purchase of export bills, discounting bill of exchange, collection of bills, inward and outward remittance etc.

I worked there from 14.07.2015 to 14.08.2015. I have learned the activities of foreign exchange department and help them to perform their daily affairs. I have observed the followings————

Main task of the department-

- Import Business
- Export Business
- Foreign Correspondents

Functions of Foreign Exchange

- Letter of Credit (L/C) is opened here.
- Foreign Pay Order
- Prepare statement and report for Head Office and Bangladesh Bank.
- Exchange foreign currency
- Payment and collection of L/C money in favor of Client.

Letter of Credit

Documentary letter of credit is an arrangement whereby a bank acting at the request and in accordance with the instructions of a customer is to make payment to or to the order of a beneficiary or is to pay accept or negotiate bills exchange drawn by the beneficiary against

stipulated documents and compliance with stipulated terms and conditions.

The form of the Letter Of Credit varies from Bank to Bank. All the parties to a Letter of Credit must have the same understanding about the terms and conditions used in the credit. The international Chamber of Commerce has formulated the "Uniform Customs and Practice for Documentary Credits" to avoid the scope for ambiguities and differences in interpretation of terms of the credit.

#### Types of L/C

There are two type of L/C, which is-

- Master L/C
- Back to Back L/C\

Master L/C is two types-

- Import L/C to import any goods, the client has to open a foreign or local import L/C. Bank charges some commission for opening L/c.
- Export L/C- Bank receive some foreign L/C for exporting goods in favor of client. Bank collect money for the client.

Back to Back L/C- To cover a master L/C (Export), some time Back to Back L/C is needed. Two types-

- Local- Collect goods from inland
- Foreign- Collect goods from foreign country.

Documents required for opening L/C:

If any importer want to import something which are legal, and he has all importer documents (IRN, TIN, VAT and CURREN A/C), then he go to the bank to open L/C to import, if Bank want to open L/C, then the importer must follow the conditions:

- Request letter to open L/C
- Proforma invoice or indent (accepted by the importer)
- LCAF (letter of credit authorization form)
- IMP (import) form
- Insurance cover note.

Request letter

Importer writes a request letter to the bank to open a L/C

Proforma invoice

The beneficiary gave this document, and the importer accepted that, in this document have the rate of the goods, total amount, and quantity of the goods which quantity was import, the quantity was fixed in this invoice because before given this document to the importer they are negotiate between them.

LCAF

Means Letter of Credit authorization form, In this Form importer must signed and in this form importer IRC number must have.

IMP form

This form was use because every end of month bank submits some statement to the Bangladesh Bank, and the statement was given in this form. This form importer must sign.

Insurance cover note:

Before opening L/C importer must submit the insurance cover note with cash money receipt to the bank, without insurance cover note, bank can not open any L/C.

#### 4.6.3 Remittance

Sending money from one place to other places for the customer's in another important service of banks and this service is an important part of countries payment system. For this service, people specially businessmen transfer funds from one place to another very quickly. There are various types of remitting money, such as:

##### 1. Pay Order (PO)

The pay order is used for making a remittance to the local creditor. Pay Order gives the payee the right to claim payment from the issuing bank. It can be en-cashed from issuing bank only. Unlike cheque, there is no possibility of dishonoring pay order because before issuing pay order bank takes out the money of the pay order in advance. Pay Order can not be endorsed or crossed and so it is not negotiable instrument.

## 2. Demand Draft (DD)

Demand Draft is an order of issuing bank on another branch of the same bank to pay specified sum of money to the payee on demand that is the named person or order of the demand. It is generally issued when customer wants to remit money in any place, which is out side of the clearing-house area of issuing branch. Payee can be purchaser himself or another mentioned in the DD. It is a negotiable instrument and it can be crossed or not.

## 3. Telegraphic or Telephonic Transfer (TT)

This method transfers money to one place to another place by telegraphic message. The sender branch will request another branch to pay required money to the required payee on demand. Generally for such kind of transfer payee should have account with the paying bank. Otherwise it is very difficult for the paying bank to recognize the exact payee.

When sending money is urgent then the bank uses telephone for remittance. This service is only provided for valued customers, who is very reliable and with which banks have long standing relationship.

## 4. Mail Transfer Advice (MTA)

Where the remitter desires the banker to remit the funds to the payee instead of purchasing a draft himself the banker does it through a mail transfer advice. The payee must have an account with the paying office as the amount remitted in such a manner is meant for credit to the payee's account and not for cash payment. It is the least used technique for transferring fund. Where there is no telex machine or telephone line then this method is used.

CHAPTER -FIVE  
FINDINGS,  
RECOMMENDATION AND  
CONCLUSION



## 5.1 Findings

As a commercial bank and the agent of Bangladesh Bank, Rupali Bank to do various types of work without thinking about the profit. For this reason we have seen that in some cases bank has doing loss, but this loss we directly cannot say that bank failing loss this is happening only for helping the nation.

On the other hand we have seen that the bank profit increasing rate is poor but increasing. The bank is highly liquid and earns much profit on owner's equity. Bank's operating efficiency is good. EPS is increasing every year. Earning spread is also increasing.

So after all we can say that as a nationalized bank commercial bank Rupali Bank Limited is a bank earning better.

## 5.2 Recommendations

- The Top management of Rupali Bank Limited should be more effective to the employee then current situation. Because they should take care the branch level employee's benefits, opportunities etc.
- The bank has highly skilled employee in the branch level. But the bank should be able to utilize these employees at appropriate way to take out the bank's output.
- The website design is need to improve. Therefore, the website should be changed and can put more information about the bank. The existing design cannot capture the customer's attention.
- The cheque's design is poor. The good looking cheque design can motivate the customer.
- The human resource division can be more effective. Because this human resource department should think about the employee benefit much.

- In the training institute, the training process should be used latest technology to provide to the trainee. The bank should give training about the office package, basic idea on computer and internet.
- The higher management should be more effective about the employee, to take right strategy, right decision making.
- In the branch level employee is working so many extra time, so management should provide some extra incentives to motivate the employee.
- On-line banking is coming soon so the responsible employee should be trained effectively.
- The training evaluation process and form is to be more modernized.
- Infrastructure should be modernized.

### 5.3 Conclusion:

As a bank Rupali Bank Limited has to do a lot of things for the betterment of the country. The Bank is strongly positioned in the market and with its core strengths it can match shareholders' expectations and thus raise their wealth in future through ethical banking and best pricing. Thus, it has to take initiative so that it can fulfill the desire of the govt. as well as people. It will enhance more public services and build up working teams to provide the best services to its valuable customers. It must be run in organized way and discipline must be ensured in all sphere of its performance. Efficient export team, import team and remittance team must be formed and perform duties properly. More training, computerization, data collection, market analysis and swiftness in servicing are essentially required. To do these the recommended suggestions can be used. Although it is theoretical suggestions, it is not valueless. It has great impact on the banking business and other sectors of the economy. For this, govt. help is essential and it is expected that govt. will broaden its hand for implementing the recommendations for the welfare of the people of Bangladesh.



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