

INTERNSHIP REPORT ON

GENERAL BANKING ACTIVITIES OF CITY BANK LIMITED:
A STUDY ON RANGPUR BRANCH



HAJEE MOHAMMAD DANESH SCIENCE & TECHNOLOGY UNIVERSITY,
DINAJPUR-5200

INTERNSHIP REPORT
ON
GENERAL BANKING ACTIVITIES OF CITY BANK LIMITED:
A STUDY ON RANGPUR BRANCH

By

Md. Kamrul Hasan

Evening MBA (Major in Finance)

2nd Batch, ID # E130502055

Faculty of Business Studies

HSTU, Dinajpur

Approved by

Rafia Akhtar

Associate Professor &

Supervisor

Department of Management

Abul Kalam

Assistant Professor &

Co-Supervisor

Department of Marketing

This internship report is submitted to the Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University, Dinajpur as a Partial fulfillment of the requirement for the degree of Evening MBA program-2015



HAJEE MOHAMMAD DANESH SCIENCE & TECHNOLOGY UNIVERSITY,
DINAJPUR-5200

May, 2016

LETTER OF TRANSMITTAL

Date: 07th May, 2016

Rafia Akhtar

Associate Professor

Department of Management

Faculty of Business Studies

HSTU, Dinajpur

Subject: Submission of Internship Report.

Dear Sir,

With due respect, I would like to inform you that it is a great pleasure for me to submit the internship report on the topic “*The General banking Activities of City Bank Limited: A Study on Rangpur Branch*” as per Master of Business Administration (MBA) Evening program-2015 requirement. Throughout the completion of the report, it provides me practical knowledge.

Therefore; I firmly believe that this report will meet your approval. I would genuinely appreciate and keen enough to make further corrections where you think it is necessary and placing this paper for your valuable evaluation & recommendations.

Thanking You.

Sincerely Yours,

.....

Md. Kamrul Hasan

Evening MBA (Major in Finance)

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Faculty of Business Studies

HSTU, Dinajpur.



Rafia Akhtar
Associate Professor
Department of Management
Faculty of Business Studies
Hajee Mohammad Danesh Science & Technology University,
Dinajpur.

CERTIFICATE OF THE SUPERVISOR

This is to certify that Md. Kamrul Hasan, 2nd Batch, ID # E130502055, student of Hajee Mohammad Danesh Science & Technology University, Dinajpur of Evening MBA program-2015 has completed the internship report “*The General banking Activities of City Bank Limited: A Study on Rangpur Branch*” successfully under my supervision.

I wish him every success in life.

Rafia Akhtar
Associate Professor
Department of Management
Faculty of Business Studies
HSTU, Dinajpur.



Abul Kalam
Assistant Professor
Department of Marketing
Faculty of Business Studies
Hajee Mohammad Danesh Science & Technology University,
Dinajpur.

CERTIFICATE OF THE CO-SUPERVISOR

This is to certify that Md. Kamrul Hasan, 2nd Batch, ID # E130502055, student of Hajee Mohammad Danesh Science & Technology University, Dinajpur of Evening MBA program-2015 has completed the internship report “*The General banking Activities of City Bank Limited: A Study on Rangpur Branch*” successfully under my supervision.

I wish him every success in life.

Abul Kalam
Assistant Professor
Department of Marketing
Faculty of Business Studies
Faculty of Business Studies
HSTU, Dinajpur.

Declaration of Student

This is to notify that this report “*The General banking Activities of City Bank Limited: A Study on Rangpur Branch*” has been prepared as a part of my internship formalities. It is an obligatory part of our MBA evening program-2015 to submit an internship report. Moreover, I was inspired and instructed by my supervisor Rafia Akhtar, Associate Professor, Department of Management, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University & co-supervisor Abul Kalam, Assistant Professor, Department of Marketing, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University

In this regard, I would like to mention that this report has not been prepared for any other purpose like presentation or investigation for any other authorities.

.....

Md. Kamrul Hasan

Evening MBA (Major in Finance)

2nd Batch, ID # E130502055

Faculty of Business Studies

HSTU, Dinajpur.

ACKNOWLEDGEMENT

A successful internship report reflects the affiliated organizations activities as it provides a virtual ground where the implication of theoretical knowledge experience with the practical teaching. It would not get its complement without active assistance of few people from Hajee Mohammad Danesh Science & Technology University, Dinajpur. I am more benefited and decorated for being oriented with a group of qualified and benevolent people. Their assistance and guidance can never be paid back. I will remain ever grateful to them and I am honored to be part of their culture.

I am grateful to City Bank Limited; Rangpur Branch for giving us required information for the internship report.

I concede the aesthetic contribution of Mr. Kazi Arif Hossain, Senior Assistant Vice President (SAVP) & Branch Manager of Rangpur Branch for providing required information & co-operate to collect data early and suggest designing the report.

Finally, I specially acknowledge to my supervisor Rafia Akhtar, Associate Professor, Department of Management, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University & co supervisor Abul Kalam , Assitant Professor, Department of Marketing, Faculty of Business Studies, Hajee Mohammad Danesh Science & Technology University for their instruction and guidance. They are the person behind my diligence, inspiration and devotion. An instructor creates insight in students, which he did very successfully.

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EXECUTIVE SUMMARY

In the last term of final semester of Master of Business Administration (MBA) evening course, I was sent to City Bank Ltd (CBL) to have a practical exposure on banking activities under the program “General banking Activities of City Bank Ltd.: A Study on Rangpur Branch”. City Bank Ltd. is a leading private commercial Bank which starts its operation under Companies Act, 1994 on March 27, 1983. Through its countrywide 120 branch network, it is providing a comprehensive and competitive banking service to its clients. With the starting the operation of CBL, the main branch continues its operation. Through its three core departments, namely General Banking, Advance and Foreign Exchange, it provides all kinds of banking service to its customers. Throughout my overall study I have mainly tried to critically review the general banking activities of city bank ltd. Rangpur branch. General banking comprises of account opening, bills, remittance, clearing and cash sections. Through these sections it establishes Banker customer relationship, collects bills for customers, remit funds of customers from one place to another, honoree cheques drawn on this branch. General Banking department provides these services in a faster and better manner.

First chapter Introduction of the report focus on background of the study, origin of the study, rationale, Scope, objective of the study, limitation of the study, Methodology of the study etc. Second chapter of the report focused on overview of CBL contains history, vision, mission, objective, product and services of CBL and so on. The third section focused the project part which called general banking activities of city bank ltd. Last but not the least section focused my 45 days internship experience which I learned from CBL Rangpur Branch as well as the some sort of problem which I have found from my observation. In this part I also try to recommend some solution to solve these problem and conclusion based on my study. Through the report I mainly try to critically review the General Banking Activities of City Bank Ltd. Rangpur Branch.

CHAPTER-1

1. INTRODUCTION

The necessity of commercial banks is more significant than the nationalized banks in the third world countries such as Bangladesh as this is the 21st century – the era of globalization and consolidation among the multinational and foreign companies. In the age competition, the banks are no more dissimilar from any other consumer-marketing corporation. The excellent service quality permits a bank to differentiate themselves from their competitors, provide a bearable competitive advantage, and enhance efficiency. Customer service is the process of ensuring customer satisfaction with a product or service. Often, customer service takes place while performing a transaction for the customer, such as making a sale or returning an item. In Banks customer service includes processing cheque, cash and direct debit payments and withdrawals, setting up and maintaining customers' accounts, dealing with enquiries, promoting and selling financial products and services to customers, using a computerized system to update account details, general administration tasks such as maintaining records, opening post and sending letters to customers, operating UK and overseas currency tills, helping customers with loan and mortgage applications.

This internship report contains the passing study on “The City Bank Ltd”. The report is distributed in many parts according to the constructions of supervisor of report.

City Bank manages its business and operation vertically from the head office through four distinct business divisions namely

- Corporate & Investment Banking;
- Retail Banking (including Cards);
- SME Banking; &
- Treasury & Market Risks.

Under a real-time online banking platform, these four business divisions are supported at the back by a robust service delivery or operations setup and also a smart IT Backbone. Such centralized business segment based business & operating model ensure specialized treatment and services to the bank's different customer segments.

1.1 BACKGROUND OF THE REPORT

As a student of Master of Business Administration (MBA) evening everyone has to conduct a practical orientation in any organization for fulfilling the requirements of the 45 days Internship Program. The main purpose of the program is to expose the students to the real world situation. This report is done as a partial requirement of the internship program for the MBA evening students. This report is prepared for the internship program consisting of a major in depth study of the total banking business of City Bank Ltd. Practical knowledge is fundamental for the application of theoretical intelligence. Bearing this in mind and internship program was being included in the MBA evening curriculum. The goal of this analysis is to expose the student in the organizational work situation and also to provide an opportunity for applying classroom learning in practice. There are some difference between theories and practice.

1.2 ORIGIN OF THE REPORT

This report is done as partial requirement of the 45 days internship program for the MBA evening students of Hajee Mohammad Danesh Science & Technology University. As I am an employee of City Bank Ltd. at Rangpur Branch the chairperson of the internship and placement committee advised to prepare reports on our assigned jobs after the completion of the internship in the respective organizations. The title of the report is “*General Banking Activities of City Bank Ltd. :A Study on Rangpur Branch*”.

1.3 RATIONAL OF THE STUDY

In order to fulfill the requirement of the Internship program in the City Bank Ltd, Rangpur Branch permission was taken from City Bank Ltd, Human Resource Division (HRD) of City Bank Ltd. The overall topic of the report has been selected by discussion between me and my supervisor & co supervisor .The topic of my report is “*General banking Activities of City Bank Ltd.: A Study on Rangpur Branch*”.

1.4 OBJECTIVE OF THE STUDY

- **Primary objective:**

The primary objective of this report is to familiar with the working environment of present institutions and also fulfill the requirement of MBA theoretical knowledge gained from the coursework of the MBA program in a specific field.

- **Secondary Objective:**

- To Understand and analyze the overall activities of City Bank Limited
- To evaluate the existing activities and techniques of City Bank Limited
- To study the operational efficiency of City Bank Limited
- To suggest the ways and means for improvement in policy and techniques
- To relate the theoretical learning with the real life situation

1.5 TOPIC OF THE REPORT

To write a report is necessary to select a topic. A well defined topic reflect what is going on to be discussed thought on the report the topic that has been assigned by supervision is "*General Activities of City Bank Limited, : A Study on Rangpur Branch*" The report has discussed how the bank operates their activities with their regular customers.

1.6 METHODOLOGY OF THE REPORT

The study requires various types of information of present policies, procedures and methods of General Banking Operation. Both primary and secondary data available have been used in preparing this report.

- **Primary Data sources:**

- Practical banking work.
- Personal discussion with the officers and executives of City Bank Limited.
- Personal interview with the customers.

- **Secondary Data sources:**

- Daily diary (containing my activities of practical orientation in CBL)
- Various publications on banking operation,
- Website of City Bank Ltd & Bangladesh Bank,
- Annual Report of the City Bank Ltd,
- Personal investigation with bankers,
- Different circulars issued by Head Office and Bangladesh Bank

1.7 SCOPE OF THE REPORT

This report covers City bank's Products and Services, Organizational Overview, Management and Organizational Structural functions performed by CBL. It also covers overview of the general banking division, processes and other functions.

1.8 LIMITATION OF THE REPORT

- The one of the main limitations of the report was to conduct a small scale survey on clients.
- The branch is too much busy branch as for this to operate the survey on the basis of questionnaire
- Field practice varies with the standard practice that also created problem.
- Time provided for conducting the study is another important constraint.
- The employees in City Bank Limited are so much busy in their responsible fields; they could hardly provide little time to discuss with them.

CHAPTER: 2

2. AN OVERVIEW OF CITY BANK LIMITED

The City Bank Ltd. is one of the first generation Commercial Banks operating in Bangladesh. It started its journey in 1983 and now is a top bank among the oldest five Commercial Banks in Bangladesh. The first branch was opened at B. B. Avenue Branch in the capital, Dhaka city. It was the visionary entrepreneurship of around 13 local businessmen who had the courage of taking immense uncertainties and risks that made the establishment of the bank possible. Those sponsor directors commenced the journey with only Taka 3.4 core worth of Capital, which now is a respectable Taka 330.77 core as capital & reserve.

City Bank is one of the very few local banks which do not follow the traditional, decentralized, geographically managed, branch based business or profit model. Basically, the bank manages its business and operation vertically from the head office through 4 distinct business divisions namely Corporate & Investment Banking; Retail Banking (including Cards); SME Banking; & Treasury & Market Risks.

Under a real-time online banking platform, these 4 business divisions are supported at the back by a robust service delivery or operations setup and also a smart IT Backbone. Such centralized business segment based business & operating model ensure specialized treatment and services to the bank's different customer segments.

The bank at present has 108 online branches and 1 SME service centers and 11 SME/Agri branches spread across the length & breadth of the country that include a full-fledged Islami Banking branch. Besides these traditional delivery points, the bank is also very active in the alternative delivery area. It currently has 284 ATMs of its own; and ATM sharing arrangement with a partner bank that has more than 1150 ATMs in place; SMS Banking; Internet Banking and so on. It already started its Customer Call Center operation. City Bank is the first bank in Bangladesh to have issued Dual Currency Credit Card. The bank is a principal member of VISA international and it issues both Local Currency (Taka) & Foreign Currency (US Dollar) card limits in a single plastic. VISA Debit Card is another popular product which the bank is pushing hard in order to ease out the queues at the branch created by its astounding base of some 400,000 retail customers. The launch of VISA Prepaid Card for the travel sector is currently underway.

City Bank prides itself in offering a very personalized and friendly customer service. It has in place a customized service excellence model called CRP that focuses on ensuring happy customers through setting benchmarks for the bank's employees' attitude, behavior, readiness level, accuracy and timelines of service quality.

City Bank is the first bank in Bangladesh to have issued Dual Currency Credit Card. The bank is a principal member of VISA international and it issues both Local Currency (Taka) & Foreign Currency (US Dollar) card limits in a single plastic. VISA Debit Card is another popular product which the bank is pushing hard in order to ease out the queues at the branch created by its astounding base of some 400,000 retail customers. The launch of VISA Prepaid Card for the travel sector is currently underway. City Bank has launched American Express Credit Card and American Express Gold Credit card in November 2009. City Bank is the local caretaker of the brand and is responsible for all operations supporting the issuing of the new credit cards, including billing and accounting, customer service, credit management and charge authorizations, as well as marketing the cards in Bangladesh. Both cards are international cards and accepted by the millions of merchants operating on the American Express global merchant network in over 200 countries and territories including Bangladesh. City Bank also introduced exclusive privileges for the card members under the American Express Selects program in Bangladesh. This will entitle any American Express card members to enjoy fantastic savings on retail and dining at some of the finest establishments in Bangladesh. It also provides incredible privileges all over the globe with more than 13000 offers at over 10000 merchants in 75 countries.

City Bank prides itself in offering a very personalized and friendly customer service. It has in place a customized service excellence model called CRP that focuses on ensuring happy customers through setting benchmarks for the bank's employees' attitude, behavior, readiness level, accuracy and timelines of service quality. City Bank is one of the largest corporate banks in the country with a current business model that heavily encourages and supports the growth of the bank in Retail and SME Banking. The bank is very much on its way to opening many independent SME centers across the country within a short time. The bank is also very active in the workers' foreign remittance business.

It has strong tie-ups with major exchange companies in the Middle East, Europe, Far East & USA, from where thousands of individual remittances come to the country every month for disbursements through the bank's large network of 120 online branches and SME service centers. The current senior management leaders of the bank consist of mostly people from the multinational banks with superior management skills and knowledge in their respective "specialized" areas. The newly launched logo and the pay-off line of the bank are just one initial step towards reaching that point.

2.1 Historical Background of CBL

Until the beginning of the eighties, the banking business in Bangladesh was only restricted to the nationalized sector in addition to two or three foreign banks. It is only in 1983 that the Government changed its policy on the banking sector paving the way for setting up new banks with private sector. In fact, 1983 saw the emergence of a bevy of local banks with private entrepreneurship of which The City Bank limited stands out prominently. It came on stream on the 27th March 1983.

The City Bank Limited is the first private sector Bank in Bangladesh. The Bank has been operating since 1983 with an authorized capital of more than TK. 1.75 Billion under the entrepreneurship of twelve prominent and leading businessmen of the country. The noble intention behind starting this Bank was to bring about qualitative changes in the sphere of Banking and Financial management. Today The City Bank Limited serves its customers at home with 120 branches spread over the country and about three hundred oversea correspondences covering all the major cities and business centers of the world.

The services encompass wide diversified areas of trade, commerce and industry which tailored to the specific needs of the customers and are distinguished by an exceptional level of prompt and personal attention. Over the year the Bank has expanded the spectrums of Its Services. The extensive and ever growing domestic network provides and carries various product and service to the doorsteps of millions. The City Bank Limited has already introduced some new Banking Products like dual currency Credit Cards, ATM and Online services which has created attraction among the clients.

The Bank is going to introduce real time Internet, SMS and Phone Banking systems with all modern delivery channels at an early date. For significant performance, the bank has earned national and international recognition.

The City Bank Limited was one of the twelve banks of Bangladesh among the five hundred banks in Asia for its asset, deposit and profit as evaluated by “Asia Week” in the year of 2000. Other the other hand, The City Bank Limited received the “Top Ten Company” award from the Prime Minister of the People’s Republic of Bangladesh. We have a distinguished Board of Directors which consists of thirteen successful and reputed businessmen. Mr. Rubel Aziz, a top leading businessman, industrialist, pioneer personality and entrepreneur of private sector bank of Bangladesh, is the Chairman of the Bank. Mr. Sohel R. K Hossain a dynamic, nationally and internationally reputed banker is the Managing Director and CEO of the Bank. **The City Bank Limited recently won The Asian Banker “The Strongest Bank in Bangladesh-2015” Award**

The birth of The City Bank Limited as back as 1983 created a sensation on the financial sector and raised new hopes among the banking population. Within few years of its launching the bank made tremendous impact in the economy and showed immense potentialities. Success after success was streaming. The bank was adorned with prestigious honors like one of the top ten companies, large tax payer, one of the top five hundred banks in Asia. From 1984 through 1992 the bank earned profits consistently and the performance was remarkable. The bank, however, ran into rough waters from 1993 due to multiple events like business slump, default culture, rigorous provisioning etc.

The City Bank Limited has so far been highly successful in keeping its clients satisfied with its high quality service, while counting its expansion to reach more people around the country. The City Bank Limited conducts all types of commercial banking activities. It is involved in most of the areas of commercial banking operations. The core business of the bank comprises of trade finance, term finance, working capital finance and corporate finance. The City Bank Limited has acted as the lead arrange in raising term loan for a number of projects under syndicated finance and also participated in some cases under such financing arrangement.

2.2 Objectives and Goals of CBL

CBL always ready to maintain the highest quality of services by upgrading banking technology prudence in management and by applying high standard of business ethics through its established commitment and heritage.

CBL is committed to ensure its contribution to national economy by increasing its profitability through professional and disciplined growth strategy for its customer and by creating corporate culture in international banking arena.

- The objective of CBL is not only to earn profit but also to keep the social commitment and to ensure its co-operation to the person of all level, to the businessman, industrialist-specially who are engaged in establishing large scale industry by consortium and the agro-based export oriented medium & small scale industries by self inspiration.
- CBL as the first and the largest private bank is committed to continue its endeavor by rapidly increasing the investment of honorable share holders into assets.
- CBL believes in building up strong based capitalization of the country.
- CBL is committed to continue its activities in the new horizon of business with a view to developing service oriented industry and culture of morality and its maintenance in banking.
- CBL has been working from its very beginning to ensure the best use of its creativity, well disciplined, well managed and perfect growth.
- CBL is always preoccupied to encourage the investors for purchasing its share by creating the opportunity of long term investment and increasing the value of share through prosperity as developed day by day.
- CBL is playing a vital role in Socio-economic development o Bangladesh by way of linkage with rest of the world by developing worldwide network in domestic and international operations.

2.3 Vision, Mission and Values of The City Bank Limited

The effort of The City Bank Limited is focused on delivery of quality service in all areas of banking activities with the aim to add increased value to shareholders' investment and offer highest possible benefits to the customers.

Vision:

The financial supermarket with a winning culture, offering enjoyable experiences.

Mission:

- Offer wide array of products and services that differentiate and excite all customer segments.
- Be the "Employer of choice" by offering an environment where people excel and leaders are created.
- Continuously challenge processes and platforms to enhance effectiveness and efficiency.
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service.
- Ensure respect for community, good governance and compliance in everything we do.

Values:

- Result Driven
- Engaged & Inspired
- Accountable & Transparent
- Courageous & Respectful
- Customer Delight

2.4 Philosophy behind the new logo and slogan

The City Bank Limited changed its logo along with a brand philosophy line or pay-off line with a ceremony held at Radisson Water Garden Hotel, Dhaka on 5th July 2008. Honorable Advisor to the Ministry of Finance and Planning, Dr. A. B. Mirza Azizul Islam did this honor to the bank by launching it. The philosophy that went behind the creation of this logo is given below.

- It is a simple logo. Its beauty is in its simplicity of arrangement which is also bold. As it is simple, it connects with people easily.
- The red and silver shape may mean a chess board. Chessboard stands for wisdom and vision. Since the bank is 25 years old, it is expert, wise and experienced. Chess is the game of the smart people who knows all the moves. The game of the bank is to deal with people's money matters and as wise and experienced, the bank is expert in that.
- The red and silver shape may also mean a kite. Its a beautiful colorful kite. Nose up, going to reach for the sky. In the case, it means the bank is soaring high into the skies of many possibilities in order to make customers' financial dreams come true.
- The red and silver shape may also mean its a flying chessboard. Its a chess-board that has taken wings and is flying. In that case it indicates to what extent this bank can go to serve customers better.
- The red and silver shape may also mean something dynamic. It may mean the checkered flag of Formula One Racing. Then it Signifies speed and agility and pace.

The logo has a dynamic shape. Such dynamism stands for modernity, the 21st century. That signifies a techno-savvy bank, a state-of-the-art tech-powered modern bank. The color „red“ stands for emotion, passion, strength, vitality, action, confidence and courage. The color silver symbolizes riches, just as gold does. Silver is glamorous and distinguished. Silver is the traditional 25th anniversary color or Silver jubilee color. Another thing is that the “Pieces of silver” means money or coin and the pay-off line is “Making Sense of Money”. Now the payoff line is “Making Sense of Money.”

No money, no bank. Money is important for all. Money is a need all by itself. It is the most precious thing. Money is the port key to any destination. It is everything between a person and his or her dreams and hopes. So, the money, which is almost synonymous of life, must make sense. For people's money to make sense, it must be handled by an expert.

2.5 Origin of the Report

The banking world has been undergoing rapid and fundamental changes. The speed of these changes has been maintained even after the global financial turmoil experienced during the past few years. It is well recognized that there is an urgent need for better-qualified management and better-trained staff in the dynamic global financial market. Bangladesh is no exception of this trend. Bank education is a practice-oriented education and Banking Sector in Bangladesh is facing challenges from different angles though its prospect is bright in the future. The objective of the one & half month Internship to develop the specific skills and the breadth of judgment required of effective financial executives or bankers. This Report has been prepared on the basis of my practical experiences on the day-to-day banking activities and under the close supervision of my Organizational Supervisor Mr. Shariful Arif Prodhan and close guidance of Head of Branch Mr. Kazi Arif Hossain.

2.6 Commitments to Clients

- Provide service with high degree of professionalism and use of most modern banking technology.
- Create life-long relationship based on mutual trust and respect.
- Respond to customer needs with speed and accuracy.
- Share their values and beliefs.
- Grow as the Bank's customers grow.
- Offer first-rated solutions of clients' banking problems and issues.
- Provide products and services at competitive pricing.
- Ensure safety and security of customer's valuables in trust.

2.7 Corporate Slogan

Making Sense of Money

2.8 Functions and Operation

The bank has by now a network of 89 branches strategically located in different cities. All the branches are functioning in computerized environment and integrated through Wide Area Network (WAN). The branches are full-fledged units and can provide all commercial and investment banking services ranging from small and medium enterprises to big business conglomerates and houses. The bank always tries to reduce its dependence on interest earnings by giving more emphasis on the fee-based income through introduction of capital market operation and Leasing. The Capital Market operation includes Portfolio Management, Investors Account, Underwriting, Mutual Fund Management etc. The bank introduced modern system of Leasing Operation as in practice with Banks in all other countries of the world. The Lease Finance portfolio of the bank is the first of its kind in a Commercial Bank in Bangladesh. Entrepreneurship Development Training is arranged to impart operational skill and modern technique of management to introduce new entrepreneurs in the field of industrialization on the basis of participatory finance. The City Bank Limited is one of first few Bangladeshi Banks who have become member of SWIFT (Society for Worldwide Inter-Bank Financial Telecommunication). SWIFT is a member owned co-operative, which provides a fast and accurate communication network for financial transactions such as letter of Credit, Fund transfer etc. The City Bank Limited is operating branches on both interest based Banking and Islamic Shariah based Banking. The Islamic Shariah based Banking is completely different from the conventional one. The bank is Maintaining separate set of accounts for Islamic Banking branch (1 branch which is situated beside the Dhaka Stock Exchange) according to the standard adopted by Financial Accounting and Auditing organization for Islamic Financial Institution. The City Bank Limited is trying to achieve excellence in customer service. The customer is the most important for them. Their policy is customer driven. The Bank has introduced Special Saving Schemes; Special Credit Scheme for the benefit of the low-income group, especially for self employment of the educated youth.

2.9 Different Banking Sector of The City Bank Limited

2.9.1 Retail Banking

One of the most remarkable success stories of last 50 years“ banking industry globally has been the conceptualization and innovation execution of banking with individual customers, their friends and families. The industry has termed it as Retail Banking or Personal Banking or Consumer Banking; and it has now at a very rapid pace-become the major revenue line for most of the top banks in the world. The City Bank Limited recently has started its journey in Retail Banking as well. “City Retail – add a little city to their life” is the new brand-mantra, the pay-off loan for City Retail. The City Bank Limited is trying to be the most preferred bank to all individual customers of the country, at least of the cities and towns where it operates. The bank wants to provide their customers the best services, innovative products and financial solutions from smart outlets-all with a big smile that conveys and generates happiness all the way. There are mainly 5 types of retail banking. They are-

<u>Deposit</u>	<u>Loan</u>	<u>City Global</u>
• Current Account	• City Drive	• City Global RFCD Account
• Saving Account	• City Solution	• City Global FCY Account
• City Onayash	• City Express	• Global NFCD Account
• City Shomridhdhi		
• City Projonmo		
• City Ichchapurun FDR		

4) **NRB:** The City Bank's Foreign Remittance unit meets growing customer needs for fast, secure & easy money transfers to an extensive range of destinations

5) Cards

- Debit card-Visa Electron, Master & City Max.
- VISA Credit card-
 - Visa Classic Dual
 - Visa Gold Local
 - Visa Gold Dual
- American Express Credit Card
 - Amex Classic Local
 - Amex Classic Dual
 - Amex Gold Local & Dual

2.9.2 Corporate Banking

The City Bank Limited is a major player in Bangladesh wholesale banking industry to offer the full scope of innovative, customized solution and services. It offers service at the highest level. Its focus is not on short-term profit, but on building long-term relationships and standing by its clients whenever needed. The bank have a unique business focus on enabling project financing, trade, investment and supply chain financing for clients. The bank aims to be a one-stop gateway for corporate and financial institutions looking to facilitate its clients' growing trade and investment flows and supply chain financing needs across our business footprint. It focuses exclusively on corporate and institutional clients domiciled or conducting business in our footprint, offering clients access to our extensive branch network and award-winning suite of the art services. The City Bank Limited fully understands the importance of time, convenience and efficiency to the success of their business. The bank makes easy the complex financial world for the customers and helps them to maximize every opportunity.

2.9.3 SME Banking

SME Banking of The City Bank Limited is assuming a new and modern dimension. It is entering in to a wider horizon. The philosophy of extending banking services to SME's of the country is to meaningfully push every one of them up to the next level of respective business operations. The upward push would be meaningful as they would be business wise competitive for a sustainable future. It, therefore, would be turning in to an abode of SME's to grow to the next level. Hence, the bank has named it City Business – for taking SME's to the next level. For the first time in the history of The City Bank Limited, SME Banking business processes are going to be driven through a centralized platform model. This is a fundamental move away from a 25 years legacy system of decentralized geography based branch banking model. We all know this transformation process and momentum is already in place. This would be completed by 2008.

2.9.4 The City Bank Limited Treasury and Market Risk Division

The City Bank Limited has a dedicated Treasury team who is capable of providing all treasury Solutions. Through the foreign correspondent business partners, The City Bank Limited is providing a wide range of Treasury products. In The City Bank Limited Treasury, there are four teams who are specialized in their own area to ensure the best possible solution to customer requirement. The City Bank Limited has following teams in the Treasury:

1. Foreign Exchange
2. Money Market
3. Corporate Sales
4. ATM and Market Research

Each team is dedicated to provide best solution to their respective areas. Though these four dedicated team the bank provide the following services:

1. Client Solution and Risk Management
 - Hedging solutions against market movement
 - Advice on efficient hedging policy
 - Structured products to match customers' needs
 - Corporate Advisory Services
2. Product Range
 - Foreign Exchange
 - Local Currency spot and Forward*
 - G7 Spot and Forward
 - Money Making
 - Call Money
 - Term Deposit
 - Securities (T-Bills, T-Bonds)
 - Repo and Reverse Repo
 - Foreign Exchange and FC Interest Rate SWAP.
 - Foreign Currency and Community Derivatives

2.10 Management of The City Bank Limited

Boards of directors are the sole authority to take decision about the affairs of the business. Now there are 13 directors in the management of the bank. All the directors have good academic background and have huge experience in business. Mr. Rubel Aziz is the chairman of the bank. The board of directors holds meetings on a regular basis. There are different committees in the bank for the efficient management of the bank.

- Board of Directors
- Policy Committee: this committee deals with any policy matters related to the banks new products, new business development and any sort of policy related to The City Bank Limited. It seats fortnightly.
- Executive Committee: it seats weekly.
- Credit Committee.

All these committees meet on a regular basis for discussing various issues and proposals submitted for decisions.

2.11 Departments of The City Bank Limited

The bank organizes all the jobs considering their interrelationship and they are allocated in a particular department to control the system effectively. The departments are fitted for the particular works and the performance of a particular department is measured perfectly. The City Bank Limited has following departments.

<ul style="list-style-type: none"> • Human Resources Division • Finance Division • Audit and Inspection Division • Internal Control and Compliance • Marketing Division • Corporate Banking Division • Consumer Banking Division • Trade Service and Correspondent Banking Division 	<ul style="list-style-type: none"> • Logistic and Support Division • Information Technology Division • Credit Division • Treasury Division • SME Division • Credit Admin and Monitoring • Corporate Affairs Division • Card Division • Recovery and Legal Division
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2.12 Human Resources Management of The City Bank Limited

To cope with the consumer's need The City Bank Limited is committed to developing individual professional and technical skills through educational opportunities and wide range of internal and external manpower development and job related training programs. The banks human resources policy emphasize on providing job satisfaction, growth opportunities. To improve the efficiency of the employee performance, The City Bank Limited has placed the utmost importance on continuous development of its human resources, identify the strength and weakness of the employee to assess the individual training needs, they are sent for training for development. To orient, enhance the banking knowledge of the employees CBL organize both on-house and external training.

Table-2.1: Human resources positions of CBL over the years

Year	2012	2012	2013	2014	2015
Human Resources	1829	2076	2183	2308	2749

2.13 SWOT Analysis of The City Bank Limited

Every organization is composed of some internal strengths and weaknesses and also has some external opportunities and threats in its whole life cycle. This following will briefly introduce the customer to The City Bank Limited's internal strengths and weaknesses, and external opportunities and threats.

Strengths	Weakness
<ul style="list-style-type: none"> ➤ Stable source of fund ➤ Strong Liquidity position ➤ Concentrated market ➤ Wide network of branches ➤ Well-furnished and Air-conditioned ➤ Experienced top management ➤ Diversified product line ➤ Satisfactory IT infrastructure ➤ American Express Credit Card ➤ City Bank wins The Asian Banker "Strongest Bank in Bangladesh – 2010" Award 	<ul style="list-style-type: none"> ➤ Asset infection rate is still high ➤ Deposit is lower than advance. ➤ Officer has limited experience and not enough trained ➤ Small market shares in Banking-business ➤ Long-term credit is not sufficient ➤ Relatively high overhead expense ➤ Problem in Delivery.

Opportunities	Threats
<ul style="list-style-type: none"> ➤ Regularity environment favoring ➤ Private sector development ➤ Credit card business ➤ SME and Agro based industry loan ➤ Can increase the advertising of the Bank ➤ Has introduced three short term new schemes known as “City Onayash”, “City Ichapuron”, “City Notun Projonmo”. ➤ Already launched the new loan product-“City Solution”, “City Drive” and “City Express Loan”. 	<ul style="list-style-type: none"> ➤ Deposit as well as quality assets ➤ Market pressure for lowering the interest rate ➤ Shrinkage in export, import and guarantee ➤ Business due to economic slump and war ➤ Frequency Currency Devaluation ➤ Emergence of Competitors ➤ Govt. pressures to reduce interest rate. ➤ New rules and regulations imposed by the Bangladesh Bank.

2.14 Values Considered as Guiding Factors

All the activities and decisions of The City Bank Limited are based on, and guided by, these values:

- Placing the interest of clients and customers first.
- A continuous quest for quality in everything the company does.
- Treating everyone with respect and dignity.
- Conduct that reflects the highest standards of integrity
- Teamwork – from the smallest unit to the enterprise as a whole
- Being good citizens in the communities, in which they live and work.

2.15 The products and services of the City Bank Ltd.

The City Bank Limited launched several financial products and services since its inception.

Table 2.2: Product of CBL

Liability Product	Asset Product
Contributory saving scheme	Lease Finance
Monitory Benefit Scheme	Cash Credit (Hypo)
Special Deposit Scheme	Cash Credit (Pledge)
Education Saving Scheme	Team Loan
Marriage Saving Scheme	House Building Finance
Fixed Deposit	SOD (FO)
Saving Deposit Account	SOD (WO)
STD Account	Transport Loan
Current Deposit Account	PAD
THE CITY BANK LIMITED-Insured backed FD	LIM
Monthly Savings Account	LTR
Multi Currency Account	Adv. Against Cash Incentive
Foreign Currency Deposit Account	Demand Loan
Non Resident Taka Account	Export Development Fund
Non Resident Foreign Currency Account	Small and Medium Enterprise
Non Residents Investors Account	

2.16 Correspondence Relationship

The City Bank Limited established local correspondent arrangements with Uttara Bank's sixty four branches, thus covering almost the entire country and facilitating the ability to meet taka transaction requirement for the customers. The bank established correspondent relationships with a number of foreign banks, namely CITI Bank N.A, Bank of Tokyo, Standard Chartered Bank, in New York, Tokyo, Calcutta and London. During this period the Bank has set up letter reimbursing banks. The bank maintains a need based correspondents as advising and reimbursing banks. The bank maintains a need corresponding relationship policy, which is gradually expanding.

2.17 Other Service

Consistent with the modern edge and competing in the competitive market, The City Bank Limited has introduced some innovative banking services that are remarkable in a country like Bangladesh. The services offered by the bank are as follows:

2.17.1 On-line Banking

The bank has set up Wide Area Network (WAN) across the country within its branches to provide on-line branch banking facility to its valued customers. The service named “Financial Core” has opened up several possibilities of improved customer services. Under this facility client of one branch are able to do banking transaction at any other branch of the bank. The bank hosted its Web Site: www.thecitybank.com to facilitate dissemination of information about the banking services and facilities of The City Bank Limited all over the world.

2.17.2 Information Technology in Banking Operation

The City Bank Limited has adopted automation in banking operation from few months ago. The main objective of this automation is to provide efficient and prompt service to its valued clients. At present all the branches of the bank are computerized under 37 branches are operated through Financial Core operating system to provide best security to the information.

2.17.3 SWIFT Service

The City Bank Limited is one of the first few Bangladesh Banks to obtain membership of SWIFT (Society for Worldwide Inter-bank Telecommunication). SWIFT is a members’ owned cooperative which provide a first and accurate communication network for financial transaction such as Letter of Credit, Fund Transfer etc.

2.17.4 SMS Banking

City SMS gives you 24-hour access to the key financial information of your City Bank Account. It is the simplest way of finding out your account's daily/month-end balance. With City SMS you neither have to wait for your statement to arrive through mail nor have to call up branches to inquire about your balance and last few transactions. Once you become a member of SMS Banking you will have 24-hour access to the key financial information.

CHAPTER: 3

PROJECT PART

3.1 GENERAL BANKING ACTIVITIES:

General banking is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customers. Every day it receives deposits from the customers and meets their demand for cash by honoring cheques. It opens new accounts, remit funds, issues bank drafts and pay orders etc. Since bank is confined to provide the services everyday, general banking is also known as “retail banking”.

FUNCTIONS OF THIS DEPARTMENT		
G B E A N N E K R I A N L G	1	FRONT DESK/ACCOUNTS OPENING SECTION
	2	CLEARING SECTION
	3	ACCOUNTS SECTION
	4	CASH SECTION

3.1.1 ACCOUNT OPENING SECTION:

To establish a banker and customer relationship account opening is the first step. Opening of an account binds the Banker and customer into contractual relationship. But selection of customer for opening an account is very crucial for a Bank. Indeed, fraud and forgery of all kinds start by opening account. So, the Bank takes extremely cautious measure in its selection of customers. The following works are done by this section-

- **Accepting of deposit**
- **Opening of account**
- **Check book issue**
- **Closing of account**

3.1.1. 1. ACCEPTING OF DEPOSIT

Accepting deposits is one of the main classic functions of banks. The relationship between a banker and his customer begins with the opening of an account by the former in the name of the latter. Initially all the accounts are opened with a deposit of money by the customer and hence these accounts are called deposits accounts. Banker solicits deposits from the members of the public belonging to different lifestyles, engaged in numerous economic activities and having different financial status. There are two officers performing various functions in this department.

The deposits those are accepted by CBL may be classified in to:

A. Demand Deposits

B. Time Deposits.

A. DEMAND DEPOSIT:

The amount in accounts are payable on demand so it is called demand deposit account. CBL accepts demand deposits through the opening of -

- 1. Current Account (CD)**
- 2. Savings Account (SB)**

1. CURRENT ACCOUNT:

Both individuals and business open this type of account. Frequent transactions are (deposits as well as withdrawal) allowed in this type of account. A current a/c holder can draw cheques on his account, any amount, and any numbers of times in a day as the balance in his account permits

Criteria of current account followed by CBL:

- Generally opened by businessmen, government and semi-government organizations; with proper introduction.
- No interest is provided for deposited amount.
- Overdraft is allowed in this account.
- Minimum opening balance is TK.2000.
- A minimum balance of Tk. 5000/- has to be maintained.

2. SAVING ACCOUNT:

Individuals for savings purposes open this type of account. Current interest rate of these accounts is 06% per annum. Interest on SB account is calculated and accrued monthly and Credited to the account half yearly. This calculation is made for each month based on the lowest balance at credit of an account in that month. A depositor can withdraw from his SB account not more than twice a week up to an amount not exceeding 25% of the balance in the account. If anyone withdraws money more than twice he/she will not get the interest for that month.

Criteria of savings account followed by CBL:

- An appropriate introduction is required for opening the A/C;
- Frequent withdrawal is not encouraged;
- A depositor may withdraw money from his/her account twice in a week;
- Minimum amount of TK.5000 is required as initial deposit;
- Depositor may withdraw his/her deposited money up to 25% of the Balance in his/her account without notice. The bank may realize service charge in its discretion.
- Depositor will get interest on the amount deposited in his/her account.

B. TIME DEPOSITS:

A deposit which is payable at a fixed date or after a period of notice is a time deposit. In CBL Rangpur Branch accepts time deposits through Fixed Deposit Receipt (FDR), Short Noticed Deposit (SND), and Schemes etc. While accepting these deposits, a contract is done between the bank and the customer. When the banker opens an account in the name of a customer, there arises a contract between the two. This contract will be a valid one only when both the parties are competent to enter into contracts. CBL accepts time deposits through the opening of –

- A. Term Deposit Receipt (FDR)
- B. Short Notice Deposit(SND)
- C. Monthly Saving Scheme(MSS)

A. FIXED DEPOSIT RECEIPT (FDR)

FDR are opened for a fixed period varying from one months to three years or above and are payable at a fixed date of maturity. In case of FDR Account the banks do not have to maintain a cash reserve. So CBL offers a high interest rate in FDR accounts. It is usually paid on maturity of the fixed deposit. CBL calculates interest at each maturity date and provision is made on that “Miscellaneous creditor expenditure payable accounts” is debited for the accrued interest.

Figure-3.1: Rate of Interest, Pre-Mature Encashment of Term Deposit

SL No	Term Deposit	Rate of Interest	Pre-mature encashment	Rate of Interest
1	1 months	6.75%	Before 30 days	No Interest
2	2 months	7.25%	Before 2 month	No Interest
3	3 months	11.25%	Before expiry of 3 month	No Interest
4	6 months	11.50%	Before expiry of 6 month	No Interest
5	12 months	12.25%	Before expiry of 12 month	No Interest

From above circumstances it is clear that. If any one runs his/her Deposit up to 11 month and withdraw his/her money in case of any kinds of emergency he/she will not get any types of interest but if The person give an application to Manager than manager can arrange interest of savings rate for that person.

Procedure of Opening FDR Account:

Before opening a FDR Account a customer has to fill up an application form which contains the followings:

- Amount in figures
- Beneficiary’s name and address
- Period
- Rate of interest
- Date of issue
- Date of maturity
- How the account will be operated (singly or jointly)
- Signature(s) F.D.R. no. & Special instructions (if any)

After fulfilling the above information and depositing the amount, FDR account is opened and a FDR receipt is issued and it is recorded in the FDR Register which contains the following information:

- FDR account no.
- FDR (Fixed Deposit Receipt) no.
- Name of the FDR holder with address
- Maturity period
- Maturity date
- Interest rate

B. SHORT NOTICE DEPOSIT (SND)

The deposits held in these accounts shall be payable on short time for 7 days or 30 days. The deposits may be accepted for period and rate of interest is fixed by H.O. from time to time. The STD interest rates in SBL are 6.5%.

C. MONTHLY SAVING SCHEME (MSS)

It is one type of savings scheme where installment payment should be deposited to the bank within first 10 days of each month. It can be opened for five, eight and ten years maturity period for Tk. 250/-, Tk. 500/-, Tk.1000/-, Tk.1500/-, Tk.2500/-, and Tk. 5000/-. Interest is paid to the customer @ 12.5% for MSS.

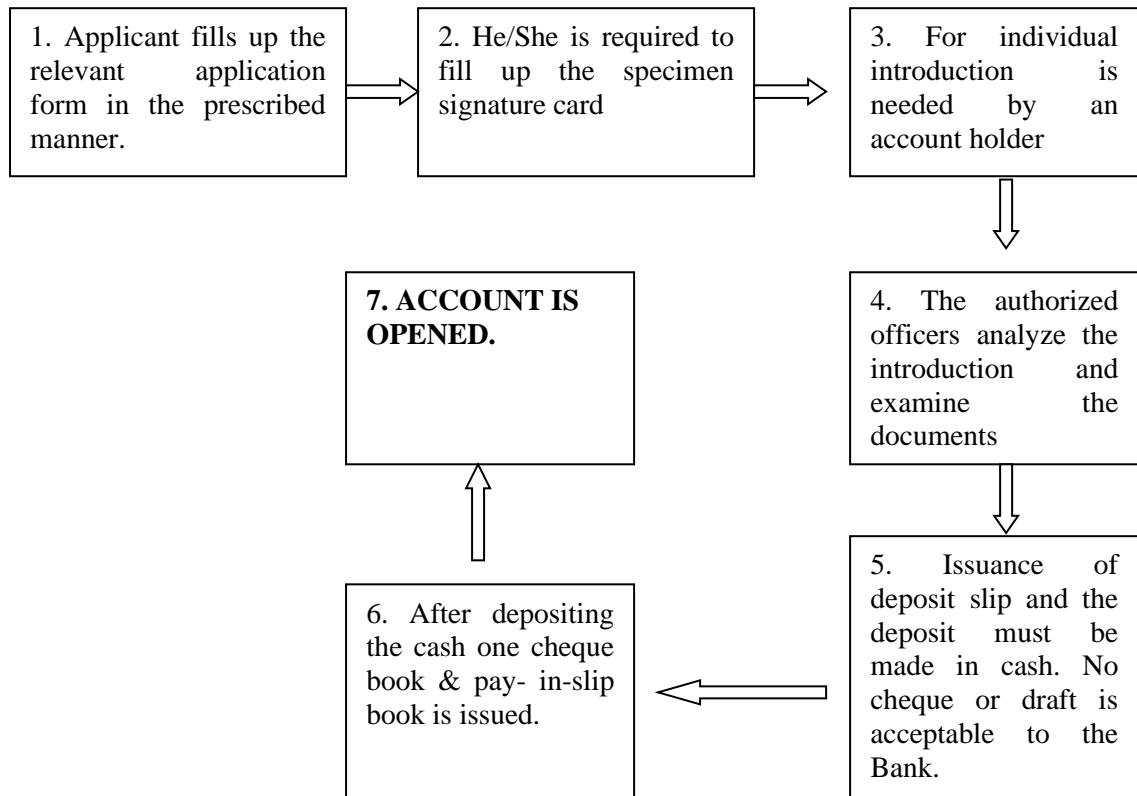
Figure 3.2: Installment Sizes of MMSS and Their Maturity Values

Time Period	Size of the Installments in Taka					
	Tk. 250	Tk. 500	Tk. 1000	Tk. 1500	Tk. 2500	Tk. 5000
Five years	20,625	41,250	82,500	1,23,750	2,06,250	4,12,400
Eight years	40,375	80,750	1,61,500	2,42,250	4,03,750	8,07,500
Ten years	57,500	1,15,000	2,30,000	3,45,000	5,75,000	11,50,000

3.1.1.2 OPENING AN ACCOUNT:

It is said that, there is no banker customer relationship if there is no a/c of a person in that bank. By opening an a/c banker and customer create a contractual relationship. However, selection of customer for opening an account is very crucial for a Bank.

Figure-3.1: Account opening procedure in flow chart:-



1. For opening an account, at first the prospective account holder will apply for opening an account by filling up account opening form. Account opening form consists of the name of the branch, type of account, name of the applicant(s), present address, permanent address, passport number (if any), date of birth, nationality, occupation, nominee(s), special instruction (if any), initial deposit, specimen signature(s) of the applicant(s), introducer's information etc. Moreover have to fill up of KYC form: This form has been introduced by the Bangladesh Bank to prevent money laundering. KYC form helps to asses the customer. Clear instructions with regard to operations are found in KYC. If the transaction of a customer is suspicious or not matched with the KYC than Bank branch should report it to Bangladesh Bank.

2. Signature of the prospective account holder in the account opening form and on the specimen signature card duly attested by the introducer. Moreover two copies of passport size photograph duly attested by the introducer.
3. The prospective customer should be properly introduced by the followings:
 - An existing customer of the bank.
 - Officials of the bank not below the rank of Assistant Officer.
 - A respectable person of the locality who is well known to the Manager or authorized officer.
4. The authorized officers analyze the introduction and examine the documents have submitted. Then the concerned authority will allocate a number for the new account.
5. The customer than deposit the “initial deposit” by filling up a deposit slips. Initial deposit to open a current account in SBL is Tk. 1000.00 and saving account is Tk. 500.00.
6. After depositing the cash one cheque book & pay- in-slip book is issued.
7. Then the account is considered to be opened.

CBL, Rangpur Branch maintains all of its accounts in computer. After depositing the initial deposit, Branch records it in the computer by giving new account number. Then it issues cheque book requisition slip by the customer. Then it distributes all relevant papers to respective department.

ACTIVITIES & PAPERS NECESSARY FOR OPENING AN ACCOUNT

- **Joint Account:**
If the account is a joint account, then the joint account holder should submit a declaration and operational instructions of the account along with their signature.
- **Partnership firm:**
The following documents have to be submitted for preparing an account of a partnership firm:-

- Partnership deed.
 - (a) If the partnership firm is a registered one, then one copy of registration forms.
 - (b) If not, then a copy of certificate from the notary public.

- **Limited Company:**

For the opening of an account of a limited company, following documents have to be submitted:

- A copy of resolution of the company that the company decided to open an account in the City Bank.
- Certified true copy of the Memorandum & Articles of Association of the Company.
- Certificate of Incorporation of the company for inspection and return along with a duly certified Photocopy for Bank's records.
- Certificate from the Registrar of Joint Stock Companies that the company is entitled to commence business (in case of Public Ltd. Co. For inspection and return) along with a duly certified Photocopy for Bank's records.
- Latest copy of balance sheet.
- Extract of Resolution of the Board/General Meeting of the company for opening the account and authorization for its operation duly certified by the Chairman/Managing Director of the company. List of Directors with address (a latest certified copy of Form- XII).

- **Club/Society:**

Following documents have to be obtained in case of the account of the club or society:

- Up to date list of office bearers.
- Certified copy of Resolution for opening and operation of account.
- Certified copy of Bye-Law and Regulations/Constitution.
- Copy of Government Approval (if registered).

- **Co-operative Society:**

Following documents have to be obtained in case of the account of Co-operative Society:

- Copy of Bye-Law duly certified by the Co-operative Officer.
- Up to date list of office bearers.
- Resolution of the Executive Committee as regard of the account.
- Certified copy of Certificate of Registration issued by the registrar, Co-operative societies.

- **Trustee Board:**

Following documents have to be obtained in case of the account of trustee board:

- Prior approval of the Head Office of SBL.
- Certified copy of Deed of Trust, up to date list of members of the Trustee Board and certified copy of the Resolution of Trustee Board to open and operate the account.

- **Minor's Account:**

Following documents have to be obtained in case of the account of minor:

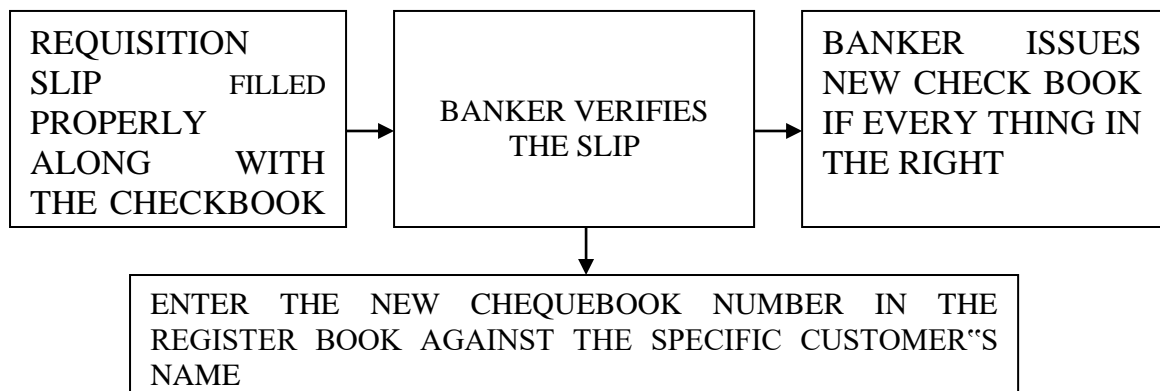
- Putting the word "MINOR" after the title of the account.
- Recording of the special instruction of operation of the account.

The AOF is to be filled in and signed by either the parents or the legal guardian appointed by the court of law and not by the minor.

3.1.1.3 ISSUING CHEQUE BOOK TO THE CUSTOMERS:

Fresh cheque book is issued to the account holder only against requisition on the prescribed requisition slip attached with the cheque book issued earlier, after proper verification of the signature of the account holder personally or to his duly authorized representative against proper acknowledgment.

Figure-3.2: Procedure of issuance of a cheque book in flowchart:-



Procedure of Issuance of a Cheque Book:

- A customer who opened a new a/c initially deposits minimum required money in the account.
- The account opening form is sent for issuance of a cheque book.
- Respected Officer first draws a cheque book
- Officer then sealed it with branch name.
- In-charge officer enters the number of the cheque Book in Cheque Issue Register.
- Officer also entry the customer's name and the account number in the same Register.
- Account number is then writing down on the face of the Cheque Book and on every leaf of the Cheque book including Requisition Slip.
- The name of the customer is also written down on the face of the Cheque book and on the Requisition slip.
- The word "Issued on" along with the date of issuance is written down on the requisition slip.

- Number of Cheque book and date of issuance is also written on the application form.
- Next, the customer is asked to sign in the Cheque book issue register.
- Then the respected Officer signs on the face of the requisition slip put his initial in the register and hand over the cheque book to the customer.

Dishonor of Cheque:

If the cheque is dishonored, CBL sends a memorandum (cheque return memo) to the customer stating the reason in the following way:

- Refer to drawer.
- Not arranged for.
- Effects not cleared May be present again.
- Exceeds arrangements.
- Full cover not received.
- Payment stopped by drawer.
- Drawer's signature differs/ required.
- Alterations in date/figures/words require drawer's full signature.
- Cheque is posts dated/out of date/mutilated.
- Amount in words and figures differs.
- Crossed cheque must be present through a bank.
- Clearing stamps required/requires cancellation.
- Addition to the discharge of Bank should be authenticating.
- Cheque crossed "Account Payee Only"
- Collecting Bank's discharge irregular/required.
- If the cheque is dishonored due to insufficiency of funds CBL inform the a/c holder immediately.

3.1.1.4 CLOSING OF ACCOUNT

Upon the request of a customer, an account can be closed. After receiving an application from the customer to close an Account, the following procedure is followed by a banker. The customer should be asked to draw the final cheque for the amount standing to the credit of his a/c less the amount of closing and other incidental charges and surrender the unused cheque leaves. The a/c should be debited for the account closing charges etc. and an authorized officer of the Bank should destroy unused cheque leaves.

In case of joint a/c, the application for closing the a/c should be signed by all the joint holders.

A banker can also close the account of his customer or stop the operation of the account under following considerable circumstances:-

- Death of customer.
- Customer's insanity and insolvency.
- Order of the court (Garnishee order)
- Specific charge for fraud forgery.
- Stop payment of cheque.
- A banker can stop payment of cheque of his customer under following considerable circumstances
- Firstly the account holder will apply to stop the payment of his cheque.
- There is a register for this purpose. It is kept by the authorized officer.
- The officer will see the condition of account and verify everything.
- In the system, the officer will be marked with red ink and the cheque will not be paid.

3.1.2 CLEARING SECTION

This section receives all kinds of Cheques in favor of the client for clearing as the part of their banking service. After receiving the Cheque it is necessary to *endorse* it and *cross it specially*. Basically the Cheques for clearing are of following types:

Table 3.3: Cheques for Clearing

Types	Explanation	Clearing Process
Inward Clearing Cheque	Cheques received from	Party's A/C -----Dr. CBL General Account -----Cr.
OBC (Outward Bills for Collection)	Cheques of other branch of CBL, Rangpur within our clearing house area	These Cheques are directly sent to the respective branch and request them to send IBCA. When IBCA comes, then customer's accounts are credited for the amount of the Cheque.
Clearing Cheque	Cheques of another bank within our clearing house area	These Cheques are sent to clearing house via the Principal Branch. When drawee bank honor the Cheques, then the account of Cheque depositors are credited.
Outward clearing cheque	Cheques of another bank which is situated outside the clearing area	These Cheques are cleared in two ways: Firstly, if any branch of our bank exists within the clearing house area of drawee bank, then we send the Cheque to that branch of our bank and that branch collects the proceeds through clearing house formalities and sends an IBCA to us. In second way, if there is no branch of our bank, then we directly sends the Cheque to the drawee bank and request them to send the proceeds by PO or DD or by in any other means

Inward Bills for Collection (IBC)	From other branch of City Bank Ltd.	These Cheques are settled by sending IBCA, debiting depositor's account and crediting sender's branch account.
	From another bank outside the clearing house	These Cheques are settled debiting depositor's account and sending DD or PO in favor of sender's bank
Possibility of dishonor	Unlike Cheque, there is no possibility of dishonoring of PO / DD / TT because before issuing, issuing bank takes out the amount of the instrument in advance from the customer – common for all instruments	

Received for Collection: It will be given at the deposit slip.

Received too late for Collection: In case an Instrument if it is present for clearance after the Banking hour, then this seal is given at the deposit slip.

Branch Crossing: Authorized officer put branch crossing at the face of instrument for clearance.

Payee A/C credited: When an instrument is received by the clearance section then this seal is put at the backside of the instrument.

Date: Date will place at the face of the instrument along with collection seal.

MONEY TRANSACTION:

Sending/Transfer money from one place to another place for the customer is another important service of banks. And this service is an important part of country's payment system. For this service, people, especially businessmen can transfer funds from one place to another place very quickly.

- Demand Draft
- Pay Order
- Online Transaction

The bank followed modern online transaction (payment & withdrawal of fund) through high- speed WAN service. It is remarkable that customers are often taking advantage of the online transaction. The charges of online transaction are tabled below. It should be mentioned that, there is no commission and fee charged in online transaction inside the clearinghouse. In case of outside the clearinghouse, commission is tk.0.10 and 15% VAT on the commission. The minimum charge is tk.0.10 commission and VAT on it.

Table 3.4: Modes of money transfer:

Points	Pay Order	Demand Draft	Online Transaction
Explanation	Pay Order gives the payee the right to claim payment from the issuing bank	Demand Draft is an order of issuing bank on another branch of the same bank to pay specified sum of money to payee on demand.	Issuing branch requests another branch to pay specified money to the specific payee on demand by Online
Payment from	Payment from issuing branch only	Payment from ordered branch	Payment from ordered branch
Generally used to Remit fund	Within the clearing house area of issuing branch.	Outside the clearing house area of issuing branch. Payee can also be the purchaser.	Anywhere in the country
Payment Process of the paying bank	Payment is made through clearing	<ul style="list-style-type: none"> • Confirm that the DD is not forged one. • Confirm with sent advice 3.Check the “Test Code” 4.Make payment 	<ul style="list-style-type: none"> • Confirm issuing branch • Confirm Payee A/C 3.Confirm amount 4.Make payment 5.Receive advice
Charge	Commission + Vat	Commission + telex charge	No charge/Commission

3.1.3. ACCOUNTS DEPARTMENT

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 3 months internship experience at City Bank Rangpur branch 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-

3.1.4. 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 City Bank, Rangpur Branch is authorized dealer of foreign currency, so it can deal with buying and selling of foreign currency.

CHAPTER: 4

JOB PART

4.1 INTERNSHIP EXPERIENCE

I did my 45 days internship program in City Bank Ltd, Rangpur branch. During my internship program, I gained lots of experience about corporate environment. My internship experience are given below-

Internship Position, Duties & Responsibilities

The report has been prepared on the basis of experience gathered during the period of internship. Within this time of period, I mainly worked with departments namely General Banking and Accounts department. Bank is not follow any guideline or fixed any responsibilities for internship student. Mainly I have done many pending works of the account opening section and account and clearing department. Besides that I have done different types of tasks in different desks whenever they assigned me to do.

Account Opening Department

I worked at City Bank Limited, Rangpur Branch where firstly I have started with the account opening department. Here I have learned the procedure of opening an account and the documents that are needed for opening an accounts & types of accounts dealt by City Bank Limited. My immediate supervisor tried to give me a brief description of her routine tasks before deploying me to any specific task. Later on through my personal observation and superior officer's guidance, ultimately allow me to understand the purpose of various types of accounts along with their features which includes, current account (C/A), saving accounts (SB), SND, FDR etc. She also assist me, how to deal with clients versatile questions regarding different accounts opening, what amount of interest rate they will get from these different categories of accounts, how to locate desired check books from the bundle according to customers requirements and many more.

The following activities which had done by me-

- Giving the customers the information what type of documents will be required to open an account. I used to tell them they need two copies of their photograph and two copies photograph of the nominee and the photocopy of the client's and nominees national ID
- Prefix wise filing & sequencing different account forms in different files. For current, savings & SND account I have maintained 111,121&131series files. Where for FDR the series code was 243,241,242,245.
- Upgraded of MIS by collecting TIN number due to change of monetary policy FY 2015-2016 for collection of imposition 15% tax from Non TIN holder. While previously it was 10% for all whether client was TIN holder or not.
- Correction of uncompleted forms which have detected by internal audit. Like there were some forms which were filing up without putting account number, title name, nature of organization etc. Some form kept without proper address, TIN, National ID card number and so on. My job was to complete that information from attached required certificates or copies.
- Fill up Know Your Customer (KYC) form for personal and corporate risk rating. There my task was to find risk level and risk rating of personal or corporate by considering TP form for the purpose of measuring overall risk assessment.
- Making phone calls for collecting necessary photograph, photocopy of trade license, National ID card or any other inquiries.
- Distribution of desired cheque book by asking their name, account number and then verifying them, receiving them from the courier moreover sometimes making phone calls to those clients who did not collect their cheque book after passing 2 or 3 month.
- Used the photocopy and printing machine for required purpose.
- Finding the FDR,DPS and old account opening forms which have closed

Accounts & clearing Department

Accounts department is sensitive part of a bank. I have worked in the accounts Department for few days. This department is one of the important and busy departments. Actually, in this department, all the department task, all department transaction vouchers are maintained.

All Accounts are finalized and maintained and send its one copy in corporate branch. Moreover, all kinds of daily expenses are maintained and office materials and equipment like- Pen to office clearing material everything purchase documents and its accounting procedure all are maintained in this department.

- Printed out the transaction listing of previous day for checking Debit and credit voucher.
- Voucher sorting, counting and filing by checking the number of accounts has been debited or credited, check the account holder signature, account number so on.
- Debit and credit voucher separation.
- Registered the entire vouchers in register book after checking the voucher with the trail list of branch in details. Here the amount of debit and credit voucher will be same but the number can differ. After check requisition, a list of check book holders name with a/c no are given to write down in cheque book register.
- Stamping various kinds of documents with authorization and endorsement seal.

4.2 CRITICAL OBSERVATION & FINDINGS OF PROBLEM

CBL is one of the potential banks in the banking sector. The Rangpur branch of CBL is a small branch. It was a wonderful experience working at City Bank Limited. The employees of the bank were very helpful and nice to me. In spite it was not an easy job to find so many things during the very short period of practical orientation program. Now, I would like to present my observations and give, my opinion to improve the banking service and make their customer more satisfied.

- **Lack of dynamic and prompt customer service:** Since a number of new banks are coming to existence with their extended customer service pattern in a completely competitive manner. Customer services must be made dynamic and prompt. Now a day, people have very little time to waste but want fastest and unique services in short time. Moreover they seek the bank which will provide more facilities and attractive offer compare to other bank. Therefore City bank ltd. Rangpur branch should think sincerely about the renovation of their customer service and facilities which will be more attractive and innovative rather than traditional one.
- **Lack of adequate man power:** There is lack of adequate man power in the branch. Therefore everybody has to handle every type of banking services. Moreover if one personnel is absence in a department then extra burden will fall to another. This decreases the level of performance of the personnel, though it reduces monotonousness. So customers have to wait for some time for the desired service, which is contrary to the Premium Banking objective. At present clearing section of the branch is running by a teller.
- **Lack of proper compilations & maintenance of files:** City Bank Ltd, Rangpur Branch gives personalized services. Due to lack of adequate of sub stuff all the officers have to give concentration to the customers, while doing this they cannot properly completed and maintain the customer files. In many cases, most of the files and papers are kept here and there by the officers during the busy hour.

- **Shortage of availability of machineries:** Rangpur Branch is supposed to be very well equipped by advance and available machineries. But there are shortages of photocopy and printing machine therefore most of the time employees activities are hampered for maintaining serial as well as it create gathering on their short space. This loses its glamour. Moreover as because of lacking of maintenance and over used when one machine of any department stops working then the load shift to another department badly.
- **Employee dissatisfaction:** Because of late promotion and longer probationary period there is dissatisfaction among the employees. More over some sort of internal politics also another reason behind proper recognition and promotion of employees. In addition most of the time over duties and huge working pressure makes their life monotonous and hamper their family life.
- **Lack of computer knowledge:** All the organizations including banks are now mostly depends on computer but all the employees do not have sound knowledge on computer.
- **No desk and specific task for internee:** City bank doesn't arrange any desk and fixed any task for their internee. Therefore they don't get any chance to learn banking activities by doing practical task. It is not possible for any fresh graduate to learn banking activities by getting few lecture from specific personnel rather if they involve them to some specific activities it would be easy for them to learn more and fell confident to perform any activities properly. Moreover as they do not pay any allowance to internee so some time it does not motivated them to present and learn eagerly.

4.3 RECOMMENDATION

- **Renovation of customer service:**

City bank should make its service prompt so that people need not give more time in the banking activities and feel easy to perform all respective activities. Moreover they have to come up with new facilities and offer which will attract more client and help to ensure their premium as well as loyal customer forever. Therefore they have to ensure-

- The working process more faster with better computers and operating systems
- Trained, experienced, smart, knowledgeable as well as intellectual personnel to provide fastest and the best services.
- Individual attention can be given to customers in order to better understand the customer's needs and better satisfy them. (Cheques, deposit slips are not written properly by the customers so the employees have to do that)
- More gifts, discounts as well as differentiated interest rates on several loan and deposit schemes for the Premium Customers
- More car parking facility

- **Ensure adequate man power:** The human resource departments of City bank have to ensure adequate man power in desk for handling the rash of customer in an efficient way. Therefore based on importance and work load they have to ensure proper division of labor. Moreover by increasing the numbers of personnel try to maintain the premium banking objective. Mainly the number of human resources is needed in Front Desk and in clearing section which really insufficient for giving services to huge number of customers.

- **Ensure proper compilations & maintenance of files:** The service starts from the first day of customer interaction with banker. To know customer, maintain interaction, conducting banking activities and for the security purposes the file maintenance of individual client is most important. If one single paper is missing then it can create a big problem as well as hazard to both banker and their customer. Therefore by ensuring adequate sub staff CBL Rangpur branch should ensure proper compilations & maintenance as well as decoration of files.

- **Ensure availability of machineries:** Every department should ensure the availability and proper maintenance of necessary machines like photocopy and printing machines.
- **Ensure employee satisfaction:** Management of the bank has to provide time to time recognition of their employee. Moreover short probationary period and on time promotion motivated the employee to perform well in their day to day activities. But the most important thing is the overall motivational activities should be proceeding under fair judgment based on performance rather internal politics. In addition through assurance of proper division of labor, incentive for over duty and mandatory leave help to overcome huge working load and enjoy a sound as well as healthy life. Besides good relationship amongst employee and sound working environment also help the employee to be satisfied with their job.
- **Ensure effective computer literacy:** As the bank is now mostly depends on computer therefore to increase the computer skills of employees, the bank should provide training. Though they have knowledge about computer but it is not enough. So bank should provide training to their employees to make them efficient in computer.
- **Ensure internship desk and specific task:** This branch is renowned for the internship. So bank should provide the internship desk and some specific task for gathering some real life experience which they can utilize in their future job. Moreover small amount of remuneration should provide to internee for realize their importance as well as motivate to perform the task properly.

4.4 CONCLUSION

Since the banking service especially the private Banks are doing an outstanding business, so it is clear that the modern people are more concerned about securing their valuable assets and get high-quality and timely services. For this reason lot of new commercial bank has been established in last few years and these banks have made this banking sector very competitive. So, now banks have to organize their operation and do their operations according to the need of the market. Banking sectors no more depends on a traditional method of banking. In this competitive world this sector has trenched its wings wide enough to cover any kind of financial services anywhere in this world. The major task for banks, to survive in this competitive environment is by managing its assets and liabilities in an efficient way. City Bank is the most promising bank in Bangladesh. Every day City Bank endeavor to increase their product and services although they provide a wide range of product of services to their customers. City Bank is helping the economy of Bangladesh by remitting of funds both local and foreign. For helping the people the bank provides bridge financing loan, working capital loan to its corporate clients. As modern function City Banks provides credit card facility, ATM card facility and any branch banking facility to its customers.

This internship program was concentrated mostly on the general banking activities of the Rangpur branch and identified some valuable information that could make the services more attractive and also enhance the banks reputation among the customers. During the 45 days of internship program at City Bank Ltd, Rangpur Branch almost all the desk have been observed more or less other than Foreign Exchange Department. Comparing practical knowledge with theoretical involves identification of weakness in the branch activities and making recommendations for solving the weakness identified. Through all departments and sections are tried to cover in which I got the chance to gather practical experience for the internship program. However, highest effort has been given to achieve the objectives the internship program. With the current performance of the Bank and with little improvement here and there will certainly make City Bank one of the best Private Bank in Bangladesh in the near future.

4.5 REFERENCE

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APPENDIX (ACRONYMS)

- CBL: City Bank Limited
- BB: Bangladesh Bank
- A/C: Account
- CD: Current Account
- SB: Savings Account
- FDR: Fixed Deposit Receipt
- DD: Demand Draft
- PO: Pay Order
- PS: Pay Slip
- TT: Telegraphic Transfer
- STD: Short Term Deposit
- KYC: Know Your Customer
- CIB: Credit Information Bureau
- NID: National Identity Card
- ALCO- Asset Liability Committee
- ALM- Asset Liability Management
- ATM- Automated Teller Machine
- BB- Bangladesh Bank
- BRTA- Bangladesh Road Transport Authority
- CBL- The City Bank Ltd
- CD- City Drive
- CIB- Credit Information Bureau
- CPV- Contact Point Verification
- CRG- Credit Risk Grading
- CRM- Customer Relationship Management
- CS- City Solution
- CSO- Customer Service Officer
- IT- Information Technology
- KYC- Know Your Customer
- LAP- Loan Application Pack
- LC- Letter of Credit

- LOI- Letter of Introduction
- LRA- Lending Risk Analysis
- LTV- Loan to Value Ratio
- MD- Managing Director
- MIS- Management Information System
- MNC- Multi National Organization
- MOA- Memorandum of Assessment
- MOR- Memorandum of Reassessment
- NBFI- Non Banking Financial Institution
- NGO- Non Government Organization
- NRB- Non Resident Business
- NSM- National Sales Manager
- OD- Over Draft
- OPS- Operations
- OTC- Over The Counter
- PCO- Preferred Corporate Organizations
- PIN- Personal Identification Number
- POL- Priority Organization List
- PPG- Product Program Guideline
- RFC- Retail Finance Center
- RM- Relationship Manager
- RO- Relationship Officer
- SCB- Standard Chartered Bank
- SLR- Statutory Liquidity Reserve
- SME- Small and Medium Enterprises
- SMS- Short Message Service
- SRM- Senior Relationship Manager
- SS- Saving Schemes
- SSM- Senior Sales Manager
- STD- Short Term Deposit
- STM- Sales Team Manager