

An Internship Report on

# **General Banking Activities of Rupali Bank Limited, A Study on Chahelgazi Branch, Dinajpur**

*This Report is Submitted to the Faculty of Business Studies, Hajee Mohammad Danesh Science and  
Technology University as a Partial Requirement for the  
Fulfillment of Degree of Master of Business Administration  
MBA (Evening) Program- 2016*

## **SUBMITTED BY**

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## **SUBMITTED TO**

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**Faculty of Business Studies**

**Hajee Mohammad Danesh Science & Technology University  
Dinajpur-5200 Bangladesh.**

**April, 2016**



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**Approved by-**

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**April, 2016**

# *LETTER OF TRANSMITTAL*

April 20, 2016

Md. Abdur Rouf

Lecturer

Department of Marketing

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

Subject: Submission of Internship Report of MBA (Evening) Program.

Dear Sir,

With immense pleasure, I am submitting my internship report of “General Banking Activities of Rupali Bank Limited, A Study on Chahelgazi Branch, Dinajpur” which was assigned me as a part of my MBA (Evening) Program. I have tried my level best to complete this report with the necessary information and suggested proposal that you were provided me as your best as well.

I hope that the report will be completed as your expectations.

Thank you

Sincerely,

---

**Md. Sujauddowlah**

Student ID: E130501019

MBA (Evening)

Major in Finance

1st Batch, Semester-V

Faculty of Business Studies

HSTU, Dinajpur-5200

# *Student's Declaration*

I do hereby declare that the internship report “General Banking Activities of Rupali Bank Limited, A Study on Chahelgazi Branch, Dinajpur” embodies the result of my own internship works and efforts, prepared under the supervision of Md. Abdur Rouf, Lecturer, Department of Marketing, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

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**Md. Sujauddowlah**

Student ID: E130501019

MBA (Evening)

Major in Finance

1st Batch, Semester-V

Faculty of Business Studies

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# *Certificate of Supervisor*

This is to certify that Md. Sujauddowlah, Student ID: E130501019, MBA (Evening), Major in Finance, 1<sup>st</sup> Batch, Semester-V, Faculty of Business Studies has successfully completed MBA (Evening) Internship Program titled on “General Banking Activities of Rupali Bank Limited, A Study on Chahelgazi Branch, Dinajpur” under my supervision and guidance.

I also certify that I gone through the report and thoroughly found it satisfactory for submission to the faculty as a part of partial fulfillment of MBA (Evening) degree.

Therefore, he is directed to submit his report for evaluation. I wish him success at every sphere of life.

---

**Md. Abdur Rouf**

Lecturer

Department of Marketing

Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur.

# *Certificate of Co-Supervisor*

This is to certify that Md. Sujauddowlah, Student ID: E130501019, MBA (Evening), Major in Finance, 1<sup>st</sup> Batch, Semester-V, Faculty of Business Studies has successfully completed MBA (Evening) internship program titled on “General Banking Activities of Rupali Bank Limited, A Study on Chahelgazi Branch, Dinajpur” under my supervision and guidance.

I also certify that I gone through the report and thoroughly found it satisfactory for submission to the faculty as a part of partial fulfillment of MBA (Evening) degree.

Therefore, he is directed to submit his report for evaluation. I wish him success at every sphere of life.

---

**Rony Kumar Datta**

Assistant Professor

Department of Finance and Banking

Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur.



রূপালী ব্যাংক লিমিটেড  
**Rupali Bank Limited**

চেহেলগাজী শাখা, দিনাজপুর।

**TO WHOM IT MAY CONCERN**

It's my Pleasure to Certify that Md. Sujaudowlah, Student Id: E-130501019, MBA (Evening), 1<sup>st</sup> Batch, Major in Finance, (HSTU) has Successfully Completed Internship on “A Study on General Banking Activities of Rupali Bank Limited” Under my Guidance.

Therefore, He is Directed to submit his Report for Evaluation.

I Wish his Success at every sphere of his Life.

Md. Ahiduzzaman (Bakul)  
Manager  
Rupali Bank Ltd., Chehelgazi Branch  
Suihari, Dinajpur

সুইহারী, উপজেলা-সদর, জেলা-দিনাজপুর। ফোন ৪ ০৫৩১ ৬৩০৮১

জোনাল অফিস : নর্দান প্রাজা (২য় তলা), চারুবারুর মোড়, গণেশতলা, দিনাজপুর-৫২০০

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*DEDICATED TO  
MY  
BELOVED PARENTS  
&  
SUPERVISOR*



## **ACKNOWLEDGEMENT**

It is my great privilege to express our gratitude to our creator Allah (SWT) for such great opportunity to be in touch with Rupali Bank Limited for the 45 days. I have to put my heartened feelings and gratitude for the kindness and assistance that was provided to me to complete my assigned report on the topic “General Banking Activities of Rupali Bank Limited, A Study on Chahelgazi Branch, Dinajpur” In preparing the report. I want to express my strong gratitude to my Honorable supervisor, Md. Abdur Rouf, Lecturer, Department of Marketing, Hajee Mohammad Danesh Science and Technology University. I will never forget the kind cooperation which I received from my Honorable supervisor. I express my heart full thanks to all the faculty members of Rupali Bank Limited especially Md. Ahiduzzaman, Manager, RBL, Chahelgazi Branch, Dinajpur and all other faculty members who gave me necessary information and excellent guidance to prepare this internship report. I am very grateful to Md. Ahiduzzaman, Manager, Chahelgazi Branch, Dinajpur to learn about RBL, ‘Banking Activities of Rupali Bank Ltd.’ due to their hearty, kind and helpful cooperation with me. I would also like to thanks all the other employees of al level for their beloved manner and attitude that they had shown to me during the staying in the Branch. 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 ALLMIGHTY ALLAH bless all of them.

**The Author**

# *EXECUTIVE SUMMARY*

Banks are most active financial intermediary in today's world. As a financial institution bank mainly operate to communicate among persons and effectively works as safeguard among them in this age globalization. In recent years this sector is becoming competitive day by day as the number of banks is increasing. So retaining customers and banks position every bank is in need to provide improved quality customer service nowadays and this report tries to identify banks service role provided to the customers through evaluating general banking of Rupali Bank Limited, Chahelgazi branch. I examined different aspects of customer services with regards to their satisfaction level identify its impact and usefulness in general banking procedures. The report provides a general view on Rupali Bank Limited, theoretical aspects related to general banking as well as gives an idea about customer services provided and its gaps in Bangladeshi banks to retain its customers. This study also tries to clarify the operating procedures of general banking department of RBL as a commercial bank and also tries to identify some aspects of further improvement in operations. I have included various points inside the report to highlight the general banking sector's performance of Rupali Bank Limited. I have started with the history of the banking sector in Bangladesh and development of this sector and the overview of banking industry. Then I have discussed about the Rupali Bank's overview, its company chronicle, its mission, vision, goal, objectives as well as its organogram, time line of RBL- at a glance, its organizational structure and structural of management, also the products and services launched by this bank and then I came to the main point of my report which is service gaps in the general banking sector of Rupali Bank Ltd. In this sector, I wanted to highlight the provided service functions of this bank, how they are provided to the customers through general banking activities and how they are retaining their customers through the help of SERVQUAL. Finally, I have found some problems in order to operate their business also recommended how to remove these problems to operate its business smoothly in the upcoming years.

## CONTENTS

CHAPTER	TITLE	PAGE NO.
<b>ONE</b>	<b>INTRODUCTION</b>	<b>1-2</b>
	1.1 BACKGROUND OF THE SDUDY	1
	1.2 NECESSITY	1
	1.3 SCOPE OF THE STUDY	1
	1.4 OBJECTIVES OF THE STUDY	2
	1.5 IMPORTANCE OF THE TOPIC	2
	1.6 LIMITATIONS OF THE STUDY	2
<b>TWO</b>	<b>OVERVIEW OF RUPALI BANK LIMITED</b>	<b>3-13</b>
	2.1 BACKGROUND	3
	2.2 COMPANY PROFILE	3
	2.3 RUPALI BANK LIMITED-At A Glance	4
	2.4 NUMBER OF EMPLOYEES	5
	2.5 DEPOSIT	6
	2.6 LOAN AND ADVANCES	6
	2.7 INVESTMENT	7
	2.8 CALL MONEY AND FDR HELD IN OTHER BANKS	7
	2.9 PROFIT	7
	2.10 FOREIGN EXCHANGE BUSINESS	7
	2.11 RURAL DEVELOPMENT PROGRAM	8
	2.12 OTHER BANKING ACTIVITIES	8
	2.13 HUMAN RESOURCES	9
	2.14 LEGAL ACTIVITIES	9
	2.15 RUPALI BANK TRAINING INSTITUTE	9
	2.16 COMPUTER OPERATION AND APPLICATION OF INFORMATION TECHNOLOGY	10
	2.17 CORPORATE SOCIAL RESPONSIBILITY	10
	2.18 SOCIAL SERVICES	10
	2.19 EMPOWERMENT OF POOR	10
	2.20 BANKING SERVICE FOR THE DISADVANTAGED GROUPS	11

	2.21 DISASTER RELIEF	11
	2.22 GEOGRAPHICAL LOCATION WISE SEGMENTS REPORT	11
	2.23 SEGMENT REPORT BY NATURE OF OPERATION	12
	2.24 MISSION OF RBL	12
	2.25 VISION OF RBL	13
<b>THREE</b>	<b>METHODOLOGY AND SOURCES OF DATA</b>	<b>14-15</b>
	3.1 METHODOLOGY	14
	3.2 RESEARCH METHODOLOGY	14
	3.3 RESEARCH DESIGN	14
	3.4 SOURCE OF DATA	14
<b>FOUR</b>	<b>GENERAL BANKING ACTIVITIES OF RUPALI BANK LIMITED</b>	<b>16-31</b>
	4.1 GENERAL BANKING ACTIVITIES	16
	4.2 ACCOUNT OPENING SECTION	16
	4.3 CLEARING HOUSE	22
	4.4 OTHER PARTS OF GENERAL BANKING	22
	4.5 INTEREST RATES	24
	4.6 TYPES OF LOAN AND ADVANCES	24
	4.7 LOAN SANCTION FOR THE CLIENT	25
	4.8 LOANS & ADVANCES IS PERMITTED	25
	4.9 FORGIN EXCHANGE	26
	4.10 REMITTANCE	29
	4.11 CREDIT FACILITIES	30
	4.12 RURAL CREDIT PROGRAM	30
	4.13 INVESTMENT BANKING	31
	4.14 INDUSTRIAL FINANCING	31
	4.15 UTILITY SERVICES	31
<b>FIVE</b>	<b>FINDINGS AND CONCLUSION</b>	<b>32</b>
	5.1 FINDINGS	32
	5.2 CONCLUSION	32
	<b>REFERENCES</b>	<b>33</b>

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.2 BACKGROUND OF THE SDUDY**

Rupali Bank Limited is a commercial bank in Bangladesh. It was established as a nationalized bank in 1972, pursuant to the Order of nationalization of Bangladesh Bank, the merger of the branches of Muslim Commercial Bank, Standard Bank, the Australia Bank and those in eastern Pakistan after the 1971 the liberation war of Bangladesh. The bank was denationalized in 1986 and was reorganized as a company, with the Government of Bangladesh, which has a 51% stake. However, after 2000, the government stripped of their actions, and the bank's privatization was complete.

Rupali Bank Limited Loan Information, Rupali Bank Limited DPS Information, Rupali Bank Limited ATM Master Cards Information, Rupali Bank Limited Accounts Information, Internet Banking, Islami Banking, SMS Banking of Rupali Bank Limited.

**Type:** Public Limited Company

**Bank Type:** State-owned Commercial Banks of Bangladesh.

**Industry:** Banking, Financial services

**Headquarters:** Rupali Bhaban, 34 Dilkusha Commercial Area, Post Box Number:719 Dhaka-1000,Bangladesh.

#### **1.2 NECESSITY**

Banks are important financial institutions in the economy. They play an important role in the development of a country. So the present economic state of Bangladesh demands immediate development of the financial institutions. To build up potential future of a banker, practical orientation program on banks is necessary. This report is a requisite of the practical orientation program. The report helps to build up a perception about day-to-day affairs of the bank.

#### **1.3 SCOPE OF THE STUDY**

I have been assigned in the Dinajpur Chehalgazi Branch of Rupali Bank Limited and thus covered me the way to get myself familiarized with the banking environment for the first time. Indeed, I have had an opportunity to gather experience by working in the different departments of the Branch. The area of concentration of this report is confined to investigating different aspects of the banking transactions as well as problems and prospects and the activities of bank by this way an endeavor is made to give recommendations for removing the problems.

#### **1.4 OBJECTIVES OF THE STUDY**

This study is intended for providing me valuable practical knowledge about banking operation system in Bangladesh. However, the specific objective is the following:

- To explore General Banking activities of Rupali Bank Ltd.
- To be accustomed with the management policy or process of Rupali Bank Ltd (RBL).
- To explore Foreign Exchange activities of Rupali Bank Ltd.
- To observe the working environment in Rupali Bank Ltd.
- To apply theoretical knowledge in the practical field.
- To study the existing overall banker customer relationship.
- To conduct research and provide consultancy services in future relating to banking.

#### **1.5 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 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.

#### **1.6 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.
- 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

### OVERVIEW OF RUPALI BANK LIMITED

#### 2.1 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. Rupali Bank Ltd. Operates through 492 branches. It is linked to its foreign correspondents all over the world. The Corporate Head Office of the bank is located at DHAKA with one local office (main branch), four corporate branches at Dhaka, one in Chittagong and twenty-five zonal offices all over the country. The Board Of directors is composed of eight members headed by a chairman and the directors comprise representatives from both public and private sectors and shareholders. The Bank is headed by the Managing Director (Chief executive) who is a reputed professional Banker. The Bank has an authorized capital of TK. 7000 million with a paid up capital of TK. 1250 million. GOB owns 93.11% of its share while the private share constitutes only 06.89%.

#### 2.2 COMPANY PROFILE

<b>Name of the Company</b>	<b>: Rupali Bank Limited</b>
<b>Chairman</b>	: Dr. Ahmed Al- Kabir
<b>CEO and Managing Director</b>	: Mr. M. Farid Uddin
<b>Legal Status</b>	: Public Limited Company
<b>Registered Office</b>	: 34, Dilkusha Commercial Area, Dhaka-1000, Bangladesh
<b>Authorized Capital</b>	: Taka 700.00 crore
<b>Paid-up Capital</b>	: Taka 125.00 crore
<b>Number of Employee</b>	:
<b>Number of Branches</b>	: 492
<b>Phone-PABX</b>	: 9551525, 9551624, 9551625
<b>FAX</b>	: 88-02-9564148
<b>SWIFT</b>	: RUPBDDH
<b>Website</b>	: <a href="http://www.rupalibank.org">www.rupalibank.org</a>
<b>E-mail</b>	: <a href="mailto:rblhocom@bdcom.com">rblhocom@bdcom.com</a> <a href="mailto:rblhoid@bdcom.com">rblhoid@bdcom.com</a>

### 2.3 RUPALI BANK LIMITED-At A Glance-

SL.	Particulars		31-12-2009	June'09	Target'10	June'10
<b>01.</b>	Equity	Authorized Capital	700.00	700.00	–	<b>700.00</b>
		Paid up Capital	125.00	125.00	–	<b>125.00</b>
		Share Deposit A/C	7.50	7.50	–	<b>7.50</b>
		Reserve Fund	336.94	358.08	–	<b>336.94</b>
		Capital Shortfall	1250.27	1316.82	–	<b>1194.69</b>
<b>02</b>	Deposits	Total Deposits	7368.24	7764.32	8902.00	<b>8410.22</b>
		(a) Current Deposit	717.21	1096.29	–	<b>850.10</b>
		(b) Savings Deposit	2945.04	2806.74	–	<b>3111.08</b>
		(c) STD	816.74	878.06	–	<b>1111.18</b>
		(d) Fixed & Term Deposit	2453.03	2293.75	–	<b>2824.35</b>
		(e) Other Deposit	436.22	689.48	–	<b>513.51</b>
<b>03</b>		Interest Suspense	263.43	276.64	–	<b>257.73</b>
<b>04</b>		Investments	1430.30	1307.25	1565.00	<b>1450.32</b>
<b>05</b>	Loans & Advances	Loans & Advances	5234.42	4907.18	6670.00	<b>5656.74</b>
		Fresh Disbursement	–	–	–	–
		SME Disbursement	–	–	–	–
		Non-funded Loans	2858.41	2925.38	–	<b>6757.16</b>
<b>06</b>	Classified Loans & Recovery	Classified Loans (CL)	1094.41	1232.65	–	<b>1199.04</b>
		% of Classified Loans	20.91%	25.12%	–	<b>21.20%</b>
		Recovery of Classified Loans	531.01	368.66	–	<b>27.84</b>
		Recovery By Cash	61.64	28.21	250.00	<b>21.72</b>
		Recovery By Adjustment/Reschedule	469.37	340.45	–	<b>6.12</b>
<b>07</b>	Write Off Loans	Write Off (during the year)	–	–	–	–
		Recovery of Write Off Loans	35.35	27.35	43.00	<b>15.93</b>
<b>08</b>	Provision for Loans	Required Provision	678.45	–	–	<b>763.21</b>
		Provision Maintained	852.69	852.69	–	<b>852.69</b>
		Provision (Shortfall)/Excess	174.24	–	–	<b>89.48</b>
<b>09</b>	Foreign Exchange	Import	1953.68	733.71	4330.00	<b>4440.51</b>
		Export	752.71	318.06	1485.00	<b>353.49</b>



	Business	Remittances (Foreign)	2228.76	1077.44	2683.00	<b>975.75</b>
<b>10</b>	Profit & Loss	Operating Profit/ Loss	209.88	104.59	300.00	<b>106.05</b>
		Accumulated Loss	1208.67	1228.89	–	<b>1208.67</b>
<b>11</b>	Commission Income	Income From Local Remittance	10.63	–	15.00	<b>5.02</b>
<b>12</b>	Costing of Fund	Cost of Deposit	4.52%	4.40%	–	<b>4.86%</b>
		Cost of Fund	7.20%	7.00%	–	<b>7.79%</b>
<b>13</b>	Staff Position	No. of Officers	3148	3161	–	<b>3086</b>
		No. of Staffs	1381	1405	–	<b>1350</b>
<b>14</b>	Profit/ Loss Branches	Profit Branches	434	415	–	<b>412</b>
		<b>Loss Branches</b>	<b>58</b>	<b>77</b>	–	<b>80</b>

#### 2.4 NUMBER OF EMPLOYEES

SL NO.	NAME OF DESIGNATION	NUMBER
<b>01</b>	Managing Director	<b>1</b>
<b>02</b>	Deputy Managing Director	<b>1</b>
<b>03</b>	General Manager	<b>3</b>
<b>04</b>	Deputy General Manager	<b>46</b>
<b>05</b>	Assistant General Manager	<b>78</b>
<b>06</b>	Senior Principal Officer	<b>372</b>
<b>07</b>	Principal Officer	<b>465</b>
<b>08</b>	Senior Officer	<b>547</b>
<b>09</b>	Senior Officer (Cash)	<b>0</b>
<b>10</b>	Officer	<b>1412</b>
<b>11</b>	Officer (Cash)	<b>161</b>
<b>Total</b>		<b>3086</b>
<b>12</b>	Drafts man (Junior Officer)	<b>1</b>
<b>13</b>	Junior Officer	<b>53+8</b>
<b>14</b>	A.C Officer grade-1	<b>3+1</b>
<b>15</b>	Junior Officer (cash)	<b>187</b>
<b>16</b>	A.C Officer grade-1 (cash)	<b>17</b>
<b>17</b>	A.C Officer grade-2	<b>2+25</b>
<b>18</b>	A.C Officer grade-2 (cash)	<b>15</b>
<b>Total</b>		<b>312</b>
<b>19</b>	Driver	<b>77</b>
<b>20</b>	Care taker	<b>360</b>
<b>21</b>	M.L.S.S.	<b>130</b>
<b>22</b>	M.L.S.S. (peon)	<b>36</b>
<b>23</b>	Care taker (Guard)	<b>360</b>

<b>24</b>	Guard	<b>13</b>
<b>25</b>	Liftman	<b>10</b>
<b>26</b>	Electrician	<b>3</b>
<b>27</b>	Plumber	<b>3</b>
<b>28</b>	Others	<b>46</b>
<b>Total</b>		<b>1038</b>

## **2.5 DEPOSIT**

The total deposit of the bank has stood at TK. 7391.28 crore as on 31 December 2009 recording an increase of Tk 362.52 crore from Tk 7028.76 crore as on 31 December, 2008 through earnest efforts of high executives, as well as officers and staff of all levels in severe competitive circumstances in the banking sector at present. The rate of increase of deposit becomes 5.16 percent. Efforts for procurement of deposits have been made in different times during the year by organizing some special programmers. Besides this, emphasis is laid to procure no-cost and low-cost deposit keeping the matter of earning profit in view.

## **2.6 LOAN AND ADVANCES**

As on 31 December 2009 the total loans and advances of the bank has increased by Tk.331.42 crore to Tk. 5234.42 crore as compared to Tk. 4903.00 crore on 31 December, 2008 and the rate of increase was 6.76 percent. In accordance with the “Prudential Guideline for Consumer Financing and small enterprise Financing” as of Bangladesh Bank, financing in 3 (three) projects named Personal Loan, Professional Loan & Small Enterprise Financing has been continued also during the year in question. Besides this, in order to augment the credit flow in rural areas, the activities of lending to the NGOs under the Bank –NGO Linkage credit program have been started.

In 2008, the amount and rate of classified loans were Tk. 1534.24 crore and 31.29 percent respectively. But with the recovery of Tk. 439.83 crore, the amount of classified loans has reduced at Tk. 1094.41 crore, the rate of recovery being 20.91 percent. The success of recovery of classified loans is the outcome of incessant efforts of the officers and staff of all levels of the bank. As on 31 December, 2009 the amount of sector-wise classified loans was Tk. 306.54 crore and that of unclassified loans was Tk. 1227.86 crore i.e. total amount of classified and unclassified loans has stood at Tk. 1534.40 crore.

## **2.7 INVESTMENT**

The total investment of the bank was Tk. 1254.57 crore in 2008. It has increased by Tk. 175.73 crore to Tk. 1430.30 crore, the rate of increase being 14.01 percent. Investment has been encouraged in order to enhance the profit of the bank.

## **2.8 CALL MONEY AND FDR HELD IN OTHER BANKS**

The amount of invested money in money market was Tk. 447.47 crore in 2008. It has stood at Tk. 555.41 crore showing an increase of Tk. 107.94 crore in 2009. Such investment comprises Tk. 331.25 crore as FDR in different banks and Tk. 224.16 crore in call money.

## **2.9 PROFIT**

The bank has earned operating profit Tk. 209.87 crore in 2009, being Tk. 95.36 crore higher than the preceding year. But the bank sincerely expresses its regret for not being able to pay dividend to the esteemed shareholders this year due to previous accumulated loss according to the provision of the Banking Companies act.

## **2.10 FOREIGN EXCHANGE BUSINESS**

In spite of widespread economic recession throughout the world, Rupali Bank Ltd. Has been proceeding hopefully in foreign exchange business. The bank has made import business for tk. 2519.41 crore in 2009 with an increase of Tk. 449.13 crore from Tk. 2070.28 crore of 2008, the rate of increase being 21.69 percent. The main items of import were industrial raw materials, food items, vehicles, petroleum products, cotton, yarn and different consumer items. The volume of export business has increased by Tk. 35.65 crore to Tk. 745.81 crore this year as compared to Tk. 710.16 crore of the preceding year, the rate of increase being 5.02 percent. As to export business, leather and jute sectors have contributed much to bank performance. The foreign remittance has been elevated to Tk. 2231.19 crore in 2009 from Tk. 2164.28 crore of 2008 showing an increase of Tk. 66.91 crore, the rate of increase being 3.09 percent. The Foreign Exchange Dealing Room of Rupali Bank has made an earning of \$0.207 million with an increase of \$0.049 million in 2009 from \$0.158 million of the last year by handling 1320 speculative deals. The rate of increase of such earning is 31.01 percent. International Division earned Tk. 12.92 crore in 2008; whereas in 2009 it has earned Tk. 23.88 crore with increased earning of Tk. 10.96 crore, the rate of earning being 84.83 percent. At the end of the year in question the number of overseas correspondents including exchange companies raises at 184. The number of NOSTRO accounts abroad is 34 and the number of exchange companies under

Drawing Arrangement is 22 among which exchange companies issuing draft in Bangladesh taka are 15 and the number of exchange companies under EFT is 7.

## **2.11 RURAL DEVELOPMENT PROGRAM**

The activities of disbursement of credit like fishery loan, shrimp cultivation loan, goat/sheep rearing loan, poultry loan, dairy loan, beef fattening loan, loan against corp. storage in godown, poverty alleviation and socio-economic loan, small loan, micro credit for the handicapped and the tree plantation loan are in operation under Rural Credit Division for socio-economic development of the country under the policy pursued by the government. As the volume of agriculture / rural credit disbursement did not reach the expectation level for shortage of manpower at field levels and in order to deliver the agriculture/ rural credit to the hands of the farmers easily as per directives of the Ministry Of Finance and Bangladesh Bank, Bank-NGO Linkage Credit Programme was initiated in 2008.

Agriculture/Rural credit amounting to Tk. 60.58 crore out of allocated amount of Tk. 120.000 crore under annual agriculture/ rural credit program together with Bank-NGO linkage program through approval of the Board has been disbursed in 2009. The outstanding amount of agriculture/ rural credit as on 31-12-2009 is Tk. 120.88 crore.

A program named youth/farmer credit program has been made operative in order to disburse credit against bank account to those farmers who have obtained “Agriculture inputs and Assistance card” and have bank accounts or will open accounts in the bank with a view to assisting in their agricultural works. A preliminary allocation for Tk. 10.00 crore has been made to disburse credit under the above programme during the current year.

## **2.12 OTHER BANKING ACTIVITIES**

74 branches of our bank are engaged in works relating to the payment of portion of salaries afforded by the government to the teachers and employees of registered non-government educational institutions including teachers of non-government educational institutional, 98 branches relating to the payment of scholarship and stipends to the girl students at primary and secondary levels and 69 branches relating to the payment of stipends to the girl students at primary and higher secondary level. In addition to those, almost all the branches of Rupali Bank are engaged in work relating to the payment of pension bill to the retired government, civil and military personnel and the receipt of utility bills such as PDB, DESA, REB, WASA, GAS & Telephone etc. including other

service-related work of the government (such as receipt of Municipal Tax and Land Development Tax, purchase and sale of Prize Bonds, receipt of Hajj money etc).

### **2.13 HUMAN RESOURCES**

As compared to the preceding year the number of manpower has increased by 260 during the year 2009 in question. As on 31-12-2009 the total number of manpower has stood at 4529 with 3148 officers and 1381 members of staff. During the year in question, 377 employees are on LPR, 10 employees have resigned, 356 persons have newly joined in the post-officer, 168 have joined in the post-officer (cash), 118 persons have joined in the post- senior officer, 1 (one) person has joined in the post- Programmer (PO) and \$ persons have joined in the post- System Analysis (SPO). That means, in total, 647 persons have joined as officer in various posts.

### **2.14 LEGAL ACTIVITIES**

As regards the recovery of default loans, the number of the suits such as original suits under trial, execution suits, appeal/ others and suits in Bankruptcy Court field by the Bank stood at 4570 with an involvement of Tk. 1603.29 crore. The number of the suits in which the certificates issued for possession and enjoyment of the mortgaged property by the court is 501 involving Tk. 82.03 crore; the suits field against the bank were 156 involving Tk. 327.93 crore; the IRO suits 110; the suits disposed of 294 involving Tk. 222.28 crore. The suits newly filed 42 involving Tk. 89.18 crore and the recovery through suits amounts to Tk. 222.28 crore. The number of lawyers conducting the suits in Dhaka Metropolitan area is 110 and in other areas 236. Besides these, the number of writs arising from Artha Rin Adalat Act, 2003 pending for disposal is 304 at the end of the year in question.

### **2.15 RUPALI BANK TRAINING INSTITUTE**

Since 2009, as many as 602 officers were imparted training by Rupali Bank Training Institute through 24 courses/ workshops including 10 foundation courses to the newly joined probationary officers throughout the month and the course relating to Fake Note Detection, BACH program, Money Laundering Prevention Act, Core Risk, Foreign Exchange and Computer. As many as 105 trainees have participated in 43 courses in BIBM. In addition to this, 18 trainees took part in 12 courses conducted by Bangladesh Bank and other institutions outside.

## **2.16 COMPUTER OPERATION AND APPLICATION OF INFORMATION TECHNOLOGY**

Extensive activities on computer technology and their implementation have been undertaken by this bank during the year in question. Till 2009, the number of computerized branches stood at 145. The work relating to change of old computers in previously computerized 31 branches is in progress. Remittance and EFT System have been modernized and arrangement for Money Transfer through Western Union in 71 branches has been made operative. On-line Banking with foreign Exchange Branches at Dhaka and Agrabad Branch of Chittagong has been introduced. The vendor institution has started preliminary activities to introduce On-Line banking operation on test basis in 10 more branches of the bank. The information of 25 Divisions of Head Office are being publicized through Bank's own website ([www.rupalibank.org](http://www.rupalibank.org)). In order to expedite the flow of information 10 Internet of 64 kbps (shared line) and 10 Internet line of 256 kbps (dedicated line) have been installed in Head Office. The supply and installation of necessary hardware and software including communication link with Bangladesh Bank have been made. SIT (System Integrity Test) with Bangladesh Bank is in completion and prepared to operate in live at any time as per instruction of Bangladesh bank.

## **2.17 CORPORATE SOCIAL RESPONSIBILITY**

Rupali Bank Limited (RBL) has been rendering various services for attaining greater social goals and objectives. In this process, we aim to the development of the society as a whole and fulfillment of corporate social obligation in particular. To reinforce CSR activities, the bank has undertaken fresh initiatives in line with Bangladesh Bank guidelines in the areas of social service, empowerment of poor, sports & culture, banking for the disadvantaged group, disaster & relief activities.

## **2.18 SOCIAL SERVICES**

RBL has been rendering social services as per laid down guidelines of the Government. The bank has been disbursing pension of Govt. employees, monthly salary of teachers, govt. and semi govt. officials without charges.

## **2.19 EMPOWERMENT OF POOR**

RBL has been providing wholesale credit facilities to different micro credit institution who are in turn lending amongst the poor people in different Income Generating Activities (IGA).

## 2.20 BANKING SERVICE FOR THE DISADVANTAGED GROUPS

With 492 branches all over Bangladesh RBL could reach the banking services to the disadvantaged group with the aim to encourage them mobilization of their hard earned saving and creation of investment opportunities for them.

## 2.21 DISASTER RELIEF

Rupali Bank Ltd always beside the helpless people at the times of natural calamities and extends helping hands to the sufferers. RBL donated Tk. 15.00 Lac to help the victims of cyclone 'Ayla' to the relief fund of the Prime Minister.

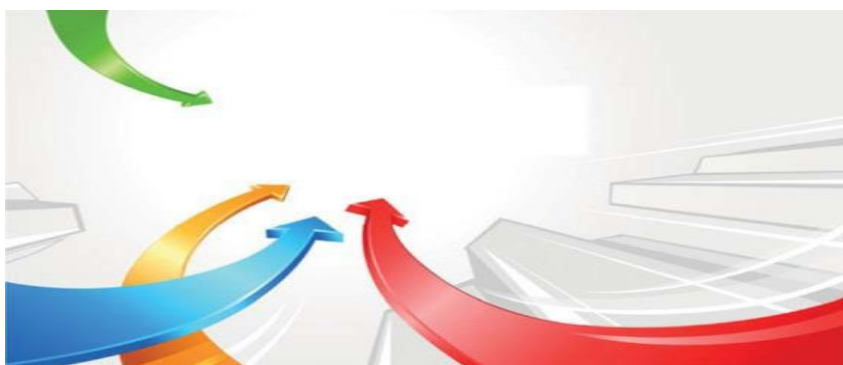
## 2.22 GEOGRAPHICAL LOCATION WISE SEGMENTS REPORT

PARTICULARS	For the year ended December 31, 2009						
	Branches of the Banking entity and Operations in line with Geographical Segments						Total
	Dhaka	Chittagong	Khulna	Rajshahi	Sylhet	Barisal	
<b>No. Of Branch</b>	141	112	53	111	40	35	<b>492</b>
<b>Interest Income on Loans &amp; Advances</b>	118.9	311.81	44.97	65.91	32.29	23.97	<b>497.85</b>
<b>Interest Paid on deposits &amp; Borrowings</b>	150.8	71.98	24.3	39.78	18.17	18.87	<b>323.88</b>
<b>Net Interest Income</b>	-31.9	139.83	20.67	26.15	14.12	5.1	<b>173.97</b>
<b>Investment Income</b>	155.9	—	—	—	—	—	<b>155.9</b>
<b>Commission, Exchange &amp; Brokerage</b>	19.09	15.39	6.62	7.45	10.72	10.92	<b>70.19</b>
<b>Other Operating Income</b>	0.14	0.11	0.02	0.02	—	—	<b>0.29</b>
<b>Total Operating income</b>	143.23	155.33	27.31	33.62	24.84	16.02	<b>400.35</b>
<b>Allocated Expenses</b>	65.24	52.29	20.66	28.43	14.07	9.79	<b>190.48</b>
<b>Operating Profit (loss)</b>	77.99	103.04	6.65	5.19	10.77	6.23	<b>209.87</b>
<b>% of Profit (loss)</b>	<b>37.16%</b>	<b>49.10%</b>	<b>3.17%</b>	<b>2.47%</b>	<b>5.13%</b>	<b>2.97%</b>	<b>100%</b>

## 2.23 SEGMENT REPORT BY NATURE OF OPERATION

Nature Of Operation	December 31, 2009	
	Amount	In %
Operating Income from Banking Operation	563.18	77.76
Operating Income from Treasury Operation	161.05	22.24
<b>Total Operating Income</b>	<b>724.23</b>	<b>100%</b>

## 2.24 MISSION OF RBL



The Bank participates actively in socio-economic development of the country by performing commercially viable and socially desirable banking functions.

Guiding Principles of Rupali Bank Ltd.

- Transparency and accountability.
- Zero tolerance on corruption and inefficiency
- Flexibility in operation
- Constant review of clients' performance
- Other guiding principles includes decentralization and devolution, defining roles and responsibilities, use of state of art modern technologies, bottom-up approach in planning, partnership etc.



## 2.25 VISION OF RBL



Rupali Bank Ltd. dreams poverty free Bangladesh, where sports & athletics, science and education, health and hygiene, clean and pollution free environment and above all a society based on morality make all our lives worth living.

## **CHAPTER THREE**

### **METHODOLOGY AND SOURCES OF DATA**

#### **3.1 METHODOLOGY**

This report is based on qualitative measurement, observation and descriptive method has been followed in order to make the report more viable. Both primary and secondary source of data were used to prepare this report more. This report has been prepared on the basis of experience gathered during the period of internship. In addition, I have also taken interview to collect relevant information from the officials in some instance through consultation.

#### **3.2 RESEARCH METHODOLOGY**

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically.

#### **3.3 RESEARCH DESIGN**

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data.

#### **3.4 SOURCE OF DATA**

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

The “Primary Sources” are as follows:

- Face to face conversation with the bank officers & staffs.
- Informal conversation with the clients
- Practical work exposures from the different desks of the departments of the Branch covered.

The “Secondary Sources” of data and information are:

- Annual report of Rupali Bank Ltd, (2013).
- Monthly reports.
- Prospectus of Rupali Bank Ltd (2013).
- Bangladesh bank publication.
- Different textbooks.
- Different papers of Rupali Bank Ltd.
- Instruction circular and Information circular.
- Through internet.

**CHAPTER FOUR**  
**GENERAL BANKING ACTIVITIES OF**  
**RUPALI BANK LIMITED**

**4.1 GENERAL BANKING ACTIVITIES**

General banking is the side where banking 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 deposit from customers. General Banking department is mostly expected to maximize the number of customers. It is the introductory department of the Bank to its customers. Rupali bank, principal branch has all the required sections of General Banking.

Such as-

1. Accounts Opening Section
2. Cash Section
3. Deposit Section
4. Bills and Clearing Section
5. Remittance Section
6. Accounts Section
7. Loan and Advance Section
8. Foreign Exchange Section

**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.

**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 inquires 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 knows 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 pay 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.

#### **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 manager 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 time.
- If 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 account is not 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 is required.

Generally, there are three types of accounts in our country’s banking system.

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

### **1. 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 it 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 collect 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**

1.
  - 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

### **B. 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

### **C. 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

### **D. 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.

#### **E. 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

### **2. 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 6.5%

### **3. 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.

#### **Documentations:**

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



#### **4. Other types of Deposit Accounts**

##### **(a) 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.

##### **(b) 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 7 years

## Benefits

- After seven years deposited amount will be double.

## Payment of RDS

Monthly Payment	Amount Received after 05years			Amount Received after 10years		
	Principal amount	Interest	Principal + Interest	Principal amount	Interest	Principal + Interest
500/-	30,000/-	5773/-	35,773/-	60,000/-	25,860/-	85,860/-
1000/-	60,000/-	11,547/-	71,547/-	1,20,000/-	51,721/-	1,71,721/-
1500/-	90,000/-	17,321/-	1,07,321/-	1,80,000/-	77,582/-	2,57,582/-
2000/-	1,20,000/-	23,095/-	1,43,095/-	2,40,000/-	1,03,442/-	3,43,442/-
3000/-	1,80,000/-	34,642/-	2,14,642/-	3,60,000/-	1,55,164/-	5,15,164/-
5000/-	3,00,000/-	57,738/-	3,57,738/-	6,00,000/-	2,58,607/-	8,58,607/-

## 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, sonali 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.

## 4.4 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 be 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 signs the same, otherwise than as such maker, for the purpose of negotiation, on the back or face thereof or on a slip of paper annexed thereto.....he is said to endorse the same and is called the endorser.”

### **Dispatch**

Dispatch includes all correspondence, letters, 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 received from the outside.

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

This dispatch is 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.

#### 4.5 INTEREST RATES

SL No.	Types of Deposit	Interest Rate per annum
1.	Savings Deposit	4.50%
2.	Short Notice Deposit	3.50%
3.	Time Deposits	
	a)3 months & above but less than 6 months	7.50%
	b)6 months & above but less than 1 year	7.75%
	c)1 year & above but less than 2 years	8.00%
	d)2 years & above but less than 3 years	8.50%
4.	Deposit From foreign Remittance	6.00%
5.	Rupali Bank Deposit Pension-Scheme 2	6.50%

#### 4.6 TYPES OF LOAN AND ADVANCES

The bank's Loans & Advances portfolio also indicates an impressive growth. The growth rate of RBL, June 2010 is

##### 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.

1. Cash Credit Hypothecation
2. Over Draft
3. 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. HouseBuilding
  - a) Commercial
  - b) General
  - c) Staff
    1. Lease Finance

#### **4.7 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.

#### **4.8 LOANS & ADVANCES IS PERMITTED ON THE BASIS OF-**

1. Lien
2. Mortgage

##### **1. 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%

## **2. 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

## **4.9 FOREIGN 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 18.07.2010 to 02.08.2010. 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-

1. Import Business
2. Export Business
3. 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-

1. Master L/C
2. Back to Back L/C

Master L/C is two types-

1. 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.

2. 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-

1. Local- Collect goods from inland
2. 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.



#### **4.10 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.

#### **4.11 CREDIT FACILITIES**

##### General Credit Line and Programme

- Rupali Bank Ltd. extends credit facility to almost every sector of the country's economic activities.
- Main focus of Rupali Bank Credit programme is on financing trade and commerce, business and industry having productive purpose.
- Credit facilities are also offered to international trade and business, export and import.
- Credit Programme of the Bank also covers development of rural economic activities like agriculture and livestock, dairy and poultry, fishing and hatchery etc.
- Loan is provided to thrust sectors declared by the government at a concessional terms.
- Lending programmes are operated as per guideline of Bangladesh Bank (the central bank of the country) through an effective lending policy and procedure of the Bank.
- Lending policy of the Bank ensures quick processing, sanctioning and disbursement of loan in all viable sectors.

#### **4.12 RURAL CREDIT PROGRAM**

Bangladesh is mainly a land of agriculture. A vast majority of our people lives in the rural areas and their main source of income is agriculture and agro-business. To produce agricultural output, promote agro-business, facilitate agro-based services, create and sustain employment opportunities, Rupali Bank Ltd. is disbursing agricultural loan/rural credit through its 401 branches all over the country. :: Sectors of Financing:: Rupali Bank Ltd. extends credit to the following rural sectors:

1. Fishery.
2. Livestock.
3. Shrimp Culture.
4. Poverty Alleviation Programme.
5. Micro-credit.
6. Agricultural product processing and marketing.

#### **4.13 INVESTMENT BANKING**

Rupali Bank Ltd. presently roaming in the following areas of investment:.

- i) Bangladesh Government Securities/Bonds.
- ii) Treasury Bills.
- iii) Grameen Bank Bonds.
- iv) Debentures of government and semi-government organizations & Public Limited Companies.
- v) Shares of listed companies.

#### **4.14 INDUSTRIAL FINANCING**

In order to support the development of industrial sector of the country through active participation of private and direct foreign investment, Rupali bank Ltd. has taken appropriate programmes as per Industrial Policy of the Government. The loan portfolio of the Bank includes sizeable investment of fund towards development of thrust industrial sectors like Textile, Jute, Leather, Leather goods, Frozen and semi cooked Shrimps, Footwear, Knit Garments and other small and medium enterprises.

Rupali Bank Ltd. is participating in joint venture finance and consortium finance for setting up large-scale projects. The Bank lays special emphasis on agro-based and IT related industries.

#### **4.15 UTILITY SERVICES**

Rupali Bank Ltd. offers some special services to customers in addition to its normal banking operation. Collection of various utility bills is one of them. Under this service, the Bank benefited Customer by collecting their various utility bills like Telephone bill, Water & Sewerage bill, Electricity bill etc free of charges.

##### **Collection of Bills:**

1. Telephone bill of Bangladesh Telephone & Telegraph Board (BTTB).
2. Water & Sewerage bill of Water and Sewerage Authority (WASA).
3. Electricity bill of Power Development Board (PDB),
4. Rural Electrification Board (REB) etc.

## **CHAPTER FIVE**

### **FINDINGS AND CONCLUSION**

#### **5.1 FINDINGS**

I have found out some points by screening the whole study, which is expressed as major findings. The findings are given below:

- As a commercial bank, Rupali Bank still follows the traditional banking. This organization still concentrates on production oriented approach.
- There is a training institution and a human resource division of Rupali Bank to run the activities of human resources.
- It provides compensation according to the government pay scale
- Sometimes inefficient allocations of resources have created a huge amount of Bad debt.
- Lack of adequate, update, and accurate information from the management information system
- There is lack of modern technological advances to provide better service to respective customers.
- There is a limitation of trained personnel.
- There is limitation of technological support such as available ATM booths at different places

#### **5.2 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

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