

AN INTERNSHIP REPORT
ON
General Banking Activities of Sonali Bank Limited
Phulbari Branch, Dinajpur.

(This paper has been prepared for submission into the Faculty of Business Studies, **Hajee Mohammad Danesh Science and Technology University**, Dinajpur, as a partial requirement for fulfillment of the EMBA Degree program.)

By
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Student ID: E130502104
2nd Batch
EMBA Program.

Major in Human Resource Management (HRM)



FACULTY OF POST GRADUATE STUDIES

Hajee Mohammed Danesh Science and Technology University

May, 2016

An Internship Report on
General Banking Activities of Sonali Bank Limited
Phulbari Branch, Dinajpur.

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Hajee Mohammed Danesh Science and Technology University

May, 2016

LETTER OF TRANSMITTAL.....◆

09 th May , 2016.

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

Subject: Submission of internship report on - General Banking Activities of Sonali Bank Ltd.

Dear Sir,
With due respect, as a student of Hajee Mohammed Danesh Science and Technology University, Dinajpur, I have prepared my internship report on “General Banking Activities of Sonali Bank Ltd Phulbari branch,Dinajpur”. I have tried my level best to follow your guidelines in every aspect of planning of this report. I have also collected what I believe to be the most important information to make this report specific and accurate as possible. I am honestly thankful for your guidance during the preparation of this draft of the report. I hope you will appreciate my effort. I have done the study in a complete form and I have tried my level best to conduct this in a professional manner. It is true that, it could have been done in a better way if there were no limitations. I hope you will assess my report considering the limitations of the study.

I would be glad if you accept the report and also requesting to consider limitations with a soft view that had made due to my limitations and oblige thereby.

With the best regards,

Hemanta Kumar Ray
ID: E130502104



LETTER OF TRANSMITTAL.....◆

09 th May , 2016.

Dr.Shaikh Mostak Ahammad

Associate Professor
Department of Accounting
HSTU, Dinajpur.

Subject: Submission of internship report on - General Banking Activities of Sonali Bank Ltd.

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I would be glad if you accept the report and also requesting to consider limitations with a soft view that had made due to my limitations and oblige thereby.

With the best regards,

Hemanta Kumar Ray
ID: E130502104



STUDENT'S DECLARATION.....◆

I am Hemanta Kumar Ray student of Master of Business Administration (Evening Program), 2nd batch, ID No: E-130502104, declare that this Internship report on “General Banking Activities of Sonali Bank Ltd, Phulbari Branch, Dinajpur is completely of my own work. Faculty of Business Studies at Hajee Mhammed Danesh Science and Technology University ,Dinajpur which is compact professional progress rather than specialized. This report has prepared as per academic requirement after successfully completing the 45 days internship Program under the supervision of my honorable supervisor. Md. Abdur Rouf, Lecture, Department of Marketing. It is my pleasure and great privilege to submit my report titled “General Banking Activities of Sonali Bank Ltd, as the presenter of this report ;I have tried privilege my level best get together as much information as possible to enrich the report ; I believe that was a fascination experience and it has enriched both my knowledge and experience.

I have everyone is not beyond of limitation. There might have problems regarding lack and limitation in some aspect and also minor mistake such as syntax error or typing mistake or lack of information. Please pardon me that mistake and clarity these of my future of information on those matter.

HEMANTA KUMAR RAY
ID No.: E-130502104
Batch: (EMBA) 2nd,
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Department of Business Administration.
HSTU, Dinajpur.



SUPERVISOR'S DECLARATION

This is to certify that the Internship report on General Banking Activities of Sonali Bank Limited, Phulbari Branch, Dinajpur has submitted for the award of Master of Business Administration with major in "Human Resource Management" from Hajee Mhammad Danesh Science and Technology University, Dinajpur carried out by Hemanta Kumar Ray, 2nd batch bearing ID No. E130502104 under my supervision.

He is permitted to submit the internship report. I wish his success at every sphere of his life.

Md. Abdur Rouf
(Internship Supervisor)
Lecturer
Department of Marketing
HSTU, Dinajpur.



CO-SUPERVISOR'S DECLARATION

This is to certify that the Internship report on General Banking Activities of Sonali Bank Limited, Phulbari Branch, Dinajpur has submitted for the award of Master of Business Administration with major in "Human Resource Management" from Hajee Mhammed Danesh Science and Technology University, Dinajpur carried out by Hemanta Kumar Ray, 2nd batch bearing ID No. E130502104 under my supervision.

He is permitted to submit the internship report. I wish his success at every sphere of his life.

Dr. Shaikh Mostak Ahammad
Internship Co-Supervisor)
Associate Professor
Department of Accounting
HSTU, Dinajpur.



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DEDICATED
TO
MY BELOVED
PARENTS
&
HONOURABLE
TEACHERS



Acknowledgement



First of all I would like to thank Almighty God who blessed me and made it possible for me to complete this internship report. I am also very grateful to my parents who supported me during the hard times I faced. I wish to express profound gratitude to my supervisor **Md. Abdur Rouf** for his persistent guidance, keen interest and continuous encouragement. I am also thankful to all my teachers of HSTU, Dinajpur who taught me and helped to apply the bookish knowledge into practical life. I am also extremely thankful to all the employees of Sonali Bank Limited (Phulbari Branch, Dinajpur), who made this report possible for me.

April, 2016

The Author



Executive Summary



The banking system plays a critical role in underpinning economic development. Against the background of Financial Sector Reform Policy in Bangladesh, Sonali Bank Limited (SBL) has resulted in great success in all areas of operation with a view to improve the socio-economic development of the country.

Banking is very important sector for the development of any economy. Sonali Bank Limited is one of the most renowned banks of our country, which is successfully operating, from several decades. For the keen interest on my university as well as the bank. I have worked in the General Banking System. I have chosen this topics of my internship reports because its helps me to practical acquaintance on the general banking. Secondary I tried to identify the problem and find out the solution to the shortcoming the general banking and provide suggestion that may supportive for the betterment of the system thought comparing it with other banks.

This help to know the overall function of the Sonali Bank Limited. While I work on the general banking, I had to know deposit, cash remittance and clearing and accounts department. I have shown different types of account that are provide by the SBL as well as the procedure of opening, maintain and closing of them. All the aspects of remittance are also covered. Others services which are provided by SBL are described in the theoretical part. Supplementary belonging, which are relevant to General Banking such as clearance and cash handling procedure, are including s well. To fulfill the objective I have done the analysis of some numerical data and showed them with the help of significant graph. The graph shows a clear up word trend SBL's continues success regarding the financial position and the effectively of General Banking of the Foreign Exchange Branch as well as the SBL. Necessary recommendation is provide to hold the services, which are accelerated by the bank according to the analysis of the report. SBL is institutions this is not only serving people and special service but also with great coverage. For this reason, the profit of SBL is drastically increasing from about the last decade, which is clear from the analysis of this report.



Preface◆

We devoted our best effort and attention to academic knowledge from our academic books. Books are the principle source of knowledge. So the educational institute of Bangladesh is enlightened by the theoretical knowledge rather than practical. But it is true that education cannot be fulfilled without the combination of these two components.

It is matter of immense pleasure to us that the Faculty of Business of Hajee Mohammed Danesh Science & Technology University, Dinajpur has taken massive program entitling ``Internship Program 'at the final examination of MBA with a view to knowledge of students practically. Undoubtedly, it is a timely endeavor to make our MBA degree holders more dynamic and operational to adept with the ever changing business field.

My respected and honorable Md. Abdur Rouf Sir selected the topic ``General Banking Activities of Sonali Bank Ltd. A Study on Phulbari Branch, Dinajpur'' as my Internship program. I have tried my best to bring out fulfilled of the report to highlight the aspect of the subject. My effort will be meaningful it this report serves the purpose effectively.

I acknowledge with thanks for all suggestion received from my honorable for finishing the program.

HEMANTA KUMAR RAY
Student ID.E130502104



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LIST of ACRONYMS

AD	Authorized Dealer	IC&CD	Internal Control & Compliance Division
ADB	Asian Development Bank	ICAB	The Institute of Chartered Accountants of Bangladesh
ADP	Annual Development Program	ICMAB	The Institute of Cost & Management Accountants of Bangladesh
ADR	Alternative Dispute Resolution	ICT	Information & Communication Technology
AGM	Annual General Meeting	IMF	International Monetary Fund
ALCO	Asset Liability Committee	IT	Information Technology
ALM	Asset Liability Management	KSA	Kingdom of Saudi Arabia
AML	Anti Money Laundering	KYC	Know Your Customer
AMLC	Anti Money Laundering Committee	LDR	Loan Deposit Ratio
ATA	Anti- Terrorism Act	MANCOM	Management Committee
ATM	Automated Teller Machine	MBID	Merchant Banking and Investment Division
BACH	Bangladesh Automated Clearing House	MCR	Minimum Capital Requirement
BACPS	Bangladesh Automated Cheque Processing System	MCO	Maximum Cumulative Outflow
BAMLCO	Branch Anti Money Laundering Compliance Officer	MDGs	Millennium Development Goals
BAS	Bangladesh Accounting Standards	MICR	Magnetic Ink Character Recognition
BB	Bangladesh Bank	MLPA	Money Laundering Prevention Act
BFTA	Bangladesh Bank Training Academy	MSME	Micro, Small and Medium Enterprise
TK.	Bangladesh Tk.	MTMF	Medium Term Macro Economic Framework
BEFTN	Bangladesh Electronic Fund Transfer Network	MVA	Market Value Added
BFIU	Bangladesh Financial Intelligence Unit	NAV	Net Asset Value
BFRS	Bangladesh Financial Reporting Standards	NCBs	Nationalised Commercial Banks
BIBM	Bangladesh Institute of Bank Management	NGO	Non Government Organization
BRDB	Bangladesh Rural Development Board	NII	Net Interest Income
BRPD	Banking Regulation and Policy Department	NPL	Non Performing Loan
BSA	Bangladesh Standards on Auditing	NRB	Non Resident Bangladeshi
BSEC	Bangladesh Securities and Exchange Commission	OBU	Off-Shore Banking Unit
CAMELS	Capital Adequacy, Asset Quality, Management, Earnings, Liquidity and Sensitivity to Market Risk	OMIS	Overview Management Information System
	Chief Anti Money Laundering Compliance Officer	PC	Packing Credit
CAMLCO	Capital Adequacy Ratio	PEPs	Politically Exposed Persons
CAR	Core Banking Software	PMIS	Personal Management Information System
CBS	Central Depository Bangladesh Limited	POS	Point of Sales
CDBL	Central Data Centre	PRSP	Poverty Reduction Strategy Paper
CDC	Core Deposit Monitoring System	RBCA	Risk Based Capital Adequacy
CDMS	Chief Executive Officer	RBIA	Risk Based Internal Audit
CEO	Chief Financial Officer	REFO	Repurchase Agreement
CFO	Combating Financing of Terrorism	RMD	Risk Management Division
CFT	Credit Information Bureau	RMS	Remittance Management System
CIB	Credit Risk Grading	RMU	Risk Management Unit
CRG	Credit Risk Management	ROA	Return on Asset
CRM	Cash Reserve Requirement	ROE	Return on Equity
CRR	Corporate Social Responsibility	ROI	Return on Investment
CSR	Cash Transaction Report	RWA	Risk Weighted Assets
CTR	Departmental Control Function Check List	SAFA	South Asian Federation of Accountants
DCFCL	Disaster Recovery System	SBCS	Sonali Bank Clearing System
DRS	Dhaka Stock Exchange Limited	SBL	Sonali Bank Limited
DSE	Early Alert System	SBSC	Sonali Bank Staff College
EAS	Export Development Fund	SBTI	Sonali Bank Training Institute
EDF	Equity Entrepreneurship Fund	SCB	State-owned Commercial Bank
EEF	Electronic Fund Transfer	SECI	Sonali Exchange Company Incorporated
EFT	Enterprize Growth Bank Modernization Project	SIL	Sonali Investment Limited
EGBMP	Earning Per Share	SLR	Statutory Liquidity Ratio
EPS	Environmental Risk management	SMA	Special Mention Account
ERM	Exporter's Retention Quota	SMEs	Small and Medium Enterprises
ERQ	Effluent Treatment Plants	SOE	State Owned Enterprise
ETPs	Foreign Bills Purchased	SREP	Supervisory Review Evaluation Process
FBP	Foreign Direct Investment	SRP	Supervisory Review Process
FDI	Financial Year (July-June)	STR	Suspicious Transaction Report
FY	Generally Accepted Accounting Principles	SWIFT	Society for Worldwide Interbank Financial Telecommunication
CGAAP	Gross Domestic Product	TOR	Terms of Reference
GDP	Gross National Income	TP	Transaction Profile
GNI	Government of Bangladesh	UAE	United Arab Emirates
GOB	Government Transaction System	UCCA	Upazila Central Co-operative Association
GTS	Human Resources Development Division	UK	United Kingdom
HRDD	International Accounting Standard	UN	United Nations
IAS	Inland Bills Purchased	USA	United States of America
IBP		VAT	Value Added Tax
		WDV	Written Down Value
		WEO	World Economic Outlook
		WTO	World Trade Organization

Scope of the Report:



The scope of the report is limited to facilities provided by Phulbari Branch of **Sonali Bank Limited**. Sonali Bank provides a wide range of facilities to its customers. Employees are very much caring to their customers. But the scope of the report can be described in terms of two grounds like-

➤ **Orsanizational Scope:** I have worked in all the desks of general banking division of Sonali Bank Limited. I could not get the opportunity to work in Foreign Exchange Department, Credit Department and Cash Department.

➤ **Periodical Scope:** Practical Orientation in bank has started from the 07 March 2016 and the duration of this internship was 45 days.

The report is confined to explain the detailed explanation of other Department, such as, credit department foreign exchange department, card division, cash department. Credit related to foreign exchange transactions (L/C, LTR, etc.) were excluded. Consumer Credit or retail credit facilities and Credit provided against Share have also been excluded from the scope of this report. Various types of credit provided to the staffs of Sonali Bank Limited has also been ignored, as they are special types of credit provided as a motivating tool for the employees with special terms and conditions.

Importance of the study :



- To identify the problem of SBL.
- To achieve practical knowledge of banking side of SBL.
- To observe interrelated activities of foreign exchange department of SBL.
- To gain practical knowledge about over all banking system and especially foreign exchange sector.

Limitation:



The study is constructed with some limitations. These are given bellow:

- The main limitation of this report is the internship program is time, because this is very short span of time to make an extensive report on the total banking activities, which consists of various things.
- The employees of Sonali Bank Ltd remain so much busy with their own work that it is quite tough to provide time for making concept clear in a particular area.
- Every organization has their own secrecy that is not revealed to others.
- Lack of knowledge, experience and expertise in banking field that's why it becomes hard to understand each and everything during practical program.



No: SBL/DIN/PHUL/171

Date:05/05/2016

TO WHOM IT MAY CONCERN

This is to certify that Hemanta Kumar Ray a student of M.B.A. 2013, Department of Management, Hajee Mohammad Danesh Science and Technology University, Dinajpur bearing Student ID: E-130502104, Session: 2013-2014 has completed an internship program at Sonali Bank Ltd., Phulbari Branch, Dinajpur from 6th May to 24th April, 2016 successfully.



During the internship period, his devotion, sincerity and modesty were quite impressive and praise worthy.

I hope that he will shine in life. All the best wishes for him.

(Nironjon Kumer Roy)

Manager (SPO)
Sonali Bank Ltd.
Phulbari Branch, Dinajpur.



CHAPTER: 1

INTRODUCTION





1.1 Introduction

Banks are the most important functionary of financial system of a country. They play a dynamic role in the allocation of credit to the productive sectors. They divert and employ the funds in such avenues which are aimed to develop a country's economy and add to national wealth. Banks transfer the funds from regions where it is available in plenty to where it can be efficiently utilized. Banks offer necessary finance to set up and run the industries and provide finance to agriculture and other sectors which can create opportunities for the development of national resources and provide employment on a large scale. Inefficiencies in the financial market and institutions inhibit the formal financial sector from performing the proper intermediation services, which have adverse effects on the economic development of Bangladesh. Bank in general performs three basic functions valued by the overall economy.

➤ One of these functions is the centralization of credit evaluation and monitoring, which produces information that cannot be easily made public by the borrower. This centralization exploits cost economies and, together with diversified loan portfolio, lowers the price of credit.

➤ Second, Banks offer transformation services that convert claims issued by borrowers into instruments that investors are willing to hold. These claims may be transformed with respect to their maturity, liquidity and credit risk. This special role of banks derives from the social welfare enhancements that can be realized when banks co-ordinate the funding of these illiquid assets with liquid liabilities.

➤ Third, banks provide access to payments system and to a clearinghouse for transactions. Public policies to attain safe and sound banking have traditionally been focused on methods to assure the continuous and efficient functioning of their transactions and payments mechanism.

For efficient operation in the banking sector skilled and talented personnel are also needed. On this point of view, this report is prepared to gather adequate knowledge about the operating procedure of the commercial banks of Bangladesh. In this regard the experiences and knowledge gathered during the period of practical orientation and working as an internee in the Sonali Bank Ltd. Phulbari Branch, Dinajpur was manipulated.



1.2 Background of the study:

Banking sector in Bangladesh has been flourished during last few decades. It results due to the adoption of privatization policy. Until, Government sector owned, controlled and operated financial sector of Bangladesh with the objective of allocating funds to priority sectors. Loan recovery was not emphasized because the loans were ultimately collectible. the quality of financial intermediation, judged by loan recovery rates, was dismal. But it is a matter of fact that the financial system was not efficient and failed to attain its objective. Then government decides to reform the financial sector and commercial banks now a day have proved themselves as the life blood of modern economy in Bangladesh. No business, trade, exports, imports. Production, all other economic activities can run without the aid of banking. So understanding the above circumstances, I being a business undergraduate student, become interested in the banking sector. Since internship program is the integral part of the MBA program, completed my internship program in one of the commercial bank named National Bank Limited. I was placed in the NBL, Phulbari Branch, Dinajpur and conducted practical training of banking activities for three months from 26, December 2006 to 27, March 2007. It was the requirement of MBA program to perform a study about the internship. This report is the outcome of the study.

1.3 ORIGIN OF REPORT:

The MBA program conducted at Hajee Mohammad Danesh Science and Technology University, Dinajpur has been introduced to provide a number of fresh graduates in business sector; this program has designed to facilitate the students and the executive to provide basic theoretical knowledge and practical in the job activities in the context of Bangladesh.

1.4 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.



1.8 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:

- Give an overview of Sonali Bank Ltd (SBL).
- To explore General Banking activities of Sonali Bank Ltd.
- To be accustomed with the management policy or process of Sonali Bank Ltd.
- To explore Foreign Exchange activities of Sonali Bank Ltd.
- To observe the working environment in Sonali 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.

1.9 IMPORTANCE OF THE TOPIC:

The topic that has been assigned by the supervisor is “General Banking Activities of Sonali Bank Ltd” The importance of this topic is given below-

- To describe the customer service process of Sonali Bank Limited.
- To know how the branches are efficiently controlled.
- To know the operation of Sonali Bank Limited in Bangladesh.
- To be accustomed with the management policy or process of Sonali Bank Ltd in Bangladesh.
- Give an idea regarding general banking system in SBL.



1.11 Limitations of the study:

Learning all the banking functions within just 90 days was really tough.

- Another limitation of this report is bank's policy of not disclosing some data and information for obvious reason, which could be very much useful.
- The bank authority was very busy, so they could not give me enough time for discussion about various problems.
- In case of performance analysis secondary data are used.
- These studies completely depend on official record and annual reports.
- To prepare an analytical report need financial assistance. The financial assistance provided by the department is insufficient. In perspective of lack sufficient money, various types of analysis did not become possible.
- This is my first experience on job, so there may arise some faults though I have tried my level best.



CHAPTER: 2

OVERVIEW OF SONALI BANK LTD



2.1 Overview of the Bank :

Soon after independence of the country Sonali Bank emerged as the largest and leading Nationalized Commercial Bank by proclamation of the Banks' Nationalization Order 1972 (Presidential Order-26) liquidating the then National Bank of Pakistan, Premier Bank and Bank of Bhawalpur. As a fully state owned institution, the bank had been discharging its nation-building responsibilities by undertaking government entrusted different socio-economic schemes as well as money market activities of its own volition, covering all spheres of the economy. The bank has been converted to a Public Limited Company with 100% ownership of the government and started functioning as Sonali Bank Limited from November 15, 2007 taking over all assets, liabilities and business of Sonali Bank. After corporatization, the management of the bank has been given required autonomy to make the bank competitive & to run its business effectively. Sonali Bank Limited is governed by a Board of Directors consisting of 11 (Eleven) members. The Bank is headed by the Managing Director & CEO, who is a well-known Banker and a reputed professional. The corporate head quarter of the bank is located at Motijheel, Dhaka, Bangladesh, the main commercial center of the capital.

2.2 Establishment:

Sonali Bank, the largest commercial bank in the country, was established under Bangladesh Bank (Nationalization) Order 1972 (presidency Order No.26 of 1972). By taking over branches of former National Bank of Pakistan, Bank of Bahawalpur limited and Premier Bank Ltd. Were two private banks performing class banking over the century in that period and National bank of Pakistan was government supported bank which was established to finance the jute sector in East Pakistan in the early period of Pakistan. After the birth of Bangladesh on 16th December 1971, newly formed Sonali Bank for mass banking got special facilities from the government to work on behalf of Bangladesh bank in those areas where Bangladesh bank is not available. With the increase of commercial and by virtue of performance within a few years, it becomes the largest commercial bank of the country with 1181 branches up to now.



2.3 CORPORATE PROFILE OF SLB:

2.3.1 ABOUT SONALI BANK LIMITED:

Name of the company: Sonali Bank Limited.



Company logo

Type	Public Limited Company.
Industry	Banking. Financial services.
Founded	1972
Headquarters	Motijheel, Dhaka, Bangladesh.
Area served	Bangladesh & Overseas
Key people	Fazle Kabir (<i>Chairman</i>). Mr. Pradip Kumar Dutta (<i>Managing Director & CEO</i>).
Products	Finance and insurance. Consumer Banking. Corporate Banking. Investment Banking. Investment Management.



Net income	▼Tk 2.73 billion (US\$ 33.7 million) 2010
Total assets	▲Tk 649.26 billion (US\$ 8.01 billion) {December 2010}
Number of employees	21,839
Website	Sonalibank.com.bd

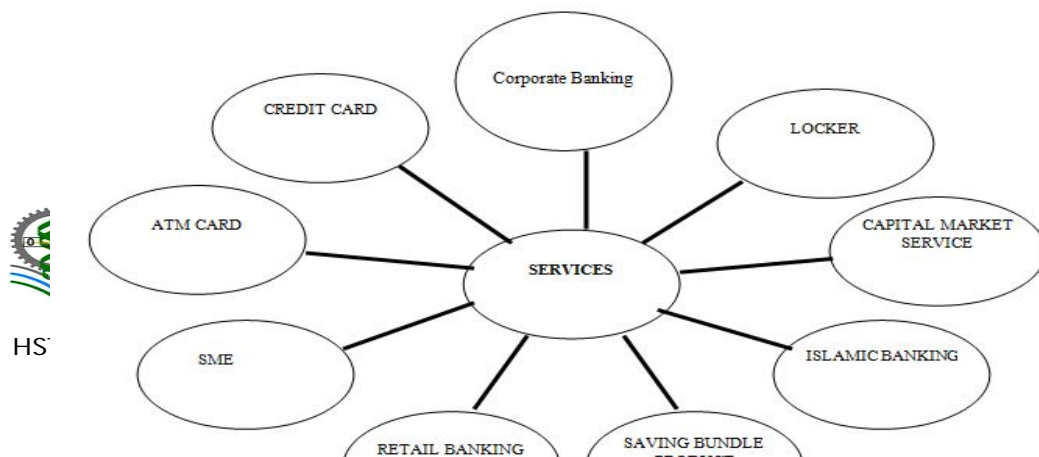
.3.2 ABOUT CORPORATE PROFILE SONALI BANK LIMITAD:

Name of the Company	: Sonali Bank Limited
Chairman	: Dr. A.H.M. Habibur Rahman
Managing Director & CEO	: Mr. Pradip Kumar Dutta
Company Secretary	: Mr. A.K.M Sajedur Rahman Khan
Legal Status	: Public Limited Company
Genesis	: Emerged as Nationalised Commercial Bank in 1972, following the Bangladesh Bank (Nationalisation) Order No. 1972 (PO No.26 of 1972)
Date of Incorporation	: 03 June, 2007



General Banking Activities of Sonali Bank Limited

Date of Vendor's Agreement	:	15 November, 2007
Registered Office	:	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorised Capital	:	Taka 6000.00 Crore
Paid-up Capital	:	Taka 3830.00 Crore
Number of Employee	:	22,446
Number of Branches	:	1207
Phone-PABX	:	9550426-31, 33, 34, 9552924
FAX	:	88-02-9561410, 9552007
SWIFT	:	BSONBDDH
Website	:	www.sonalibank.com.bd
E-mail	:	itd@sonalibank.com.bd



2.3.3 ABOUT HISTORY SONALI BANK LIMITAD:

Sonali Bank was established in 1972 under the Bangladesh Banks (Nationalisation) Order, through the amalgamation and nationalisation of the branches of National Bank of Pakistan, Bank of Bhowalpur and Premier Bank branches located in East Pakistan until the 1971 Bangladesh Liberation War. When it was established, Sonali Bank had a paid up capital of 30 million taka. In 2001, its authorised and paid up capital were Tk 10 billion and Tk 3.272 billion respectively. Presently, its authorised and paid up capital is Tk 10 billion and Tk 9 billion respectively. The bank's reserve funds were Tk 60 million in 1979 and Tk 2.050 billion on 30 June

2.3.4 Vision & Mission

Our Vision :

Socially committed leading banking institution with global presence.

Our Mission :

Dedicated to extend a whole range of quality products that support divergent needs of people aiming at enriching their lives, creating value for the stakeholders and contributing towards socio-economic development of the country.

Our Slogan :

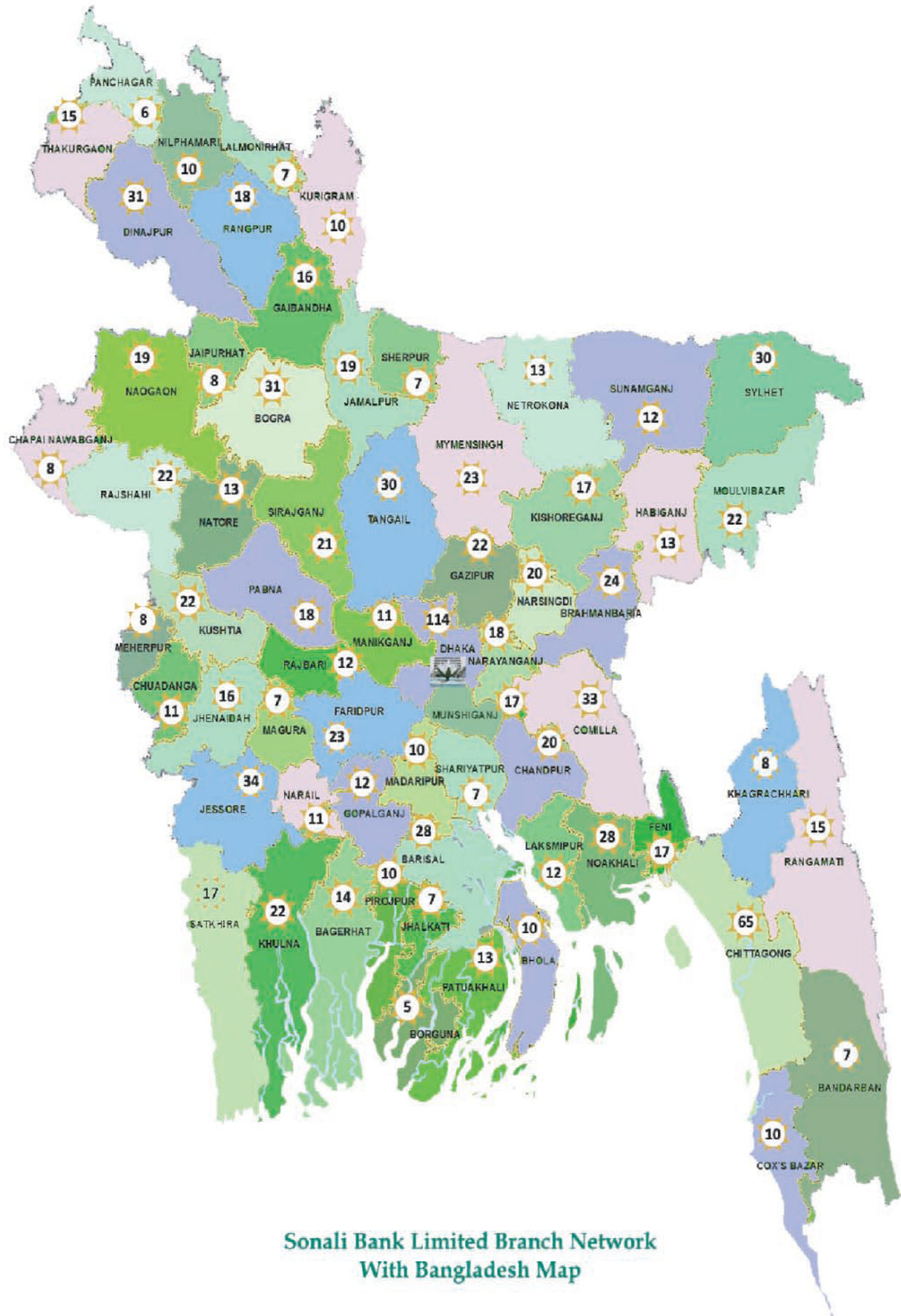




Your trusted partner in innovating banking.



2.3.5 Branches of Sonali Bank Limited in Bangladesh:

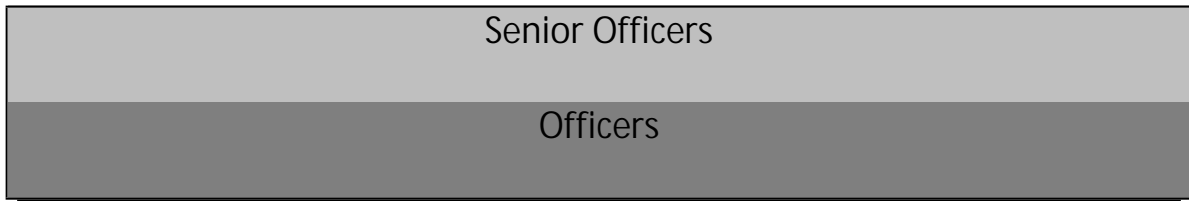


Sonali Bank Limited Branch Network With Bangladesh Map

2.4 Management:

The management of the bank is vested on a board of directors, subject to overall supervision and directions on policy matters by the board which is constituted in terms of Bangladesh bank (Nationalization) Order 1972 (Figure-2.1). Board of directors, constituted by seven members has authority to organize, operate and manage its affairs on commercial consideration within the board policy of government. There are directors appointed by the government. Other members of the board including MD are also government appointed out of that at least three have the experience in the field of Finance, Banking, Trade, Commerce, Industry and Agriculture. The managing director is the Chief Executive of bank. He executes all the activities under the direction of board. All line and staff personnel of bank's are own recruitment except member of board of Direction.





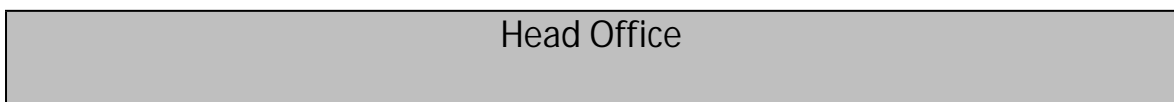
[Figure-2.1: Hierarchy of Position]

2.5 Organization:

Sonali Bank is the largest nationalized commercial bank of the country. It has extended 1181 branches through out the country and abroad to serve the nation. There are two; Sonali Exchange Company incorporations (SECI) in UAS and others are in planning stage. The head office of the bank is located at motijheel commercial Area, Dhaka that is the controlling Headquarter (Figure-2.2). It has eight GM officers in six Divisional Headquarters and twenty six principle Officers and thirty two headed by Regional Officers. Principle Officers is headed by DGM and each Department is headed by AGM. Different grade officers depending on the size and nature of branch head the branches.

Principal office Headquarter has jurisdiction over the entire area of a District i.e. the principle office is the local point of the bank’s administrative zone of the District. The regional officer is situated in the Thana level within the district, is under control and supervision of the principle office of the district. Regional officer are responsible for their activities to the principle office.

Regional heads exercise control and supervision overall the branches within their jurisdiction and keep the head of principle office informed the progress of their respective areas form time to time.





[Figure-2.2: Functional Hierarchy]

2.6 Sonali Bank at a glance:

Table-2.1: Highlights on overall activities of the bank

Serial No.	Explanation	2009 (taka in core)	2010 (taka in core)
1.	Authorized capital	2571.91	2222.66
2.	Paid up capital	900	900
3.	Reserve capital	1744.04	2360.46



General Banking Activities of Sonali Bank Limited

4.	Deposit	40615.15	47813.41
5.	Loan and advance	24096.57	20634.76
6.	Total Investment	4082.76	8889.07
7.	Earnings	2313.17	2585.165
8.	Total income	3256.59	3972.01
9.	Total Expense	3025.54	3409.41
10.	Foreign exchange business:		
	Export	6444.20	7414.29
	Import	9686.42	16404.29
	Remittance(outward)	927.05	1172.67

[Source: annual report of Sonali Bank on 2010]



2.7 Government Intervention:

Financial services have traditionally been the subject of close government scrutiny and it is to be expected that exchange rates, interest rates and terms of credit should be closely monitored in the public interest. In the recent years, however, governments have tried to use interest rates, credit regulations and informal controls on banks as a means of managing the supply of money in the economy in an effort to increase or reduce consumer spending and to hold back or promote investment by business. During the 1976 to now, the effect of these policies has been to add a new dimension of risk and uncertainty to financial markets which were already fluctuation wildly because of the oil crisis, the commodity boom, increasing inflation and controlled exchange rates.

Besides government is a big problem for the nationalized bank in Bangladesh. Government forces to the nationalized bank to insider lending, lend to government's priority sector, state-owned enterprises, sick industries, borrowers with political influence as well as provide exemption schemes to fulfill its pre-election commitment. The loan exemption program of 1986-87 and 1991-92 exempted 11.37 percent and 25.56 percent respectively of total bank loan outstanding. As a result, nationalized commercial banks are burdened with very large classified loans (32 percent of total loans) against which very large provisions had to be made which affected profit position adversely. Classified loans in the country's banking sectors on June 30, 1996 amount to 33.0 percent of total loans. It was 34.9 percent as on December 31, 1993. However, net income of local banks is drastically reduced, as the required to maintain very large provisions for bed debts and interest suspense accounts.



CHAPTER: 3

METHODOLOGY

AND

SOURCES OF DATA



3.7 SAMPLING TECHNIQUE:

Here I have used non-probability judgmental sampling that attempts to obtain a sample of convenient element based on the judgment of the researcher.

3.8 LOCATION OF THE STUDY:

The area of my study has been encompassed the operation area of Phulbari branch, Dinajpur.

3.9 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" of data 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 Sonali Bank Ltd, (2013).
- Monthly reports.
- Prospectus of Sonali Bank Ltd (2013).
- Bangladesh bank publication.
- Different textbooks.
- Different papers of Sonali Bank Ltd.
- Instruction circular and Information circular.
- Through internet.



3.10 Limitation of the study:

The presented study was not out of limitations. But it was a great opportunity for me to know the banking activities of Bangladesh specially Sonali Bank Ltd. The study carried on has the following limitations:

- The main constraint of the study is inadequate access to information, which has hampered the scope of the analysis required for the study.
- Lack of published materials.
- Some problems create confusions regarding verification of data.
- It was very difficult to collect the information from various personnel for their job constraint.
- Lack of knowledge and experience among the officials.
- As some of the fields of banking are still not covered by our courses, there was difficulty in understanding some activities.
- The time is insufficient to know all activities.
- And as it was my first work and inexperience was a problem. So there may be some personal mistake in the report.



CHAPTER: 4

General Banking Activities of Sonali bank Limited





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. Sonali 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

4.1 Accounts Opening Section:

Account Opening is the gateway for clients to enter into transaction with the bank. It is the foundation of banker-customer relationship. A customer can open different types of accounts through this department. Such as-

- Current account.



General Banking Activities of Sonali Bank Limited



- Savings account.
- Short Term Deposit Account (STD).
- Fixed Deposit Receipts (FDR).
- Special Deposit Pension Scheme (SDPS).
- Sonali Deposit Scheme (SDS).
- Education Deposit Scheme (EDS).
- Medical Deposit Scheme (MDS).



4.1.1 Current Account:

Current account is an account where the account holders can make numerous transactions within a working day. There is no transaction on the number of deposit and withdrawals from the current account within availability of funds. As the bank is under the obligation to repay this deposit on demand, on interest is paid in this account. Generally, current account is opened for businessmen and trades for easy transaction.

4.1.2 Requirements of Opening an Account:

There are some requirements that have to be completed for opening an account.

Proprietorship Firm:

There is account opening form for proprietorship firm provided by Sonali Bank. For this account, a customer must need to submit the following papers with the form:

- Introduction of the account.
- Two photographs of the signatories duty attested by the introducer.
- Copy of trade license.
- Seal of concern.

Partnership Firm:

There is account opening form for partnership firm provided by Sonali Bank.

Introduction for running an account is given in this form.

Enclose Documents for partnership account:

- Introduction of the account.
- Two photographs of the signatories duty attested by the introducer.



General Banking Activities of Sonali Bank Limited

- Partnership letter duly signed by all partners.
- Partnership Deed duly certified by Notary Public.
- Copy of Registration (if any).
- Seal of the concern.
- Update Trade License.



Limited Company:

There is an account opening form used for limited company. There are two kinds of limited company. The bank always takes precautions for opening this type of accounts. Several documents submitted by the clients should be checked carefully by bank to be legally in safe position.

Enclosed Document for Limited Co. Account:

- Introduction of the account.
- Two photographs of the signatories duly attested by the introducer.
- Signature and seal of the client.
- Trade license.
- Certified copy of memorandum and articles of association.
- Certificate of incorporation.
- Broad resolution for opening account duly certified by the chairman/ managing director.
- List of directors along with designation and specimen signature.
- Certificate from the registrar of joint stock company is entitled to commence business (in case of public Ltd. Company.)
- Certificate from board of investment (in case of joint venture or foreign Co.)
- Work permit order from ministry of industry. (In case of foreign nation.)
- Joint venture agreement (in case of joint venture.)

4.1.3 Savings Account (Individual/Join):

Savings account (SB) is meant for the people of the lower and middle classes, who wish to save part of their incomes to meet their future needs and intended to earn an income from their savings. From savings account the account holder can deposit money so many times the



holder wishes. But the holder can not withdraw money more that two times in a week. Also the holder can not withdraw money more than 20,000 tk at a time without any permission of the bank. The holder is given an interest on their deposited amount after a certain period at a certain rate. The holders of this type of account are mainly students, teachers, employees, householders. For opening of this type of accounts, the following requirements are necessary:

- Photograph attested by the introducer.
- An introducer of Sonali Bank.
- For joint accounts, signatures of all the account holders are necessary.

4.1.4 Short Term Deposit (STD):

STD account is same as current account. Here money is kept for a very short time. A notice is needed prior for withdrawal of money. Sonali Bank offers short time deposit to its valued customers. Short-term deposit is the deposit where the interest is paid on monthly basis.

4.1..5 Fixed Deposit Account:

There are deposits which are made with the bank for a fixed period of specified in advance. The bank does not maintain cash reserves against this cash deposit. And therefore, the bank offers higher interest rate on such deposits. These deposits generally constitute 50% or more of the total deposits. Usually, customers are allowed to open this account for a certain period of time and the rate of interest varies in accordance with the terms of the specified time. If any holder wishes to draw money before expire of time, he/she is not given the entitled interest rate.

4.1.6 Issuing Cheque Book:

The following procedures are maintained to provide a cheque book.

- At first the customer will fill up a requisition form.





- The pages of the cheque book under issue shall be counted to ensure that all the pages and bank requisition slip are intact. The name and account number shall be written on the cover page of the cheque book and its requisition slip.
- The name and account number of the customer shall be entered in the cheque book register against the particular cheque book series.
- Then the officer in charge signs the register, cheque book and the requisition slip.
- The cheque book is handed over to the customer after taking acknowledgement on the requisition slip and the register book.

A cover file containing the requisition slip shall be effectively preserved as vouchers. If the ledger keeper notices any defect, he/she will make a remark to that on the requisition slip and forwarding it to the cancellation officer to decide whether a new cheque book should be issued or not.



4.1.7. Procedure of Closing an Account:

A customer may close his/her account any time by submitting an application to the branch. The customer should be asked to draw the final check for the amounts standing to the credit of his/her account less the amount of closing and other incidental charge and surrender the unused cheque leaves. The account should be debited for the amount of closing charge etc. And the authorized officer of the bank should destroy unused cheque leaves. In case of joint account the application for the account should be signed by the joint account holder.

4.2 Interest Rate:

Sonali bank diversified its rate of interest on loan and advances in compliance with the interest rate policy declared by the government in 2005. To encourage the agricultural sector the rate of interest fixed to 2.0-16.0 percent and to increase the rate of industrial production and services industry, the rate of interest rate is fixed to 9.0-11.0 percent and 13.0 percent. Rate of interest of sonali bank is given below-

Table-3.2: Interest rate of Sonali Bank

Rate of interest (In percentage)								
	Deposit				Loan an advance			
Year	Savings account	Short term deposit account	Fixed deposit account	Weighted average	Agricultural sector	Industrial sector	Service sector	Weighted average
2008	3.50	2.00	5.25-6.25	5.12	8.00-9.00	9.00-11.00	12.00	9.89
2009	4.00	2.50	5.25-6.25	4.75	2.00-16.00	9.00-11.00	13.00	10.40



General Banking Activities of Sonali Bank Limited

31 st march , 2010	5.00	3.50	6.25- 7.25	5.38	2.00-16.00	9.00- 12.0	13.00	10.61
30 th June, 2010	5.00	3.50	6.25- 7.25	5.35	2.00-16.00	9.00- 12.00	13.00	10.58

[Source: activities of bank and financial institution, 2009-2010]

4.3.1 Cash Section:

Bank as a financial institution, accept surplus money from the people as deposit and give them opportunity to withdrawn the same by cheque or by any other instrument. Among the banking activities, cash department plays a vital role. It does the main function of a commercial bank e.g. receiving the deposit and paying the cash on demand.

4.3.2 Cash Receiving Procedures:

The work of cash receiving counter is to examine the deposit slip. Depositor uses the prescribed deposit slip supplying by the bank for depositing cash, cheque, draft; pay order etc. in all types of deposit the teller must cheque the following things:

- The slip has been properly filled up.
- The title of the account and its number.
- The amount in figure and in words is same.
- Instrument signed by the depositor.
- Data of the instrument.

After checking all these things the teller will accept cash, cheque, draft, pay order etc. against deposit slip. The teller will place the cash in cash drawer according to denominations. The teller will place signature and affix "cash received" and record in the cash received register book



against the account number. At the end of this procedure, the cash officer passes the deposit slip to the computer section for posting purpose and returns the customer's copy.

Date	Particulars	Dr. (Tk.)	Cr.(Tk.)
	Cash A/C Dr.	.....
	Customer's A/C Cr.		.....

4.3.3 Cash Payment Procedures:

In order to safeguard the position the banker has to observe the following precaution before honoring a cheque:

- A cheque must be locked whether it is an incomplete cheque.
- The playing officer should see whether the cheque is drawn on his/her branch.
- He must see whether the cheque is post dated or pre dated. A letter must not pay any post-dated cheque.
- The officer must carefully see the apparent tenor of the cheque. If it is mutilated or martially altered then the officer must not honor it.





- The officer must compare the signature of the cheque with the signature on the specimen card.
- The officer must verify the regularity of the endorsement.
- The officer may allow overdue against a cheque if prior arrangement is done with the bank.

4.3.4 Passing the Cheque:

After verifying the above-mentioned things the officer passes it to computer section for more verification. After that it is passed to the cash to make payment. By putting “pay cash” seal the cash officer make it clean to pay. The cash officer gives the cash amount to the holder and record in the paid register.

Date	Particulars	Dr. (Tk.)	Cr.(Tk.)
	Customer's A/C Dr.	.....
	Cr.		.....



4.3.5 Dishonor of Cheque:

A banker can dishonor a cheque in the following situation:

- Insufficient fund.
- Payment stopped by drawer.
- Alteration require in drawer signature.
- Effect not clear in the cheque.
- Exceed arrangement in cheque.
- Fill cover note received.
- Payee's endorsement irregular/illegible/required.
- Drawer signature different and required.
- Cheque is postdate/mutilated/out of date.
- Clearing stamp required cancellation.
- Cheque crossed "accounts payee only".
- Collecting bank's discharge irregular/ required.

4.4 Deposit Section:

Deposit is the lifeblood of the bank. From the history and origin of the banking system, we know that deposit collection is the main function of a bank. The officer of the deposit section maintains account number of all the customers of the bank. They use different code number for different account. The officer makes position three types of transactions such as cash, clearing and transfer section. This section performs the following takes:

- Post kind of transactions.



General Banking Activities of Sonali Bank Limited

- Provide on demand report.
- Cheque maintenance.
- Preparation of day transaction position.
- Preparation of closing monthly transaction position.



4.5 Bills and Clearing Section:

For safety and security in financial transaction people use financial instrument like DD, PO, and cheque etc. commercial banks collect these financial instruments on behalf of their customers. This process that the bank use to collect and clear on behalf their of their customer's account, is known as clearing and collection. At Dhaka Bangladesh Bank plays the role of Clearing House for all banks. The area where Bangladesh bank is not available sonali bank plays the role of clearing house on behalf of Bangladesh bank. The main function of this section is to collection instrument on behalf of the customers through Bangladesh bank clearing house, outside bank clearing (OBC), Inter branch clearing (IBC). Upon receipt of the instruments this section examines the following things:

- Whether the paying bank within the Dhaka city.
- Whether the paying bank out side of Dhaka city.
- Whether the paying bank is its own branch.

4.5.1 Outward Clearing:

Outward clearing held if the instruments are to collect by specified branch within the Dhaka city and not for their own branch. Here the following procedures are followed:

- Receive of the client duty signed instruments.
- Checking for any apparent discrepancy.
- Clearing stamps are affixed on the instrument and on the deposit slip.
- Branch code number also affixed on the instruments
- The authorized signature endorses instruments.
- Particulars of the instruments and vouchers are recorded in the "outward cleaning" register.



General Banking Activities of Sonali Bank Limited



	Cash A/C	Dr.	.....
	Bill payable (PO)	Cr.		.....
	PO commission	Cr.		.....

Accounting treatment: PO by Cheque:

Date	Particulars		Dr.(Tk)	Cr.(Tk)
	Cheque (A/C No.) A/C	Dr.	.....
	Bill payable (PO)	Cr.		.....
	PO commission	Cr.		.....

4.6.2.1 Demand Draft (DD):

It is an instrument that is drawn on one banker office to another or other banker's branch to pay certain sum of money to the named person. It is generally used to remit fund from one corner of the country to another. For example, if we want to remit fund from Dhaka to khulna we use DD. DD is very popular instrument for remitting money from one corner of the country to another.

Difference between Pay- Order and Demand Draft:

There are some differences between pay order and demand draft. These are given below-





- In case of demand draft both the payer and payee need to have accounts. But there is no certain rule for pay order.
- PO is used in the same clearing areas; DD is used for all kinds. DD can not be done in the same clearing area.
- DD is drawn on a certain bank office. But there is no certain rule for pay order (PO).

4.6.2.2 Telegraphic Transfer (TT):

Some times the remitter of the fund wants the money to be available to the receiver’s account immediately. In that case bankers arrange to remit fund telegraphically. Here the remitter bears the additional charge for telex/telephone.

Accounting treatment for (TT):

Date	Particulars	Dr.(Tk)	Cr.(Tk)
	Cash A/C Dr.	.....
	TT A/C Cr.		.....
	TT Commission A/C Cr		.....
	TT Charge A/C Cr.		.....



4.6.2.3 Mail Transfer (MT):

It is an instrument that is drawn by one banker office on another or other banker's branch to pay certain sum of money to the named person. This instrument is not given to the holder but the bank carries it and a message is sent to the particular branch. It is generally used to remit fund from one corner of the country to another.

4.7 Account Section:

This is a very much crucial section for each business concern. As such this is a crucial department for a commercial bank. Records of all the transactions of every department are maintained here. Accounts section verifies all financial amounts and contents of transactions. Every working day all the account is balanced and reconciled to remove any discrepancy.

The overall activities of account section are as follows:

- Record all transaction in the cash book.
- Record all transaction in general and subsidiary ledger.
- Prepare daily fund function, weekly position, periodic statement of affairs etc.
- Prepare necessary statement for reporting purpose.
- Make salary statement and pay salary.
- Pay all expenditures on behalf of the branch.
- Branch to branch fund remittance and support for account treatment
- Budgeting for branch.
- Make charge for different type of duties.





4.8 Customer Service:

To ensure qualified customer service sonali bank has started in addition to computerization corporate client service and one stop service. To facilitate the foreign exchange activities Sonali bank has launched SWIFT (Society for Worldwide inter bank Finance and Telecommunication) system in its 12 branches. The bank has launched website, Reuter service, Internet service, and Ready cash service. The bank has taken a plan to launch shared ATM system in various important places. Already, it has given work order for this.

4.9 Computerization:

Sonali Bank starts its computerization process at December, 1989. After that it expands its computerization process by establishing RISE system (RS 16000) OS/2, LAN etc. up to this time 113 branches are under computerization system. Beside this “one stop” is begin given in its 56 branches. Moreover,

- Foreign exchange business and standard of customer services is begin increased and speed up of information flow by using the computerization system LAN (Local Area Network) and WAN (Wide Area Network).



General Banking Activities of Sonali Bank Limited



- It has established 7 subsidiary companies in United States named Sonali Exchange Company Incorporated (SECI) and 5 officers of Sonali Bank, UK Ltd. Establish with 49% share with govt. in UK so that Non-Resident Bangladesh can send their money to Bangladesh through a vital channel as fast as possible.
- Recently SECI established a web based Remittance Software in United States.
- Sonali Bank Wage Earners Corporate Branch established electronic link with its branch in Middle East Branch through which remittance is to be sent. Besides this 5 electronic link is in implementation process in Oman, Qatar and Bahrain.

IFRMS (Instant Financial Reconciliation and Messaging System) has enabled the bank to remit fund by DD, TT, Inter branch Debit/ Credit advice. This has been started as an experimental but this system will be started among 300 branches soon.



4.10 Loan and Advance Section:

For any commercial bank deposit and loan are two important sections. To service in the market banks have deal with the deposited money. They have to use the deposit efficiently in profitable sector. So dealing with the loan is very crucial for the bank. Up to 30th June, 2006, sonali bank had 645643 million taka distributed loan and by that time it recovered 91205 million taka. If we analyze sector wise loan, we can see that up to 30th June 2006 sonali bank distributed loan on agricultural sector Tk.2850 million and recovered 2870 million. In industrial sector, it distributed Tk.2057 million and recovered Tk. 2031. And in other sectors it had distributed loan of Tk. 640736 and recovered Tk. 86304. For economic development of the country, reduction of unemployment, reduction of import dependency and to be self sufficient sonali bank continued to distribute loan in this sector. From 1st January to June 30th the bank had 36 projects in this sector the monetary value of which is Tk. 1425 million. From 1973-74 sonali bank has been providing agricultural loan in rural areas. The bank is distribution this loan through its 707 branches in 1639 unions all over the country. From 1977 beside krishi bank, sonali bank is also distributing special agriculture loan. Up to this sonali bank has distributed Tk. 24868 million of which Tk. 15782 is still due.

Table-A: sector wise loan fo Sonali Bank.

SL no.	Sector	Tk.(Million)
1.	Agricultural & fish	21592
	a) Crops	20500
	b) Others(without crops)	1092
2.	Industrial	33921
	a) Large & medium.	28527
	b) Small & handicraft.	5394
3.	Wholesale/ retail business and restaurant/ hotel.	20664
4.	Insurance, real estate and service business.	2588





5.	Transportation & communication	107
6.	Special loan project.	8115
	a) Poverty reduction.	4200
	b) Others	3915
7.	Others (with working capital)	153118
	Total	240105

[Source: activities of bank and financial institution, 2009-2010]

4.11. Cash credit (CC):

- I. Hypothecation: here, the goods are available in the shop.
- II. Pledge: here the goods are available in the godown.

If the party is disabling to pay the loan then the bank can take those goods which are available in the shop or in the godown.

Security: these are two types of security. These are given below:-

- a) Collateral security or sohayok jamanath. In this case, land building; showroom etc is the registered mortgage.
- b) Primary security: here, the goods of the show room or products of the mills, factory etc are the security in this bank.

If the parties are disable to pay the loan then the bank at first take the primary security. If the primary security cannot fulfill the banks need then bank take the collateral security. Any one who wants to take any loan must open an account in that branch.

Two system of cash credit (CC):





1. Trading concern and
2. Manufacturing.

4.12. Over draft (OD):

The person who has an account like FDR, DPS, and SDPS etc he can take loan against this account in this bank. The person has to pay his money with in one year. His can take 80 percent loan of the total amount of FDR and DPS and 90 percent of SDPS. In this case FDR, DPS, SDPS treated as a bank security.

4.13. Consumer credit:

In consumer credit bank provide at least one lack taka. As a loan bank provide this consumer credit loan to buy home furniture to the party. In this case, the parties who take this loan make a grantor. The grantor work as a security of the bank the grantor must be a government employee and a known person of the party.



4.14. Teacher's loan:

Sonali Bank also provides teachers' loans. In which branch the teacher gets his salary, he can take this type of loan from that branch. One lakh taka he can take as a loan and he has to pay this money within one year.

4.15 Small loan:

This type of loan is treated as a latest loan of the bank. A grantor works as a security in this type of loan. For some purpose any one can take these types of loans. Such as-

- I. Pharmacy.
- II. Garments products.
- III. Glossary shop.
- IV. Tailoring.
- V. Phone, fax, Photostat.
- VI. Restaurant, hotel.
- VII. Jewellery.
- VIII. Hardware.
- IX. Cosmetics.
- X. Any kind of department store.
- XI. Various types of trading business.
- XII. Beauty parlor.
- XIII. Market of agricultural product.
- XIV. Internet service.

In these above cases, the bank provides 0.50 lac to 50 lac taka as a loan. Again, the bank provides 5 lac to 10 lac taka for the following purposes-

- I. Small industry of bread, biscuit etc.





- II. Juice, jam, jelly, souse, etc products produced industry.
- III. Printing press.
- IV. Garments accessories industry.
- V. Embroidery industry.
- VI. Packaging industry.
- VII. Kutir silpo (home based).
- VIII. Various handicrafts.
- IX. Light engineering industry.
- X. Dairy firm.
- XI. Furniture industry.
- XII. Diagnostic center.
- XIII. Shoe industry.
- XIV. Internet service.



4.16. Sonali bank staff loan:

Staff of sonali bank can take this type of loan. Sonali bank provide staff loan in various purpose among the sonali bank staff.

These are given below:

- I. SH& BL or sonali bank house building loan. Sonali bank also provide loan for flat.
- II. MCL loan or motor cycle loan.
- III. Computer loan.

Here, interest rate of loan is very small. Interest rate is 5 percent. Bangladesh bank set up the interest rest. Security of house building or flat is land the amount of computer loan is 75 thousand taka.

In any staff is disable to pay his loan then the bank taking it from his provident fund.

4.17. Bank grantee:

If any party wants to take gas line in his industry from titas gas then titas gas want a bank grantee from the party. sonali bank also provide service as a bank grantor. In the party is disabling to pay money to the titas gas then titas gas collect money from that grantor bank and the bank has to pay that money to titas gas. After that the bank collects that amount of money from that party. sonali bank also service as a bank grantor in custom duty.

4.18 General House Building (GBL):

GBL means general house building loan. It is open for the general people. Any one can get this type of loan. In this case, the party has to mortgage his land as a security of the loan. Now a day's sonali bank doesn't provide this type of loan.





Chapter: 5





General Banking Activities Of Sonali Bank Limited At
Phulbari Branch.



As I have worked Sonali bank Ltd. At Ramna Corporate Branch for three months in general Banking Department, I have worked the following sections. I have taken help in making report from the following sections' officers with whom I work and from my knowledge I gathered during Internship period. The sections are given bellow:

1. Account Opening Section
2. Cash Section
3. Clearing Section
4. Pay Order Section
5. Deposit Section

The activities of each section are bellow:

5.1 Activities of Account Opening Section:

Account opening is the gateway for client to enter into transaction with the bank. It is the foundation of banker-customer relationship. A customer can open different type of account through the department. The following types of account are opened here

- Current Account
- Savings Account
- Short Term Deposit Account(STD)
- Fixed Deposit Receipt(FDR)
- Special Deposit Pension Scheme(SDPS)
- Sonali Deposit Scheme(SDS)



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- Education Deposit Scheme(EDS)
- Medical Deposit Scheme(MDS)
- Double Deposit Scheme(DBS)



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case of Govt. Chalan as per govt. rules but in case of Electricity and Wasa bills, Cash is received and paid to respective accounts such as DESCO account for Electricity bills and 2% commissions are deducted. Govt. prize bonds are also purchased and sold. In all types of vouchers, signature of a cashier and an officer is required.



5.3 Activities of Clearing Section:

Clearing section is complex section of bank. Cheque of other banks or same bank is received and payments are deposited to Sonali Bank's Customer accounts. When cheques are deposited at clearing section and a slip of account details of the account holder is attached with the cheque, then that cheques are sent to Clearing House in Bangladesh bank for clearance where all banks' delegators present there and cheque of other banks are presented to respective delegators. If the cheques are in favor of Sonali Bank's other branches, then the cheques are given to other branche's delegator. The delegators scan the cheque (MICR Cheque) through computerized scanning system to further verify at their own branches for settlement. After one day when they meet again if all information such as cheque number, Signature of the account holder and amount payable etc. are correct, then the respective delegators credited the amount to name of account holder of Sonali Bank. Some cheques may be dishonored under 29 criteria. Some important of them are:

Amended Return Reason Codes for BACH (Bangladesh Clearing House):

1. Insufficient Fund.
2. Amount in figure and word differs.
- 3 .post dated/ undated cheque.
4. Drawers signature differs/ missing.
5. Material alteration-payee name/amount/date/account no.
6. Account closed/dormant/blocked.
7. MICR (Magnetic Ink Character Recognition) data and Image miss-matched.
8. Cheque and advice data mismatch.
9. Credit limit exceeded
10. Cheque not activated/intimation not received.





11. All clearing seals required are not well completed.



5.4 Activities of Pay Order Section:

In any type of pay order, At first vouchers are filled up and amount is deposited in cash section, then pay order is written in the Section to respective branch account of Sonali Bank of respective person .The person who sent Pay Order must sign the back part of the Pay Order Paper. The payment is instantly made to drawer’s account.

The commission that the bank get as per Bangladesh bank rule is given below:

Amount	Commission
Tk. 1 upto Tk.1000	Tk.23(Tk.20 commision+Tk.3 VAT)
Tk. 1001 upto Tk.100,000	Tk.35(Tk.30 commision+Tk.5 VAT)
Tk.100,001 above	Tk.115(Tk.100 commision+Tk.15 VAT)

In Case of Demand Draft(DD) and Telegraphic Transfer(TT),Same vouchers are filled up and amounts are received at cash section. In case of DD the bank write DD and DD paper is provided to the respective customer.DD Advice is provided against DD.In case if TT The bank write an entry in the registered book and give a test number to the respective customer to the respective branch account. Some TTS are maintained Computerized system where online facilities are available in the respective branch and some are Telephonic System by manager.

The commissions are as follow:



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Amount	Commission
Tk. 1 upto Tk.30000	Tk.65(Tk.30 commision+Tk.30 Telephonic Charge+Tk5 VAT)
Tk. 30001 +Above	Per thousand costs Tk.1.+15% VAT on Commission Charge amount

5.5 Activities of Deposit Section:

Sonali bank deposits against many accounts. They are Fixed Deposit Receipts(FDR), Sonali Deposit Account(SDS), Residential Deposit Scheme(RDS, Education Deposit Scheme(EDS),Medical Deposit Scheme (MDS),Double Benefit Scheme(DBS).The Principal and interest payable of different Deposit Schemes are outlined below:

A. Fixed Deposit Receipts (FDR):

The amount of interest at different time interval of the principal amount which are applied from 09 Feb 2012 onwards is as follow

NO	<i>Particulars of Fixed Deposit</i>	Present interest Rate
1	Fixed Deposit: Below tk.25 lac	
	1 month < 2 months	7.00%
	2 months < 3 months	7.50%
	3 months < 6 months	9.00%
	6 months < 1 year	9.50%
	1 year < 2 years	10.00%
	2 year < 3 years	10.50%



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2	Tk.25 lac or more	12.50%
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B. Sonali Deposit Scheme (SDS):

1	2	3	4	5	6	7
Sl. no.	5 yrs maturity	Amount of Premium Tk.	Amount of premium after 5 yrs Tk.	Payable interest amount Tk.	Payable bonus amount Tk.	Interest+ principal+ bonus amount at maturity at a time Tk.
1	Do	500	30,000	7,189	1,500	38,689
2	Do	1,000	60,000	14,378	2,000	76,387
3	Do	2,000	1,20,000	28,756	3,000	1,51,756
4	Do	3,000	1,80,000	43,134	4,000	2,27,134
5	Do	4,000	2,40,000	57,512	5,000	3,02,512
6	Do	5,000	3,00,000	71,891	6,000	3,77,891
7	Do	6,000	3,60,000	86,269	7,000	4,53,269
8	Do	7,000	4,20,000	1,00,647	8,000	5,28,648
9	Do	8,000	4,80,000	1,15,025	9,000	6,04,025
10	Do	9,000	5,40,000	1,29,404	10,000	6,79,404
11	Do	10,000	6,00,000	1,43,782	11,000	7,54,782

C. Medical Deposit Scheme (MDS):

1	2	3	4	5	6	7
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Sl. no	10 yrs Maturity	Amount of Premium Tk	Amount of premium after 10 yrs Tk	Payable interest amount Tk	Payable bonus amount Tk	Interest+principle +bonus amount at maturity at a time Tk
1	Do	500	60,000	30,685	1,500	92,185
2	Do	1,000	1,20,000	61,371	2,000	1,83,371
3	Do	2,000	2,40,000	1,22,743	3,000	3,65,743
4	Do	3,000	3,60,000	1,84,115	4,000	5,48,115
5	Do	4,000	4,80,000	2,45,487	5,000	7,30,487
6	Do	5,000	6,00,000	3,06,858	6,000	9,12,858
7	Do	6,000	7,20,000	3,68,230	7,000	10,95,230
8	Do	7,000	8,40,000	4,29,602	8,000	12,77,602
9	Do	8,000	9,60,000	4,90,974	9,000	14,59,974
10	Do	9,000	10,80,000	5,52,,345	10,000	16,42,345
	Do	10,000	12,00000	6,13,717		18,24,717



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11					11,000	
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D. Residential Deposit Scheme (RDS): 8% interest is paid on taka 500 up to tk10,000 deposited at 10 years maturity.

E. Education Deposit Scheme (EDS):8% interest is paid on taka 500 up to tk10,000 deposited at 10 years maturity.





Chapter: 6

Summary of Findings, Recommendation, Conclusion and References.





6.1 Summary of 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, Sonali 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 Sonali 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.





6.2 Recommendation:

- SBL should provide more computers for each branch.
- SBL also take proper step to improve their online banking services and provide best services to customer.
- SBL Credit Policy mainly focuses on Macro Economic Development which is blessing for middle and large scale business house and industry. They should provide more loans to small and lower scale business with easy conditions.
- SBL Should use Data Base Networking in Information Technology (IT) Department.
- In foreign exchange department it is required to communicate with foreign banks frequently and quickly. To make the process easy modem communication media for example e-mail, Fax and win fax, Internet etc. Should be used.
- Only SWOT analysis cannot be a helpful technique for evaluating credit proposal. SBL should aware of performance, financial stability, Competitive advantage etc. of applicant borrower.
- SBL not providing the credit cards in market which now a day"s one of the most important part of banking. So they are losing too many customers. They should provide Credit Card to Customers.
- SBL also should provide more CCS to outsides customers. As a result customers of CCS can fulfill their dream and SBL can increase their interest income.



6.3 Conclusion:

Sonali Bank is the largest bank as well as the largest employer in both the public and private sectors in Bangladesh. The bank is playing an important role in the socio-economic development through the development of industrial sectors by providing all the conventional banking services as well as some specialized financing activities to the economy.

So in conclusion it can be said that every organization has its positive as well as negative consequences and in case of sonali bank existence of the later one is less than the earlier one and as the management is determined to reach the pick of success it seems that in near future the negative will be eliminated.

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