

# INTERNSHIP REPORT

## On

**General Banking Activities of Sonali Bank Ltd., A Study on Ranigonj Bazar Branch, Dinajpur.**



*This Report is Submitted to the Department of Marketing, Faculty of Post Graduate, Hajee Mohammad Danesh Science and Technology University for the Fulfillment of Degree of Master of Business Administration.*

*(MBA Program- 2016)*

**SUPERVISED BY:**

**Md. Abdur Rouf**  
Lecturer  
Department of Marketing  
Faculty of Business Studies  
HSTU, Dinajpur.

**PREPARED BY:**

**Mitun Chandra Sarkar**  
Student Id-1505092  
MBA in Marketing  
Department of Marketing  
HSTU, Dinajpur.

**Department of Marketing  
HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY  
UNIVERSITY, DINAJPUR.**

*June-2016*

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**Internship Report**

By-

**Mitun Chandra Sarkar**  
Student Id-1505092  
MBA in Marketing  
Department of Marketing  
HSTU, Dinajpur.

**SUPERVISED BY:**

**Md. Abdur Rouf**  
Lecturer  
Department of Marketing  
Faculty of Business Studies  
HSTU, Dinajpur.

**CO-SUPERVISED BY:**

**Md. Jamal Uddin**  
Assistant Professor  
Department of Marketing  
Faculty of Business Studies  
HSTU, Dinajpur.

**MASTER OF BUSINESS ADMINISTRATION (MBA)**

*(This Internship Report has been prepared for submission into the Department of Marketing, Hajee Mohammad Danesh Science and Technology University, Dinajpur, as a partial requirement for fulfillment of MBA Degree in Marketing.)*

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**Approved by-**

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**SUPERVISOR**

**Md. Abdur Rouf**

Lecturer

---

**CO-SUPERVISOR**

**Md. Jamal Uddin**

Assistant Professor



**Department of Marketing,  
HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY  
UNIVERSITY, DINAJPUR.**

*June- 2016*

*Dedicated to Lord Krishna*

# Letter of Transmittal

June, 2016

To

Md. Abdur Rouf  
Lecturer  
Department of Marketing  
Faculty of Business Studies  
Hajee Mohammad Danesh Science and Technology University, Dinajpur.

**Subject: Submission of Internship Report on “General Banking Activities of Sonali Bank Ltd, A Study on Ranigonj Bazar Branch, Dinajpur”**

**Dear Sir,**

This a great pleasure to submit my internship report on “**General Banking Activities of Sonali Bank Ltd, A Study on Ranigonj Bazar Branch, Dinajpur**”, which is a part of MBA program. For your kind consideration, I made sincere effort to study related documents, materials, observe operations, examine related records, and collect primary data regarding attitude for preparation the report.

Within the time, I have tried my best to complete the pertinent information as comprehensive as possible.

Therefore, I will be very much glad to hear from you for further clarification.

Sincerely yours,

**Mitun Chandra Sarkar**

Student Id-1505092

MBA, Major in Marketing

Department of Marketing

HSTU, Dinajpur.



# Student's Declaration

I, am **Mitun Chandra Sarkar**, Student ID No. **1505092**, MBA Major in Marketing, submitted my internship report entitled “**An internship Report on General Banking Activities of Sonali Bank Ltd, A Study on Ranigonj Bazar Branch, Dinajpur**”, after completing my internship program. I have tried my level best to get together as much information as possible to enrich the report. I believe that it was a great experience and it has enriched both my knowledge and experience.

This report has been submitted in partial fulfillment of the requirement for the degree of Master of Business Administration (MBA) in Marketing at Hajee Mohammad Danesh Science and Technology University, Dinajpur.

**Mitun Chandra Sarkar**

Student Id-1505092

MBA, Major in Marketing

Department of Marketing

HSTU, Dinajpur.



# Supervisor's Declaration

This is to certify that Mitun Chandra Sarkar a student of Master of Business Administration under Major in Marketing, Faculty of Post Graduate Studies, bearing Roll No. 1505092 under an internship report entitled on **“An internship Report on General Banking Activities of Sonali Bank Ltd, A Study on Ranigonj Bazar Branch, Dinajpur”** under my supervision.

I also certify that I have gone through the draft copy of the report. Thoroughly found it satisfactory for submission to the department as a part of partial fulfillment of MBA degree.

I recommend the report to submit for awarding the degree of Major in Marketing, Master of Business Administration (MBA), HSTU, Dinajpur.

I wish him every success for the days to come.

-----  
Md. Abdur Rouf  
Lecturer and Supervisor  
Department of Marketing  
Faculty of Business Studies  
Hajee Mohammad Danesh Science and Technology University, Dinajpur.



## Co-Supervisor's Declaration

This is to certify that Mitun Chandra Sarkar a student of Master of Business Administration under Major in Marketing, Faculty of Post Graduate Studies, bearing Roll No. 1505092 under an internship report entitled on “**General Banking Activities of Sonali Bank Ltd, A Study on Ranigonj Bazar Branch, Dinajpur**” under my supervision.

I also certify that I have gone through the draft copy of the report. Thoroughly found it satisfactory for submission to the department as a part of partial fulfillment of MBA degree.

I recommend the report to submit for awarding the degree of Major in Marketing, Master of Business Administration (MBA), HSTU, Dinajpur.

I wish him every success for the days to come.

.....  
**Md. Jamal Uddin**  
Assistant Professor and Co-Supervisor  
Department of Marketing,  
Faculty of Business Studies,  
HSTU, Dinajpur.





# Acknowledgement

At first, I would like to express my gratefulness and harmony to the Almighty the supreme authority of the Universe, without whom we would be nothing. Next I would like to express my kindness to my Beloved Parent whose continuous inspiration enrages me to make a right move in my life.

I am grateful towards some respected persons for their advice, suggestions, direction and cooperation which have enabled me to have an experienced in the dynamic environment such like in banking sector.

I would like to thank my honorable supervisor **Md. Abdur Rouf**, Lecturer, Department of Marketing, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, whose help, suggestions and co-operations, in preparing the report.

I would like to thank my honorable co-supervisor **Md. Jamal Uddin**, Assistant Professor, Department of Marketing, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, whose help, suggestion and co-operation in preparing the report.

I would like to thank from the deep of my heart to those people who are related with making of this report and make it a success.

I would like to express my indebtedness to my report all the teachers, Department of Marketing, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur, for helping me and giving assistance in preparing the report.

**Mitun Chandra Sarkar**

*June- 2016*



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# CHAPTER -01: Introduction

## 1.1 Introduction:

Sonali Bank Limited, a state owned largest commercial Bank was incorporated in Bangladesh on 03 June 2007 as a public limited company under the Companies Act 1994 and governed by the Bank Companies Act 1991 (amended 2013). Sonali Bank Limited took over the businesses, assets, liabilities, right, power, privilege and obligation of Sonali Bank (emerged as a Nationalized Commercial Bank in 1972), pursuant to Bank Nationalization order 1972 (P.O. No. 26 of 1972) on a going concern basis through a vendor agreement signed between the Ministry of Finance, People's Republic of Bangladesh on behalf of Sonali Bank and the Board of Directors on behalf of Sonali Bank Limited on 15 November 2007 with a respective effect from 1 July 2007. The Bank has 1207 branches including two overseas branches at Kolkata and Siliguri in India. The Bank has two 100% owned subsidiaries named Sonali Exchange Co. Inc. (SECI) USA and Sonali Investment Limited, Dhaka. It has also two associates named as Sonali Bank (U.K) Ltd. And Sonali Polaris FT Limited. The registered office of Sonali Bank Limited is located at 35-44 Motijheel Commercial Area, Dhaka – 1000 and the website address is [www.sonalibank.com.bd](http://www.sonalibank.com.bd).

### Principle Activities of the Bank:

The principal activities of the bank are to vastly involve providing a comprehensive range of financial services:

- a) Personal and Commercial banking, including accepting deposits, remittance, foreign exchange transaction, guarantee, commitments, trade and services, cash management, treasury, securities, etc' to its customers.
- b) Fund based services include short term & long term loans, Project wise industrial credit, discounting and purchasing bills' consumers and staff loans, House & car loans etc.'
- c) The Bank also provides custodian services and perform movement treasury functioning as an agent of the Bangladesh Bank as well through its 596 branches (including 58 chest and 8 sub chest branches). Sonali Bank Limited has started banking business based on Islamic Shariah since 29 June 2010' The Islamic Banking



windows are performing the banking activities through on-line banking through collection of deposit and investment assistance. The bank open, Islamic Banking window in the following five branches designated in compliance with the rules of Islamic Shariah:

- 1) Wage Earners Corporate Branch, Dhaka (Window transferred from Fakirapool Branch, Dhaka in 2015).
- 2) Agrabad Corporate Branch' Chittagong.
- 3) Khulna Corporate Branch' Khulna.
- 4) Dargagate Corporate Branch' Sylhet.
- 5) Bogra Corporate Branch' Bogra'.

Separate financial statement of Islamic Banking Window has been drawn up in the report

### **Subsidiaries of the Bank:**

Sonali Bank Limited has two 100%

Investment Limited Dhaka'

Sonali bank want to expand their investment division and build strong for economic development and introduce the new subsidiary in 14 September, 2009 is called Sonali investment ltd. Sonali bank introduce a training campus Sonali bank staff college.

In order to expanding international banking, Sonali bank introduce a subsidiary called Sonali Exchange company which have 9 branches.

At present, sonali bank have 20088 officer and 3295 office staff.

Now, 1189 Branches of the sonali bank is under the online banking.

51% of share of the sonali bank are held by Bangladesh and 49% share of the sonali bank.

### **1.2 Scope of the study:**

The scope of this paper is to discussion of various aspects of Deposit Mobilization & Investment Mechanism of SBL to focus the actual practices of "General Banking Activities of Sonali bank Bangladesh Limited"





### **1.3 Objectives of the study:**

Objectives of the report are -

- To know an overall idea about the performance of Sonali Bank Limited at Ranigonj Bazar Branch.
- To know some idea about its management and organization structure.
- To identify major strengths and weaknesses of Sonali Bank Ltd.
- To know the services provided by the bank.
- To know the general banking activities perform by the Sonali bank LTD at Ranigonj Bazar branch.
- To assess the problems faced by the bank to accomplish the general banking activities.
- To provide suggestion to improve the quality of services of general banking activities of Sonali bank Ltd at Ranigonj Bazar branch.

### **1.4 Importance of the study:**

The importance of this topic is given below...

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



## **1.5 Limitations:**

The present study was not out of limitations. But as an intern it was a great opportunity for me to know the banking activities of Bangladesh specially Sonali Bank Ltd. Some constraints are appended bellow:

- a) The bank personnel were very busy, they could not provide me too much time.
- b) Non-availability of the most recent statistical data.
- c) Having large number of customer and touch environment was a constant for gaining access the reports data.
- d) While I try to collect the data from the employees, they did not disclose much information for their touch schedule .
- e) The main constrain of the study was insufficiency information, which is required for the study.
- f) The report is mainly based on the secondary data.



# **CHAPTER -02**

## **Overview of Sonali Bank Ltd**



## **CHAPTER -02: Overview of Sonali Bank Ltd.**

### **2.1 Definition of Bank and Banking:**

#### **2.1.1 Bank:**

According to A.C. Dyes, “A bank is an organization whose main function is to move for capital formation”.

Bank can be define in various views:

#### **a). Dealing in Money:**

Bank is a financial institution which deals with other people's money i.e. money given by depositors.

#### **b). Individual / Firm / Company:**

A bank may be a person, firm or a company. A banking company means a company which is in the business of banking.

#### **c). Acceptance of Deposit:**

A bank accepts money from the people in the form of deposits which are usually repayable on demand or after the expiry of a fixed period. It gives safety to the deposits of its customers. It also acts as a custodian of funds of its customers.

#### **d). Giving Advances:**

A bank lends out money in the form of loans to those who require it for different purposes.

#### **e). Payment and Withdrawal:**

A bank provides easy payment and withdrawal facility to its customers in the form of cheques and drafts, It also brings bank money in circulation. This money is in the form of cheques, drafts, etc.

#### **f). Agency and Utility Services:**

A bank provides various banking facilities to its customers. They include general utility services and agency services.



**g). Profit and Service Orientation:**

A bank is a profit seeking institution having service oriented approach.

**h). Ever increasing Functions:**

Banking is an evolutionary concept. There is continuous expansion and diversification as regards the functions, services and activities of a bank.

**i). Connecting Link:**

A bank acts as a connecting link between borrowers and lenders of money. Banks collect money from those who have surplus money and give the same to those who are in need of money.

**J). Banking Business:**

A bank's main activity should be to do business of banking which should not be subsidiary to any other business.

**k) . Name Identity:**

A bank should always add the word "bank" to its name to enable people to know that it is a bank and that it is dealing in money.

**2.1.2 Banking:**

Sometimes bank and banking is used wrongly as the same terms. But bank and banking bears the different meaning. The bank is a financial institution doing the business with money. Banking means all the function and activities of a bank. That is bank means a financial institution and banking means the function of that institution.



## 2.2 A commercial Bank Helps To Develop Economy As Follows:

In service sector banking is very emerging field in today's family and business life. In our country banking is profitable industry than many other countries of the world. After the liberation war most of the bank was under government control.

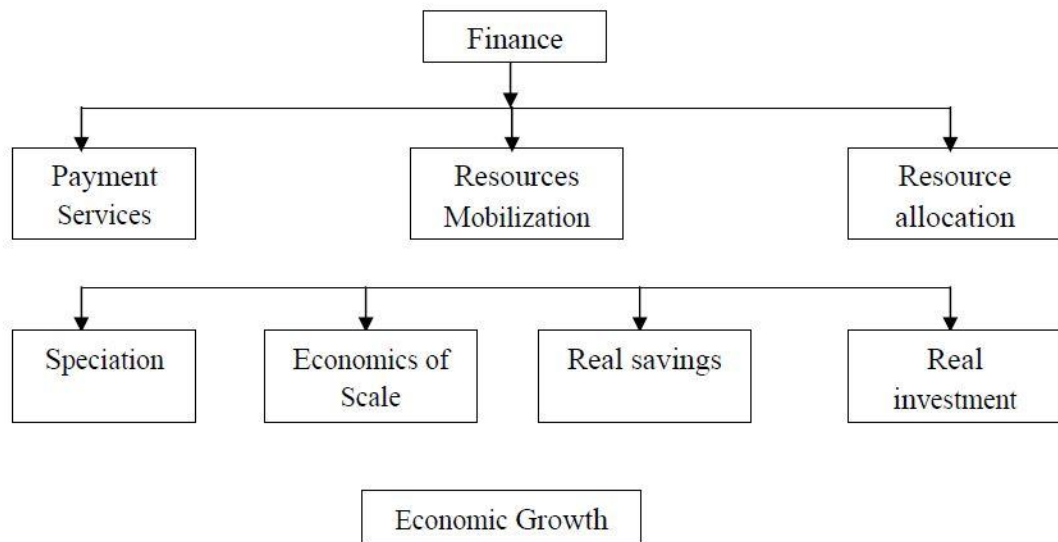


Fig.: A commercial Bank helps to develop economy.

## 2.3 History of Banking in Bangladesh:

Bangladesh inherited its banking structure from the British regime and had 49 banks and other financial institutions before the Partition of India in 1947. The Dhaka Bank established in 1806 was the first commercial bank in the Bangladesh region of British India. Bengal Bank, the first British-Patronized modern bank established in India in 1784, had opened its two branches in 1873 in Sirajganj and Chittagong of Bangladesh region. Later in 1862, the Bengal Bank Purchased the Dhaka Bank and opened its first branch in Dhaka in the same year by reconstituting and merging the Dhaka Bank. Thereafter, another branch of Bengal Bank was opened in Chandpur in 1900.. There were six other branches of Bengal Bank in operation in the territory of Bangladesh until the Partition of British-India in 1947 and these branches were at Chittagong (1906), Mymensing (1922), Rangpur (1923), Chandpur (1924), and Narayanganj (1926).

Following the emergence of Pakistan in 1947, Stat Bank of Pakistan, the Central Bank of the country, came into being in July 1948. Later, the National bank of Pakistan, a strong commercial bank was set up in 1949. In all, 36 scheduled commercial banks were in operation in the whole Pakistan until 1971. Pakistanis owned most of these banks and

only three of them namely, National Bank of Pakistan, Habib Bank Ltd. and the Australasia Bank Ltd, had one branch of each in East Pakistan in 1949. During 1950-58, there other Pakistani-owned banks, Premier Bank Ltd., Bank of Bhowalpur Ltd. and Muslim Commercial Bank, had Opened their branch in East Pakistan. Four Pakistan-owned banks, the United Bank Ltd., Union Bank Ltd., Standard Bank Ltd. and the commerce Bank Ltd. Conducted banking business in the Province during 1959-1965. But all of them Had their headquarters in west Pakistan. East Pakistan had only two banks Owned by local business groups white headquarters in Dhaka. These were the Eastern Mercantile Bank Ltd. (Presently Pubali Bank Ltd.) and Eastern Banking Corporation Ltd. (Presently Uttara Bank Ltd.) established in 1959 and 1965 respectively.

In the beginning of 1971, there were 1130 branches of 12 banks in operation in East Pakistan. The foundation of independent banking system in Bangladesh was laid through the establishment of the Bangladesh Bank in 1972 by the Presidential Order No. 127 of 1972 (which took effect on 16th December, 1971). Through the Order, the eastern branch of the former State Bank of Pakistan at Dhaka was renamed as the Bangladesh Bank as a full-fledged office of the central bank of Bangladesh and the entire undertaking of the State Bank of Pakistan in, and in relation to Bangladesh has been delivered to the Bank.

The rate of growth and development of banking sector in the country was extremely slow until 1983 when the government allowed to establish private banks and started denationalization process: initially, the Uttara Bank in the same year and thereafter, the Pubali Bank, and the Rupali Bank in 1986. Growth pattern of banks during the period 1973-1983.

## 2.4 Origin of Modern Banking System:



An economy is like as blood in a body and a bank may be compared to an artery system of a body.. Though history of banking is as old as human civilization but there exists little historical evidence as to nature of real banking operation before 13th century. For the earlier period, the distinction between commercial bank and other types of banks is difficult to make with According to the historians the first bank of the world was established in China in 600 B.C. by the name of Sonali Bank. Although the banking business was mostly done by private individuals like the gold smith 1000 Jewish Merchants (1200) and money lenders (1300) during the ancient period, many countries established public banking order to facilitate trade and commerce or to serve the government. The bank of Venice established in 1157 is supposed to be the most ancient bank.

Then the bank of Sans Georgia was established in 1178. It seems to the historian that bank of Barcelona is the first modern bank of the world that was established in Venice, Milan, Amsterdam, and Hamburg. Majority of the historians agrees that the institutional father of modern banking was the bank of England chartered in 1694. After it, many modern banks were established in the world like Hindustan bank (1700), Bank of France (1800), Bank of Japan (1982) act.

The roots of modern banking can be traced, in some ways, back to 1960, when Charles Sanford joined Bankers Trust. He rose up the ranks to become chairman and chief executive in the late 1980s. During his tenure, which lasted until 1996, the bank pioneered a number of practices that would later become common in the industry, including the development of new ways to measure risk.



By writing and then repackaging loans for sale to other market participants, Bankers Trust established a secondary market for loans. This freed up capital from loan originators' balance sheets, which could then be used to generate even greater volumes of finance.

Ten years before the collapse of Lehman Brothers kicked off a global financial crisis in 2008, Bankers Trust was sold to Deutsche Bank as rumors swirled of large losses in its trading book.

## **2.5 History of Sonali Bank Limited:**

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 Bhowal. 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.

**Some notable features of the Bank are as follows:**

Capital Structure:

Authorised Capital : Tk. 6000.00 Crore

Paid up Capital : Tk. 3830.00 Crore

Branches & Subsidiaries:

1 Total No of Branches **1207**

a. No of Foreign branches 2

b. No of Local branches **1205**

i) No of Rural Branches 862

ii) No of Urban Branches 343

2 No of Regional Offices 16

3 No of Principal Offices 46

4 No of G.M. Offices 11

**Subsidiaries:**

1. Sonali Exchange Company Incorporated (SECI) having 10 (Ten) branches in USA.
2. Sonali Investment Limited (Merchant Banking) having 4 (Four) branches at Motijheel, Paltan, Uttara, Mirpur in Dhaka and 1 (One) branch in Khulna, Bangladesh.

**Associates:**

1. Sonali Bank (UK) Limited having 6 (Six) branches in UK.
2. Sonali Polaris FT Limited

Representative Offices : **3** : 1(One) in Jeddah, KSA; 1 (One) in Riyadh, KSA and 1 (One) in Kuwait.

Correspondenc :639



## 2.6 Corporate Profile of Sonali Bank Ltd:

### Corporate Profile

Name of the Company : **Sonali Bank Limited**  
Chairman :  
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  
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](http://www.sonalibank.com.bd)  
E-mail : [itd@sonalibank.com.bd](mailto:itd@sonalibank.com.bd)

## 2.7 Vision of Sonali Bank Ltd:



Socially committed leading banking institution with global presence. This banking vision and opportunity situated in everywhere we established and goal this process in opportunity purpose.

## 2.8 Mission of Sonali Bank Ltd :



The Mission of the bank is to actively participate in the socio- economic development of the nation by operating a commercially sound banking organization, providing credit to viable borrowers, efficiently delivered and competitively priced, simultaneously protecting depositor's funds and providing a satisfactory return on equity to the owners. The Board of Directors is composed of 13 (Thirteen) members headed by a Chairman.

The Directors are representatives from both public and private sectors. The Bank is headed by the Chief Executive Officer & Managing Director, who is a reputed banker. The corporate head office is located at Dhaka with 10 (ten) Divisions comprising of 38 (thirty eight) Departments.

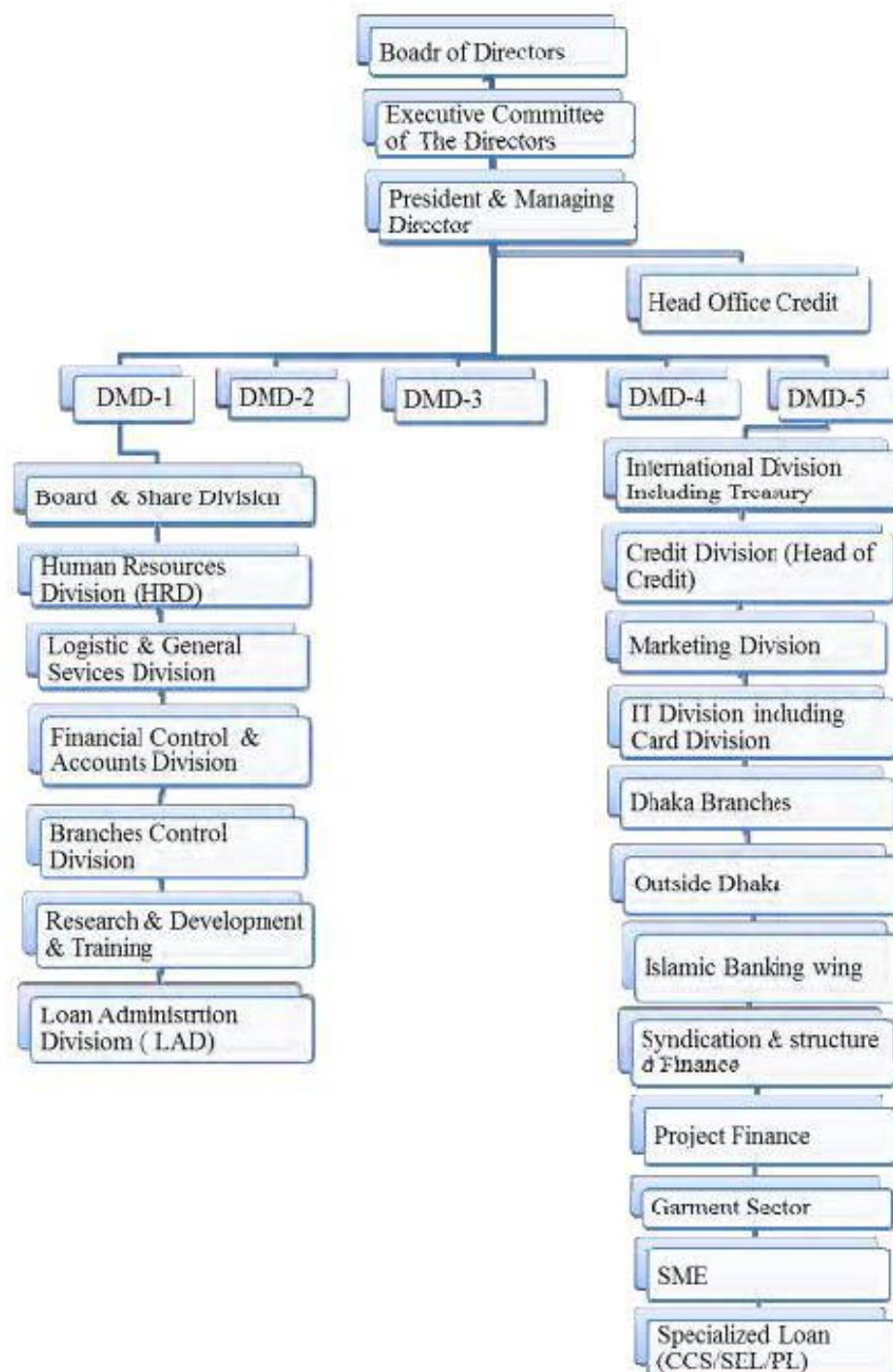
## 2.9 Slogan of Sonali Bank Ltd:

"Your trusted partner in innovating banking."

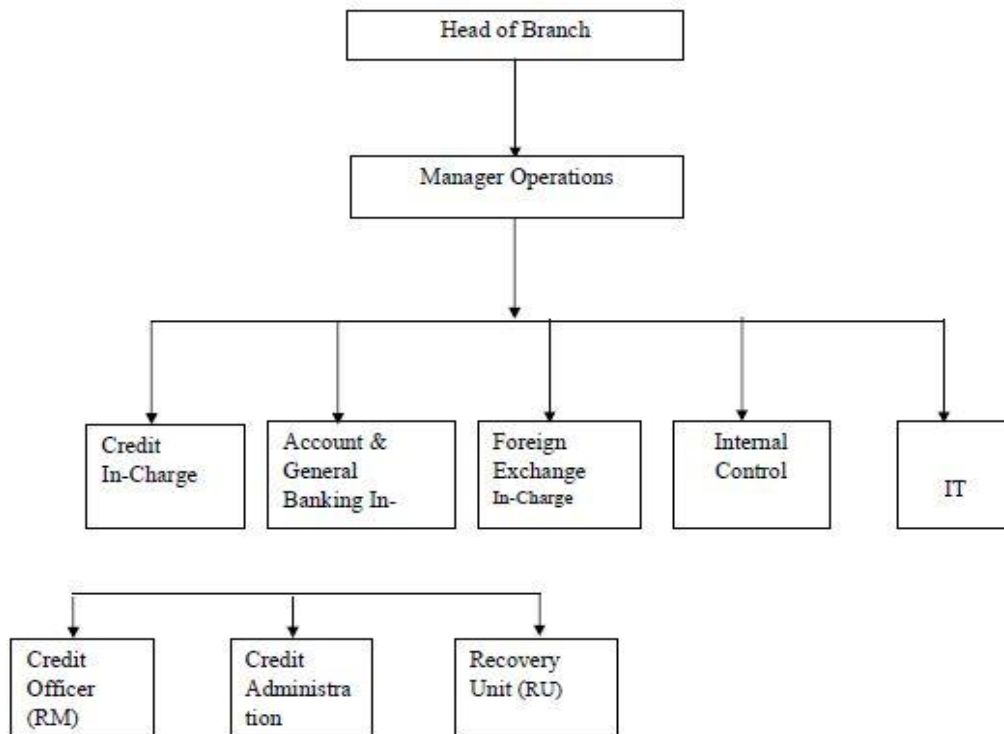
It is very difficult for this early period to differentiate between the activities of dealers in coin and in billion and the activities of bank. Money exchanger and business were often viewed as one and the same.

## 2.10 Organization Structure of Sonali Bank Ltd.

Organogram of Head Office:



## 2.11 Organogram of The Branch:



## 2.12 SWOT Analysis of Sonali Bank Ltd:

During my internship period in Sonali Bank I have found some aspects relating to the Bank's strengths, opportunities, weaknesses and threats, which I think, affect the bank's performance. These are given below:

### 2.12.1 Strengths:

- a) As a large bank, it has qualified and experienced manpower.
- b) Branch location is suitable for business.
- c) Bank's assets position is quite satisfactory and now there is no fund crisis.
- d) Bank has requisite wealth to sustain in the various challenges of market economy
- e) Being a nationalized banking organization, it always gets government support in all of its operations.
- f) Unlimited trustiness about SBL to rural people.

### **2.12.2 Weaknesses:**

- a) As many employers retired from the bank, there is a crisis for manpower in the bank.
- b) Bureaucrat official process hampered the daily internal workflow.
- c) Lack of motivation for the workers.
- d) Low salary structure for the employees.
- e) In some cases management-employee relation is not good.
- f) Absence of IT applications
- g) More dependence to government section & self-finance project in export & import.

### **2.12.3 Opportunities:**

- a) Expansion of new investment areas.
- b) Scope for automation will open a big door of opportunity.
- c) In case of fund crisis Sonali Bank gets government support.
- d) The bank undertakes need-based training program.
- e) Expanding commercial import & export.
- g) Financing to export oriented industries.
- h) Incentives for export of nontraditional industrial products.

### **2.12.4 Threats:**

- a) Newly developed privatized and foreign banks.
- b) Facing a great competition with other commercial banks and financial institutions.
- c) Loan recovery systems are very weak.
- d) Policies are not practiced properly.
- e) Low interest rate in export financing imposed by the Govt.



## 2.13 Types of banking conducted by Sonali Bank Ltd:

### 2.13.1 Microcredit Banking:

Micro Credit has now been accepted and recognized as an effective tool for poverty alleviation, self employment and rural socio-economic development. In commitment to reduce poverty in urban and semi-urban and rural areas, Sonali Bank Limited has started micro credit function through a full fledged Micro credit division in its Head Office from 2003. As such the Bank has been striving its best to provide speedy and active support to this sector. Daridro Bimochone Shahayta Rin Karmachuchi now has been extended all over the country in the year 2010. In the year 2007 a special credit programme named 'SIDR' has been introduced for SIDR affected areas in which there is a provision of collateral free loan up to Tk. 20,000.00 .

Recently Micro Credit Division introduced "Ideal Village Programme" aiming at alleviating poverty at sustainable level. "Ideal Village Programme" already launched at 6 districts and at seven other districts is in progress. Hoping that this programme will be implemented every part of the country gradually.

Micro Credit Division provided Tk. 5396.40 Crore to 6605734 beneficiaries upto 31-12-2013. Present Outstanding Tk.1062.01 Crore against 302557 beneficiaries.

### 2.13.2 Green Banking:





### **2.13.2.1 Introduction:**

Green banking is like a normal banking, which considers all sorts of social and environmental/ecological factors with an aim to protect the environment and conserve natural resources. It is also called an ethical banking or a sustainable banking with an additional agenda towards taking special care of the earth's environment/habitants/resources. 4.5.2.2 Objective of Green Banking: the main objective of green banking is to building profit through sustainable and environmental friendly banking.

**2.13.2.2 Objective of Green Banking:** the main objective of green banking is to building profit through sustainable and environmental friendly banking.

**2.13.2.3 Eternal Environmental Friendly Management Development :** Now at present ,28 Branches of the bank is conducted through solar energy as well as one ATM booth .In 2012,1000watt pick power panel established in main branch.

**2.13.2.4 Green Financing: Today,** All over the country green financing around 34millions.

**2.13.2.5 Green Marketing:** Now, Sonali Bank introduce their product, service innovation, marketing environmental friendly.

### **2.13.3 Industrial Finance:**



#### **Credit Schemes:**

Long term loan for setting up new industrial units and BMRE of existing units including working capital finance are extended by Sonali Bank Limited to cottage industries, small-medium-large scale industries and also to self-employed persons with a view to creating employment opportunities, deployment of resources, increasing GDP and overall industrial development of the country. Currently the following credit schemes are on offer by the bank:

Some of the main Credit :  
Schemes

- Industrial Financing for Thrust Sectors.
- Sonali Bank Industrial Credit Scheme.
- Special Investment Scheme for Cottage and Small Industries.
- Financing Large Scale Industries through Banks' Consortium.
- Financing Software Development and Data Processing.

Designated Branches :

- About 100 branches including all the corporate and district headquarters branches are designated to handle industrial credit.

#### **2.13.4 International banking:**



Sonali Bank Limited expertise in International Banking has a record of in-house growth over more than half a century. Its pioneer role in handling foreign trade and foreign exchange transactions ever before independence of the country still remains unchallenged. With wide network of branches at home and also a large number of correspondent banks world-wide it is singularly handling the largest volume of export-import business including home-bound remittances.

#### **Products & Services :**

- Export Credit (Pre-shipment & Post shipment)
- Facilitating Supplier's Credit
- LCs (Letters of Credit)
- Guarantees in Foreign Currency
  - Bid Bond
  - Performance Guarantee
  - Advance Payment Guarantee.

- Bill Purchasing/Discounting
- Remittance, collection, purchases & sales of Foreign Currency & Traveller's Cheques.

### **Import Finance :**

Sonali Bank Limited supports its customers by providing facilities throughout the import process to ensure smooth running of their business. The facilities are:

- a. Import Letter of Credit.
- b. Post Import Financing (LIM,LTR etc).
- c. Import collection services & Shipping Guarantees.

### **Export Finance :**

Sonali Bank Limited offers extra cover to its customers for whole export process to speed up receipt of proceeds The facilities are:

- a. Export Letters of Credit advising.
- b. Pre-shipment Export Financing.
- c. Export documents negotiation.
- d. Letter of Credit confirmation.

### **2.13.5 SME(Small & Medium Enterprise) Loan:**



Sonali Bank Limited emphasizes highest priority on SME financing for eliminating poverty by increasing SME loan flow at economically underdeveloped area and peoples. Setting up priority base SME credit Policy for Women and underprivileged entrepreneurs, Sonali bank working for the improvement of their socio-economic condition.

### **Lending Policy:**

1) Loan Limit:

BDT 50,000/-(Fifty thousand) to BDT 1,50,00,000/-(One Crore Fifty Lacs)

2) Criteria of Borrower:

- Bangladeshi Citizen minimum 18 (eighteen) years old;
- Loan defaulter, Bank-rupt, Mentally wretched person cannot apply for loan;
- Women Entrepreneurs highly encourage to apply.

3) Nature of Project/Enterprise:

- Proprietorship Enterprise;
- Registered Partnership Enterprise;
- Private Limited Company;
- Joint Venture Company except Public Limited Company.

4) Security:

- The collateral security free loan limit for male entrepreneurs is upto Tk. 5 lac.

5) Period:

- Project/Term Loan: Maximum 5 years (project period may flexible according to Project nature)
- Working capital/Trading Loan : 1 year, renewable at the end of period.

6) Loan: Equity Ratio:

- Project/Term Loan: 70:30
- Working capital/Trading Loan : 75:25

7) Repayment procedure:

All branches of Sonali Bank Limited disburse SME loan.

### **2.13.6 Foreign Currency A/C:**

#### Foreign Currency A/C

#### **Features :**

- Any person/firm/organization who earns foreign currency can open Foreign Currency Account with Sonali Bank Limited.



- The account holder can freely transfer entire amount in foreign currency anywhere he choose or can convert into Bangladeshi Taka currency.
- The account holder may nominate his nominee to operate the account.
- Any amount brought in with declaration to customs authorities in the form FMJ and upto US\$ 5000 brought in without any declaration can be deposited in this account.
- No initial deposit is required.

#### **Require Documents :**

- Account opening form as per format download above.
- The account opening form and signature card to be filled in and duly signed and verified by the Bangladesh Embassy.
- Two copies passport size photographs of the account holder and two copy Passport size photograph for each nominee.
- Photocopy of first 7 pages of the passport for non-resident Bangladeshi national attested by the Bangladesh Embassy abroad.
- Copies of employer's certificate/work permit.

#### **2.13.7 Islamic banking:**



#### **'Bismillahir Rahmanir Rahim'**

By the grace of Almighty Allah Sonali Bank limited has started Islamic Banking Activities in consideration with the increasing demand & expectation of religious Muslims. It is completely based on Islamic Shariah .

### **Establishment of Islamic Windows in Sonali Bank Limited:**

Sonali Bank Limited as the largest state owned commercial bank has commenced its Islamic Banking operation since 29 June 2010 at the following five branches with separate window.

- Fakirapool branch, Dhaka
- Agrabad corporate branch, Chittagong
- Khulna corporate branch, Khulna
- Bogra corporate branch, Bogra
- Dargagate corporate branch, Sylhet

### **Aims & Objectives:**

- To facilitate the online Shariah based banking at the door step of the religious Muslims
- To establish an excellent Islamic Banking System by direct participation in sincere & public welfare Banking, ensuring a proper & developed financial Management, based on Islamic Shariah.
- To bring dynamism in Islamic banking by utilizing the well versed experience & good will of Sonali Bank Limited.
- To encourage the savings, following direct Investment.
- To create more employment facilities by inspiring project Investment.

### **Functions of Islamic Banking:**

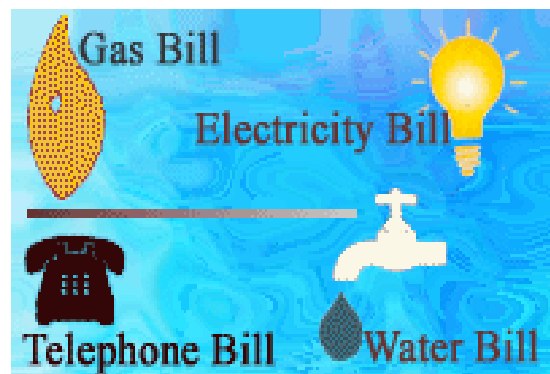
The Islamic Banking windows are performing the following banking activities through on-line banking-

1. Collection of Deposits
2. Investment Assistance



## 2.14 Service Provided By The Sonali Bank Ltd:

### 2.14.1 Ancillary Services:



Sonali Bank Limited offers multiple special services with its network of branches throughout the country in addition to its normal banking operations.

#### Collection:

- Gas bills.
- Electricity bills.
- Telephone bills.
- Water/Sewerage bills.
- Municipal holding Tax.

#### Payment:

- Pension of employees of Government and other Corporate Bodies.
- Bangladesh Bank employees pension.
- Army pension.
- Students' stipend/scholarship.
- Govt. & Non-Govt. Teachers' salary.

#### Social Services:

- Old age allowances.
- Widows, divorcees and destitute women allowances.
- Disability allowances.

### 2.14.2 Locker Service :

Secured Locker Service is provided in some branches of Sonali Bank Limited. Customers may avail this service and secure their valuables.

Locker size	Yearly Charge (Tk.)	Security Deposit (Tk.)
Small	2,000.00	5,000.00 (refundable)
Medium	2,500.00	
Large	3,000.00	

### 2.14.3 Digitalization Status of Sonali Bank Limited:

**1. Branch Computerization :** 1196 branches are now computerized.

**2. Foreign Remittance :** Bank's own in-house software "Remittance Management System" (RMS+), having, among others, the feature of paying foreign remittance instantly over the counter is being implemented at all branches. This web based software provides digital services to the expatriates through its unique advantage of sending confirmation message to the mobile phone of the remitter/beneficiary.

**3. ATM :** Sonali Bank Limited is a member of Q-Cash Consortium, National Payment Switch Bangladesh (NPSB) and VISA. Customers can enjoy round the clock cash withdrawal facility from 75 own ATM(s) and around 6500+ shared ATM booths across the country. Sonali Bank recently launched Credit Card.

#### **4. Online and SMS Banking :**

At present 1192 branches of Sonali Banks are included in the Online Any Branch anking (ABB) network. SMS Banking service is running in 540+ branches. 1192 branches are now in automation network within 1205 branches at home. Total number of CBS running branch is 540. The bank is seriously working on connecting all branches in the Real-time Online Banking network gradually. Branches having ABB facility are also rendering SMS banking services.





#### **2.14.4 Sonali Debit Card Facilities:**

Sonali Bank Limited is one of the member bank of Q-Cash Consortium. Card holder of Sonali Bank Limited can use ATMs of consortium member banks, Dutch-Bangla bank and BRAC bank limited.

Debit and Credit card holder of Sonali Bank Limited can use under mentioned ATM Booth and shopping centre and Point of Sale (POS):

#### **Other Information**

1. Yearly charge for Debit Card is Tk 345.00 (Including VAT)
2. Duplicate Card issue in case of lost = Tk 200.00

#### **2.14.5 E tendering:**

##### **What is eTendering?**

Bangladesh Government has decided to introduce eTender system to put an end to tender manipulation. To imply the policy and to facilitate the procurement process, SB introduces the online tendering system. eTendering is the tendering process conducted via the Internet. In the system, all Tender/Procurement notice of SB will be published via internet, after registration Bidders will receive email alert from the system, and Bidders will participate the Bid online.

##### **Who can use the system?**

Any person who qualifies according to procurement Regulation can use the system to participate in SB tender/procurement.

##### **What is required to use the system?**

- Hardware & Software Requirements
- Computer with Internet connectivity
- A browser preferably Internet Explorer/Google Chrome
- PDF viewer for viewing the tender documents.



#### 2.14.6 Q-Cash ATM Network:



#### Features of SBL Q-Cash ATM Network:

- Sonali Bank Limited has introduced Proprietary Debit & Credit cards.
- Card holder can easily pay utility bills like- Water, Telephone, Gas etc.
- It is easy to remit funds among the participating branches of the Bank.
- 24 hours Transactions is available.
- It is a risk less Cash Carrying facility.
- Cashless purchase can be made from specific Point of Sales (POS).
- Only designed Branches of Bangladesh deal Q-Cash cards.

Branches of District and Upazilla level will introduce Sonali Bank Q-Cash card within shortest possible time.

#### 2.14.7 E-Payment System Services:

- Sonali Bank Ltd can collect their Treasury amount through E-Payment system. Bank can also collect their VAT ,Excise duty through E- payment system.

#### **In this process, a customer must have-**

- A Browser such as Mozilla firefox, Google chrome.
- need to browse [www.nbrepayment.gov.bd](http://www.nbrepayment.gov.bd).
- An active Email Id(TIN,BIN)
- IPIN and CVV2:IPIN indicates password number and CVV2 indicates last three digit of password.

# **CHAPTER -03**

## **Methodology**



## **CHAPTER-03: Methodology.**

### **3.1 Population:**

All the Branches of SBL located in everywhere in Bangladesh has been taken into consideration as population.

### **3.2 Data collection:**

For carrying out this report I had to study the actual banking operations of SBL. In order to carry out this study, two sources of data have been used.

#### **3.2.1 Primary data:**

Primary Sources:

- Direct interview & conversation: All respective personnel of SBL, Ranigonj Bazar Branch, Dinajpur.
- Official records.

#### **3.2.2 Secondary data:**

Secondary Sources are:

- Annual reports of SBL.
- Manual of different department.
- Newspapers.
- Internet.
- Bank's website.
- Journal.
- Periodical publications.
- Banking related text books, Relevant books, Research papers, Newspapers and Journals, Manuals.
- Research papers, training materials.

### **3.3 Sample Size:**

Sample is a subgroup of the elements of the population selected for participation the study .To accumulates the required data I have contacted with concerned executive of Sonali Bank Bangladesh Limited (SBL). In case of industry diagnosis I have got in close with the responsible personnel of Project Implementation Department of SBL to collect the information.



The sample I have taken for the study consists of all personnel of Ranigonj Bazar Branch of SBL.

### **3.4 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.

### **3.5 Location of the study:**

The area of my study has been encompassed the operation area of Ranigonj Bazar Branch, Sonali Bank Ltd , Dinajpur.

#### **3.5.1 History of Ranigonj Bazar Branch, Sonali Bank Ltd.**

- Ranigonj Bazar Branch,
- Dinajpur.

#### **Location:**

- At the central point of Industrial area in Ranigonj
- Dinajpur
- Bangladesh.

#### **Contact info:**

- Telephone NO: 01730333605
- E-mail: sblraniganj@gmail.com
- Fax: N/A.

#### **NO. of Employees:**

14 Permanent Employees, Stuffs & Sub-Stuffs and 4 Temporary employees are working here.

### **3.6 Limitations of the study:**

From the intention to make the report realistic and properly accepted this report has been conducted many problems appeared in the way of conducting the study. During the study it was not possible to visit the whole area covered by the bank although the financial statements and other information regarding the study have been considered. The study considers following limitations:



- The major limitation I faced in preparing this report was the sensitivity of the data. As it is a highly competitive market, if the margin information is released to other competitors, it may have a negative impact on their business. Resultantly, in some cases management were reluctant to give some specific data.
- Confidentiality of data was another important barrier that was confronted during the conduct of this study. Every organization has their own secrecy that is not revealed to others. While collecting data on SBL, personnel did not disclose enough information for the sake of confidentiality of the organization
- Time limitation is also a big factor, which hinders the data collection process. Due to time limitation much aspect could not be discussed in the present study.



# **CHAPTER-4**

## **General Banking Activities**



## **CHAPTER-4: General Banking Activities.**

### **4.1 Introduction of General Banking Activities:**

General banking is the heart of business banking activities. General banking department performs the core function of bank operates the day-to-day transactions. It is the storage point of all kinds of purpose in transactions. General banking is the front-side banking service department. It provides services to customers coming frequently as well as customers coming for only one time in the bank for enjoying ancillary services. In general, there is no relation between banker and customers taking only one service from the bank. Bank generally deals with a person who maintains an account with the Bank. That is, a banking relationship will be established only when a customer maintains an account with the

Bank. General Banking is an important department for all banks because it provides day-to-day service to the customers. It is the department that serves most of the customers of the Bank and the image of the Bank is established with the services provided by the Front Desk. Almost all the customers are directly served by this department. Customers open accounts, issue checks books, deposit their money, receive payments, remit funds, issues bank drafts and pay orders and meet their demand for cash by honoring checks with this department.

General banking department performs the core functions of bank, operates day-to-day transactions of banking operation. Every day it receives deposits from customers and meets their demand for cash. It opens new accounts, remits customer's money from one place to another through issuing bank draft, pay order, telegraphic transfer, collects all bill like Local cheque collection, Inward bill collection and outward bill collection for customers. Since bank is bound to provide these services every day, general banking is also known as retail banking.

### **4.2 Sections of General Banking:**

I was appointed as Intern at Ranigonj bazar branch in Sonali Bank Ltd. By rotation, I have worked in five general banking sections. Now all are in details.

- . Account opening section.
- . Remittance section.
- . Bills and clearing section.



- . Cash section.
- . Mails receive and dispatch section.

#### **4.2.1. Account Opening Section:**

One of the vital sections under general Banking is the account opening section. Banker customer relationship begins this section. Various tasks are performed in this section. Such as:

- a). Opening of different types of account.
- b). Issue of checkbook.
- c). Transfer and closing of account.
- d). Enquiry of account.

#### **4.2.2 Procedures For Opening of Accounts:**

Before opening of a current or saving account, the customers must complete the following formalities.

- a. Application on the prescribed form
- b. Furnishing photographs (two copies)
- c. Introduction by an account holder
- d. Putting three specimen signature in the 'Specimen Signature Card'
- e. Mandate (if necessary)
- f. Voter ID card number.
- g. Voter ID card of Nominee
- h. Photograph of Nominee attested by account holder (1 copy)

After doing the above formalities, the branch provides the customer pay-in-slip and a cheque book. The cheque book may be off 10 pages, 20 pages, 50 pages or 100 pages depending on the type of account the customer has opened. A customer has to fill up the 'Requisition Slip' for cheque book. Then a new cheque book will be filled with the account number of the customer and name of the branch in each page of the cheque book. Then name and account number of the customer are registered in the 'Cheque book Issue Register'. The requisition slips are maintained and recorded as vouchers. The serial number of the cheque book is also entered in the computer for maintenance of records and to prevent any attempt of forgery.



#### **4.2.3. Procedures of opening a CD A/C:**

- To open a current deposit A/C, an individual has to carry out the following procedures-
- Obtain a prescribed application form from the bank.
- Submit the duly completed form with necessary papers to the concerned officer.
- Face a brief interview.
- Put specimen signature in the signature card supplied by the bank.
- Deposit of money.
- Get counter folio of the payment slip.
- Once these formalities are carried out in appropriate manner, an account number is posted. against the application. Then a check book is issued in favor of the applicant and he is considered as a valid account holder of the bank.

#### **With the prescribed application form, the applicant should submit the following papers and information's.**

- Nationality certificate from the appropriate authority.
- Two copies of recent passport size photographs.
- If the applicant is a service holder he should collect employee certificate from his employer and is to be submitted.
- The applicant's signature should be identified by an introducer who has a CD A/C with the respective branch.
- The applicant should deposit minimum taka 1000/- to open an account.
- Copy of National ID Card.
- Copy of Electric bill or telephone bill papers.



#### **4.2.4. Procedures of Opening a Savings Deposit (SD) A/C:**

The procedures of opening a SD A/C are almost same as the CD A/C. Some of the rules and regulations regarding to operate a SD A/C are mentioned below:-

- Only savings account holder or a CD account holder of the respective branch can be introducer of the applicant of opening SD A/C.
- Two copies of recent passport size photographs of the applicant should be attested by the introducer. In this case the introducer will mention his/her account number.
- The applicant should deposit Tk. 1000 is required to open this account.
- If the client is private or public limited company, the people authorized to open and operate the account should put joint signature where it is necessary.

#### **4.2.5 In the case of joint A/C the following headings are additional in the form-**

- a) Operational Instruction of the A/C.
- b) Signature.

#### **4.2.6 In the case of partnership A/C, the following headings are additional in the form**

- a) Partners' Signatures.
- b) Partners' Names.

#### **4.2.7 Relevant Documents For Current and Saving A/C:**

Types of attached documents usually vary with the nature of the A/C being opened.

Followings are the list of documents that should be enclosed with the 'A/C Opening Form' for opening account for different kinds of A/C openers:

#### **4.2.8 In case of Club/Society**

- a. Up-to-date list of office bearers.
- b. Certified copy of resolution for opening and operation of A/C.
- c. Certified copy of by laws and regulations/constitution.
- d. Copy of government approval (if registered).

#### **4.2.9 In case of Co-operative Society:**

- a. Copy certified by the co-operative officer.
- b. Up-to-date list of office bearers.



- c. Resolution of the executive committee as regards of the A/C.
- d. Certified copy of certificate of registration issued by registrar, co-operative society.

#### **4.2.10 In case of Non-government College/School/Madrasha/Muktab**

- a. Up-to-date list of the members of the governing body/managing committee.
- b. Copy of resolution of the governing body/managing committee authorizing opening and operation of the A/C duly certified by a gazette officer.

#### **4.2.11 In case of Trustee Board**

- a. Prior approval of head office of the bank.
- b. Certified copy of deed of trust, up-to-date list of members of the trustee board and certified copy of the resolution of trustee board to open and operate the A/C.

#### **4.2.12 In case of Minor's A/C**

- a. Putting the word 'Minor' after the title of the A/C.
- b. Recording special instruction of operation for the A/C.
- c. The A/C opening form is to be filled in and signed by either of the parents or the legal guardian appointed by the court of law and not by the minor.

#### **4.2.13 In case of Limited Company**

- a. Certified true copy of the memorandum and articles of association of the company.
- b. Certificate of incorporation of the company for inspection and return with a duly certified photocopy for bank's records.
- c. Certificate from registrar of joint stock companies that the company is entitled to commence business (in case of public limited company for inspection and return) along with a duly certified photocopy for bank's records.
- d. Latest copy of balance sheet.



e. Extract of the resolution passed in the general meeting of the company for opening of the A/C and authorization for its operation duly certified by the Chairman/Managing

Director of the company.

f. List of Directors with addresses.

g. Authorized signature.

**4.2.14 General conditions or rules in respect of operating Current/Saving A/C in Ranigonj Bazar Branch are as follows**

a. A minimum balance of tk500 and tk1000 must be maintained in the Saving and Current A/C respectively.

b. A suitable instruction by an introducer acceptable to the branch is required.

c. Recent photographs of the A/C openers duly attested by the introducer must be produced.

d. Withdrawal of deposit can be made two times in a week in case of saving A/C.

e. For Saving A/C, an application must be submitted to the branch authority if withdrawal is tk. 50, 000 or more but customer rarely follow this rule.

f. Interest rate for saving bank A/C is 5% per year.

**4.2.15 Transfer of Account To Another Branch:**

The account holder requests to transfer his accounts by giving the following instructions-  
Reasons for transfer the account Address of the branch at which customer wants to transfer the account The unutilized cheque book will be returned to the transferring branch before transfer of account. After verification, the approval of the manager for transferring the account is obtained and then the specimen of the forwarding letter of transferee branch will be sent.

**4.2.16 Closing of An Account:**

The following circumstances are usually considered in case of closing an account or justifying the stoppage of the operation of an account-



- Notice given by the customer himself or if the customer is desirous to close the account.
- Death of the customer.
- Customer's insanity and insolvency.
- If the branch finds that the account is inoperative for a long period.
- If Garnishee Order is issued by the Court of Law on the bank branch.

Before the account is closed the manager will approve the application and closing charge being incidental charge which should be debited to the account. To close the account, the cheque book is to be returned to the branch.

### **4.3 Types of Account:**

Accounts department is the most important functional area of this branch. The following types of accounts are maintained in this bank:

- . Fixed deposits A/C
- Short term deposits A/C
- . Current deposits A/C
- . Savings deposits A/C
- . Call deposit A/C
- . Sundry deposit Accounts.

#### **4.3.1 Fixed Deposit Receipt (FDR):**

Fixed deposits are deposits in which an amount of cash is deposited in bank for a period specified in advance. Hence these deposits are time deposits or time liabilities. Normally, the money on a fixed deposit is not repayable before the expiry of the fixed period. At the time of opening the deposit account, the banker issues a receipt acknowledging the receipt of money on deposit account. It is popularly known as FDR. Necessary documents for opening a FDR A/C in Ronigonj azar Branch are as follows-

- FDR form.
- FDR card.
- Photo of the Nominees attested by the A/C holder.
- The 'Fixed Deposit A/C Opening Form' contains the following headings-
- Amount in figures.
- Period.



- Rate of interest.
- Beneficiaries name and address.
- Special instruction in case of joint A/C.
- Information about nominees.
- Address of the applicants.
- Specimen signatures.
- FDR number.

After opening a FDR A/C, it is usually recorded in the ‘FDR Register’. In the case of Fixed Deposit Account, the bank needs not hold a cash reserve to repay money to the customers. The payment will be made after the completion of a certain period.

Hence, Sonali Bank Ltd of Ranigonj offers a high interest rate in Fixed Deposit Account. The interest rates followed by Sonali Bank Ltd for Fixed Deposit Account are-

Period	Interest rates
For 3 months to > 6 months	@7.50%
For 6 months to > 12 months	@7.50%
For 12 months to > 24 months	@8.00%
For 24 months to > 36 months	@8.25%

Normally a customer is not allowed to withdraw money before the expiry of the fixed period in case of Fixed Deposit Account. However, Sonali Bank Ltd. allows its customers to withdraw fixed deposit amount at any time after giving a short notice. In this case the customers will get interest rate by the following ways-

- If withdrawal happens before 3 months, there will be no interest.
- If withdrawal happens before 6 months, 3 months’ interest rate.
- If withdrawal happens before 1 year, 6 months’ interest rate.
- If withdrawal happens before 2 years, 1 years’ interest rate.
- If withdrawal happens before 3 years, 2 years’ interest rate.

In case of ‘Before Maturity Encashment’ interest rate is calculated for the days from the date of opening the FDR account. The FDR becomes renewed automatically in Sonali

Bank Ltd. if the customer does not withdraw it within 7 days of maturity. Some other important factors in case of FDR A/C are as follows-

FDR is not negotiable instrument. The legal position of a banker in respect of a fixed deposit is that of a debtor who is bound to repay the money only after the expiry of the fixed period. Cheques are not permitted for Fixed Deposit Account. Fixed Deposit Accounts are subject to Income Tax Act.

#### **4.3.2 Short Term Deposit (STD):**

In Short Term Deposit Account, the deposit should be kept for at least seven days to get interest. The interest offered by for STD is less than that of savings deposit. For this type of account, frequent withdrawal is discouraged and it requires prior notice. STD is also called

‘Seven Days Notice Current A/C’.

STD Interest Rate:

Up to 10 core 3.50%

Above 10 core 3.60%

In Ronigonj Bazar Branch, customers are given an instruction that their current accounts will be debited whenever the deposited amount crosses a certain limit and this amount will be transferred to the STD account. The branch follows this instruction by giving the following entries.

#### **4.3.3 Current Deposits Account:**

This account is used by the persons or institutions that need frequent deposit or withdraw money. The depositors of this A/C can deposit or withdraw money more than one time as they need in a working day. Normally current A/C is used by the businessmen. No interest is paid on this Account. Two types of current A/C are maintained by the branch i.e. personal and institutional.

#### **4.3.4 Savings Deposits Account:**

Normally Savings Account is used by individual or service oriented organization. In this account, a depositor can deposit money as many times he/she wants. But the account



holder cannot withdraw his deposited money frequently. In this case he has to follow some stipulated rules and regulations. The Bank pays 5.00% interest on savings deposit and interest is generally allowed on monthly balances.

#### **4.3.4.1 Sonali Bank Deposit Scheme (SBDS):**

According to this scheme, a person of minimum 18 years old can open any 'Sonali Bank Deposit Scheme A/C' by depositing at least tk.500 or maximum tk.20000 in each month for 10 years term. After maturity of the term, the depositor can withdraw the total deposited amount with interest or can withdraw by monthly installment. The depositor has to deposit the specified amount for him/her by the 11th day of each month either in cash or cheque. In respect of SBDS account, the depositor can select more than one nominee for claiming the deposited money after his/her death. No joint account is allowed in this scheme.

The main characteristics of SBDS are as follows-

A system of secured income has been confirmed by SBDS for the depositor in their old age who invested money from their early incomes. A scope of proper and exact utilization of money is possible by SBDS. The total deposited amount with interest will be given to the investors and this is certain.

The SBDS gives the investors a chance of bearing the educational or marital expenses of their adult sons or daughters. The total invested money in SBDS is absolutely income tax free. The earning from SBDS is not considered while charging the annual income tax.

In SBDS, a 8.5% compounding interest rate is applied and it is usually calculated on yearly basis. Account holder can take lone on SBDS and Interest rate for loan id 2% more than SBDS rate ( $8.5\% + 2\% = 10.5\%$ ).

A depositor can withdraw the total amount of money (Principal + Interest) at the expiry of the certain period.

For SBDS, the payment systems in case of maturity of an account are as follows:



#### **4.3.4.2 Sonchoy Pension Scheme (SPS):**

Sonali Bank Ltd. initiated this 'Sonali Bank Ltd. Sonchoy Pension Scheme' in order to improve the socio-economic conditions of the professionals of all levels. This system is based on a monthly basis. The main characteristics of SPS are as follows-

Duration of the account in this scheme is either five or ten years. Amounts of installments are tk.100, tk.200, tk.300, tk.400 tk500, or tk.1000.

Any person of minimum 18 years old can open a SDPS account in a specific form as provided by Sonali Bank Ltd. in any branch. No lunatic is allowed to open this kind of account.

A depositor should deposit his/her monthly installment by the 10th day of each month. If the 10th day is a public holiday, then deposit in next working day is allowed. The installment can be deposited either by cash or by cheque.

The interest rates are, for five years duration 8.5% compounding interest rate and forte years duration 9% compounding interest rate. In both cases interest is calculated on yearly basis.

The depositor can have one or more nominees. In case of more than one nominee, the depositor can determine the portion of amount of money for each nominee.

A customer can stop operation of his/her SPS A/C at any time according to his or her own discretion. In this respect, the bank charges tk.25 to the customer. If she/he stops the account within one year, no interest will be given. If he stops the account after one year but before three years, 5% simple interest will be given. If he cancels his account after three years but before five years, 7% simple interest will be given. If he withdraws his account after five years, then 8.5% simple interest will be given.

#### **4.3.5 Call Deposits A/C:**

Tender money is deposited in this account. In order to participate in tender invited by any private or public institution, the participants have to deposit a particular amount of money as security. It is called tender money. The tender inviting institution receives tender money under this account through bank. The deposited amount in this account remains up to opening of tender. After opening of tender, the tender inviting institution

can withdraw fund from this account, at any time. The bank pays no interest on this account.

#### **4.3.6 Sundry Deposit Account:**

This account is also called special purpose deposit account. The following items are deposited in This account:

- Employees' contributory provident fund.
- Employees' general provident fund.
- Sonali Bank employee's pension fund.
- Sonali Bank employee's pension and death cum-retirement benefit fund.

#### **4.4 Bank Remittance Section :**

Remittances of funds are one of the most important aspects of the commercial banks in rendering services to its customers. Among various services rendered by the commercial bank to its customers, remittance facilities are very well known and popular. The word 'Remittance' means sending of money from one place to another place through post or telegraph. Banks extend this facility to its customers by means of receiving money from one branch of the bank and making agreement for payment to another branch within the country. In general there are two types of bank remittance-

- a) Inward remittances.
- b) Foreign remittances.

##### **4.4.1 Inward Remittances:**

When money is remitted within a country through proper banking channel, it is termed as inland remittances.

##### **Modes of Inwand Remittances:**

Considering the urgency and nature of transaction, the modes of bank remittances may be categorized as follows-

- Demand Draft (DD).
- Mail Transfer (MT).
- Telegraphic Transfer (TT).

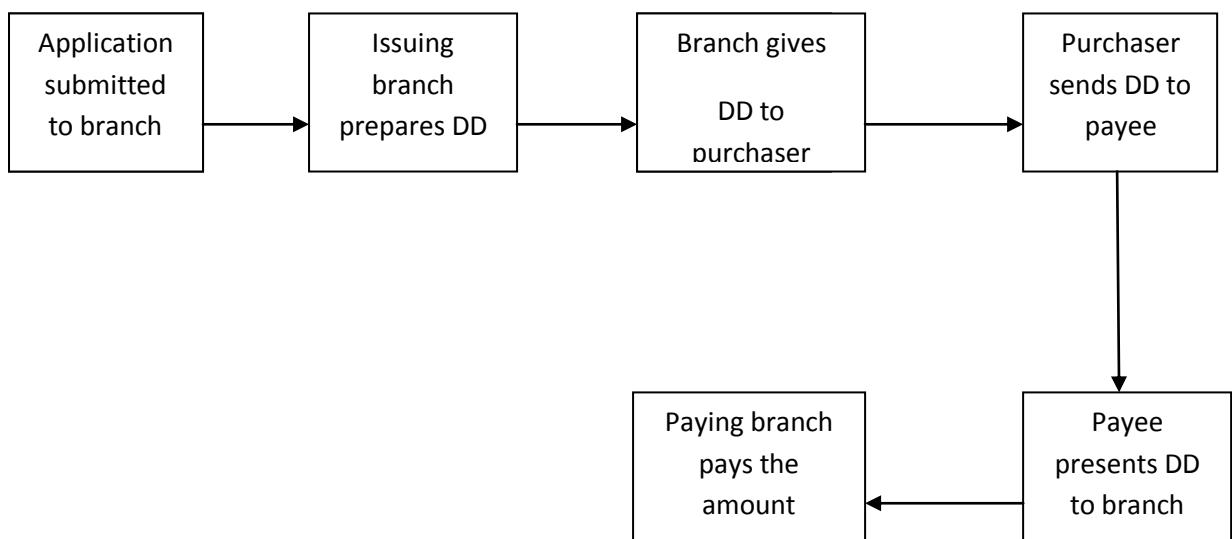


#### 4.4.1.1 Demand Draft (DD):

Demand Draft (DD) is an instruction payable on demand. It is a negotiable instrument issued by the branch of a bank containing an order to another branch of the same bank to pay fixed sum money to a certain person or order of demand. This instrument can be purchased by a customer from a particular bank for himself and can be handed over to the purchaser for delivery to the beneficiary. The payee or beneficiary will claim the amount of money in the instrument by producing the same to the concerned paying branch.

Demand draft may be paid in cash to the payee on proper identification or the amount may be credited to his account (in case of A/C holder of the bank). Banks issue draft for nominal commission. The commission depends upon the amount to be transmitted. The purchaser of the DD needs not to be a customer or account holder of the bank.

##### 4.4.1.1.1 Flow Chart For A Demand Draft:



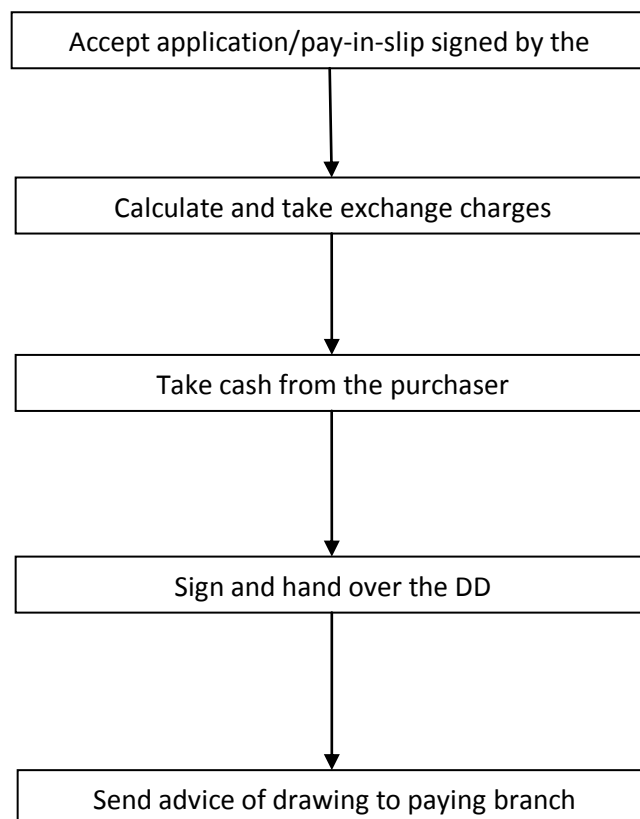
##### 4.4.1.1.2 Issuing of Demand Draft:

While issuing a DD, an official must be confirmed about the existence of the branch where the DD is to be issued by the applicant or purchaser. Application on bank's prescribed form (F-117) for DD is duly filled and signed by the applicant. Thereafter, the applicant will be asked to deposit the amount mentioned in the DD and exchange/commission computed correctly at the prescribe rate. On receipt of cash, a voucher is passed and scrolled by at least two officers. Then the DD is issued and recorded in the 'DD Issue Register' filling the appropriate columns. The DD applications

treated as credit voucher of SBG A/C by showing credit entry against the paying branch. For any of DD issued, a relative DD Advice is sent to paying branch where the

Advice is converted into Voucher. Ranigonj Bazar Branch charges tk.1.50 for pertk.1000 as its commission for DD. The minimum commission is tk.15. The procedure of issuing a DD against cash could be shown by the flow chart in the following ways-

#### 4.4.1.1.3 Flow Chart For Demand Draft issue Against Cash:



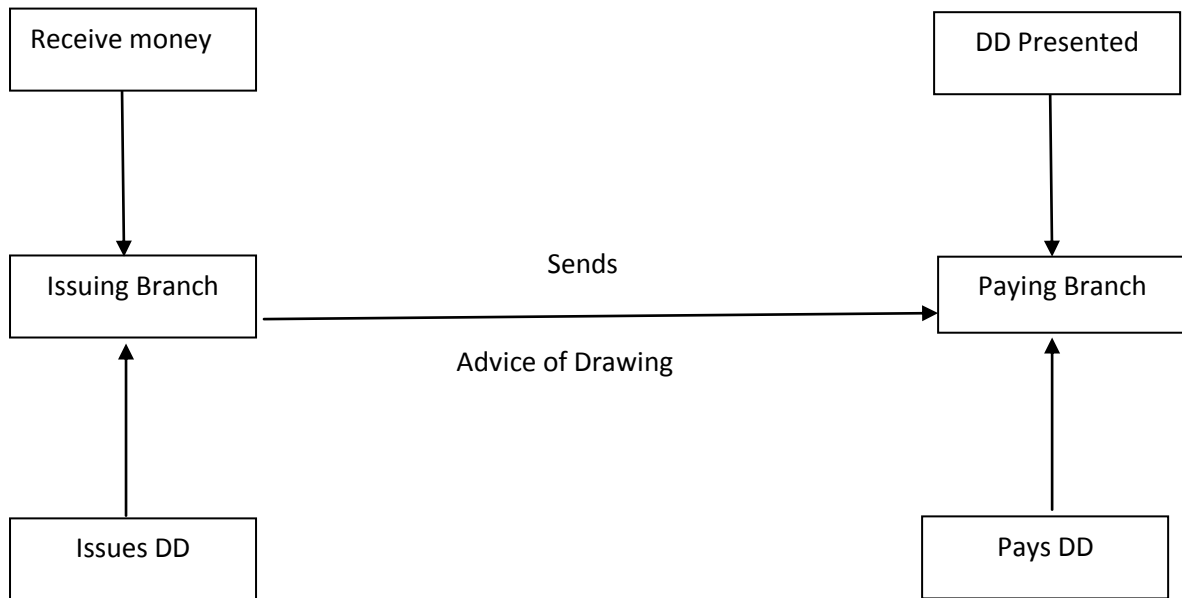
#### 4.4.1.1.4 Procedure of Demand Draft Payment:

After receiving the DD advices from different branches, the paying bank will verify the genuineness of the advices by verifying test numbers and signatures. Beside this, payment of drafts can be made without the advice of the issuing bank and at that time payment is called ‘Acceptance Payment’.

If the payment is to be made before receiving of the DD advice, DD payment is recorded in the Ex-advice payment register by debiting the Draft Payable Ex-advice A/C (DD paid without advice). On receiving of the advice, it will be entered into the DD, MT Advice Receive Register and the amount will be credited to Draft Payable A/C. Before making

payment of the DD, the paying branch will ascertain the genuineness of its issuance as well as genuineness of payee. The following flow chart depicts the payment procedures of DD-

**Flow Chart for Demand Draft Payment:**



**4.4.1.1.5 Cancellation of Demand Draft:**

In some cases, the purchaser of the bank draft may ask the issuing branch to return the amount of DD stating its non-requirement. In these cases, the issuing branch will obtain written application from the purchaser whose signature must be tallied with the signature obtained earlier. An amount of tk.25 be recovered from the purchaser as ‘Cancellation Charge’ and will be credited to the Commission A/C. The purchaser will acknowledge receipt of the proceeds writing the words ‘Received Payment by Cancellation’ and will sign on revenue stamp affixed on the draft. In this case, payment is made by debiting the SBGA/C and a relative cancellation advice is sent to the paying branch.

**4.4.1.1.6 Issuing of Duplicate Demand Draft:**

If DD is lost, the issuing branch may issue a duplicate DD. But before issuing a duplicate DD, the branch issued to observe the followings-

- Verify purchaser’s signature on the DD application slip.
- Take indemnity bond from purchaser.

- Clearance from paying branch whether the DD is already paid or not to be obtained.
- DD cancellation advice to be sent to the paying branch. Lastly the duplicate DD is issued and the word 'DUPLICATE' in red ink is stamped in the front side of the DD block.

#### **4.4.1.2 Mail Transfer (MT):**

The facility of sending money by mail is available to customers who have accounts with the bank. The remitter deposits the amount that will be transferred from the remitting branch with small commission. An advice is issued by the branch to another branch for crediting the specified amount to the account of the payee maintained with the bank. It is non-negotiable instrument and generally is not handed over to the customer rather sent through post office to the concerned branch. Remittance of money by Mail Transfer is relatively cheaper, quite safer and more convenient. Mail Transfer is effective not only within the country but also for international remittances. For local MT (say within the area of Dinajpur) special 'MT Register Book' is maintained as in like DD. MT is normally issued from branch to branch of the same bank. Normally the mail charge is tk.15 for any amount. From tk.1 to tk.20000 commission is tk.20 and for above tk.1 added for everytk.1000.

The payment procedures for MT are as follows-

- a) MT is received directly from the issuing branch by post and the payee does not present it for payment.
- b) The paying branch checks the name and account number of the payee in MT to determine whether it agrees with the name and account number maintained in the paying branch.
- c) The paying branch verifies the signatures of the authorized officials of the issuing branch.
- d) MT is entered in the 'DD, MT, TT Payment Register'.
- e) No commission is deducted.
- f) If everything related to MT is correct then the passing officer will pass the MT by putting signature on it and the voucher is credited to the respective beneficiary's account.



#### **4.4.1.3 Telegraphic Transfer (TT):**

Telegraphic Transfer (TT) is another widely used mode for remittances of funds. TT is quicker than DD or MT. If an applicant wants to remit the amount urgently to the payee in another city or district he may request the issuing branch to send it by TT. For TT a branch sends a telegram instead of airmail. The branch usually recovers from the telegram charges in addition to the usual service charges. A TT could be express or ordinary and it is always sent in coded-form. Corporate branch follows the following procedures in case of TT issuing-

- a) The customer deposits money in the branch.
- b) The customer obtains a cash memo containing TT serial number.
- c) TT serial number, notifying party name are mentioned in the telex message.
- d) The telex department confirms transmission of the telex.

##### **4.4.1.3.1 Procedures For The Incoming TT:**

After receiving the telex, it is decoded at first. Then the TT serial number, test number are verified. A credit voucher in favor of the beneficiary's account is prepared and passed.

For TT telephone charge is tk.25 and tk.1-20000 commission is tk.20 and above it tk.1 added as commission for each tk.1000. 15% vat taken on commission.

#### **4.4.2 Foreign Remittance:**

The procedure to transfer money from one country to another country through bank or other govt. authorized agencies is called foreign remittance. The Sonali Bank, Sat Masjid Road Branch, Dhaka does not provide foreign remittance facility to its customer directly.

##### **4.4.2.1 Procedures for Western Union, Spot cash , Transfast, Xpress money :**

Customers show pin number to the banker for payment. If 8 digits, it will be spot cash, If 16 digits, it will be Xpress money, if 10 digits, it will be Western Union, If 13 digits , it will be Transfast. Then the banker logs in that site and confirms payment by matching information.



### 4.4.3 Payment Order (PO):

Payment Order (PO) is an instrument that contains an order for payment to the payee only in the case of local payment whether on behalf of the bank or its constituents. In the beginning stage, PO was issued only to affect local payments of bank's own obligations but at present it is also issued to the customers. They purchase PO to deposit money. PO is in the form of receipt which is signed by the two officials. The money of PO is deposited to the bank's own account named 'Payment Order A/C'. Payment of this instrument is made from the issuing branch. PO is not transferable; therefore it can only be paid to-

#### 4.4.3.1 The Payee On Identification:

- a) The payee's banker who could certify that amount and credit that amount to the payee's A/C.
- b) A person holding the letter of authority from the payee whose signature must be authenticated by the payee.
- c) For below tk.1000 the commission is tk.20 and for tk.1001 to tk.100,000 the commission charge is tk.30 and for above tk.100,001 it will be tk.50.

Paying Branch	Commission (tk)	VAT (tk)
DD	20 to 100	15%
MT	20 to 100	15%
TT	20 to 100	15%

### .4.4 Operation of Cheque:

A cheque, signed by the drawer is an unconditional order in writing and drawn on a specified bank. Bank will pay a certain sum of money to the cheque bearer. A cheque involves three parties-

- a) The drawer.
- b) The drawee (the bank) and.
- c) The payee (to whom the cheque is to be paid).

The following procedures are usually done for passing a cheque-

- A clerk scrutinizes the cheque for the date, the amount and the signature and then he gives the drawer of the cheque a token number and he also writes that number at the back side of the cheque. He then passes the cheque to the ledger-keeper after giving a seal.
- The ledger-keeper again scrutinizes the cheque for his satisfaction. He then debits the amount in the ledger book and passes the cheque to the authorized officer. The authorized officer verifies the signature of the account holder very carefully to protect any kind of fraudulent activities and passes it to the cash officer for payment.
- The drawer of the cheque presents the token in the 'Cash Payment Counter' and the cashier makes payment after verifying the token. The cashier may want another signature to compare with the previous one.

#### **4.4.4.1 Stopped Cheque:**

In case of stopped cheque the following formalities are done-

- The accountant keeps the 'Stopped Cheque Register' and reserves the pertinent documents.
- After receiving a letter or telegram for stopping the payment of cheque, the time of its receipt is noted down by the accountant.
- The ledger-keeper and the officials are also informed immediately.
- Lastly the cheque is stopped.

#### **4.4.4.2 Collection of Cheque:**

In Ranigonj Bazar Branch cheques of its customers are received for collection. In case of received cheque, the following points are followed carefully-

- The cheque should not carry a date older than the receiving date for more than six months. In that case the cheque will be a 'stale cheque' and it will not be allowed for collection. Again the date of cheque should not be more than one day forward than the receiving date.

- The amount in figures and words in both sides of the pay-in-slip should be same and they will also be same in the cheque.
- The name mentioned in cheque should be same in both sides of the pay-in-slip and in the cheque.
- The cheque must be crossed.

For the collection of cheques the branch can be divided in to three sections-

- a) Short Credit (SC).
- b) Local Short Credit (LSC).
- c) Clearing.

#### **4.4.5 Clearing Section :**

This section of General Banking deals with both the clearing of inter-banking and intra-banking checks. The checks which are deposited during the whole day are scanned and sent to Bangladesh Bank's central clearing house for clearing. Clearing is somewhat a complex process. Each and every scheduled bank has a clearing account with BB which is used to clear the payments made by checks. The checks that are scanned and sent to the BB are submitted to the center and the payments are made from the respective BB clearing account. Checks amount more than Tk. 5 lack are immediately submitted to the central system before 11:00 am and cleared on an urgent basis. The growth of banking habits among the people has led to greater use of cheques facility by them. The number of banks and their officers are also constantly on increase. Every bank receives daily hundreds of cheques, drafts, pay order etc. on the other banks. One method of collecting the money of such cheques, draft, pay order etc. are to send an official to every drawee bank. This

method is bound to prove costly and tedious. The other alternative is to fix a common place where officials of different banks may meet daily to settle interbrain claims. Such a method is simple and convenient since it does not involve unnecessary traveling and actual handling of cash. The common place so fixed is termed as banker's clearing house. A clearing house may, therefore be defined as an organization of banks consisted for the purpose of setting inter-bank liabilities due to transfer of deposits by a customer of a particular bank to that of another bank.

#### **4.4.6 Cash Section:**

One of the most important sections of the branch is Cash Department. It deals with all kinds of cash transactions. This department starts the day with cash in vault. Each day some cash that is opening cash balance are transferred to the cash officers from the cash vault.

Opening cash balance is adjusted by cash receipts and payments. This figure is called closing balance. This balance is then added to the vault. This is the final cash balance figure for the bank at the end of any particular day. There is an important clause and duty practiced by the branch is to refund the principal amount that exceeds a certain amount to the principal or local branch of the bank.

#### **4.4 .6.1 Cash Payment:**

In this section I gathered practical experience about how a check is honored and how cash will paid. The formalities involved in check honor and cash payment are stated below:-

1) **Presenting the check:** If any A/C holder would like to draw money from his A/C he at first has to issue a check supplied by the respective bank. Then he has to present the check to the concerned officer after duly signed.

2) **Token Issue:** After receiving the check, the officer examines the following:

- a) Account number of customer.
- b. Issuing date of check.
- c. Amount of money mentioned in the check.
- d. Amount position/balance position of the customer.
- e. Whether the customer has signed behind the check or not.
- f. After that, the officer enters the amount of money, token number, and account number in the daily transaction register. The register is usually called day book. Then, the token is issued & given to the customer. The number indicated in the token is written behind the check.

3) **Verifying The Check:** At this stage, the check is sent to the principal officer (second officer) to verify it. To examine the validity of the check, the second officer compares

the customer signatures given on the check with that on the signature card kept in his custody.

**4) Honoring The Check:** If all the factors are satisfactory, the check is honored by the second officer.

**5) Check Cancellation:** At this stage, the officer signs across the check to pay the money.

**6) Drawing Money:** After the check is signed by the second officer, the customer returns the token to the cash payment section and draws his money.

#### **4.4.6.2 Cash Receipt:**

Customer's deposits are received in this section of bank. Then the amount received is credited to the customer's A/C in the ledger book.

#### **4.4.6.3 Check Dishonored By Bank:**

During the internship program, I was taught how a check is dishonored by bank. The statutory duty of a bank is to honor his customer's check. But a bank can dishonor a check for various reasons. Some of the reasons for that a bank dishonors his customer's check are stated below-

.If the customer's account position is not okay, that is if the amount of money mentioned in the check is greater than customer's deposit.

.If the check is torn.

- If the check is postdated or a stolen checks.
- If the customer's signature given on the check is a forged one or does not tally with his specimen signature kept in bank custody.
- If the check is not submitted to the customer within banking hour.
- If the duration of issuing the check is more than 6 months
- Others.

#### **4.4.7 Mails Receive And Dispatch Section:**

Internal letters are maintained in Local mail register (Receive & send). External letters are sent maintaining Registered mail register. Numbering of letters is the main task of dispatch section. From my first day of internship, I was in duty of Dispatch. A number of business letters, statements, SC cheques is sent to local office, post office, head office and other business organizations. These are posted with number in outward register. When business letters, documents, circulars, orders, memorandums came, I posted in inward register with number. This section is important for numbering. By number, all are traced out if need.



# **CHAPTER -5**

## **Findings of the Report**



## CHAPTER -5: Findings of the Report

### 5.1 Findings:

1. This branch office space is not large as its operation.
2. Main Sources of Income is Foreign Exchange Business. Other business should be Elaborated. But in my branch there is no Foreign Exchange department.
3. Service of this bank is not fully modernized.
4. Sudden changes of government policies are a vital problem.
5. Maximum branches are not computerized so it effect the efficiency of the employee and customers are disturbed for delay of service.
6. Service of this branch is not attractive.
7. Products are not up dated. Schemes' rate are very low than Private Banks.
8. Ensure proper division labor in the desk. Unfortunately, someone works more, Someone passes time by gossiping.
9. Ensure sufficient manpower. Work load is more for lack of employees.
10. Development Human Resources which is a must for service organization.
11. Lengthy process of issuing cheque book, Pay order, Bank draft cause. Job responsibilities are not specified to each and every employee of this division.
12. Insufficient modern sophisticated technology change such as use of new software there are few staff who are lacking in computer knowledge and are not efficient chough to finish every task immediately. So, before utilizing new technology proper training should be arranged.
13. Inadequate skilled manpower in sonali bank Ltd, because there is lack of proper training arrangement of employees in the general banking section. For example, most of the new recruited employees learn their job tasks by observing their senior employee.



# **CHAPTER -6**

## **Recommendation and Conclusion**



## CHAPTER-06: Recommendation and Conclusion

### 6.1 Recommendation:

There are some recommendations, if the bank follows the recommendation mentioned below, it will overcome its problem.

1. Bank must enrich their service like private commercial bank most likely one stop service, ATM service, ready cash service etc.
2. The branch need large office space for it's vast banking operation.
3. Bank should open a computer section, It is the demand for modern era.
4. All banking activities should be performed using IT.
5. Bank should neglect the manual based operation.
6. All branches should be well decorated.
7. Staff and officers should speak polite and low voice.
8. Bank should introduce new innovative product.
9. Bank should provide appropriate training.
10. The entire department should be well informed regarding their goals and objectives. It is essential to execute company objectives into individual target.
11. There must be a clear allocation of responsibilities authority and accountability.
12. Development of Human Resources.
13. Ensure the proper communication system.
14. The form should be precise with the quality information to the points of the client rather unnecessary or vague information. This can create the opportunity to serve more people in short time.
15. If the interested clients have proper documentation in favor of his/her identity then there should be probation for avoiding introducer.
16. Bank should formulate simple process for issuing cheque book, Pay order, Bank draft.
17. To hire and install sufficient modern sophisticated technology because of present market demand of the customer and the educated customers now want technology based banking but customs are confused about services.
18. To recruit sufficient skilled manpower because the bank employees should communicate properly with customers about their deposit and other schemes

## 6.2 Conclusion:

Sonali Bank Limited is the largest commercial bank as well as the largest employer in both the public and private sector in Bangladesh. The bank is playing an important role in the socioeconomic development through the development of industrial sector. The bank provides all the conventional banking service as well as some specialized financing activities to the economy period. Finally we can say if the bank controls its expenses and takes proper steps to overcome its limitation, it will become a first rows bank of Bangladesh. So in conclusion it can be said that every organization has its positives as well as negatives and in case of Sonali Bank Limited existence of the later one is less than the earlier one and as the management is determine to reach the pick of success it seems that in near future the negatives will be eliminated. Because Sonali Bank ltd. Is near to the heart of the people acting old heritage with new generation ensuring digital Bangladesh.

As the largest nationalized commercial bank Sonali Bank Ltd is operating every corner of the country providing the banking services to different classes of customers. The area where there is no branch of any bank of the modern competitive banking sector, there one can find branch of Sonali Bank.

Banks play an active role for the development of the country. Sonali Bank Ltd has made commendable improvement over the past years. I am proud to get an opportunity to continue my internee and my career in my organization. I tried to gather experience in General Banking and summarize all the information within the report. It will also be helpful for the bank management if they carefully analyze the problem and consider recommendation in this paper and take necessary actions for corrective measures.



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