

An Internship Report

on

Performance Excellence of Electronic Banking of Rupali Bank
Limited, HSTU Corporate Branch, Dinajpur

This report is submitted to the Department of Accounting, Faculty of Business Studies, Hajee Mohammad Danesh Science and Technology University, Dinajpur for the partial fulfillment of the degree of Master of Business Administration (MBA in Accounting and Information Systems)



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Dinajpur-5200, Bangladesh

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Acknowledgment

It is my great pleasure to my gratitude to our creator Allah for such a great opportunity to be in touch with three months internship program. I have to put my heartened feelings and gratitude for the kindness and assistance that was provided to me to complete my assigned internship report on the topic of "Performance Excellence of Electronic Banking of Rupali Bank Limited, HSTU Corporate Branch, Dinajpur". I want to express my strong gratitude to my honorable supervisor, Md. Mamunar Rashid, Professor, Department of Accounting, Faculty of Business Studies, HSTU, Dinajpur. I also express my strong gratitude to my honorable co-supervisor, Saiful Islam, Associate Professor, Department of Accounting, HSTU, Dinajpur. I would thankful for such co-operation which I received from my honorable supervisor. At last but not least, I want to thank Hajee Mohammad Danesh Science and Technology University, Dinajpur for giving me such an opportunity to complete my MBA degree and allowing me to gather practical experience and enrich my knowledge.

May ALMIGHTY ALLAH bless all of them.

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রূপালী ব্যাংক লিমিটেড
RUPALI BANK LIMITED



হাজী মোহাম্মদ দানেশ বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয় (হাবিপ্রবি) কর্পোরেট শাখা, দিনাজপুর।
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Date: 27.03.2022

TO WHOM IT MAY CONCERN

This is to certify that **Jakia Sultana**, having student ID No. 1905837, MBA (Major in Accounting), a student of Hajee Mohammad Danesh Science & Technology University (HSTU), Dinajpur, has successfully completed her internship from 02/11/2021 to 11/02/2022 total 90 (Ninety) days internship program at Rupali Bank Limited, HSTU Corporate Branch, Dinajpur. During her internship period found her good moral attitude and sound behavior.

We wish her every success in life.

Gautom Chandra Roy
Senior Principal Officer
& Manager
Rupali Bank Limited
HSTU Corporate Branch
Dinajpur 5200

(গৌতম চন্দ্র রায়)
এসপিও (সিনিয়র প্রিন্সিপাল অফিসার)
রেজিঃ নং-১০২০২
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জোনাল অফিস: নর্দান প্লাজা (২য় তলা), চারুবাড় মোড়, গনেশতলা, দিনাজপুর-৫২০০। ফোন ০৫৩১৬৫১৭১, ৬৭৭১০; ই-মেইল: ws-dinajpur@rupalibank.org.
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Certificate of Supervisor

I hereby declare that the concerned report on Performance Excellence of Electronic Banking of Rupali Bank Limited, HSTU Corporate Branch, Dinajpur is a work completed by Jakia Sultana, Student ID: 1905837, MBA in Accounting and Information Systems, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, under my supervision and submitted for the partial fulfillment of the requirement of the degree of Master of Business Administration (MBA) in Accounting and Information Systems at HSTU, Dinajpur.

I wish her every success in life.

Md. Mamunar Rashid
Professor
Department of Accounting
Faculty of Business Studies
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Certificate of Co-supervisor

I hereby declare that the concerned report on Performance Excellence of Electronic Banking of Rupali Bank Limited, HSTU Corporate Branch, Dinajpur a work completed by Jakia Sultana, Student ID: 1905837, MBA in Accounting and Information Systems, Hajee Mohammad Danesh Science and Technology University, Dinajpur-5200, under my co-supervision and submitted for the partial fulfillment of the requirement of the degree of Master of Business Administration (MBA) in Accounting and Information Systems at HSTU, Dinajpur.

I wish her every success in life.

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Student's declaration

I hereby declare that the internship report entitled on Performance Excellence of Electronic Banking of Rupali Bank Limited, HSTU Corporate Branch, Dinajpur embodies the result of my own works and efforts, prepared under the supervision of Md. Mamunar Rashid, Professor, Department of Accounting, Hajee Mohammad Danesh Science and Technology University, Dinajpur.

I further affirm that the work and information presented in this internship study are original and any part or whole has not been submitted to, in any form, any other University or Institution for any degree or any other purpose.

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Abstract

Purpose of the report is to identify the performance excellence of electronic banking activities of Rupali Bank Ltd. In order to conduct the report both qualitative and quantitative data has been collected, analysed and used. Quantitative data has been collected from financial statement of the bank which has been published in the annual report of the bank and analysed using MS excel. Qualitative data has been collected through observation, conversation and face to face communication with office staffs and clients of the bank. Financial data has been collected for five years ranging 2016-2020. The report describes how the bank serves its customers with the e banking facilities and how e banking facilities made the banking services more easy, efficient and safe for the customers. This report will help to have a clear concept about the e banking services of the bank.

Keywords: E banking.

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CHAPTER I

INTRODUCTION

1.1 Overview

Electronic banking means the banking activities performed through the electronic means i.e., using telecommunications network, computer, cellular phones and other electronic devices. The National City Bank of New York introduced successful electronic system-based transferable deposit certificate in 1961. It was the first bank to launch the service. With the advancement in technology, Electronic Fund Transfer (EFT) took place as the first phase of E-banking. The main elements of the electronic banking are Automated Teller Machine (ATM), Point of Sale (POS) and Automated Clearing House.

E-banking is designed for the purpose of online banking that enables clients to have easy and safe access to their bank account. E-banking is a safe, fast, easy and efficient electronic service that enables customers' access to bank account and to carry out online banking services 24×7. The service enables the clients of banks to save their time by carrying out banking transaction at any place and at any time from their residence or offices, all they need is internet access.

Banking sector plays an important role in financial system and development of the economy. As a key component of the financial system, bank allocates funds from depositors to borrowers in an efficient manner. This sector provides specialized financial services to its various clients which makes the economic sector more progressive. By providing funds to the investors banks contribute in increasing productivity, amplifying economic size, creating employment opportunity, and thus in economic growth. In order to provide quality and timely services to the doorsteps of the customers of banks, electronic banking can play the smart role. Considering the significance of banking sector and the use of digital technology in the economic development of a nation I chose to conduct my internship program in the banking sector intending to identify the performance excellence of electronic banking activities. For the purpose of the program, I took placement in the Rupali Bank Ltd. since it is one of the significant role playing state owned commercial banks in Bangladesh.

1.2 Objective of the Program

The internship programs are important because they provide insight into real world employment setting which can help to define career goals. On the other hand, this program helps getting experience on the application of theories, policies, strategies which we learn from our academic sessions. Therefore, the core objective of this program is to identify the performance excellence of E-banking activities of Rupali Bank Ltd. Some of the relevant objectives along with the main are:

- i. To attract the customers and making the banking system easier.
- ii. To provide liquidity to the banks.
- iii. To boost the economy for maintaining the cash in the economy.
- iv. To provide 24/7 banking services that the world economy is growing.

1.3 Limitations of the study

There are some limitations of the reports which are described briefly

- i. Time factor: The duration of the internship/ study is only 3 months. Banking is a vast phenomenon and a huge concept encompassing a great variety of divergent field of studies. It is quite impossible to grasp all the relevant matters within 3 months and make a report on it. Only a bird's eyes view has been presented in the report due to the time constraint.
- ii. Non-disclosure of the bank's policy: A business organization cannot reveal all its data and information to public because of its policy of secrecy. So all these secret matters have not been possible to collect and to incorporate in the report which may result in less acceptability.
- iii. Insufficient data: sufficient data have not been collected due to many constraints. Insufficient data may suffer from the lack of reliability.
- iv. Difficulty in getting full cooperation: Banking is a busy job. Every employee has to get fully involved in his/her specific assignment. So it is very difficult for him/her to spare time to give information to project study like this. In spite of a good intention to extend full cooperation, the employees could not make time always to help making the report.

CHAPTER II

LITERATURE REVIEW

Facing extremely severe competition from non-banking sector, the banking industry has adopted a more aggressive approach in the development of new e-banking services. For example, some large banks have started to install advanced software to process all consumer loan applications online, a new paperless e-loan process. And interestingly, the signatures will be created from images collected by special electronic signatures (e-signature), which has been available and legal since 2000. In UK, banks now view e-banking from new distribution channel before to new business models in which e-banking service is considered together with banks' strategic planning, business process, and product/service package offering (Li, 2002; Brown *et al.*, 2004). Empirical studies from the consumer side of e-banking have focused on the quality of customers on the utilization of current e-banking services (Hitt and Frei, 2002), and another recent one examining the customer attitudes towards e-banking and concluding that online banking marketing will gain importance at a faster rate in the coming years (Kaynak and Harcar, 2005). Other new e-banking services have targeted mortgage lending, consumer lending, and small business loan products. As an Integral part of the e-business, the e-banking industry has been growing at a rapid pace, to help banks cut costs, increase revenue, and become more convenient for customers (Halperin, 2001). A recent research even investigated the impact of e-banking on building inter-firm relationships within 200 Australian banks and showed that an effective e-banking may enhance inter-firm relationships through improved traditional communications (Rao, 2004). Due to different motivational factors, however, banks, larger and small or located urban or suburban, have placed different priorities and investments in their e-banking efforts. While larger and national banks are currently leading the way in the e-banking forefront, most small and local community banks are reported way behind in this effort – due to the fact that those smaller community banks were in general lack in both financial and technological resources (O'Connell, 2000). It has been recommended that for smaller community banks, the addition of e-banking services can increase their capacity to offer more banking products and reduce their dependence on core deposits. Those e-banking options also generate a higher proportion of their income from nontraditional activities comparing to banks without e-banking operations (Stamoulis, 2000). Moreover, the e-banking option will in fact as an effective way to reduce the costs of operations for the financial institutions. However, in practice, larger banks located in a

centralized urban area tend to have the greatest incentive to adopt banking services, while in comparison, smaller community banks tend to have a high initial technological cost in developing e-banking services (Treadwell, 2001). Looking forward, most small banks are motivated to develop e-banking services for potential future cost savings and gaining a competitive edge in the competition (Timmons, 2000). Presently, it is believed that a combination of a low percentage of customers using e-banking services on a consistent basis and a relatively low start-up cost in developing e-banking services – will make the impact of e-banking (positive or negative) quite limited on the bottom line of most financial institutions (Marenzi *et al.*, 2001). On another hand, e-banking services could be in demand and desirable to accommodate the sudden, rapid growth that has occurred in other information-intensive industries such as travel and securities brokerage. Some new e-banking services have gained a growing popularity such as e-payments and statement aggregation involving e-mail statements, e-mail alerts, online loan decisions, fraud protection, and inter-bank funds transfer capabilities (Stoneman, 2001). The e-banking sector has been growing to reach a competitive level, and has become a serious competitor to traditional banks. With the advantages of quick and easy application process, less technical glitches, more funding options, and low minimum opening deposit requirement, traditional banks have to compete more relying on their conventional face-to-face services, first-name-calling friendly environment, and trust and secure feeling of transacting business with adperson in a financial institution (Hirst, 2000).

CHAPTER III

METHODOLOGY OF THE STUDY

In order to draw a picture on the E- Banking services provided by RBL and to perceive the performance excellence of e-banking services of RBL, I have used different techniques to collect and present data. For the purpose of the program both primary and secondary data have been collected and used to prepare the report.

3.1 Study Method

Both the quantitative and qualitative data has been collected, analyzed, and used in the preparation of the report. Quantitative data has been collected from the financial statements of the branch and analyzed using MS Excel. Growth rate has been calculated by subtracting previous value from current value and then the difference is divided by the previous value. Qualitative data has been collected through observations, conversations, face to face interview with office staff and clients of the branch. I have visited the branch several days during the operation hour to get the appropriate insights about the general banking activities covering the deposit management, loan management. Based on the observation and data collection from different sources the analysis has been conducted. Based on the result of the analysis, this report has been prepared.

3.2 Sample Selection

For the purpose of program, financial data has been collected for five years ranging 2016-2020.

3.3 Data Collection

The main input of this report is secondary data which have been collected from the database of the bank. Additional insights were gathered through observations and discussions. The main sources of data are:

- Rupali Bank Ltd database
- Annual report of Rupali Bank Limited
- Official website of Rupali Bank Ltd related books, journal and articles.
- Personal observation.
- Discussion with banks officers.

CHAPTER IV

DATA ANALYSIS AND INTERPRETATION

General banking department is known as the heart of all banking activities. This is the busiest and one of the most important departments of a branch because funds are mobilized; cash Transactions are made; clearing, remittance and accounting activities are done here. Since bank is confined to provide the services everyday general banking is also known as 'retail banking. In the HSTU Corporate Branch of Rupali Bank Ltd, the following departments are under general banking section:

- Account opening section
- Deposit section
- Cash section
- Clearing section
- Accounts section

4.1 Types of Account & deposit products

- Current account (CD Account)
- Savings Deposit (SB Account)
- Fixed or Time Deposit (FDR)
- Short Notice Deposit
- Time deposit
- Festival Deposit
- Other Types of Deposit or Scheme

Table 1: Interest rate

SL	Types of Deposits	Interest rate per annum
1	Savings deposits	3%
2	Short notice deposits	3.00%
3	Time deposits	3.00%
	a. Three months and above but less than six month	5.25%
	b. Six months and above but less than 1 year	5.50%
	c. One year and above but less than two years	6.00%
	d. Two years and above but less than three years	6.00%
4	Deposit from foreign remittance	6.00%
5	Rupali bank deposit pension scheme 2	6.50%

4.1.1 Current Account

Current account is purely a demand deposit account. There is no restriction on withdrawing money from the account. It is basically justified when funds are to be collected and money is to be paid at frequent interval.

4.1.2 Savings Account

This deposit is primarily for small-scale savers. If a customer wants heavy withdrawal he/she can do so only against a prior notice because there is a restriction on withdrawals in a month.

4.1.3 Fixed Deposit

The Local Remittance section of Rupali Bank Ltd are found to issue FDR. Fixed deposits are also known as time deposit or time liabilities. These deposits are made with the bank for a fixed period, specified in advance. The bank need not maintain cash reserves against these deposits and therefore, the bank offers higher of profit more or less on such deposits.

4.1.4 Other Types of Deposit

Besides above three, Rupali bank has some other sorts of deposit skims. They are called Term Deposits. It might be short time or long time duration. These rates are not negotiable. That is given by the bank for specific period of time to the customer. These are given below.

- **SND:** Short Notice Deposit is based on daily deposit of money in the bank. It gives interest on 3% twice (June and December) a year.
- **RSSA:** Rupali Student Saving Account can open with taka 100/gives interest on 4% of the saving twice a year.
- **RMPS:** Rupali Monthly Profit Scheme is for 3 year. It gives interest on 5.5% of the saving. This scheme is only on time deposit of 1, 00,000 or more.
- **RMES:** Rupali Monthly Earning Scheme is for 3 interest rate of the saving respectfully.

4.1.5 Loan Department

The banks Loans & Advances portfolio also indicate an impressive growth after the implementation of e banking services.

Different types of general advance are as follows

i) **Cash credit:** It is a continuous and general trading loan whose minimum amount is 1 Lac. There are two types of cash credit namely:

- Cash credit-hypothecation
- Cash credit-pledge

But cash credit hypothecation has been continued. Its rate of interest is 15%. If it is for working capital purpose, its interest rate is 14%.

ii) **Consumer credit (Demand loan):** It has been introduced in 2001 in this branch. Bank gives this loan for buying consumer goods like TV, Freezer etc.

(iii) **Over draft:** An overdraft occurs when money is withdrawn from a bank account and the available balance goes below zero. In this situation the account is said to be "overdrawn". If there is a prior agreement with the account provider for an overdraft, and the amount overdrawn is within the authorized overdraft limit, then interest is normally charged at the agreed rate. If the negative balance exceeds the agreed terms, then additional fees may be charged and higher interest rates may apply. Overdraft is fully secured such as:

- Overdraft against FDR
- Loan against DPS and SDPS
- Loan against saving certificate

iv) **Small Loan:** This loan is given to cottage industry, small trader, small-scale industries and other self-employed persons. Limit of this loan is from Tk. 1000 to 100000. To give this loan bank collects necessary information about the loan holder and about the nature of the business.

v) **House building loan (General):** Bank gives this loan in general. Any people who fulfill the terms and conditions house-building loan can get this type of loan.

vi) **House building loan (Staff):** Staff of Rupali Bank can get this loan, which is a good opportunity of the employees of Rupali Bank

b) Industrial credit:

It is a long-term loan, which is supplied by the bank to industrial customers. There are some special named industrial credits such as:

- Loan under Rupali Bank industrial credit scheme (project)
- Loan under external credit program
- Working capital to industries- Hypothecation and

c) Rural credit:

This type of loan is lent to the rural production based sector. These are some important rural credit namely:

- Loan under Rupali Bank agro-based industrial credit scheme
- Working capital to agro-based industries hypothecation
- Working capital to agro-based industries-pledge

4.2 Rupali Bank Services

4.2.1 Utility Services

Rupali Bank Limited offers some special services to customers in addition to its normal banking operation. Collection of various utility bills is one of them. Under this service the bank benefited customer by collecting their various utility bills like telephone bill, water, sewerage bill, electricity bill etc.

Some sort of collection of bills:

- i. Telephone bills,
- ii. Water & Sewerage bill of Water and Sewerage Authority (WASA),
- iii. Electricity bill,
- iv. Different school & colleges tuition fees which are situated nearby.

4.2.2 Cash Section

Cash department is the most sensitive part of any banks branch as it deals with all kinds of cash transactions. This department starts the day with cash in vault. Each day some cash that is opening cash balance are transferred to the cash officers from the cash vault. Net figure of this cash receipts and payments are added to the opening cash balance. The figure is called closing balance. This closing balance is then added to the vault. And this is the final cash balance figure for the bank at the end of any particular day.

4.3 E- Banking Activities

E-Banking is defined as the use of digital technology to communicate instructions and receive information from a financial institution where an account is held. This service includes the system that enables financial institution customers, individuals or business to access accounts transact business, or obtain information on financial products and services

through a public or private network”. E-banking is now a global phenomenon. It is an invaluable and powerful tool driving development, supporting growth, promoting innovation and enhancing competitiveness. The evolution of banking technology has been driven by changes in distribution channels as evidenced by automated teller machine (ATM), Phone-banking, Tele-banking, PC-banking and most recently internet banking. From the date of inception RBL has always been moving with the latest technology and time to time the bank has adopted different advantages of the technology which has enriched its IT infrastructure. Technological development of the bank tremendously increased its customer service as well as trust worthiness of the stakeholders towards the bank.

4.3.1 Overall Automation of RBL

Rupali Bank Limited started using computer technology for automation of its various banking operation. Many important job of the bank are currently automated. The Information Technology and Management Information Systems (MIS) Division of the bank responsible for managing automation of banking operation, is well equipped with IBM mid range computers, very High End Serves and latest microcomputer and staffed with trained and experienced personnel. The bank uses its house software for processing most of the job performed in IT and MIS Division. The major jobs handled in IT and MIS Division are:

- i. Inter-branch transaction reconciliation
- ii. Payroll of Head office Employees
- iii. Inventory Management
- iv. Foreign Bank Account Reconciliation
- v. Consolidation of statement of Affairs Income and Expenditure statement.

4.3.2 Branch Computerization

Rupali Bank Limited has introduced all out automation in all banking activities to ensure greater customer satisfaction as well as transparency, efficiency and to modernize its services. Account holders of all 569 branches of Rupali Bank Limited have access to all monetary transactions through online banking. Rupali Bank Limited has grown significantly over the years in branch automation. Till date all the branches become computerized, where they are operating under sonali intellect, CBS and different online/ offline software are used

in various types of work. Most of the banking activities can be carried out using this software. Bank provides continuous training for the users of this software.

4.3.4 Electronic Banking Services

Different types of Electronic banking (E-banking) services are provided by Rupali Bank Limited to its customers. The following are the details of E-banking that is provided by RBL:

Table 2: Service provided under electronic systems

No	Name of electronic services
1	SMS Banking
2	Online Banking
3	ATM
4	Debit card
5	BACH and BEFTN
6	Utility bill collection
7	Home Banking
8	Rupali Bank SureCash
9	Website

4.3.4.1 SMS Banking

Rupali Bank Ltd offers SMS Banking services to ensure instant access to one's account information at any time. Any mobile phone user having account with Rupali Bank can get the services through the mobile phone. By using sms banking customers can avail the services like: Balance enquiry.

4.3.4.2 ATM Cards

Rupali Bank is providing ATM facilities to its customers since 2013. Now customers can access to their money 24/7 more easily and conveniently through the banks widespread network of ATMs in Bangladesh. As a progressive and forward looking financial services enterprises that aspires to be the best bank of Bangladesh, Rupali Bank is now positioned well to install its own branded ATMs at various strategic locations in order to acquire its own transactions as well as transaction of other banks. Initially, the bank had installed 12 own brand ATMs in different location throughout the country. Furthermore in celebration

of the grand occasion of 'Mujibshata Borsho', Rupali bank intends to establish 60 ATMs across the country to reach the 100 ATM network milestone during the current year(2021).Rupali Bank Limited connected to National Payment Switch which enables customers to withdraw money from any other banks ATMs within Bangladesh.

4.3.4.3 Debit Card

A debit card is a payment card that deduct money directly from a consumers checking account when it used .It is also called check card or bank card ,they can be used to buy goods or services, or to get cash from an ATM or a merchant who will let a customer add an extra amount onto a purchase. Which provides an alternative payment method to cash while making purchase. Debit cards eliminate the need to carry cash or physical checks to make purchase.

Facilities

- Debit cards eliminate the need to carry cash or physical checks to make purchase
- Debit cards can be used at ATMs to withdraw cash
- Free SMS Alert for any ATM, POS and Online transaction.
- Cash withdrawal, balance enquiry, Mini Statement& PIN Change option in Rupali Bank ATMs.

Transaction limits

- Per Transaction Limit: BDT 20000
- Per Day Limit: BDT 50,000
- Per Day No of Transaction: 5

Fees

- Cash Withdrawal from Rupali Bank Ltd. : FREE
- SMS Alert Fee : FREE
- Annual Fee: BDT. 500 + 15% VAT
- Card/PIN Replacement Fee: BDT. 300 + 15% VAT

4.3.4.4 Home Banking

Home banking frees customers of visiting branches and most transactions will be automated to enable them to check their account activities transfer fund and to open L/C sitting in their own desk with the help of a PC and a telephone. Rupali Bank Limited also provides this service to the customer.

4.3.4.5 Online and Internet Banking

Online banking is also known as internet banking. Online banking is a facility offered by banks and financial institutions that enables customers to use banking services over internet. Customers need not to visit their bank. All branches of Rupali Bank Limited (RBL) have been brought under online network. All clients of RBL can avail transaction services of the bank through online banking from any part of the country. Online banking system is an effective method to decrease paper utilization. All the branches of Rupali Bank Limited are providing online banking facilities through its core banking system namely Sonali Intellect. Fund Transfer to other banks accounts through BEFTN has been made available through Online Banking for the customers. Rupali Bank Limited has offered 24/7 accessible Internet Banking service. By using real-time internet banking customers can avail the services Rupali Bank Ltd. like:

4.3.4.6 BACH & BEFTN

As a part of the plan of Bangladesh bank for automation of clearing payment systems of the country Bangladesh Automated Clearing House (BACH) was introduced in the bank. The two component of BACH Bangladesh Automated Cheque Processing System (BACPS) & Bangladesh Electronic Fund Transfer Network (BEFTN) are achieved in the bank. Total branches of the bank in 583 clearing areas of the country have been brought under BACPS successfully and there is a plan to bring all the branches under this operation. The other component BEFTN has been introduced in all the branch of the bank. As per Bangladesh bank instruction, only credit operation has been allowed in it. The debit operation will begin very soon. With the introduction of automated clearing systems, customer service has improved greatly.

4.3.4.7 Rupali Bank SureCash

Rupali Bank SureCash is dedicated to widening the net of financial inclusion among the people of Bangladesh by facilitating money transfer through mobile phones. SureCash provides Mobile Financial Services allowing customers to send, receive, and pay money from their mobile phones. Send and receive money, or make payments the fastest way. Rupali Bank SureCash enables a client to send money to anyone, using an advanced technology available on your own mobile phone. Payments through Rupali Bank SureCash also makes life easier as customers do not have to go back home or anywhere else to get money when she/he need to buy something and have run out of cash

4.3.4.8 Utility Bill Collection

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

Collection of Bills

- i. Telephone bill of Bangladesh Telephone & Telegraph Board (BTTB).
- ii. Water & Sewerage bill of Water and Sewerage Authority (WASA)
- iii. Electricity bill of Power Development Board (PDB), Rural Electrification Board (REB) etc.

4.3.4.9 E-nothi implementation

Electronic methods are currently being used in document management in various countries to provide easy and seamless access using information technology. In this context, the Access to Information (a2i) program of the Government provides e-nothi software for implementing an effective method for document management in all Government offices. e-nothi can be considered as an effective way for managing official documents and preserving records, comprising a step forward in the implementation of the Digital Bangladesh Vision-2021. While e-nothi activities are currently underway across 10 divisions of the head office in the first phase, the system will be implemented across the bank's branches in the near future under subsequent phases

4.3.4.10 Website

Rupali Bank's website is being regularly updated, which plays a pivotal role in the positive branding efforts of the bank. Such activity helps build better relationships, with customers facilitated by accessing/reviewing the bank's services from the comfort of their homes or offices and enables them to leave feedback. This is fundamental for building strong relationships with the customers.

4.3.4.11 Own e-mail server

Head office divisions, RBTA, divisional offices, zonal offices and branches have been using own e-mail server for e-mail exchange since 2017. Each user has been given a mailbox without any size limitations. Moreover, any problems with the email server can be resolved swiftly because of its own custody. Own e-mail server has brought forth the following

benefits:

- i. Added privacy, as mails stored somewhere else have the least possibility of someone else looking at it or copying it
- ii. Faster internal mail communication
- iii. Own defined virus and spam filters

• **Full control of services**

In order to protect the bank's email server from spam, denial of service, trojan horse, virus, worm, phishing and spoofing email security gateways and advanced threat protection (ATP) have been implemented on the server.

4.4 The relationship between electronic banking and growth in deposits

Numerous studies have stated that the introduction of electronic banking has brought remarkable improvement in the ways banking is conducted. For example, Alagheband (2006) in their study, the impact of electronic banking on the growth of customer deposits in Nigerian banking industry found that the introduction of electronic banking innovations opened more channels and opportunities for diverse means of increasing customer deposits. The finding further revealed that these innovations also enhanced efficiency and effectiveness in service delivery since customers were exempted from visiting bank hall. According to Kolodinsky (2004) electronic banking system has enlarged product lines and also improved delivery channel such as mobile and internet banking. This has provided an opportunity for all classes of customers to save and accumulate their money for future investment. This has boosted growth of customer deposits since these channels are convenient and efficient to access. This is in line with a study conducted by Afolabi (2009), investigated the impact of mobile banking transactions and growth of customer deposits. Findings of this study depicted that there was a positive relationship between use of mobile banking transactions and growth of customer deposits.

Similarly financial performance of the Rupali bank Ltd after full implementation of the e banking services shows significant improvements. It brings positive change on deposit growth of the bank.

Table 3: Schedule of Deposit and per year growth percentage for the last 5 years

Year	Total Deposit (BDT Million)	Deposit Growth percentage % (BDT Million)
2016	27,912	-
2017	31,949	14.46
2018	38,955	21.93
2019	41,462	6.44
2020	53,230	28.38

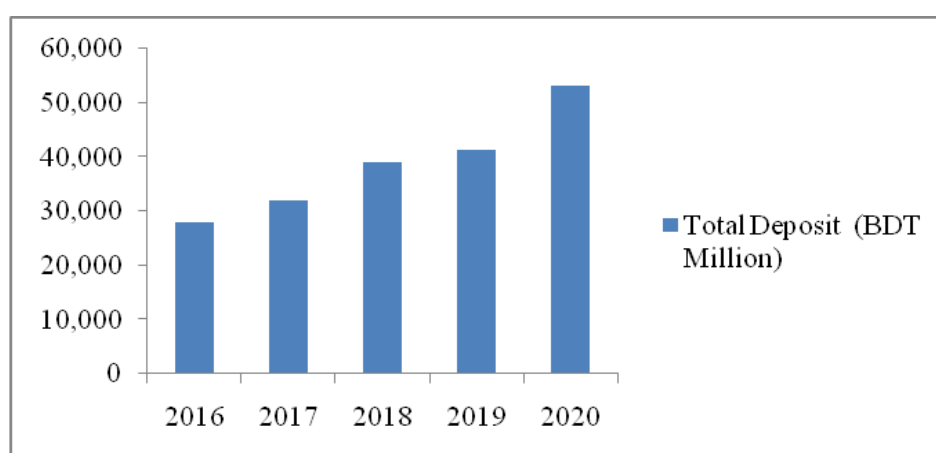


Figure 1: Deposit Growth percentage

Remarks: The chart shows the total deposits of Rupali Bank Limited, during 2016 to 2020. In 2016, the total deposit was 27912 and in 2020 the amount of deposit in Rupali Bank Ltd. was 53230. The deposit growth percentage was increased to 28.38% in 2020.

Table 4: Schedule of Outstanding loan and per year growth percentage for the last 5 years

Year	Total Outstanding loan(BDT million)	Loans - One year growth percentage (%) BDT million
2016	200,598	-
2017	253,804	26.52
2018	316,977	24.89
2019	328,062	3.50
2020	372,710	13.61

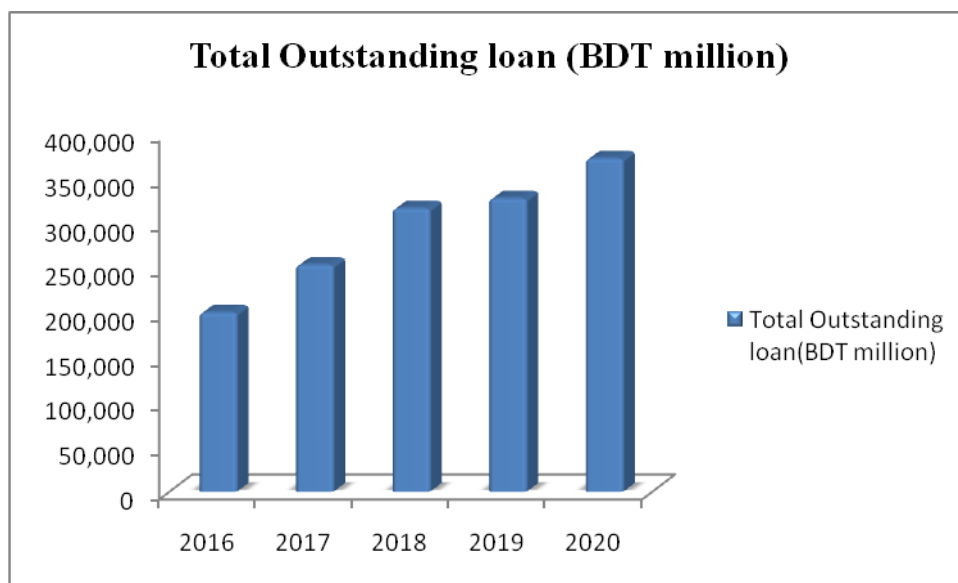


Figure 2: Total Outstanding loan

Remarks: The chart indicates the total outstanding loan of Rupali Bank Limited, during 2016 to 2020. In 2016, the total outstanding loan was 200,598 and in 2020 the amount of loan in Rupali Bank Ltd. was 372,720. Moreover, the amount of outstanding loan growth percentage was 13.61% in 2020. So, the table describe that the amount of total outstanding loan of Rupali Bank Ltd. is satisfactory.

Table 5: Schedule of profit and per year growth percentage for the last 5 years

Year	Total profit (all values BDT million)	Net income growth percentage (%)
2016	-1212	-
2017	602	149.67
2018	409	-32.06
2019	570	39.36
2020	203	-64.385

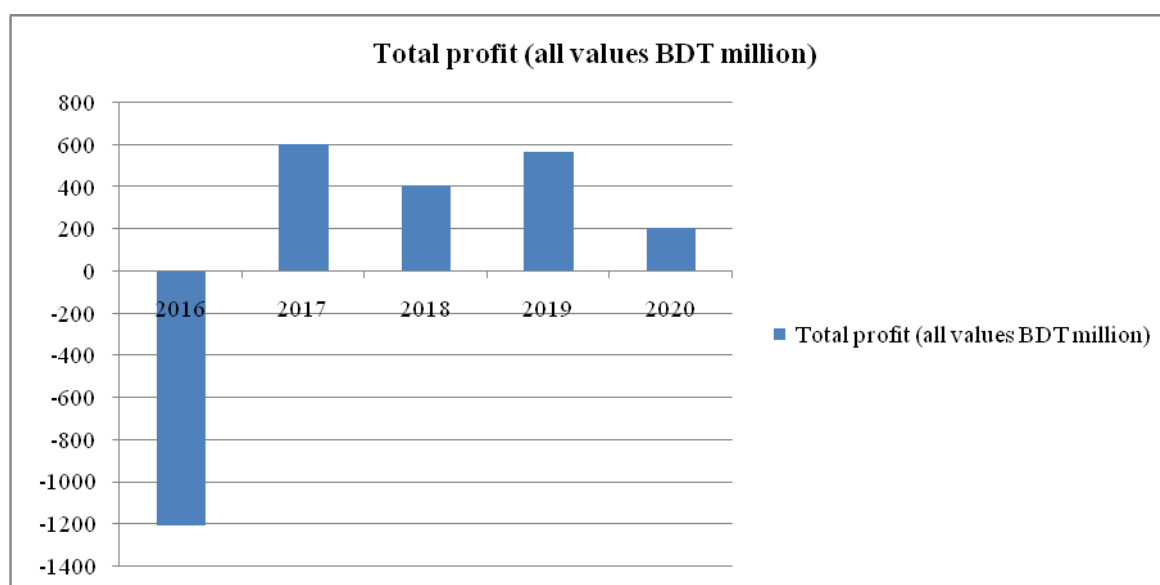


Figure 3: Profit and per year growth percentage for the last 5 years

Remarks: The chart shows the total profit of Rupali bank ltd. during 2016 to 2020. In 2016, the total profit was -1212 and in 2020 the amount of profit of Rupali bank Ltd was 203 the amount of decreasing net income percentage was -64.385% in 2020. The growth rate is dissatisfactory.

4.5 Importance of Electronic Banking

Electronic banking provides a number of advantages for both the banks and their customers. Electronic banking has made life much easier and banking much faster and more pleasant, for customers as well as the bank. It saves time spent on queuing in the bank. It removes geographical limitations for small and medium size banks, thereby paving ways for international operation without limits.

It has no time limitation i.e. banking transactions may be performed throughout the day, week and from any place they can have access to the Internet. It provides efficient cash management for interest optimization. It provides convenience in terms of the capital, labor time and all the resources needed to make a transaction. It has assist banks to increase in data collection, data management, and financial engineering that have improved the ability of potential creditors to assess the creditworthiness of potential borrowers and to price the risk associated with those borrowers through standardized mechanisms such as credit scoring. Taking advantage of integrated banking services bank, clients may compete in new markets, gain access to new customers and grow their market share.

Banking technological developments make it much easier and cheaper for customers to compare and contrast products and to establish multiple banking connections which could alter the purchasing decision making process of the customer. It provides some sought of security and privacy to customers, utilizing state of-the-art encryption and security technologies.

4.6 Drawbacks of Electronic Banking

Electronic banking like any other thing in life has its own draw backs. In order to take advantages of e banking facilities internet connection is a must, which signifies that the access to a customer's account is solely dependent in technology in the case of E-banking. Without internet being connected customers can not access to banking facilities. besides that E-banking is subject to the dependability of other computers and web server which means that the system is faulty, a customer can not have access to his/her account. It also means that a customer has to know how to use a computer before he/she can carry out a transaction. There are set of people e.g. senior citizens who don't know much about the technological trend, prefer the traditional way of banking. This is because they find the system difficult and scary. The governmental policies that provide guideline for internet banking operations across international border are mostly inefficient. The services of a third party are usually required by the bank to run the online banking services to their clients.

CHAPTER V

FINDINGS AND SUGGESTIONS

5.1 Findings

This chapter presents the findings of the program conducted at Rupali Bank Ltd. In this program, I was assigned to observe and the performance excellence of electronic banking services of Rupali Bank Ltd. To do so, I have prepared a checklist of e-banking services provided by Rupali Bank Ltd. The report shows that the bank provides 9 different e-banking services. The e-banking services provided by RBL include SMS Banking, Online & Internet Banking, ATM, Debit Card, BEFTN, home banking, website and Rupali Bank SureCash. Customers get the benefits of all the 9 e- banking services. E banking system has brought positive change toward the overall growth of the bank which is visible from the deposit growth of the bank. Rupali Bank Ltd is providing all E banking services since 2016. The total deposits of Rupali Bank increased from 27912 million to 53230 million over the year 2016 to 2020. The outstanding loan and advance of the bank was also satisfactory over the period but its profit is showing negative value. It is because implementation of e banking facilities requires some cost and it takes time to recover it. Other findings are:

- i. There is less number of women who used electronic banking services. Because they are still unaware about how to use banking services.
- ii. Electronic services basically depend upon the income level of any person. However there is no such relation to start electronic banking services. Because there is no any limitations on maintain the balance for electronic banking services.
- iii. There are no any relationship between annual income and education to use electronic banking services.
- iv. Sometimes ATM booths have no money for proper supply chain management problem and sometimes no electricity in the ATM booth causes shocking experience for the customer. The customers can't get their money even after the completion of the transaction because of electricity failure and have to wait minimum 20 days.
- v. The quality of services depends on the bank willingness and availability of the software and man power of the bank.

5.2 Suggestion

Now-a-days the banking sector undergoing revolutionary changes with the initiation of modern technology and introduction of new products based on the electronic system because the development in information communication technology (ICT) has changed the concept of conventional banking system.

Since the internship period is only three months, it's very difficult to know the organizational procedures properly with limited working experience. However, I have tried my best to get insights about the banking procedures, especially the e-banking services provided by the bank. Based on the experience of the internship, the following recommendations are outlined for the bank.

- i. E banking should implement easy way to access electronic banking services for the people who are unaware about how to use electronic banking services very frequently.
- ii. E banking system should be simple to use, fast and user friendly.
- iii. High speed and uninterrupted Internet connection should be used
- iv. Smart Phone Mobile applications could be developed
- v. Creating strong customer care team which can support the customer in using such advance systems.
- vi. More awareness campaigns should be initiated
- vii. Customers should be appropriately encouraged to use e-services.

CHAPTER VI

CONCLUSION, POLICY IMPLICATION AND FUTURE WORK

6.1 Conclusion

Electronic banking has a remarkable effect on bank efficiency and effectiveness. This means that the banks are now able to provide better services to their customers and timely response. Before the introduction of E-banking, customers experience was not good in terms of time, customer service and operational service (e.g., draft, bank transfer, manager cheque, etc.).

Products offering has a limited range like savings, current, investment account, deposits the traditional practice of banking but electronic banking has brought a lot of impacting effectiveness and efficiency by creating space for other better hybrid products like automated invoice settlement, bank cards, electronic standing orders etc. Transaction security has also being effective since the introduction of e-banking, immediate notification for all kinds of transaction and having the ability to any unauthorized transaction. Also customers can easily get information of their Bank details online without physically visiting the Bank.

6.2 Policy Implication

This report is based on a three month internship program on assessing e-banking services of Rupali Bank Ltd, brief outline on RBL showing the general banking activities, and an insightful documentation of e-banking services of RBL. The overall electronic banking activities of Rupali Bank Ltd. have been discussed in a descriptive manner. I hope that this report would help in getting a better idea about e-banking services and its way of making banking services more efficient and customer friendly.

6.3 Future work

The security of e banking and its contribution toward the growth and profitability of the bank can be taken into consideration for the further study. If the bank can ensure 100% security to the customer, the customer satisfaction can add more value to the bank.

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