



INTERNSHIP REPORT
ON
GENERAL BANKING ACTIVITIES OF SOUTHEAST BANK LIMITED
(CORPORATE BRANCH)

SUBMITTED TO

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Sub: Submission of Internship Report

Dear Sir,

It is my great pleasure to submit the Internship report entitled “General Banking activities of Southeast Bank Limited” to you. As per requirement of MBA, I have completed the Internship in Southeast Bank Limited. I have tried to exert all the knowledge that I gathered through my working with this branch of SEBL.

My internship in Southeast Bank Limited was a worthwhile experience and the exposure of such an organization would be valuable for me. Before facing the real business world, I have gathered prior knowledge about the organization culture.

Thank you very much for your kind co-operation without which this Internship Report cannot be completed. I like to take every opportunity to express my gratitude of indebtedness to you. Thank you very much for your kind co-operation.

Sincerely yours,

.....

Mahbuzzaman Bhuiyan
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ACKHOWELDGEEMENT

At first I would like to express my gratitude to Almighty Allah who has given me opportunity to go through the total process of internship and to write a report in this regard.

I would like to take the opportunity to express my gratitude to Suntu Kumar Ghosh Assistant Professor, Faculty of Business Administration, BRAC Business School whose direction, guidance and support helped me a lot in writing this report.

It was a great pleasure for me to work in Southeast Bank Limited (Corporate Branch) as an intern. I thank all the employees for being friendly and cooperative. I was taught lots of important things throughout my internship career because of their proper attention and co-operation.

My deepest appreciation and special thanks goes to Mr. Abdul Batin Chowdhury (EVP) Head of Corporate Branch, Md. Anowarul Kabir (VP) the Manager Operation of Southeast Bank Ltd Corporate Branch, for extending his support in compiling this report. I would especially like to thank Ms. Rifat Binte Hasan, senior principal officer of Southeast Bank Ltd. Corporate Branch who helped me a lot during my Internship days with valuable advices, guidance and necessary information.

At last I must mention the wonderful working environment and group commitment of this bank that has enabled me a lot deal to do and observe the banking activities during my internship period of three months. Finally, I convey my sincere thanks to my friends who inspire in different ways to complete the report and the course as well.

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EXECUTIVE SUMMARY

I have completed my internship report using Practical working knowledge. I was assigned to pursue internship on “**General Banking Activities**” of Southeast Bank Ltd, Corporate Branch Dhaka. There are some differences between theories and practice. Due to complete the report, I worked at corporate branch in Southeast Bank Ltd. The employee who associated with general bank the help me to complete the report by providing various information. From them learn much practical activity. Southeast Bank Limited, a second generation private Bank, emerged in 1995 amid liberalization of global economies. In its arduous journey since, Southeast Bank has succeeded in realizing the dreams of those who established it.

Today it is one of the country’s leading banks in the private sector contributing significantly to the national economy. The Authorized Capital of the Bank today is BDT 15,000 million. Its Paid-Up-Capital and Reserve reached BDT 27,462.09 millions. The Bank had 2,221 Staff of whom 190 were Executives, 1,590 were Officers and 441 were other officers .Those are approximate current information. Annual general meeting of Southeast bank limited was held on December 31, 2014.

The internship report is a partial requirement of MBA. As a part of internship program, I was working at Corporate Branch of Southeast Bank Limited. During the internship program I have learned extensively about commercial banking operation.

This report explores Southeast Bank activities as one of the leading non-government organization. This report contains information about all commercial activities that the bank deals with. I have mainly focused on General Banking system of Southeast Bank Limited in this report.

General banking operation includes all the general activities performed by the bank. I have discussed about different types of account holder and different types of account such as Saving Account, Current Account, Fixed Deposit Rate (FDR), Pension Saving Scheme (PSS) & other existing accounts with their rates and other activities of General Banking in detail.

Chapter- 01

Introduction

1.1 Background of the Report:

As a student of Masters of Business Administration (MBA) everyone has to conduct a practical orientation in any organization for fulfilling the requirements of the 12 weeks Internship Program. The main purpose of the program is to expose the students to the real world situation. This report is done as a partial requirement of the internship program for the MBA students. This report is prepared for the internship program consisting of a major in depth study of the total banking business of Southeast Bank Ltd. Practical knowledge is fundamental for the application of theoretical intelligence. Bearing this in mind and internship program was being included in the MBA curriculum. The goal of this analysis is to expose the student in the organizational work situation and also to provide an opportunity for applying classroom learning in practice. There are some difference between theories and practice.

1.2. Objectives of the study:

- To present an overview of Southeast bank limited
- To get an idea regarding General Banking Section
- Identify problems and recommend suggestion for the successful operation of the bank

1.3. Data collection:

This report has been prepared on the basis of my experience. I have collected information from bank during my internship. Here both primary and secondary data have been used to complete this report.

1.3.1. Primary Data:

Primary data were collected from Corporate Branch of Southeast bank (SEBL). This branch was my working place for the last three months. During the period interview of the officers of different departments were taken. Besides, I have observed different organizational procedures and also communicated directly with customers.

1.3.2. Secondary Data:

- Internal official documents and records (Examples: Rate sheet, backup etc)
- Annual report of SEBL
- Operational process

1.4. Scope of the study:

In my report I have highlighted the working process of GB (General banking), Clearing section, Account section and Cash section of Southeast bank Ltd. The scope of the report covers the comprehensive knowledge of Southeast Bank Ltd (SEBL). I have tried to analyze and evaluate General Banking based on my work experience, adequate information and discussion with Bank employees. This report is broadly organized into three chapters. The first one is Background section, the second is about the general banking section, cash, clearing and accounts section and last one is problems and recommendations. Finally I have come with conclusion.

1.5. Limitations:

I had to face different problems while preparing this internship report. Those problems are as follows:

- The organization maintains confidentiality about certain information
- The complete information is not available in website
- Time is very insufficient.

Chapter-02

History and Overview of Southeast Bank Limited

2.1 History:

Southeast bank Limited is a scheduled commercial bank in the private sector establishes under the ambit of Bank Company Act, 1991 and incorporation as a public limited company under Company Act, 1994 on March 12, 1995. During this short span of time the Bank is successful in positioning itself as a progressive and dynamic financial institution in the country. The bank achieved the certificate of commencement of business by Registrar of Joint Stock Companies and firms on the date of its incorporation and started its operations under its private sector. Bangladesh Bank issued banking License to the bank on March 25, 1995. Mr. M. Saifur Rahman, former finance minister of Bangladesh inaugurated the foremost branch of the bank at 1, Dilkusha commercial Area, Dhaka on 25th of the same year. In view of above, the bank within a period of 20 years of its operation achieved a remarkable success and met up capital adequacy requirement of Bangladesh Bank. In present the Bank has 113 branches which they are leading very successfully all over Bangladeshi Southeast Bank was established by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. They established the Bank with a vision to bring efficient and professional banking service to the people and the business community of Bangladesh to help the national economy grow. The incumbent Chairman of the Bank is Mr. Alamgir Kabir, FCA, a professional Chartered Accountant. The Bank's Managing Director is Mr. Shahid Hossain, a young and eminent banker of the country with 30 years. The Bank's operations are built upon unequivocal emphasis on effective corporate governance. The objective is to create, promote and build long-term company value. The Bank's first and the highest priority is to provide effective services and maximum satisfaction to the customers. The ethos of harmony and co-operation is widely practiced in the Bank. We take pride in the fact that the public and private face of the Bank is one and identical. We believe that transparency in decision-making, monitoring mechanism and full disclosure to shareholders and regulatory authorities are essential aspects of Bank's corporate governance and that they create an intense pressure to rationalize Bank's services and search for new competitive advantages. We work ceaselessly within these parameters a team of efficient professionals manages the Bank. They create and generate an environment of trust and discipline that encourages everybody in the Bank to work together for achieving the objectives of the Bank. The culture of maintaining congenial work-environment in the Bank has further enabled to benchmark themselves better against management expectations. A commitment to quality and excellence in service is the hallmark of their identity in its arduous journey since; Southeast Bank has succeeded in realizing the dreams of those who established it. Today it is one of the country's leading banks in the private sector contributing significantly to the national economy.

Certificate of Incorporation	March 12, 1995
Certificate of Commencement of Business	March 12, 1995
Bangladesh Bank license	March 23, 1995
First Branch Opened	May 25, 1995
Authorized Capital	15,000.00 Million
Paid-Up-Capital and Reserve reached	BDT 27,462.09 million(as on December 31, 2014)
Profit after provision and income tax	BDT 3,836.94million (as on December 31, 2014)
Total assets	BDT 236,608.40million (as on December 31, 2014)
Deposit	189,472.54
Investment	56,378.59
Import Business	155,691.00
Export Business BDT in million	112,137.60
Number of Branches till 2014	113
Number of Employees	2221
Number of Share Holders	58,169
Dividend(CASH) in 2014	16%

2.2 Mission, vision, goal and commitment:

Core Values:

- Integrity ● Respect ● Fairness ● Harmony ● Team Spirit ● Courtesy ● Commitment
- Service Excellence ● Insight and Spirit ● Enthusiasm for Work ● Business Ethics

Core Strengths:

- Transparent and Quick Decision Making ● Efficient Team of Performers ● Satisfied Customers ● Internal Control and Compliance ● Skilled Risk Management ● Diversification

Core Competencies:

- Knowledge ● Experience and Expertise ● Customer Focus ● Transparency ● Determination
- Zeal for Improvement ● Reliability ● Pursuit of Disciplined Growth Strategy

Vision: To be a premier banking institution in Bangladesh and contribute significantly to the national economy.

Missions:

- Highly quality financial service with the help of the latest technology
- Fast and accurate customer service
- Balance growth strategy
- High standard business ethics
- Steady return on shareholders' equity
- It innovative banking at competitive price
- Attract and retain quality human resource
- Firm commitment to the society and the growth of national economy

Commitment to Clients:

- Provide service with high degree of professionalism and use of modern technology
- Create long - term relationship based on mutual trust
- Respond to customer needs with speed and accuracy
- Share their values and beliefs
- Grow as our customers grow
- Provide products and service at competitive pricing
- Ensure safety and security of customers' valuables in trust with us

Corporate Slogan:

.....A bank with vision

Hierarchy of Southeast Bank Limited:

	President & Managing Director	
	Deputy Managing Director	
	Senior Executive vice president	
	Executive vice president	
	vice president	
	First vice president	
	Senior vice president	
	Assistant vice president	
	Senior Principal Officer	
	Principal Officer	
Management Trainee	Executive Officer	Entry Level
Probationary Officer	Senior Officer	Entry Level
Trainee Officer	Officer	Entry Level
Trainee Junior Officer	Junior Officer	Entry Level
Trainee Assistant Officer	Assistant Officer	Entry Level
Trainee Computer Officer	Junior Officer (Computer)	Entry Level
Trainee Cash Officer	Junior Officer (Cash)	Entry Level
	Trainee Assistant	Entry Level

Chapter 3

MY RESPONSIBILITIES

In every bank every officer has different desk to do their job similarly in SEBL, Corporate branch has different desk for every officer but as an internee they also give me one place to do work with them. At first my supervisor gives me an opportunity to do work in front desk which is under General Banking. There various types work is done by officers and I also do those types of works with them. Like, Registered the name and amount in the maturity date of Fixed Deposit, Issuing Cheque books, Giving Information to the customers about the A/C opening, Schemes, FDR rate etc. As an internee I was not permitted to do more responsible work. So, my main job was to observe their work how they are doing more responsible work and to do that work as per officers instruction. Under General Banking A/C opening section my job was to entry the FDR maturity date in the register .Every morning a long FDR maturity sheet come from IT section .In that sheet all the name list of the account holders are there who has FIXED Deposit in SEBL, Corporate branch, At first I bring all the register for entry the name and amount of the maturity. People can do FDR for some different types such as: 1(one) month, 3(three) months, 6(six) months, 1(one) year. In particular that if any ones FDR become matured that I enter their maturity date, the amount and cut the amounts excise duty which is depends on person's profit. After that if any one comes to do pay order officers make the pay order and I make the entry of that pay order in the register with the charge (vat + commission). Providing information to the customers is a big responsibility. Some people come to Open A/C. That can be Savings or Current. Another comes to open A/C for Proprietorship or for limited company. Some people want to know about the short term deposit or schemes then I have provided them that information.

Account Opening: Providing proper information how to open Savings account, Current account (personal and corporate), Fixed deposit, Double bonus Scheme (DBS), Monthly Saving Scheme (MSS), Pensioner Saving Scheme (PSS), Millionaire Scheme.

Procedure of Account Opening:

□ Account Opening (Normal Account):

- Collect an Account opening form from the Bank.
- Fill all the requirements of the form.
- Nominee is must be specified.
- Photograph is most important for any account.
- The account holder sign of his/her own self in front or the specific bank principle Officer in the account opening form.

- National Id Photocopy

□ Account Opening (Saving Account):

- Collect an Account opening form from the Bank.
- Fill all the requirements of the form.
- Nominee is must be specified.
- Photograph is most important for any account.
- The account holder sign of his/her own self in front of the specific bank principle Officer in the account opening form.
- To open this account the most important things is that Passport Photocopy or the Word Commissioner Certificate must have to add with the account opening form.

□ Account Opening (Current Deposit Account):

- Collect an Account opening form from the Bank.
- Fill all the requirements of the form.
- Nominee is must be specified.
- Photograph is most important for any account.
- To open this account the most important things is that Passport Photocopy or the Word Commissioner Certificate must have to add with the account opening form and also enclose the form 12 with the account opening form.

□ Checklist of Documents to be obtained for various types of ACCOUNTS:

□ Sole Proprietorship:

1. Signature Card.
2. Photograph of signatories attested by introducer.
3. Copy of valid Trade License.
4. TIN Certificate.
5. National ID/ photocopy of passport/ voter ID card.
6. KYC form.

□ Partnership:

1. Signature Card.
2. Photography of signatories attested by introducer.
3. Partnership Deed.
4. Partners letter of authority to open account and authorization for operation.
5. Copy of valid Trade License.
6. National ID/ photocopy of passport/ voter ID card.
7. KYC form.

□ Limited Liability Company:

1. Signature Card.
2. Photograph of signatories attested by introducer.
3. Copy of Memorandum and Articles of Association (Certified by RJSC).
4. Copy of Certificate of Incorporation and commencement of business (In case of public Ltd. Co.).
5. Copy of Board Resolution to open the account and authorization for operation.
6. List of Directors and signatories along with addresses.
7. Latest copy of Form XII.
8. KYC form.

□ Association/Trust/Society:

1. Signature Card.
2. Photograph of signatories attested by introducer.
3. Copy of Resolution of governing body to open the account and authorization for operation.
4. Copy of constitution / bylaws/ rules.
5. Certificate of registration.
6. List of authorized signatories and members of the governing bodies along with address.
7. Trust Deed (for Trust account only).

Cheque Book Issues:

□ Types of Cheque Book's:

- Savings Account – 10 Leaves
 - Current Deposit Account – 20 Leaves
 - Current Deposit Account – 50 Leaves (CDF)
 - Over Draft Account – 50 leaves (OD)
 - Short Term Deposit Account – 50 leaves (STD)
- NB: CDTF: Current Deposit Twenty Five
CDF: Current Deposit Fifty

□ **Cheque Issuing is Two Types:**

- Direct requisition slip
- Cheque Book's requisition slip

Customers Service Officer receives these types of slip from the client's and gives the cheque books under processing. Processing means Cheque Book's collect from the VOLT and the put account number in the cheque book, write down the serial number of the cheque book in the requisition slip and cheque book register, then Verified client signature. After all these things the Principal Officer sign in the cheque leaves, after his sign the client receive the cheque book. Then the Officer posting that cheque books leaves number in the computer data processing system. A cover file containing the requisition slip is effectively preserved as vouchers. If any defect is noticed by the ledger keeper, he makes a remark to that effect on the requisition slip and forward it to the cancellation officer to decide whether a new checkbook to be issued to the customer or not.

Remittance: In remittance desk I was working a few days here at first customer collect a form and fill up all the requirement like Sender Name, sender country, Receiver Name, PIN number, present Address, Mobile Number, national id photocopy/passport copy and customer must show their original copy of NID/Passport. Southeast bank limited has a contact with few company such as Aftab Currency, RIA currency, BRAC Sajjan, Xpress money etc.

3.1 Project Work:

Objective: Comparison among SEBL general Banking , Standard chartered bank and Brac bank ltd. General banking Activities.

Data Collection: secondary sources, most of the data collected from internet.

Limitation: Difficult to find proper information about general banking activities of different bank, there are not sufficient information given.

General banking is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customers. Every day it receives deposits from the customers and meets their demand for cash by honoring cheques. It opens new accounts, remit funds, issues bank drafts and pay orders etc. Since bank is confined to provide the services everyday, general banking is also known as „retail banking“. In SEBL general banking is known as conventional banking , Standard chartered BANK and Brac Bank called Retail banking. Products and services are also different among these bank. Brac bank provides various kinds of products than SEBL bank.

Brac Bank ltd. Savings A/c provides separate kinds of savings A/C: Triple Benefits Savings Account, Savings Classic A/C, Aporajita Account, Future Star Account. Highest rate of interest in savings account is 6%. Current account: Current Classic Account, Current Plus A/C, Ezee Account, Campus Account, Salary Account.

Term Deposits: DPS, Fixed Deposit General, Flexi DPS, Interest First Fixed Deposit, Freedom Fixed Deposit, Abiram fixed deposit, Unit fixed deposit, Non-resident foreign currency account.

Standard Chartered general banking activities are: Super savers premium A/C, Super savers A/C, E-savers A/C, School Banking A/C.

Current Account: Fast Current account, Foreign currency current account, RFCD, Convertible and Non-Convertible Current Account

Chapter 4

General Banking

General Banking consists of the many sections in the branch. These are:

- Customer Service.
- Account Opening/Closing. □ Remittance □ Payment Order Issue □ Demand Draft Issue/Collection □ IBC/OBC Collection □ Account's Department.
 - Clearing.
 - Transfer.
 - Cash.

4.1 Customer Services of SOUTH EAST BANK:

Professional merit and Competency, Flexibility, Determination and Dedication are the core resources that SEBL consider to be of paramount importance for building a client oriented modern banking. Customer satisfaction is SEBL foremost professional undertaking. Therefore, a satisfied client is SEBL precious product and they consider them SEBL ambassador in the mark.

4.2. Types of Accounts:

● Current Deposits (CD) Account:

Current Deposit (CD) Account is a transactional account where there is no restriction on number of transactions in the account. Current Deposit (CD) Account can be opened for individuals and business concerns including non-profit organizations.

- Interest Rate 0.00%
- Individual Account
- Proprietor Ship Account
- Limited Company Account

● **Savings Bank (SB) Account:** Savings Bank (SB) Account is designed for individual savers who want to save a small part of their income which may be used in the near future and also intend to have some profitable returns on such savings. They can deposit a small amount and can withdraw whenever they desire but the total numbers of withdrawals over a period of time are limited

- Interest Rate 5.0%
- Individual Account
- Joint Account
- Proprietor Ship Account
- Limited Company Account

● **Special Notice Deposit (SND) Account:** Special Notice Deposit (SND) Account is an interest bearing deposit where advance notice of 7 to 30 days required for amount withdrawal. SND A/C is usually opened by Firms, Corporate Financial Institution.

Currently interest rates are as under above which is subject to change time to time.

Special Notice Deposit (SND) Account				
Banks and NBFIs : 5.00%				
Customers				
Below Tk. 1.00 Crore	Tk. 1.00 Crore & above but below Tk. 25.00 Crore	Tk. 25.00 Crore & above but below Tk. 50.00 Crore	Tk. 50.00 Crore & above but below Tk. 100.00 Crore	Tk. 100.00 Crore & above
4.00%	5.00%	6.00%	7.00%	7.50%
Mother Account (IPO): Will be fixed upon approval from Head Office on case to case basis.				

◆ Fees and Charges: As per existing schedule of charges which is separately displayed/shown on the web site.

● **Fixed Deposit Receipt (FDR) Account:** Fixed Deposit Receipt (FDR) Account offers the customers the opportunity to invest a fixed amount for a fixed period at a fixed rate of interest. The customers have the option to re - invest their funds both principal amount and interest amount on maturity or principal amount and the interest amount being paid into their SB or CD accounts.

Features and Benefits:

- Money can grow with attractive interest rate with flexible tenure.
- Automatic renewal facility at maturity.
- Loan facility against FDR Account to meet urgent financial needs.
- Premature closure facility available at prevailing savings rate (Conditions Apply).

Rate of Interest & Fees: Currently the rate of interest is as under which is subject to change time to time.

Fixed Deposit Receipt (FDR) Account	For Both Individuals and Corporate
	For any amount
1 (one) month	6.00%
3 (three) months	8.50%
6 (six) months	8.50%
1 (one) year	8.50%

4.3 SEBL Consumer Banking Products are:

1. SEB Monthly Saving Scheme (MSS).
2. SEB Pensioner Saving Scheme (PSS).
3. Double Benefit Scheme (DBS)
4. Monthly Income Scheme (MIS) 5. Millionaire Scheme

● **SEBL Monthly Saving Scheme (MSS):** Your dreams may turn into reality through Southeast bank's Monthly Savings Scheme (MSS)

Features and Benefits:

- Hassle Free Deposit.
- Loan of Maximum 80% against the lien of the MSS amount deposited can be availed.
- Can close the account before maturity.

Eligibility:

- Account can be opened in the name of individual or in joint names.
- Only Resident Bangladeshi National is allowed to open MSS Account.
- Account can be opened at any time of the month

Monthly Installment Size and Benefit After Maturity:

Installment (Tk.500 or multiple up to 25,000/-)	Matured Amount		
	2 years	3 years	5 years
	Eff. Rate: 10.25% (compounded on yearly rest)	Eff. Rate:10.30% (compounded on yearly rest)	Eff. Rate:10.40% (compounded on yearly rest)
500/-	13,305.00	21,012.50	38,975.00
1000/-	26,610.00	42,025.00	77,950.00
5000/-	133,050.00	210,125.00	389,750.00
10000/-	266,100.00	420,250.00	779,500.00
25000/-	665,250.00	1,050,625.00	1,948,750.00

● **SEBL Pensioner Saving Scheme (PSS):** Pension Savings Scheme Offers clients to save their hard earned money every month for a secured future.

Features and Benefits:

- Loan of Maximum 80% against the lien of the PSS amount deposited can be availed.
- Client have to pay the Installment Amount by 15th day of a Month.
- Advance Installment can be provided.
- Installment amount can be given from any branch of our Bank.

Monthly Installment Size and Benefit After Maturity

Monthly Installment	Matured Amount*			
	4 Years	6 Years	8 Years	10 Years
	@ 10.25%	@ 10.30%	@ 10.35%	@ 10.40%
500/-	29,475.00	49,215.00	73,320.00	102,900.00
1,000/-	58,950.00	98,430.00	146,640.00	205,800.00
5,000/-	294,750.00	492,150.00	733,200.00	1,029,000.00
10,000/-	589,500.00	984,300.00	1,466,400.00	2,058,000.00
25,000/-	1,473,750.00	2,460,750.00	3,666,000.00	5,145,000.00

*For Islamic Banking Branches, the matured amount may increase or decrease since the amount is calculated based on the profit/loss weightage.

● **SEBL Monthly Income Scheme (MIS):**

- Period of Deposit : 3years and 5 years.
- Amount of deposit : Tk.100,000 or its multiple
- Monthly income : Tk.975 for 3years and Tk.1000 for 5 years.
- Loan advantage : 80% Loan Advantage on deposited amount.

● **SEBL Double Benefit Scheme:** Double Benefit Scheme (DBS) Account is a time specified deposit scheme for clients where the deposited money will be doubled on maturity.

- Period of Deposit : 7 years
- Amount of deposit : One can start deposit TK 10,000 or it's multiple.
- Maturity value : Will be double of once deposit amount.
- Tax and Excise duty: Tax/Excise Duty will be deducted as per govt. rules.
- Loan advantage : 80% Loan Advantage on deposited amount.

● **SEBL Millionaire Deposit Scheme (MDS):** Millionaire Deposit Scheme (MDS) Account is a time specified monthly deposit scheme for clients where the deposited money will become one million on maturity

- Year Maturity : 4, 5, 6,7,8,9 and 10 years.
- Monthly Installment : Tk.16865 for 4years, Tk.12450 for 5 years, Tk.9850 for 6 years,
Tk.7870 for 7, Tk.6470 for 8, Tk.5400 for 9 and Tk.4550 for 10 years.
- Maturity Value* : Tk. 1000,000
- Loan advantage : 80% Loan Advantage on deposited amount.

*** The maturity value is an indicative figure. Tax/Excise Duty will be deducted as per govt. rules.**

4.4 Account Closing:

For two reasons, one can be closed. One is by banker and other is by the customer.

- **By banker:** If any customer doesn't maintain any transaction within six years and the A/C balance becomes lower than the minimum balance, banker has the right to close an A/C.
- **By customer:** If the customer wants to close his A/C, he writes an application to the manager urging him to close his A/C.

□ Different procedures are followed in cash of different types of A/C to close:

- Fixed deposit A/C is closed after the termination of the period.
- Monthly and Pensioner Saving Scheme A/C is very easily closing if one of the clients didn't pay his/her monthly installment at the bank three months one after one.
- Another account's will be closed on the parties advice, if they want to close any one of the account clients must have to submit an A/C closing letter through des pass. Then the manager operation marks it and send to the authorized officer to closes the A/C.

□ Closing process for current & savings A/C:

- After receiving customer's application the officer verifies the balance of the A/C.
- He then calculates interest and other charges accumulated on the A/C.
- If it bears a credit balance, the officer writes advice voucher. He gives necessary accounting entries post to accounts section.
- The balance is returned to the customer. And lastly the A/C is closed.

- But in practice, normally the customers don't close A/C willingly. At times, customers don't maintain any transaction for long time. In this situation at first, the A/C becomes dormant and ultimately it is closed by the bank.

4.5 Remittance:

Remittance of funds is ancillary services of SEBL. It aids to remit fund from one place to another place on behalf of its customers as well as non- customers of bank. SEBL has its branches in the major cities of the country and therefore, it serves as one of the best mediums for remittance of funds from one place to another.

The main instruments used by SEBL, Corporate Branch for remittance of funds.

- Payment Order Issue/Collection
- Demand Draft Issue/Collection
- IBC/OBC Collection.

4.6 Payment Order Issue/Collection:

The pay order is an instrument issued by bank, instructing itself a certain amount of money mentioned in the instrument taking amount of money and commission when it is presented in bank. Only the branch of the bank that has issued it will make the payment of pay order.

□ Issuing of Pay Order:

The procedures for issuing a Pay Order are as follows:

- Deposit money by the customer along with application form.
- Give necessary entry in the bills payable (Pay Order) register where payee's name, date, PO no, etc is mentioned.
- Prepared the instrument.
- After scrutinizing and approval of the instrument by the authority, it is delivered to customer. Signature of customer is taken on the counterpart.

□ Different modes of PO when a customer can purchase:

▫ By cash:

Cash A/C Debit

Bills payable (PO) A/C Credit.

Income on commission A/C Credit.

▫ By account:

Customer's A/C Debit

Bills payable (PO) A/C Credit.

Income on commission A/C Credit.

▫ By transfer:

SEBL General/ other Dept Clients A/C Debit

Bills payable (PO) A/C Credit.

Income on commission A/C Credit.

PO A/C is the current liabilities of bank, which is acquired to be discharged by beneficiaries against cash or through an account.

□ Cancellation of a Pay Order:

If a buyer wants to cancel it, he should submit a letter of instrument in this regard and also return the instrument.

Accounting treatment: Adjustment entry will be-

Bills payable (PO) -----Dr.
Customer A/C-----Cr.

□ When PO is lost:

If the instrument is lost, the holder will inform to the issuing bank immediately. Bank will mark 'stop payment' on the Bills payable (PO) Register. Buyer will then ask for a new instrument by submitting a General Diary copy, and indemnity bond. A new instrument will be delivered.

Demand Draft Issue/Collection: The person intending to remit the money through a Demand Draft (DD) has to deposit the money to be remitted with the commission which the banker charges for its services. The amount of commission depends on the amount to be remitted. On issue of the DD, the remitter does not remain a party to the instrument: i) Drawer branch ii) Drawee branch iii) Payee. This is treated as the current liability of the bank as the banker on the presentation of the instrument should pay the money. The banker event on receiving instructions from the remitter cannot stop the payment of the instrument. Stop payment can be done in the following cases:

- **Loss of draft before endorsement:** In this case, "Draft reported to be lost, payee's endorsement requires verification" is marked.
- **Loss of draft after endorsement:** In this case, the branch first satisfies itself about the claimant and the endorsement in his favor.

□ Charges of DD:

A commission of 0.15% is taken on the draft value & Tk.50/= is taken as postal charge.

□ Cancellation of DD:

To cancel an issued DD, the client has to submit an application. Issuing branch then sends an Inter Branch Debit Advice (IBDA) to the drawn branch against previously issued IBCA.

After that the following entries are given:

General A/C drawn on branch-----Dr.
Client's A/C -----Cr.

4.7 IBC/OBC:

By OBC, we mean that those cheques drawn on other banks which are not within the same clearing house. Officer gives OBC seal on this type of cheques and later sends a letter to the manager of the branch of the some bank located in the branch on which cheque has been drawn. After collection of that bill branch advises the concerned branch in which cheques has been presented to credit the customer account through Inter Branch Credit Advice (IBCA). In absence of the branch of the same bank, officer sends letter to manager of the bank on which the cheques is drawn. That bank will send pay order in the name of the branch. This is the procedure of OBC mechanism. Actually OBC comes from the outside bank's branch, or inter branches. Suppose AGRANI Bank, Jatrabari Branch sent a Cheque, which no: 012536, Tk. 5,00,000/- to South East Bank Limited against AGRANI Bank Motijheel Corp. Branch. So this cheque could be an OBC. Now what South East Bank Limited has to do? SEBL tries to collect this cheque through Bangladesh Bank Clearing House, and credited clients account.

□ OBC Collection Process:

Create a Voucher against OBC: S/D A/C OBC Tk.

.10% Cut off as Commission on OBC Tk.

15% Cut off as Vat on Others Tk.

Tk. .../- Cut off as Postage Recovery Tk

Total Tk...../-

In this condition SEBL got the cheque amount of Tk./-, but after cut off the commission, vat and postage recovery SEBL will be credited the amount Tk. (..... -)= Tk...../- in party account.

□ Bangladesh Bank Circulation about OBC:

Bangladesh Bank has circulated some things about OBC. These are given below:

- If the cheque amount will be under Tk. 1,00,000/- then bank's OBC commission will be charged at .15%.
- If the cheque amount will be above Tk. 1,00,000/- to Tk. 5,00,000/- then Bank's OBC commission will be charged at .10%.
- If the cheque amount will be above Tk. 5,00,000/- then Bank's OBC commission will be charged at .5%.
- Against the OBC the Government Tax will be realized on 15% on Commission Amount.
- Postage Recovery will be realized Tk. 20/- for each OBC.

4.8 Accounts Department:

Accounts Department is play most vital role in Banking. Accounts Department is a department with which each and every department is related. It records the profit & loss A/C and statement of assets and liabilities by applying “Golden Rules” of book-keeping. The functions of it are theoretical & computerized based. SEBL Corporate Branch records its accounts daily, weekly, and and monthly every record.

This entire executive’s helps me a lot in my internship program at SEBL. They didn’t guide me as an Internee; they guide me as a training officer of SEBL to gather practical knowledge about Banking. They tried there best to inform me every thing about accounts department. I hope I knew every thing that gave me as a new comer in banking sector.

Basically Accounts Department is not alone. Accounts department is a mix of as follows:

- Cash
- Transfer
- Clearing

4.9 CASH:

The cash section of any branch plays very significant role in Accounts Department. Because, it deals with most liquid assets the SEBL Corporate Branch has an equipped cash section. This section receives cash from depositors and pay cash against cheque, draft, PO, and pay in slip over the counter. Every bank must have a cash counter where customer withdrawn and deposit there money. When the valued client’s deposit their money at the cash counter they must have to full fill the deposit slip his/her own, then they sing as the depositor option’s then they deposit their money through cash officer at the cash counter.

▫ RECEIVING CASH:

Any people who want to deposit money will fill up the deposit slip and give the form along with the money to the cash officer over the counter. The cash officer counts the cash and compares with the figure written in the deposit slip. Then he put his signature on the slip along with the ‘cash received’ seal and records in the cash receive register book against A/C number.

At the end of the procedure, the cash officer passes the deposit slip to the counter section for posting purpose and delivers duplicate slip to the clients.

Account treatment:

Cash A/C----- Dr.

Customer’s A/C----- Cr.

□ **Debit Voucher:**

For making cash payment like entertainment, conveyance, Account Department writes a debit voucher. Amount is withdrawn through cash section by presenting debit voucher.

4.10 Transfer and Clearing

Transfer is not a critical sector in banking but it is very important. Transfers play a vital role in banking sector. So now we have to know what transfer is: basically transfer is a type of register maintaining matter. In this register officer write down every day transactions in Debit and Credit side then the officer calculate both the side of the register if both side shown same amount, it means that the total day's transaction is completely okay.

□ **CLEARING**

Clearing is one of the magical parts of banking. I really enjoyed this part of the accounts department and banking sector.

□ **What is Clearing House?**

In Bangladesh Bank, there is a very large room, which contains fifty (50) or more tables for each bank that is called the clearing house.

□ **Nature of clearing house:**

- 1st Clearing House
- Return Clearing House

□ **Clearing House Process:** Every bank has an officer of clearinghouse who is work with Bangladesh Bank clearing house. Acutally most of major client deposit their account in different kinds of bank cheques. Clearing officer check all the cheques and deposit slip very carefully and then he received the cheque. After that the clearing officer posting all the cheques in computer software which is recognized through Bankgladesh bank computer department. Then clearing officer seal all the cheques in advance date after that the officer endorsement all the cheques and sign all the cheques. All the cheques are posted in the computer by branch wise, then officer print the entire document and staple all the cheques by branch wise this is called schedule of clearing house. This is very vital job because every cheque must have to staple very carefully, it means cheque amount and the print sheet amount and cheque branch must have to be same. If the cheques staple in wrong direction, the cheque may be return from another bank, that's why SEBL not to be able to credited party account.

When the clearing officers enter the clearinghouse, his first job is to send the cheque to the Bangladesh Bank computer department by scanning.

All of the procedure the clearing in charge goes to the Bangladesh Bank clearing house before 10 am in the morning. The clearing officer check all the bank's cheque and he put all the cheques in bank wise, like as this another bank's delivered there cheques in SEBL desk. Then the officers of SEBL have to calculate all the cheques by using calculator machine, Staple pin remover, and then he divided all the cheques as SEBL Branch wise.

□ **Types of Clearing Cheque:**

SEBL Corporate Branch performs the bill clearing function through Bangladesh Bank. SEBL Corporate Branch acts as the agent of all SEBL branches for the clearing house of the Bangladesh Bank. There are two types of cheque which are-

1. Inward clearing cheque
2. Outward clearing cheque

□ **INWARD CHEQUES:**

Inward cheques are those ones drawn the respective branch which have been presented on other banks and will be cleared / honored through the clearing house of Bangladesh Bank. Then the cheque is called inward cheque of SEBL Corporate Branch.

□ **Accounting treatment:**

Customer's A/C Debit.....
SEBL General A/c credit.....

□ **OUTWARD CHEQUES :**

Outward cheques are those ones drawn on other bank branches which are presented on the concerned branch for collection through clearing house of Bangladesh Bank. These cheques are called outward clearing cheques.

Chapter-05

5.1 CRITICAL OBSERVATION & FINDINGS OF PROBLEM

SEBL is one of the potential banks in the banking sector. The employees of the bank were very helpful and nice to me. In spite it was not an easy job to find so many things during the very short period of practical orientation program. Now, I would like to present my observations and give, my opinion to improve the banking service and make their customer more satisfied.

- **Lack of dynamic and prompt customer service:** Since a number of new banks are coming to existence with their extended customer service pattern in a completely competitive manner. Customer services must be made dynamic and prompt. Now a day, people have very little time to waste but want fastest and unique services in short time. Moreover they seek the bank which will provide more facilities and attractive offer compare to other bank. Therefore southeast bank should think sincerely about the renovation of their customer service and facilities which will be more attractive and innovative rather than traditional one.
- **Lack of Proper Division of Labor and man power:** There is lack of division of labor in the branch. Therefore everybody has to handle every type of banking services. Moreover if one personnel is absence in a department then extra burden will fall to another. This decreases the level of performance of the personnel, though it reduces monotonousness. But lack of division of labor hampers the discipline of working environment. So customers have to wait for some time for the desired service, which is contrary to the Premium Banking objective.
- **Confusion on double standard banking:** Beside the general banking system, Islamic banking system has been introduced in Southeast Bank Limited. This sort of double standard in banking may create confusion in the mind of customers. The most important think which I have observed is that SEBL, Corporate Branch not dealing with Islamic Banking.
- **Lack of effective advertising and promotion:** Advertising and promotion is one of the weak point of Southeast Bank Limited, Southeast Bank Limited does not have any effective promotional activities through advertisement, but other banks have better promotional strategy. Therefore most customers are not known about their Islamic banking branch.
- **Lack of Computer Knowledge:** All the organizations including banks are now mostly depends on computer but employees do not have much knowledge on computer.
- **Unsatisfactory software performance:** Southeast bank use Ultimus software for performing their banking activities. But the software often hanged as because of slower upgrade of data by vender. Therefore it delays to performing banking activities at time.

5.2 Recommendations:

- **Establishment of more ATM Booth:** customers are not very happy regarding availability of ATM booths of Southeast Bank Limited. Only a few number of ATM booths are available over the country.
- **Improved Customer Service:** Improvement of customer service is very much essential. To compete with other banks, customer service should be improved as online service, internet service, 24 hours customer service etc.
- **Recruitment of more Employees:** I have found from my working experience that bank should increase their number of employees. Sometimes employees cannot give proper attention to their clients because of increasing working pressure. Bank can recruit more employees and divide their work properly so that they can give proper attention to the customers.
- **Pursue an attractive advertising campaign:** Southeast Bank Limited can focus on pursuing an aggressive advertising campaign in order to build up a strong image and reputation among potential customers. In this context, the valuable strengths can be used for positioning the online banking image of the bank. TV ads may be aired to reach a wider array of customers. Thus an offensive marketing strategy emphasizing customer satisfaction and service quality can bring valuable business for the Bank.
- **Ensure availability of Machineries:** Every department should ensure the availability and proper maintenance of necessary machines like photocopy and printing machines.
- **Ensure effective computer literacy:** As the bank is now mostly depends on computer therefore to increase the computer skills of employees, the bank should provide training. Though they have knowledge about computer but it is not enough. So bank should provide training to their employees to make them efficient in computer.
- **Training program:** Branch can arrange training program on different banking rules & regulation set by Bangladesh Bank which will optimize the efficiency of employees.

5.3 Conclusion:

It is widely accepted that credit is a phenomenon of economic development and banking system is vital agent which plays a crucial role in this process. Financial intermediaries, particularly banks have a very important role in raising of the financial resources because of its capacity to tap resources from a wider spectrum of people. Banks ability to make positive contribution in ignition the process growth depends to a great extent on the way the banking funds are invested. South East Bank places utmost importance on its banking operation. The whole process comprises deposit management, account management, credit risk management, asset liability management, internal control and compliance. The bank must make a positive attempt to be more outward looking in their goals and aware of what is happening. They must also emphasize on the domestic scenario more closely and analyze any certain trends and strategies of their competitors. I hope in spite of my all limitations, this experience of sharing works with such working environment will help me a lot in my professional life.

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- Website of Bangladesh Bank: www.bangladesh-bank.org
- www.Assignmentpoint.com

Appendix:

SEBL	South East Bank Limited.
A/C	Account.
BB	Bangladesh Bank.
DSE	Dhaka Stock and Exchange
CSE	Chittagong Stock and Exchange
GB	General Banking
FC	Foreign Currency
RFCD	Resident Foreign Currency Deposit
OD	Over Draft/
NRFC	Non Resident Foreign Currency Deposit
FDR	Fixed Deposit Receipt
TIN	Tax Identification Number
RJSC	Register of Joint Stock Company
PO	Payment Order
DD	Demand Draft
TT	Telex Transfer
IBC	Inward Bills for Collection
OBC	Outward Bills for Collection