



Internship Report on General Banking of Agrani Bank Limited

Submitted to:

Mr. Md. Fazla Mohiuddin

Lecturer

BRAC Business School

Submitted by:

Sajal Sarker, 13104210

BRAC Business School

Submission Date: 27.12.2016

Letter of Transmittal

December 27, 2016

To

Mr. Md. Fazla Mohiuddin

Lecturer

BRAC Business School

BRAC University

Subject: Submission of Internship Report on General Banking of Agrani Bank Limited

Dear Mr. Md. Fazla Mohiuddin

I am very much grateful to you for presenting herewith the Internship Report, as partial completion of the Bachelor of Business Administration program requirement. The report gave me the opportunity to know the practical implication of “General banking of Agrani Bank Ltd.” on which I have been working on from 25th September which will continue till 25th December. An effort has been made in this report to identify the financial management techniques pursued by the Agrani Bank Limited and problems facing when applied.

I am extremely obliged to you for your valuable guidance and constant attention as and when required in accomplishing this report.

I shall be pleased to answer any sort of query if you think necessary.

Sincerely,

Sajal Sarker

ID: 13104210

BRAC Business School

BRAC University

ACKNOWLEDGEMENT

At first, I am very grateful to the Almighty for giving me strength and ability to complete my internship program at Agrani Bank Limited. The fruitful finish of this Internship report saw much assistance, without which this would have not been possible. I specially want to recognize Mr. Nazrul Islam, Branch Manager of Agrani Bank Ltd., Mouchak Branch who gave me different tasks while working on his branch. I am really thankful to him for providing me all the applicable and accessible information to have a clear idea on the subject matter. His guidance, counseling during my entire internship program and also continuous and well-thought feedback made possible for me to make this report a comprehensive one. I am in debt to other employees of that branch for helping me so much during work time. I would like to express my genuine appreciation to my scholarly administrator Mr. Md. Fazla Mohiuddin, Lecturer, BRAC Business School, BRAC University for his steady direction, supervision and inputs which empowered me to set up a first rate report.

EXECUTIVE SUMMARY

Agrani Bank Limited (ABL) is set up in 1972. It is a state claimed bank. It is framed by the piece of ex-Habib Bank Ltd and ex-Commerce Bank Ltd. Agrani Bank Limited is a Bank with an Authorized Capital and Paid-up Capital of Tk.800.00 million and Tk.248.00 million separately. There are around 867 branches in which 10 branches are corporate. There are around 341 city branches and 526 rural branches. The top managerial staff is comprised of 11 individuals. The Chairmen and Directors are assigned by government.

There are six areas of Agrani Bank Limited (Mouchak br.); those are Cash, computer section, account opening, clearing, Accounts and local remittance. Cash section collect cash and pay payment in cash, computer section posting the vouchers, account penning section open new accounts, clearing section deal with clearing function, account section prepare different statement etc.

The qualities of ABL are state possessed bank, wide picture, and unlimited trustiness about ABL to country individuals, high duties for clients, qualified and encounter staff and so on. The shortcomings of ABL are absence of administration giving mindset, absence of IT applications, somewhat manual based, lack of inspiration of laborers, and relies on upon head office. The strengths of ABL are high demand of credit, high request of little endeavor financing, high demand of settlement office and high request of venture by saving. The dangers of ABL are interference of CBA and Officers' Somiti, some business and remote banks, some principles and controls of Bangladesh Bank, present of comparable sorts of retail saving money item and so on.

The deficiency of ABL is bureaucratic multifaceted nature in management of ABL is high in connection to general keeping money work. Administration of GB practice abundance conventions. Other drawbacks are absence of service providing mentality, interference of CBA and Officer Somiti in operation of GB, lobbying from upper level for doing unfair activities, lacking of motivation in GB personnel due to irregular promotion, lack of using IT application and manual based operation.

There are few recommendations toward concerned authority for incapacitating the shortcomings of ABL which are, all banking doings should be performed using IT, bank should disregard the manual based operation, all divisions should be well decorated, staff and officers should speak polite and low voice, Bank should introduce new product, Bank should

consider experience , written test and viva examination in cases of promotion, bank should provide appropriate training, take motivational effort, To limit interferences of CBA and Officers' Somiti.

Contents

Statement of the research problem:.....	8
Objective of the study:	8
Methodology of the Study:	9
Limitations of the Study:	10
Organization's Description:	11
Vision:	11
Mission:	11
Motto:	11
Value:	11
Strategic objectives: According to the official website.....	12
Hierarchy of Agrani Bank Limited:	12
General banking section of Agrani Bank Limited:	14
Cash and Computer section:.....	15
Sources of cash receive:	15
Sources of cash payment:	15
Register that are used in cash section:	15
Process of Cash Receive:.....	16
Step-1: Authorized Cash officer makes a passage to parchment enlist book in the wake of setting store slip.....	16
Step-2: Take taka and number painstakingly and makes passage to another enlist.	16
Step-3: Write the section of money on the rear of voucher.....	16
Step-4: Pass enlists to second money officer.....	16
Step-5: Second money officer confirm the receipt, give back the counter folio of store slip and keep another part in his guardianship.	16
Step-6: Return counter folio of store slip and unused slip of instrument to party.....	16
Used register, voucher and seal in case of cash received:	16
Process of cash payment:.....	16
Used seal register, voucher and seal in cash of payment:	17
Functions of computer section:.....	17
Account Opening Department:.....	17
Functions of accounts opening section:	17
General Procedure of opening bank a/c:.....	18
General Instruction:	18

Documents collective to all for opening an account:	19
Issuance of cheque book:.....	19
Local Remittance Sections:.....	19
Issuance of T.T.:	20
Procedure- TT against Cash:	20
TT Against Cheque:.....	22
PAY ORDER.....	22
PO against Cash:.....	23
Issuance of Pay Order:.....	23
Encashment of Pay Order:	24
Payment of Pay Orders:	24
DEMAND DRAFT (DD)	25
PROCESSING INSTRUCTIONS FOR DD:	25
Clearing House:.....	30
PRE-REQUISITE FOR SENDING CHEQUES FOR CLEARING:	31
Responsibilities:.....	33
Findings and analysis:.....	34
Shortcomings of ABL in GB.....	34
SWOT Analysis of ABL:	36
Recommendation:	39
References:.....	41

Statement of the research problem:

The main reason of this study is to become well-known with a practical business world and to accomplish practical knowledge about the banking corporate world, which is so vital for each and every student to meet up the extreme growing challenges in job market. It is also known to all of us that there is no alternative of practical knowledge & practical knowledge is much more durable & useful than the theoretical knowledge. This study will help me to get a clear picture of practical business world particularly about the various aspects of Agrani Bank Ltd. So this is of paramount importance for each student, regardless of his/her study area of disciplines.

I have tried to prepare the in such a way that it reflects what I learn during this period. I tried to clarify my experience with practical knowledge on General Banking activities.

Objective of the study:

In this report, I attempted to convey a wide range of pragmatic dealings that are led if there should be an occurrence of taking care of different sorts of exercises in General Banking division, the hypothetical angles, that is the thing that ought to be the methodology and prerequisites kept up from first to last, and real practices and a definitive pick up for the bank in leading money related exercises are for the most part talked about. So the reason and goal of this report can be abridged as takes after:

Primary Objectives:

- To analysis the overall representation of the operation of ABL.
- To describe the General Banking operations conducted by Agrani Bank Limited (ABL).

Secondary Objectives:

- To review overall dealings of the ABL Bank
- To know how the risk reducing system in general banking
- To examine bank's performance
- To examine foreign remittance of the selected Bank
- To identify problems regarding transaction
- To suggest probable measures in order to solve the identified problems.

Methodology of the Study:

The report is a blend of primary and secondary data analysis alongside financial examination. To fulfill the report both a\primary and secondary data are important. Essential information is gathered however gatherings, studies and optional information are gathered through yearly report, books, articles, journals, brochures, site and so on.

Area of the study:

The suggested study has been concentrated on the management of Investment of the Agrani Bank Limited. In relation with the primary and secondary objectives, the Mouchak Branch of the Agrani Bank Limited has been selected to perform my internship program.

Primary Data: The primary data of this report are:

- Direct interview of senior principal officer or manager of the bank
- Direct question to the officers of general banking division
- Practical experiences added during performing obligations in different desks and division of the general banking branch office of Agrani Bank Limited.

Secondary Data: I collected secondary data from the following sources:

- Annual report of Agrani Bank Limited
- Printed structures and documentation supplied by Agrani Bank Limited
- Booklets of Global division of Agrani Bank Limited
- Different Publications and Journals in regards to banking actions and policies
- Auditors report of Agrani Bank Limited
- Website of Agrani Bank Limited (<https://www.agranibank.org/>)

Data Processing and Analyzing: After gathering both the primary and secondary it prepared through various ways. Information has been computerized & handled by using MS Word. After computerized processing, the information is explored for making the report.

Determination of Time Horizon:

The time horizon has been selected of the three months, I have worked on the mouchak branch of Agrani bank limited from 10am to 5pm on daily basis on different department.

Limitations of the Study:

As I have finished my internship in Agrani Bank Limited, Mouchak Branch, I have enjoyed a very much enriched environment and agreeable place. The officers are very co-operative but their massive workloads made them too busy to give me time to get knowledge about practical activities. Moreover they have to deal in a very competitive environment based on money related activities. Any mistake from me may hamper their performance and goodwill in the banking sector, for these reasons I deprive of having practical knowledge. Short time duration and lack of practical knowledge are the main limitations of the study.

Each venture has a few impediments. I confronted some standard imperatives amid the coursed of my temporary job. The accomplished issues that have, to some degree, influenced the presentation of the report are introduced beneath:

Workload of the Administration: Since the representatives of the ABL are very busy, in some case I could not converse with them suitably.

Fears to Disclosure: The management was also frightened to unveil the confidential data correlated to the party and various forms and documents.

Lack of Experience: Experience makes a man effective. I am not knowledgeable enough to complete the study because I am a person of new hand on such study. That is why inexperience creates obstacles to follow the systemic approach and logical research methodology.

Lack of personnel: Lack of personnel in the foreign exchange division of the branch. So they always busy about their own work. And it is very difficult to take information from them as they busy enough.

Banks officials, for security reasons, declined the request for providing information in some crucial issues. As some of the fields of banking are still not covered by our courses, there was difficulty in understanding some activities.

Another limitation of this report is Bank's policy of not disclosing some data and information for confidential reason, which could be very much.

Organization's Description:

According to the official website of Agrani Bank Limited, Agrani Bank Limited, a main business manage an account with 935 outlets deliberately situated in all the business zones all through Bangladesh, abroad Exchange Houses and many abroad Correspondents, appeared as a Public Limited Company on May 17, 2007 with a view to assume control over the business, resources, liabilities, rights and commitments of the Agrani Bank which developed as a nationalized business bank in 1972 promptly after the rise of Bangladesh as an autonomous state. Agrani Bank Limited began working as a going concern premise through a Vendors Agreement marked between the service of back, Government of the People's Republic of Bangladesh in the interest of the previous Agrani Bank and the Board of Directors of Agrani Bank Limited on November 15, 2007 with review impact from 01 July, 2007.

Agrani Bank Limited is represented by a Board of Directors comprising of 12 individuals headed by a Chairman. The Bank is going by the Managing Director and Chief Executive Officer; Managing Director is helped by Deputy Managing Directors and General Managers. The bank has 11 Circle workplaces, 34 Divisions in head office, 62 zonal workplaces and 935 branches including 27 corporate and 40 AD (approved merchant) branches.

Vision: To become the best leading state owned commercial bank of Bangladesh operating at international level of competence, excellence, sound administration, customer service and strong liquidity.

Mission: To work morally and reasonably inside the stringent system set by our controllers and to absorb thoughts and lessons from best practices to enhance our business strategies and methodology to the regale of our clients and representatives

Motto: To receive and adjust advanced ways to deal with stand preminent in the managing an account field of Bangladesh with worldwide nearness

Value: They esteem in trustworthiness, straightforwardness, responsibility, respect, differing qualities, development and polished methodology to give abnormal state of administration to every one of their clients and partners inside and outside the nation

Strategic objectives: According to the official website, following objectives are set by the managements of Agrani Bank Limited:

- Winning at least 6.50 percent share of deposits and 5.50 percent share of loans and advances of Bangladeshi market.
- Gaining competitive advantages by lowering overall cost compared to that of competitors.
- Overtaking competitors by providing quality customer service.
- Achieving technological leadership among the peer group
- Strengthening research capability for advanced products and services.
- Contributing towards the economic well-being of the country by focusing particularly on SME and agricultural sectors.

Hierarchy of Agrani Bank Limited:

The Bank is being overseen and worked by a gathering of profoundly taught and expert group with enhanced involvement in fund and saving money. The Management of the bank always concentrates on comprehension and foreseeing clients' needs. The situation of managing an account business is changing step by step, so the bank's duty is to gadget system and new items to adapt to the evolving environment. Agrani Bank Ltd. has as of now accomplished enormous advance inside just two years. The bank has officially positioned as one of the quality specialist co-ops and is known for its notoriety.



(Image taken from the official website of Agrani Bank Limited)

General banking section of Agrani Bank Limited:

Each branch has some segment for performing particular operational capacity. That is the reason, each area play out some specific capacities so that the potential client, display client can get benefit from specific segment of Agrani Bank Ltd (ABL), Mouchak branch has likewise a few areas that are said beneath:

Cash Section:

- Cash receive
- Cash payment

Computer Section:

- Posting
- Signature verification
- Recording of information of new accountholders
- Providing account statement etc.

Account opening section:

- Provide information about account opening and account closed
- Enrolled new account

Local Remittance Section:

- PO issue
- DD issue
- TT issue, holders etc.

Loan and advance:

- Providing information about loan and
- Formalities maintenance of loan and advance

Accounts Section:

- Preparing of salary sheet.
- Preparation of daily, weekly position statement.
- Preparing of daily statement of affair etc.

Cash and Computer section:

Money segment is the center division for any branch of bank. The primary errand of money segment is to get money from various sorts of gatherings and to pay money to various sorts of gatherings. What's more, PC area is sister concerned segment of money segment where a wide range of money installment and get are recorded and does some other extraordinary errand, for example, record the data of new record holder, up-dated enlightening of record holder and so forth.

Sources of cash receive:

- Deposit collection from different account holders
- Collect for P.O; TT; DD
- Money accepts for share application.
- Collected from PSS holders.
- Collected from FDR holders.
- Received by selling prize bond
- Receive for DESA and WASA bills

Sources of cash payment:

- Interest payment to different account holders
- Int. payment of PSS and FDR
- Meet internal disbursement (Office rent, T&T bills, WASA bill for office etc.)
- Payment against valid cheque
- Payment of TD for PO, TT, DD.
- Payment for purchasing prize bond.

Register that are used in cash section:

- Payment Register.
- Receipt Register.
- Vault Register.
- Rough Vault Register.
- Balance Statement Register.
- DESA Bill Register.
- WASA Bill Register etc.

Process of Cash Receive:

Step-1: Authorized Cash officer makes a passage to parchment enlist book in the wake of setting store slip.

Step-2: Take taka and number painstakingly and makes passage to another enlist.

Step-3: Write the section of money on the rear of voucher.

Step-4: Pass enlists to second money officer.

Step-5: Second money officer confirm the receipt, give back the counter folio of store slip and keep another part in his guardianship.

Step-6: Return counter folio of store slip and unused slip of instrument to party.

Used register, voucher and seal in case of cash received:

- Pay-in-slip
- Credit voucher.
- Cash receive register
- Scroll register

Process of cash payment:

Step-1: To take instrument, such as Cheque

Step-2: To check the instrument, specially the data of cheque, figure in word and number, signature of party.

Step-3: Send the instrument to conciliate officer, he will examine at as well the instrument carefully and verify the signature of party with SS card.

Step-4: It will be posted in computer to debit a/c.

Step-5: If fund available, the authorized officer will cancel the cheque and put a seal a pay cash.

Step-6: To entry in payment register.

Step-7: To write denomination of currency on the back side of the instrument. Step-8: Cash officer will pay cash to party.

Step-8: Cash officer also will affix 'CASH PAID' seal.

Step-9: Finally instrument will be sent to account section.

Used seal register, voucher and seal in cash of payment:

- Cheque, PO, SDR, MPS, I) D etc.
- 'CASH PAID' seal
- Cash payment register.
- Cheque returns register.
- 'PAY CASH' seal etc.

Functions of computer section:

- Posting all cash receipt and cash payment.
- Record the information of new account holder.
- To up-date the information of present account holder after informing from account holder.
- Verify the signature of client with SS card.
- Cancel the cheque.
- To connect with account holder through cell or telephone if the presented cheque is doubtful.
- To deliver statement of account of different account holder.
- To tell the remaining balance of account holder if account holder request.

Account Opening Department:

Preface: As a commercial bank, Agrani Bank Ltd. needs support for running saving money operation and speculation. Agrani Bank Ltd. makes the reserve from various sources, for example, - capital, credit from Bangladesh Bank, and advance from business bank and store gathering from various sorts of individuals and gathering of individuals. Accounts opening segment of Agrani Bank Ltd. plays out the exercises connection to record opening.

Functions of accounts opening section:

Accounts opening section perform several types of activities such as:-

- Counseling about different types of accounts and procedure of accounts opening.
- Providing the new cheque book.

- Providing different deposit slip.
- Performing the interest payment activities of National Saving Certificate
- Performing the activities of account opening.

General Procedure of opening bank a/c:

The procedure of opening bank a/c differs based of the type of a/c. But a general procedure that most of time, use at the time of account opening is given below:-

Step-1: Determining the type of account that will be opened by customer.

Step-2: Collection of application form.

Step-3: Fill-up application form.

Step-4: Introduction.

Step-5: Enclosing necessary document with application form.

Step-6: Submitting of application form.

Step-7: Collection, filling-up and submitting of SS card respectively.

Step-8: Collection deposit slip.

Step-9: Paying initial deposit.

General Instruction:

- a) Please utilize two Signature Cards for each of the signatories of the record. You may utilize the additional cards. The marks likely might need to be bore witness to by the Chairman/Managing Director/Secretary of the Company.
- b) Copies of Memorandum and Articles of Association alongside Certificate of Incorporation, Certificate of Commencement (if relevant) appropriately marked by the Chairman/Managing Director/Secretary of the Company.
- c) Resolution to open a record with the particular branch of a bank e.g. "Agrani Bank Ltd., Principal Branch, Dhaka, Bangladesh" and to approve the person(s) to work the account should be taken; a duplicate of the determination, appropriately marked is required.

- d) A clear guideline for working the account i.e. single mark/joint mark, limit of the signatory(s), sum limitation to signatory(s) and so forth ought to be fused in the Board Resolution.
- e) Signature in every one of the papers must be bolstered by individual stamps (Seal).

Documents collective to all for opening an account:

- A/c opening Form properly filled in and marked. Appropriate presentation is an unquestionable requirement for opening a record. Mark of the introducer must be confirmed before opening of the a/c.
- Signature Card (2 duplicates) properly filled in and presented.
- Photographs (2 duplicates for every person) properly bore witness to by the introducer.

Issuance of cheque book:

- Take order slip and check the mark from the equipped power (Custodian of Specimen Signature Card).
- Be wary that the collector is the ideal individual to take conveyance of the check book.
- Write: Title of the record and record number in the Check Book Issue Register. Take a Check Book on the premise of the arrangement said in the Check Book Issue Register.
- Record Account number on every leaves and on the order slip composes Title of the Account, issuing date and put a round Seal and get it marked by an approved signatory.
- Record cheque sequence number on the requisition slip.
- Send the Cheque Book after receiving signature on the register.
- Requisition slip is sent to the Computer department for POSTING.
- After posting be kept in the concerned file as per serial number of the cheque.

Local Remittance Sections:

Settlement of store means exchange of cash starting with one place then onto the next place or one city to another city of a similar bank inside the nation is called neighborhood settlement and reserve exchanged to outside the nation through reporter operator is called remote settlement. This office is stretched out to its clients to empower them to maintain a

strategic distance from hazard emerging out of robbery, misfortune and so forth in conveying of cold hard cash starting with one place then onto the next for making installment to somebody at some different places or to use themselves at some different spots.

Considering the earnestness and nature of exchange the technique for settlement might be ordered as under:

- ❖ Telegraphic Transfer (TT)
- ❖ Demand Draft (DD)
- ❖ Travelers Cheque (TC)
- ❖ Payment order (PO)

Issuance of T.T.:

It is a request from the issuing branch to the drawee branch for installment of certain some of cash to the recipient. The installment guideline is sent by Telex/Telephone and subsidizes are paid to the recipient on check of the test number through his record kept up with the drawee branch. It is the snappiest strategy for exchanging reserve starting with one place then onto the next.

TT can be made - a) against cash, b) against Cheque & c) against client's a/c debit.

Procedure- TT against Cash:

According to Jahan, M. (2016), at first we fill up the TT Application form in duplicate (first copy treated as CR voucher to credit H.O. General Account: 20202008 and second copy for the use of customer) by the applicant duly signed by him. Fill up the Commission part meant for Bank's use and arrange to deposit the TT amount through TT Application Form and also arrange to deposit Commission and Postage/Cable charge through two separate single CR vouchers as per following:

CR: Income A/C - Remittance (Voucher): 80408003

Amount realized against commission of TT.

CR: Income A/C - Telex (Voucher): 80408003

Amount realized against Telex charge of TT.

On getting the above vouchers duly received by the Cash Department, arrange to do the following:

- Offer an Issue Number (TT Number) from the TT Issue Register and TTICA number on the application form.
- Offer a **Test Number** on the TT Application Form.
- Deliver the message over phone/Telex.
- Refer full set i.e. TT application form, Commission vouchers, CR vouchers for Telex charge to computer department for posting.
- Issue a TTICA (TT Issuing Credit Advice) on the same day to the responding/drawee branch mentioning full particulars of the TT including the Test number for their confirmation.

TT Advice & Pay:

Suppose we have received a TT from our mouchak branch for Tk.110/- with advice to issue a P.O. favoring Mr. X, CD A/c No.100 with Agrani Bank, Sheraton Branch, Dhaka, in that case prepare the following vouchers after observing all other normal formalities stipulated above:

DR- H.O. Gen. A/c: 20202008: Tk.110/-

CR- TT Payable A/c: 90753241: Tk.110/-

Amount responded against _____ Br. TT No. _____ dated _____ fvg. Mr. / X, CD A/c No.100, Agrani Bank, Sheraton Branch, Dhaka.

DR- TT Payable A/c:: 90753241: Tk.110/-

CR- Pay Order:: 90753241: Tk.100/-

P.O. No. _____ issued fvg. Mr. X, CD A/c No.100, Agrani Bank, Sheraton Branch, Dhaka on account of Mr. _____ against TT No. _____ dated _____ of our _____ Br.

CR- Income Account - Postage: 80408003: Tk.10/-

Amount realized against postage charge for issuance of Pay Order No. _____ dated _____ Against TT. No. _____ dated _____ of our _____ Br.

- a) Record in the TT Payable Register.
- b) Record in the P.O. Register.
- c) Prepare Pay Order. Do not charge commission.
- d) Prepare a letter and send the P.O through Courier Service.

TT Against Cheque:

In case TT through a cheque bearing "You" with following instruction on the overleaf duly signed by the a/c holder(s):

"Please transfer by TT an amount of Tk._____ favoring _____, CD Account No.____ with your ____ Branch, _____.

In this case get the signature of the account holder verified by the Head Teller/Remittance In charge and confirm that the cheque amount is available to his/their credit with posting and the cheque duly cancelled.

DR: Client cheque amount

CR: Income A/C - Remittance (Voucher) : 80408003

Amount realized against commission of TT.

CR: Income A/C - Telex (Voucher) : 80408003

Amount realized against Telex charge of TT.

Prepare a **DR** Voucher in case cheque amount do not cover **T.T.** amount plus charge and commission subject to client's written concurrence.

PAY ORDER

Payment Order is an instrument issued by a bank with an undertaking to pay the beneficiary on behalf of the client. It is also known as Managerial Cheque and more reliable than cheque. The issuing branch is the paying branch. Pay order is usually issued within the clearing area. There are also some exceptional cases. In that case that the proceeds of Pay Order is collected on collection basis.

PO against Cash:

Fill up the Pay Order application form in Duplicate (First copy treated as **CR** voucher: 90753241 and Second copy for the use of customer) by the applicant duly signed by him.

Fill up the Commission part of the application form meant for Bank's use and prepare the following single CR voucher on the basis of commission amount and arrange to deposit both the vouchers over the counter:

CR - Other Fees & Commission: 80408003

Amount realized against commission of P.O. No.

DR - Cash

Commission rate:

10000 : Tk. 30/

10,000 - 1,00,000 : Tk. 75/-

100,000 - 5,00,000 : Tk.100/-

500,000 - 10,00,000 : Tk.150/-

Above 10 lac: Tk. 200/- With VAT, 5% on commission

Issuance of Pay Order:

Cash department on receipt of cash will deliver the above two vouchers to the concerned officer and his function will be to –

- Make entry in the P.O. Issue Register duly authenticated and will record Register serial number (control number) on the face of the Application Form.
- Issue Pay Order and write the Register serial number (Control Number) after the block series number on it.
- Ensure that Pay Orders are crossed "A/c Payee" and get it signed by two authorised signatories.
- Receive applicant's signature on the counter-foil of Pay Order and handover the Pay Order to the purchaser.

Register: a) Pay Order Register b) Balance Book - Balancing on daily/weekly & on monthly.

Encashment of Pay Order:

- Paid through clearing.
- Paid cash (subject to Manager written concurrence Pay cash on the PO duly signed)
- Payee's a/c credited (a/c maintained in our Bank)
- Purchaser's a/c credited (subject to Release of the P.O. by the Payee/beneficiary on the overleaf of the PO).

Payment of Pay Orders:

As the Pay Orders are crossed A/c Payee they are not transferable/not negotiable. The Pay Orders are required to be presented to the issuing Branch for payment either through clearing house or for credit to the Payee's A/c.

After presentation of the pay order for payment the concerned officer of the remittance department will enter the date of payment of that particular payment order in the Pay Order Issue Register duly authenticated by an authorized officer. The instrument itself is treated as debit voucher. The related entries are:

Dr - Instrument – 40325009 (Just write A/c No.40325009 on the face of the Pay Order)

CR - Payees A/c

Exceptions:

Purchaser may deposit the P.O. to another bank for clearing and if that bank satisfies about the purchaser's identity and endorse on the overleaf of the P.O. "Purchaser's A/c Credited". In that case all liability goes to that bank and we should not dishonor the Pay Order.

Spoiled Pay Order instrument - Cancellation:

Pay Order instrument spoiled while preparing the same, should not be destroyed but should be clearly marked as "CANCELLED" and be retained with the counter foil for record purpose.

PO against A/C DR:

Use PO application form in TRIPLICATE in case client instructs to debit his account (First copy treated as DR voucher & 2nd copy treated as CR voucher and 3rd copy for the customer). In this case, get the signature of the account holder verified by the Head Teller/Remittance In charge and confirm that the amount is available to his credit with posting and prepare the following single CR voucher:

DR - Client's A/c (through PO Form)

CR - Pay Order A/c: 30315006 (PO Form)

CR - Other Fees & Commission: 40207009

Amount realized against commission of Pay order.

PO against Cheque:

In case PO through a cheque bearing "Yourselves" with following instruction on the overleaf:

"Please issue a Pay Order for Tk._____ favoring _____."

In this case get the signature of the account holder verified by the signature verifying authority and confirm that the cheque amount is available to his credit with posting and duly cancelled.

Prepare a separate DR Voucher (with advice) in case cheque amount do not cover PO amount plus Other Fees & Commission subject to client's written concurrence.

DEMAND DRAFT (DD)

An instrument in writing containing an order of the issuing Branch upon its another Branch known as drawee Branch for payment of a certain sum of money to the payee or to his order on demand by the beneficiary presenting the draft itself. DD's never become stale.

PROCESSING INSTRUCTIONS FOR DD:

- On approach by a customer for issuing a DD, get the application form properly filled up & signed by the applicant.
- Complete the lower portion of the application form meant for Bank's use.

- Calculate the total Taka amount payable including Bank's commission/charges etc.
- If the purchaser desires his account with the Branch to be debited for the amount of DD, get the A/C number & the A/C holder's signature verified properly from Signature Card on record of the Branch and debit client's account for the total amount including commission/charges etc.
- If a cheque is presented payment for the DD, get the cheque duly passed for payment by the competent authority and record the particulars of DD of the bank of the cheque.
- If cash deposit is desired, request the purchaser to deposit the money at the Teller's counter.
- The Teller, after processing the application form, cash or cheque will validate the application form.

The first copy of the DD application form is treated as "Credit Voucher" to credit Head Office General Account: 20202008 while the second copy is treated as customer's copy.

Each branch should use a running control serial number of their own for issuance of DD on each drawee branch. This control serial No. should be introduced at the beginning of each year which will continue till the end of the year. A fresh number should be introduced at the beginning of the next calendar year & so on.

While issuing Local Drafts of Tk.50,000/= and above, Branch shall put a **test number in red ink** on the upper portion of the drafts so that the drawee Branch can immediately make payment of the DD on presentation after getting the test agreed, if otherwise found in order.

Issue of Drafts, must be followed by issue of credit advice (IBCA) by the issuing branch to the drawee branch.

Fill up the Commission part meant for Bank's use as per rates prescribed by your Head Office from time to time and arrange to deposit the DD amount through DD application form, Commission and Telex/cable charge through two separate CR vouchers over the cash counter/transfer:

CR: Income A/C – Remittance: 90205008

Amount realized against commission of DD. No. drawn on Br.

CR: Income A/C - Telex/Postage: 90205008

Amount realized against Telex charge/Postage charge against DD drawn on Br.

Remittance Charges: 0.15% of the total DD amount but not less than Tk.50/-

& Postage/telex/cable charge: Tk.50/-.

ISSUANCE of DD:

On getting the above vouchers duly received by the Cash Department, arrange to do the following:

- ❖ Save a record in the DD Issue Register on branch-wise mentioning full particulars of the DD.
- ❖ Run an Issue Number (DD Number, Register Sl. Number & Current year) from the DD Issue Register on branch-wise.
- ❖ Give a TEST NUMBER on the Application Form in case DD amount is \geq Tk.50,000/-. Do not provide test number on the face of the DD.
- ❖ Issue DD and HANDBOOK the instrument to the purchaser duly received by him on the overleaf of the perforated portion meant for Banks use.
- ❖ All the required particulars of all DDs issued should be entered in the DD issue Register duly authenticated. Separate folios should be opened for each drawee branch in the DD issue register.
- ❖ Notify through Telex/Letter to the responding branch giving full particulars of the DD issued with Test Number on the same day duly signed by two authorized signatories.
- ❖ Issue IBCA to responding Branch (the branch on which DD was issued) on the DD amount only (excluding Commission and Postage charge) giving full particulars of DD except test number.

DD placed for payment after receipt of IBCA:

Record the date of payment in the column payment against advice of the DD payable Register duly signed by an authorized signatory.

DR: DD Payable: 60316008 : Tk.1, 00,000/-

(Simply write: 60316008 on the DD instrument)

CR: H.O. Gen. A/c: 20202008 (Voucher prepares by Clearing Department)

Amount of ____ cheques/DDs drawn on us and honored.

Or CR: Payees A/c (in case of transfer)

DD placed but IBCA not received:

Record the date of payment in the column payment without advice of the DD payable Register duly signed by an authorized signatory.

DR: DD paid without advice: 10730009 (write the a/c number on the instrument)

CR: Party a/c (Voucher prepares by Clearing Department)

On subsequent receipt of the credit advice (IBCA) from the issuing branch the following entries should be passed:

DR: HO Gen. A/c (Against IBCA): 20202008

CR: DD Payable: 60316008

Amount responded against IBCA No. _____ dated _____ for onward payment against DD No. _____ favoring _____.

DR: DD Payable: 30316007

CR: DD paid without advice: 10730009

(G-006) Amount paid from DD Paid without Advice on _____ now reversed on receipt of IBCA No. _____ dated _____ against DD No. _____.

DD against party A/c Debit:

Use DD application form in TRIPLICATE in case client instructs to debit his account (First copy treated as DR voucher & 2nd copy treated as CR voucher and 3rd copy meant for customer). In this case, get the signature of the account holder verified by the Head Teller/Remittance In charge and confirm that the amount is available to his credit with posting. Other formalities are as usual.

DD against Cheque:

In case DD through a cheque bearing "Yourselves" with following instruction on the overleaf: "Please issue a DD for Tk. _____ favoring _____, CD Account No. _____ with your _____ Branch, _____.

Prepare a separate DR Voucher (with Advice) in case cheque amount do not cover DD amount plus charge and commission subject to clients written concurrence.

CANCELLATION of DD:

Only the purchaser can request the issuing branch for cancellation of a DD. The drawee branch cannot cancel a DD. The drawee branch can accept cancellation instructions only from the issuing branch. When a draft is cancelled by the issuing branch the relative entry is reversed on receipt of IBCA from the drawee branch.

At the request of the purchaser, issuing branch can request the drawee branch for cancellation of DD with a request to issue an IBCA. Here Principal Branch is the issuing branch and Mouchak branch is the responding (drawee) branch.

Stop payment of draft:

Normally the payment of a draft cannot be stopped by the bank as it goes against its own commitment in favor of a third party. However, stop payment instructions can only be issued by the issuing branch in special circumstances at the request of the purchaser or payee in case of a lost or stolen draft only. In such cases extreme caution should be exercised both by the issuing and the drawee Branch.

Function of Clearing Department:

Clearing House:

A bankers clearing house is an autonomous institution having its own rules and regulations for admission of members and sub-members for the conduct of clearing. Clearing is a mechanism through which claims and counter claims of the clearing house members (banks) on account of cheques, drafts, bills, pay orders etc. drawn on each other and deposited by their customers for collection are settled daily. In other words, a clearing house provides a mechanism by which various bankers exchange local cheques, drafts etc. drawn on each other, which are received by them from their customers for collection. Under the clearing system, reciprocal claims of one bank against others are off set and only the net balance or difference between receipts and payments are settled by drawing on the account of the debtor bank maintained with the Central Bank.

Our common functions:

- a) Check: See that the Cheque series number, date, amount, payee, Bank and branch are same as mentioned in the deposit slip.
- b) Seal: "Agrani Bank Limited
(Special Crossing) Principal Branch"
(On the face of the instrument)

Outward cheques:

Other Bank's Cheques received by us for clearing

- a) Clearing Seal on the face of the Cheque with next clearing day's date.

- Posting to Outward Clearing Register.
 - Posting to computer for next clearing days operation
- b) Endorsement Seal on the overleaf of the cheque/PO/DD as under:

When the beneficiary is:

- a) M/s./Personal Name : Payee's A/c credited
- b) Cash/Self cheque : Received Payment for Agrani Bank Ltd. (can be a/c payee)
- c) ABL: Received payment for ABL
- d) ABL, Mr. _ABL Br. A/c: Received payment & Payee's A/c credited.
- e) Mr. /M/s_ A/c_ ABL., Br: Payees A/c Credited
- f) P.O. if deposited: Purchaser's A/c credited.
- g) (Duly released by the beneficiary)
- h) Date Change for clearing. : "Date cutting in clearing stamp confirmed"
- i) Withdrawal of Cheque: "All our clearing stamp and crossing cancelled"

PRE-REQUISITE FOR SENDING CHEQUES FOR CLEARING:

- Sort-out the cheques on Bank-wise and branch-wise
 - Prepare Schedule on branch-wise
 - Prepare a global schedule on bank-wise on their local office.
- Clearing Summary Sheet is prepared for clearing house (Bank-wise).

N.B: BANKERS' CLEARING HOUSE, BANGLADESH BANK BUILDING (2nd

FLOOR)

- a) Record the cheque series number, a/c number, bank's name and the amount in the clearing Register.
- b) In the Summary Statement record total number of cheques and amount against concerned banks name in the "Delivered" column.
- c) Distribute the cheques to the respective banks' tables.
- d) Cheques received by us be posted in our "Received" cheque column of summary statement.

- e) Column "To Pay" or "Delivered" is our CR side.
- f) Original copy of Summary statement be delivered to the House Superintendent of Bangladesh Bank in the clearing house.
- g) Entry in the Inward Register (received instruments).
- h) If the amount of "To Pay" or "Delivered" side is higher than the amount of "To Receive" side then we can say that the house is in our Favor i.e. our a/c with Bangladesh Bank be credited, if not, our a/c with Bangladesh Bank be debited.

Responsibilities:

I have worked around 3 months in Agrani Bank at Mouchak Branch. Particularly my exercises or obligations were restricted to General Banking exercises. For example,

- Show the client the suitable segments and essential techniques to get the administration (for whom who don't comprehend what to do and how)
- Receive TT internal and outward voucher and check the test and whether fitting charges and taken or not
- Put approved seal in the check after investigate the check whether it is suitably topped off or not furthermore confirm the mark
- Give client the duplicate of WASA and DESA charge with bank's seal and approved mark after they pay their bills
- In the PC area I just charged and attributed the relating sum from and to the comparing account in the bank's product which are checked by our chief toward the end of keeping money hour.
- Write affirmation letter of DD and TT and give the client a thank you letter for that
- Scan every one of the checks got and sent from our branch and store it in the PC at regular routine.
- Moreover I needed to do additional exercises as indicated by the request of administrator, partner general supervisor and other senior officers.

Findings and analysis:

Shortcomings of ABL in GB

- Bureaucratic complexity in Management of ABL is very high in relation to general banking function.
- Management of GB practice excess formalities.
- In absence is service providing mentality.
- Interference of CBA and Officer Somiti in operation of GB
- Lobbing from upper level for doing unfair activities,
- Lacking of motivation in GB personnel due to irregular promotion.
- Absence of using IT application.
- Manual based operation.

During my three months internship in the Agrani Bank Ltd, Mouchak Branch, Dhaka following positive things are found from my observation:

- Recently, this Bank has come into competition with the other commercial Bank.
- Branch Manager puts Conscious efforts to achieve the targets and knows how to motivate employees and how to represent the Bank well in the local community.
- As the bank uses some modern technology such as: computer, Telex & other electronic devices, hence its service is in per with other banks.
- The controlling officers are effective in providing necessary guidance and support to the branch.
- The strategy and policy of Branch Manager are effective. So in spite of cut throat competition, the bank has a sound position in the competitive environment
- Employees are very friendly about customer service in ABL
- Account opening process is very hazardous. It discourages people to open new accounts.
- Customers are not satisfied about the congested area of the branch.
- Strict controlling of Central Bank in on the local bank.

- Customers are not treated equally; persons referred by higher official get priority. This disrupts the normal process of the service.
- ABL is not upgrading them with market. Where newer banks are coming with newer dimension of banking. It might encourage other bank take away its position.
- Day by day new upcoming banks are coming with many new services, which are a threat for the bank.

SWOT Analysis of ABL:

As a financial organization, Agrani Bank Ltd. has some strengths, weakness, opportunities and threats, to identify the strengths, weakness opportunities and treats a tool is used by me that is SWOT analysis. Here, S represents to strengths, W refers to weakness, O denotes to opportunities and T indicates to threats.

Strengths:

State owned bank: This is why they are the most trustworthy bank to all the customers. They always feel safe to come in this bank and do safe transactions.

Unlimited trustiness about ABL to rural people: Not only rural people but also urban people find this bank dependable. They believe that this bank will never be involved in fraudulent.

High commitments for customers: They are committed to serve the customers. They started keeping tracks of the loan payments done to the bank from the customers. They call them and give them an alarm to pay the money. This is helpful to the customers.

Qualified and experiences personnel: The recruitments they do which is actually done by the Bangladesh bank, the examination process is very standard and no unfair means and lobbying in this is tolerated.

Weakness:

Absence of service providing mentality: As the employee thinks their jobs are secured, some of them have the mentality not to work properly. They just come to the office to be present and get their salary.

Absence of IT applications: In my office there was only one person responsible and designated for this post, but it was a huge branch, lots of forms and transactions needed to be filled but due to lack of manpower the whole process was hindering. Many of the works are still done manually. As an example the forms of house building loans are not filled in online which is a huge work and very lengthy process.

Somewhat manual based: As I have already discussed but not only the house building loans other things like opening of account should be done online.

Lack of motivation of workers: lack of challenge in the workplace is demotivating them. Setting proper targets like providing loan amount of 10lakh taka in this year, which may give them motivation to work or fulfill their target.

Dependence on Head office: All the branches are depended on the head office. To provide huge amount of loans they first discuss it with the head office.

Opportunities:

High demand of credit: As they are trustworthy, people are bound to come to them. They open different types of accounts and take deposits of customers. They recently started farmers account in their general banking section which is not available in all branches.

High demand of small enterprise financing: There is huge number of entrepreneurs in our country. The numbers are increasing day by day. They can provide special service to those who are interested to grab the new generation businessmen.

High demand of remittance facility: People demands of remittance facilities are increasing, the bank should offer them some lucrative facility to lure them away from others banks.

High demand of investment by depositing: The percentage of interest in fixed depositions is decreasing as the Bangladesh bank is instructing them to do so. But still there are high demands of this type of deposits investment which is a big opportunity for them.

Threats:

Interfere of CBA and Officers' Somiti: The officers involved in politics which brought disaster to the Bank sometimes. Some officers get promotion before than their seniors due to the influence of this type of Somiti which hampers the working environment and activities.

Some commercial and foreign banks: Commercial banks are advertising themselves in different way which helps them to get more customers than those who are not adverting.

Some rules and regulations of Bangladesh Bank: Bangladesh banks constantly visits all the branches of all the banks. If they find any irregularities they fine that articular bank up to 10 lack taka.

Present of similar types of retail banking product: All the banks offer similar type of product and facilities. Therefore introduction something new will give them an advantage. They can introduce something like Bkash, mobile banking which will ease their threat.

Recommendation:

There are a few suggestions towards concern power for conquering the deficiencies of ABL in underneath:

All Banking exercises ought to be performed utilizing IT: Using current innovation in managing an account segment is must for confronting worldwide test and satisfying Customers' request.

Bank should disregard the manual based operation: Traditional banking methodology ought to be changed and automated operation is obligatory at this point.

All branches should be well decorated: To pull in more new clients and fulfilling existing client's branch's beautification and enlivened is required. It is noticed that advanced private business banks are more outfitted than state possessed banks.

Staff and officers should communicate with customer properly: Management ought to concentrate on officers' behavioral example and persuade them so they can deal with the clients acceptably.

Bank should introduce new product: As a whole, bank administration ought to think to present new item that will draw in more clients. For instance Mobile managing an account administration can be worked in Agrani Bank Limited.

Bank should provide appropriate training: Training offices for staffs/officers ought to be expanded. PC/IT based preparing and ability advancement projects are particularly useful for this reason.

Bank should take motivational effort: Motivational strides ought to be taken among representatives through reward, honor of even thanks letter by top administration. It will specifically or by implication urge the representatives to satisfy the hierarchical objectives.

As I have done minor in HR, I also have assembled some reasonable learning about the Human Resource rehearses in Agrani Bank Limited. Presently I might want to give a few proposals, which may be useful to update the Human Resource routine of Agrani Bank Limited is given as under:

First of all the principle critical thing for an association is the Recruitment, It takes 5-6 months to recruit an employee through all the system they follow. It should be reduced. The time questionnaires checking of preliminaries and written should be reduced but at the same time the proper evaluation of all exam paper should be maintained.

From the purpose of Training one might say that their instructional class is well yet not that much pragmatic. They give preparing to their representatives is their preparation establishment or send them to BIBM which is one of the rumored foundations for the financiers to be to be prepared up. In this kind of preparing they generally get hypothetical thought. For this situation they can likewise mastermind at work preparing which will empowers the representatives to take in more adequately.

Another issue is in their execution examination framework is very back dated. Typically a representative is qualified to get advancement each following 03 years. However, which is not valid accordingly representatives got disappointed couldn't move in their work other than there is not choice for execution premise advancement. For this situation it needs to me thought about that advancement is inspiration, which is helpful for workers. Accordingly it will likewise helpful to decrease representative turnover.

The bank does not have remuneration for its representatives which is low similarly low in the association, which ought to be expanded.

There ought to be likewise choice for reward framework which is not present in this bank.

References:

(2016). Retrieved 26 December 2016, from <https://www.agranibank.org/hierarchy.php>

(2016). *Agranibank.org*. Retrieved 25 December 2016, from <https://www.agranibank.org/>

Account opening form. (2016) (1st ed.). Retrieved from
https://www.agranibank.org/download/Acc_form.pdf

Annual Report 2013. (2016) (1st ed.). Retrieved from
https://www.agranibank.org/annual_report/Annual_Report_2013.pdf

Annual Report 2015. (2016) (1st ed.). Retrieved from
https://www.agranibank.org/annual_report/Annual%20Report%202015.pdf

Financial statement 2014. (2016) (1st ed.). Retrieved from
https://www.agranibank.org/annual_report/Audited_Annual_Financial%20_Statements_2014.pdf

Jahan, M. (2016). *General Banking and customer service of Agrani Bank* (1st ed.). Retrieved from
<http://dspace.bracu.ac.bd/xmlui/bitstream/handle/10361/3389/11164044.pdf?sequence=1&isAllowed=y>