



সোনালী ব্যাংক লিমিটেড
Sonali Bank Limited



উদ্ভাবনী ব্যাংকিং এ আপনার বিশ্বস্ত সঙ্গী

*General Banking activities and HR
practice
Internship Report on Sonali Bank Ltd.
IN BANGLADESH*



General Banking Activities and HR Practice

- Internship Report on Sonali Bank Limited in Bangladesh

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BRAC Business School

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Dear Sir,

Here is the Report on General Banking activities and HR Practice in Sonali Bank Ltd.

I have tried my best to present all the facts that I have recovered through my internship at Satmasjid Road Branch, Dhaka in Sonali Bank Ltd.

I tried to work sincerely and hard to cover all relevant issues regarding the matter. Though I have faced some limitations in preparing this report, I have thoroughly enjoyed in preparing this report, which has contributed significantly to my understanding on how general banking activities are done and HR practice in SBL.

I sincerely hope, Sir, that my effort will make you to accept and appreciate my report.

Sincerely yours,

Tanzina Islam

ID-10264016

MBA Program

ACKNOWLEDGEMENT

This Report on "A Report on General Banking activities and HR practice in Sonali Bank Ltd." has been made possible with active support from a number of people.

First of all, I would like to take the opportunity to thank the management of BRACU for giving me this magnificent scope to prepare this report. Thereafter I express my heartiest gratitude to my supervisor of this Report Mr. Feihan Ahsan, Lecturer – II of BRAC Business School for his continuous and patient guidance, support, inspiration and valuable suggestions.

My heartiest thanks to Mrs. Nilufer Sultana Ruma, Branch Manager of SBL, Sat Masjid Road Br. who despite of her busy schedule has shared her valuable time and information which enable me to add more value to my report. I am also very much grateful to all my colleagues of SBL for helping me by participating in my questionnaire and by providing their valuable suggestions. I have a remarkable cooperation and contribution from all of them.

Tanzina Islam

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Executive Summary

The main aim of this report is to analyze the importance of General Banking activities and HR practice in Sonali Bank Ltd. as a public organization. SBL has established itself as one of the leading and fastest growing Bank in Bangladesh.

In this report at first I have provided a background of the Report. Next, I have given a short description of **Sonali Bank Ltd.** This bank works mainly for Government.

Then next part is project part. In that part I have discussed General Banking areas and HR practice. The main aim of a company is to maximize the value of company. To maximize the value of company SBL needs to take care about General Banking areas. Because from these sections, SBL gets deposit, commission and earns more profit.

Besides, I have Shown HR practice which departments select Right people for right position to run business efficiently and effectively. Now SBL recruits talented and qualified candidates from all over Bangladesh.

After that, I have shown findings including Products which are not up dated or Schemes' rate are very low than Pvt. Banks and Development of Human Resources which is a must for service organization .

Next, I have recommended new product and appropriate training for employee's conclusions.

Finally my overall view if the bank controls and takes proper steps to overcome its limitations; it will become a heart -trusted bank of People.



উদ্ভাবনী ব্যাংকিং এ আপনার বিশৃঙ্খল সঙ্গী

Chapter -1

Introduction

1.1 BACKGROUND OF THE REPORT

BRAC University has given me a scope to submit a report on Sonali Bank Ltd. which is the largest state owned bank in Bangladesh.

The primary purpose of this report is to give my idea about the General Banking activities of Sonali Bank Ltd. and use of Human Recourses management.

This report is an attempt to reflect the position of Sonali Bank Ltd. in the banking industry.

1.2 ORIGIN OF THE REPORT

From my internship period, I have prepared it by the authorization of my respected supervisor, **Mr. Feihan Ahsan**

1.3 OBJECTIVES OF THE REPORT

Objectives: There are two objectives of the report; such as

Broad objectives

- To fulfill the requirement of the internship program under MBA program.
- To express practical experience in the job field.
- To fulfill academic requirement.

Specific Objectives

- To give an overall idea about the performance of Sonali Bank Limited.
- To give a brief idea about the cheque clearing and inland remittance.
- To give some idea about its management and organization structure.
- To identify major strengths and weaknesses of Sonali Bank Limited
- To know the services provided by the bank.

1.4 SCOPE OF THE REPORT

As I intern in the Sonali Bank, I got the opportunity to learn different part of banking system. My supervisor has suggested working in the General Banking division and HR Section.

1.5 CAPACITY OF THE REPORT

This report covers the Sonali Bank Ltd. Organization over view Management and Organizational structure functions performed by the Sonali Bank Ltd. Scope of this report is very confined concentrate of the General Banking and HR practice.

1.6 METHODOLOGY OF THE REPORT

In order to making a report, two sources of data and information have been used widely.

The “Primary Sources” is as follows:

- Practical work experience.
- Information from senior colleagues & the branch manager.

The “Secondary Sources” of data and information are:

- Annual Report of SBL.
- Various books, articles, compilations act. Regarding general banking functions.
- Different ‘Procedure Manual’, Published by SBL.
- Different circular sent by Head Office of SBL and Bangladesh Bank.

1.7 LIMITATIONS OF THE REPORT

I have obtained wholehearted co-operation from employees of Sonali Bank Staff College and Sat Masjid Road Branch, they were extremely busy. So they were not able to give much time. Besides, total duration in internship is not sufficient to give me more than a superficial idea of the functioning of the various departments. I was rotated though. On the way of my study, I have faced the

following problems which may be termed as the limitation/short coming of the study. These are as follows:

- The major limitation of the study was shorter time period. For an analytical purpose, adequate time is required.
- The main constrain of the study was insufficiency information, which is required for the study.
- Due to some legal obligation and business secrecy Sonali bank is reluctant to provide data.
- The report is mainly based on the secondary data.
- Such a study was carried out by me for the first time. So in-experience is one of the main factors that constituted the limitation of the study.



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Chapter -2

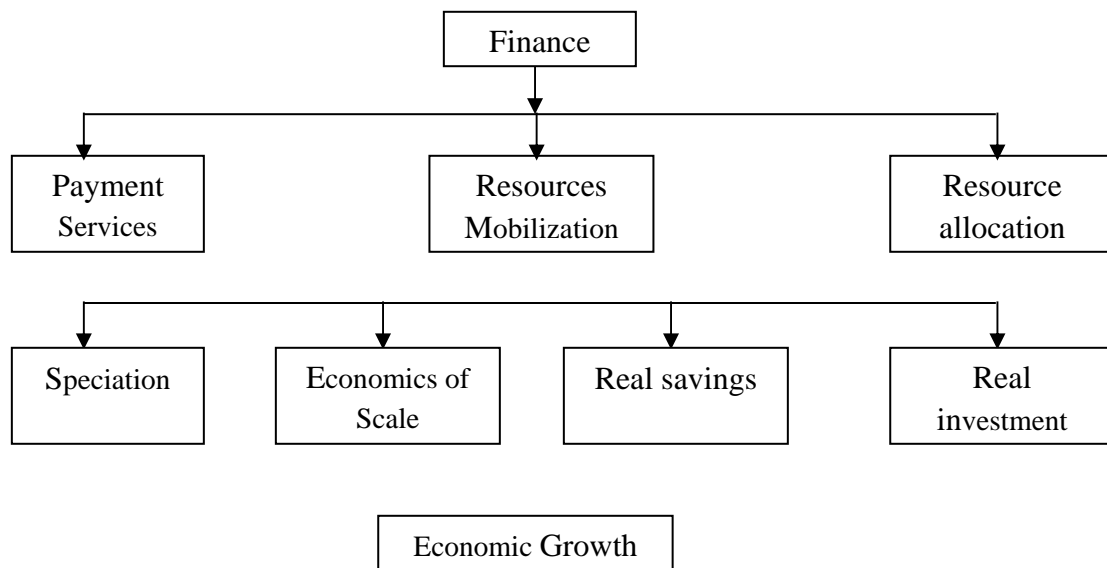
Overview of

Sonali Bank Ltd.

2.1 Introduction

A bank is usually defined as a financial institution which deals with money. Today however, the functions of a bank have increased so much that it is considered a very vital agent of development in country like ours. Because of their positive involvement in trade, industry, business finance and a host of their allied services, today bank are very important part of an economy.

A commercial Bank helps to develop economy as follows:



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

Bank:

Bank is an organization. Bank receives demand deposits and time, collection bank draft, checks act. On the other hand, we can say bank is a financial institution dealing with money. We can called it is bank.

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

In fine, the above definition, we can say that bank is a financial institution that receives savings of people and invest these saving to customer in order to make profit & other monetary transaction with interest.

Banking:

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

2.2 Origin of modern banking system:

For an economy is like as blood in a body and a bank may be compared to an artery system of a body. Modern banking system is not a consequence of an accident but a result of a gradual systematic development. Though history of banking is as old as human civilization but there exists little historical evidence as to nature of real banking operation before 13th century. For the earlier period, the destination between commercial bank and other types of banks is difficult to make with certainty. It is very difficult for this early period to differentiate between the activities of dealers in coin and in billion and the activities of bank. Money exchanger and business were often viewed as one and the same.

According to the historians the first bank of the world was established in China in 600 B.C. by the name of Sonali Bank. Although the banking business was mostly done by private individuals like the gold smith 1000 Jewish Merchants (1200) and money lenders (1300) during the ancient period, many countries established public banking order to facilitate trade and commerce or to serve the government. The bank of Venice established in 1157 is supposed to be the most ancient bank. Then the bank of Sans Georgia was established in 1178. Originally there was not full bank in the

modern sense, being simply an office for the transfer of the public debt. It seems to the historian that bank of Barcelona is the first modern bank of the world that was established in Venice, Milan, Amsterdam, and Hamburg. Majority of the historians agrees that the institutional father of modern banking was the bank of England chartered in 1694. After it, many modern banks were established in the world like Hindustan bank (1700), Bank of France (1800), Bank of Japan (1982) act.

2.3 Development of Banking Business in Bangladesh

After independence, there was serious crisis in the banking sector of Bangladesh. Out of 36 schedule banks, only two banks had three head offices in Dhaka. In the wake of liberation the owners and top executives of these banks left Bangladesh after they had already transferred resources to West Pakistan. The owners of the Union Bank Ltd. had also shifted its Head Office from Chittagong to West Pakistan. All these created serious difficulty for Bank Management. For the solution to this problem Bangladesh Bank was established as Central Bank. In 1971 there were 12 scheduled banks with their 1090 branches in East Pakistan (Bangladesh). At that time all banks except foreign banks were nationalized by Bangladesh Bank (Nationalization) order 1972. Those entire newly nationalized banks were amalgamated and brought under six classes is that Sonali, Janata, Agrani, Rupali, Uttara & Pubali Bank.

2.4 BACKGROUND OF SONALI BANK LTD.

Sonali Bank was established in 1972 under the Bangladesh Bank (Nationalization) Order, through the amalgamation and nationalization of the branches of National Bank of Pakistan, Bank of Bahawalpur and Premier Bank branches located in East Pakistan until the 1971 Bangladesh Liberation War. When it was established, Sonali Bank had a paid up capital of 30 million taka. In 2001, It's authorized and paid up capital were tk10 billion and taka 3.272 billion respectively. The bank reserve funds were taka 60 million in 1979 and taka 2.050 billion on 30 June 2000. Presently its authorized and paid up capital is TK 66000.00 core and TK 3830.00 core respectively.

2.5 Branches of Sonali Bank Ltd.

Sonali Bank has a total of 1206 branches. Out of them, 242 are located in urban areas, 854 in rural areas, and 2 are located overseas. It also operates the Sonali Exchange Company Inc. In USA and Sonali Bank (UK) Ltd. United Kingdom, to facilitate foreign exchange remittances. Sonali Bank UK remits up to 14 destinations across Bangladesh directly; these include Dhaka Chittagong, Sylhet, Maulivibazar, Beanibazar, Balagainj, Biswanat, Jagannathpur, Sunamganj, Golapaganj, Nabigonj, Habigonj, Kulaura or Tajpur. There are currently three branches in UK, one located in Brick Lane, London another in small heath, Birmingham and in Manchester.

2.6 Vision of Sonali Bank Ltd.

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

2.7 Mission of Sonali Bank Ltd.

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

2.8 Slogan of Sonali Bank Ltd.

Your trusted partner in innovating banking.

2.9 Core business of Sonali bank

Sonali Bank Limited operates the following services:

- Corporate Banking
- Project Finance
- SME Finance
- Consumer Credit
- International Trade

- Trade Finance
- Loan Syndication
- Foreign Exchange Dealing
- Rural and Micro credit
- NGO-Linkage Loan
- Government Treasury Function
- Money Market Operation
- Capital Market Operation
- Remittance

2.10 Sonali Bank Ltd. at a Glance

Sonali Bank Limited is one of the largest public banks in Bangladesh. Recently it is going to introduce shares. It operation through One Head Office, 30 Main division offices, 6 General Manager office, 42 principal Office, 19 regional office and 198 fully computerized.

2.11 Product/ Service Schemes:

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

Gas bills.

Electricity bills.

Telephone bills.

Water/ Sewerage bills.

Municipal Holding Tax.

Source tax and VAT.

Land development tax.

2.12 Corporate Profile of Sonali Bank Ltd.

Name of the Company	: Sonali Bank Ltd.
Chairman	: Mr. Fazle Kabir
CEO & Managing Director	: Mr. Pradip Kumar Dutta
Company Secretary	: Mr. A.K.A. Sajedur Rahman Khan
Legal Status	: Public Limited Company
Date of Incorporation	: 03 rd June, 2007
Date of Vendor's Agreement	: 15 th November, 2007
Headquarters	: 35-42, 44 Motijheel Commercial Areas, Dhaka, Bangladesh
Authorized Capital	: TK 66000.00 core
Paid-up Capital	: TK3830.00 core
Employees	: 22,446
Number of Branches	: 1206
Phone-pabx	: 9550426-31, 33, 34, 9552924
Fax	: 88-02-9561410, 9552007
SWIFT	: BSONBDDH
Website	: www.sonalibank.com.bd
E-mail	: itd@sonalibank.com.bd

2.13 Payment:

Pension of employees of Government and other Corporate Bodies.

Bangladesh Bank employees' pension

Army pension

Student stipend/ Scholarship.

Govt. & Non- Govt. Teachers salary

MT issue & payment section

TT payment section

DD issue & payment section

Payment order

DDP

2.14 Sale & Encashment/ purchase:

Savings Certificates.

Prize Bonds.

Lottery tickets of different Semi-Govt. and Autonomous Bodies

Public Service Commission's application from.

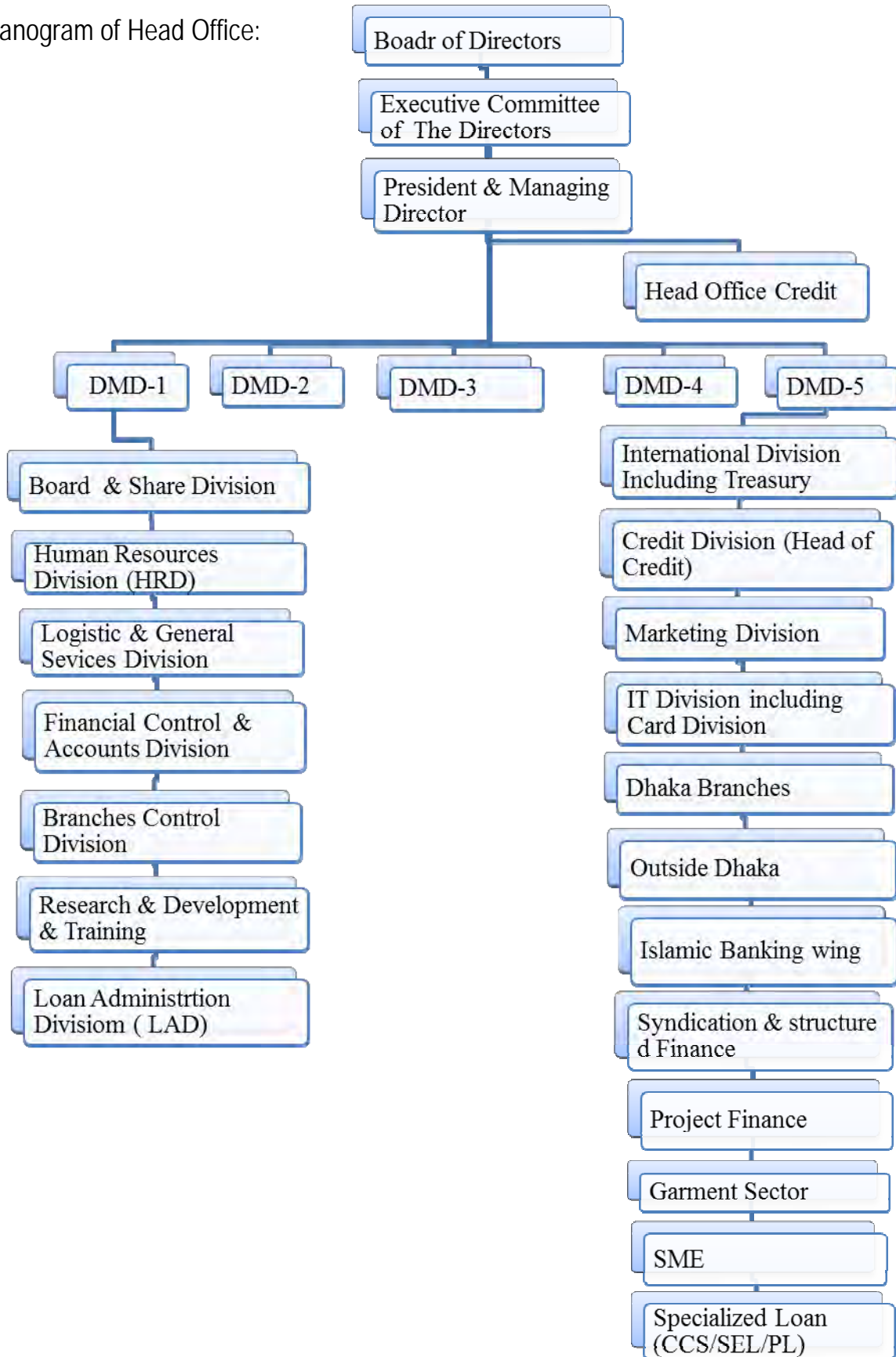
Judicial Service Commission's application from.

2.15 Value of Sonali Bank Ltd.

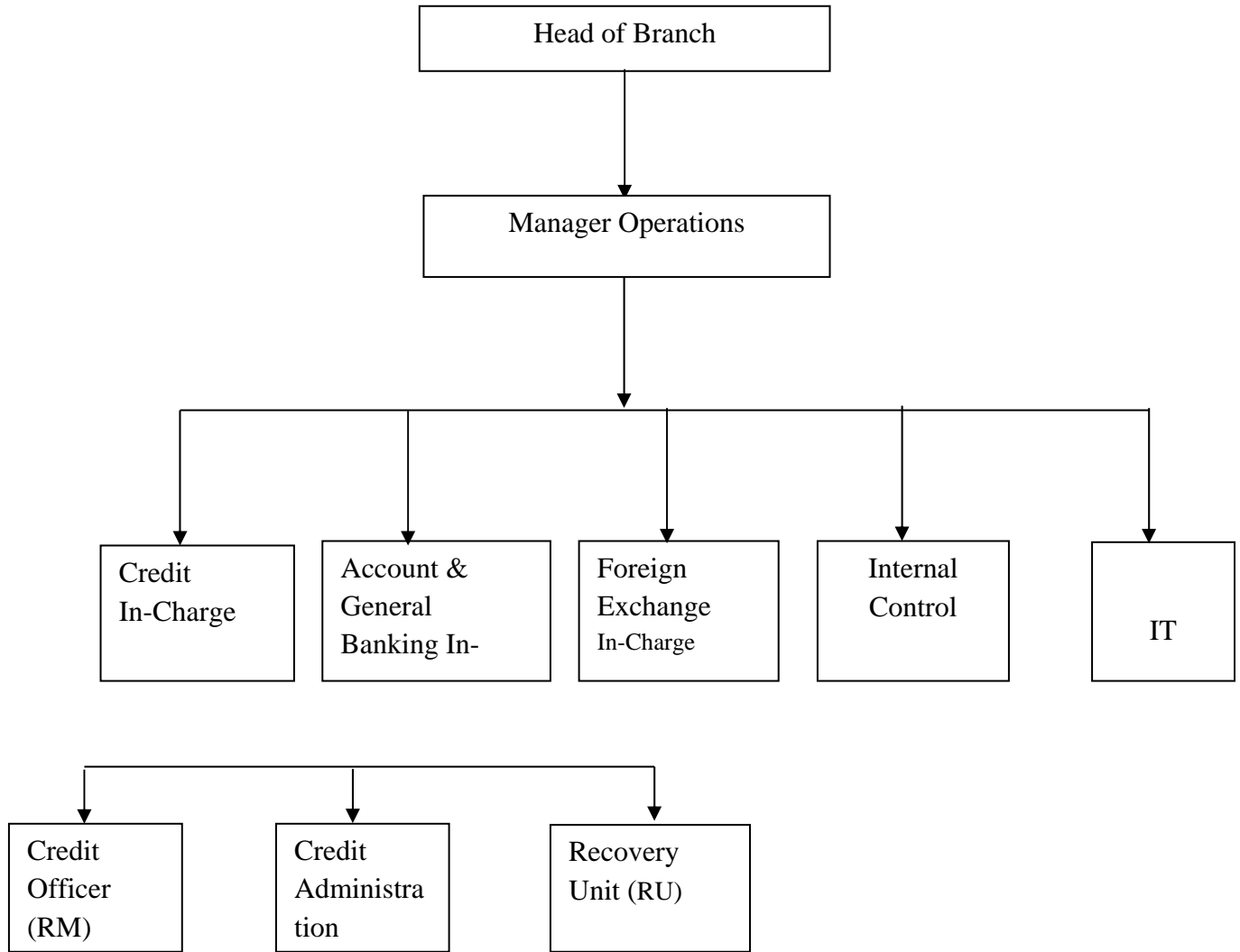
- Trustworthy
- Dependable
- Reliable
- Professional
- Dynamic
- Fair
- Secure

2.16 Organization Structure of Sonali Bank Ltd.

Organogram of Head Office:



Organogram of Branch:





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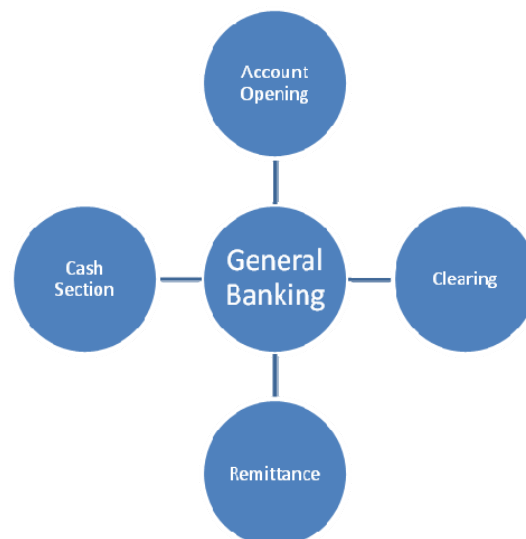
Chapter -3

General Banking Areas

3.1 Introduction of General Banking

General banking is the heart of business banking activities. General banking department performs the core function of bank operates the day-to-day transactions. It is the storage point of all kinds of purpose in transactions.

General banking is the front-side banking service department. It provides services to customers coming frequently as well as customers coming for only one time in the bank for enjoying ancillary services. In general, there is no relation between banker and customers taking only one service from the bank. Bank generally deals with a person who maintains an account with the Bank. That is, a banking relationship will be established only when a customer maintains an account with the Bank. General Banking is an important department for all banks because it provides day-to-day service to the customers. It is the department that serves most of the customers of the Bank and the image of the Bank is established with the services provided by the Front Desk. Almost all the customers are directly served by this department. Customers open accounts, issue checks books, deposit their money, receive payments, remit funds, issues bank drafts and pay orders and meet their demand for cash by honoring checks with this department. A typical Bank has generally the following sections -



3.2 Function of General Banking

There are many function of the General Banking. There are-

1. Maintenance of Deposit A/Cs saving account / current account / cash credit deposits/ Fixed deposit/ short term deposit/ margin deposits/ Bond deposit / F.C. Bond deposit.
2. Receipts & payment of cash.
3. Handling transfer transactions.
4. Operating of clearing house.
5. Maintenance of accounts with Bangladesh bank & other banks.
6. Collection of Checks & Bills.
7. Issue and payment of Demand Drafts, Telegraphic Transfers and Payment Orders.
8. Executing customers standing Instructions.
9. Maintenance of safe deposit Lockers.
10. Maintenance of Internal Accounts of the banks.
11. Reporting to head office about daily position.
12. Saving all transaction record in computer.
13. Closing and transfer of different types of accounts.
14. Keeping good relation with valued customers.
15. Providing necessary support to the customers.
16. Act as an advisor.

3.3 Sections of General Banking

I was appointed as Intern at Sat Masjid Road Br, Dhaka in Sonali Bank Ltd. By rotation, I have worked in five general banking sections. Now all are in details.

1. Account opening section.
2. Remittance section.
3. Bills and clearing section.
4. Cash section.
5. Mails receive and dispatch section.

1. Account Opening section

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

1. Opening of different types of account.
2. Issue of checkbook.
3. Transfer and closing of account.
4. Enquiry of account.

Types of Account

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

1. Fixed deposits A/C
2. Short term deposits A/C
3. Savings deposits A/C
4. Current deposits A/C
5. Call deposit A/C
6. Sundry deposit Accounts.

3.3.1. Fixed deposit A/C:

This account is opened for a fixed period of time this type of account is very popular to the fixed income earners. Sonali Bank, Sat Masjid Road Branch, Dhaka maintains different terms of this deposit and interest rate varies with the variation of term. The minimum term is 3 months. The branch maintains fixed deposit account for maximum term of 3 years. A fixed deposit account holder has to deposit his money with the bank at a time and the amount of deposit is drawn at the maturity of the account. But in case of emergency a fixed deposit A/C holder can withdraw his money before maturity. Interest rate on this account varies according to term of deposit. Sonali Bank, Sat Masjid Road Branch, Dhaka, pays the following interest rates on Fixed deposit A/C:

Duration	Rate of interest
3 months or more but less than 6 months	7.50 %
6 months or more but less than 1 year	7.75 %
1 Year or more but Maximum 3 year	8.00 %

3.3.2. Short term deposit A/C:

This item includes the deposits which are deposited for a period ranging 7 days to 89 days. These types of liabilities are payable by a special notice or after specified period. Some of these types of deposited are of nature of time deposited. Its interest rate is 5.00%.

3.3.3. Savings Deposits Account:

Normally Savings Account is used by individual or service oriented organization. In this account, a depositor can deposit money as many times he/she wants. But the account holder cannot withdraw his deposited money frequently. In this case he has to follow some stipulated rules and regulations. The Bank pays 5.00% interest on savings deposit and interest is generally allowed on monthly balances.

3.3.4. Current Deposits Account:

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

3.3.5. Call Deposits A/C:

Tender money is deposited in this account. In order to participate in tender invited by any private or public institution, the participants have to deposit a particular amount of money as security. It is called tender money. The tender inviting institution receives tender money under this account through bank. The deposited amount in this account remains up to opening of tender. After opening of tender, the tender inviting institution can withdraw fund from this account, at any time. The bank pays no interest on this account.

3.3.6 Sundry Deposit Account:

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

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

3.4. Account Opening:

I have gathered practical knowledge about opening of bank accounts. Various types of bank accounts are opened with the Sonali Bank Sat Masjid Road branch, Dhaka. I have taught how a current deposit (CD) A/C, savings deposit (SD) A/C are opened.

3.4.1. Procedures of opening a CD A/C:

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

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

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

3.4.2. In case of joint account, the applicant must furnish the following information and papers:

Name of the parties who will operate the account and sign the checks.

- At the event of death either or any of the account holders how the balance will be paid and to whom the securities (if any) will be delivered. The documentary requirements are almost the same as individual accounts. Account opening form and the special instructions must be signed by all the joint account holders to signify their consent.
- If the client is a partnership company the company has to submit partnership deed to the bank.
- If the applicant is a sole proprietorship business, the client has to submit trade license collected from the appropriate authority & seal of the institution.
- If the client is a private or public limited company, the company has to submit Memorandum of Association (MOA), Article of Association (AOA) and other necessary documents. Name and specimen signature of the people who are authorized to open and operate the account and the source of their authority.

3.4.3. Procedures of Opening a Savings Deposit (SD) A/C:

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

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

3.5. Closing an Account:

During the study work I have taught how to close a bank account before maturity. In order to close an account before maturity the holder has to place a written application to the bank. After receiving the application the bank will deduct service charge at an amount necessary for the respective account as closing fee from the balance and rest of the money is given to the account holder.

3.6. When bank closes an Account

Bank closes an account in the following situations:-

- If a customer places written application to the bank to close his account.
- If the customer does not properly follow the rules and regulations necessary to operate his account.
- If the bank is notified the message of death of a customer.
- If the bank receives a notice regarding the insanity of his customer.
- If the bank receives a garnishee order from court.
- Others.

Dormant Account :

Dormant Account is those accounts, which are not created any transaction by the customer for a long time. The law has not prescribed any period after which an account should be treated as a dormant Account because of absence of any transactions by the customer in his account. Every bank has its own policy in this respect. In saving a/c, if there is no transaction within 6 months it will be dormant account. In case of current a/c, it will dormant account if there is no transaction within 1 year.

2. Remittance section:

The system of transmitting or sending money from one branch to another branch of the same bank or from one bank to another bank within a country or outside the country is known as remittance. It is one of the important functional areas of a bank. A bank can earn handsome fees as commission from the dealings of money remittance. During my internship program I have gathered practical experience about how money is remitted from one branch to another branch of a bank or from one bank to another bank.

Types of Remittance

Sonali Bank Ltd. earns more from this section by TT, DD, MT, PO, Spot cash, Western Union, Xpress Money, Transfast, EFT, BFTEN etc.

Remittance can be of two types, i.e. A) Inland Remittance B) Foreign Remittance.

A) Inland Remittance:

When money is remitted within a country through proper banking channel, it is termed as inland remittance. Sonali Bank, Sat Masjid Road Branch deals a lot of inland remittance at every working day.

Modes of Inland Remittance:

1. Demand Draft (DD): DD is the most widely used instrument of remitting fund. It is order to pay money drawn by one branch of a bank upon another branch of same bank for a particular amount of money that is payable to order and demand.

Procedures of remitting money through DD:

The procedures of remitting money through DD are stated briefly in below-

- At first, the sender of money is advised to fill up a form and deposit the cash. The form is usually called DD application form or credit voucher.
- The senders of money fills up the voucher appropriately and place it with cash before the officer at cash receipt section.

- After receiving the voucher and cash, the officer counts the money and charges a fee as commission. Here it is mentionable that the commission for DD up to tk 30,000 is Tk. 30 for per 1000 and Tk. 1 for every thousand above Tk. 30,000.
- After that, the voucher is sent to the concerned officer of remittance section.
- Here the officer prepares a paper instrument called "Demand Draft (DD)" and enters the amount in the draft issue register.
- Draft book and DD along with the register are then sent to the officer in charge for checking. If everything is Okayed, the officer signs the DD and voucher and keeps the register and counter foil of the DD.
- After that the DD is issued to the sender of money. At this stage he can send the DD to the receiver branch by post or any other ways,
- After issuing the DD and handing over it to the sender of money, the DD issuing branch sends an advice to the receiver branch about DD.
- Finally, the DD receiver branch makes payment to the bearer of DD. i.e. payee after completing the necessary formalities.

2. Mail Transfer (MT): MT is another widely used instrument of remitting fund from one branch of a bank to another branch of the same bank. It is not used to remit fund from one bank to another. MT is nearly same as DD.

Procedures of remitting money through MT:

The procedures of remitting money through MT are almost same as the procedures of remitting fund through DD. But there are some exceptions in this system -

- In case of MT, the sender of money is not provided with the MT paper but a receipt. The branch sends the MT paper under its own responsibility by mail to the MT receiving branch.
- The commission for MT up to Tk. 30,000 is Tk. 10 for per 1000 and Tk 1 for every thousand above Tk 30,000.

- The MT issuing branch has to send a secret message i.e. Test to the MT receiving branch. It is must for any amount of money. Here the amount of money, issuing date and other particulates are mentioned.
- To maintain the secrecy of the message sent, the issuing branch codes the message by a particular number consisting of different digits. After receiving the message, the paying branch decodes it by using the predetermined techniques. This process is called test. If everything is Okayed, the paying branch makes payment to the payee.

3. Telegraphic Transfer (TT):

Telegraphic Transfer (TT) is another widely used mode for remittances of funds. Telegraphic Transfer is quicker than a transfer of amount by DD or MT. The customer deposits money with the branch to be sent. The customer obtains a cash memo containing TT serial number.

Procedures of remitting money through TT:

The primary formalities that have to be maintained to remit money through TT are same as DD and MT.

- The commission for TT up to Tk. 30,000 is Tk 10 per TK 1000 and Tk 1 for every thousand above Tk 30,000.
- In case of TT, no paper instrument is sent to the paying branch. Rather the TT issuing branch sends a TT advice through telephone, telegraph, Fax or telex to the paying branch. In sending message, the branch keeps necessary secrecy.
- Side by side, the TT issuing branch sends an advice to the head office of the bank.
- After receiving the message, the paying branch tests to decode the message. If everything is obeyed, then the branch makes payment to the payee. After that the branch sends an advice to the head office to reconcile the accounts of both branches.
- In case of TT, test is must for every issue and for any amount of money.

Payment Order (PO):

Payment Order (PO) is an instrument that contains an order for payment to the payee only in case of local payment whether on behalf of the bank or its constituents. Customers can purchase to deposit as security money or earnest money. Payment Order is in the form of receipts and issued by joint signatures of two officials. Payment of this instrument is made from the branch it has been issued. The payee's banker who should certify that the amount would be credited. The commission for PO up to Tk. 1,000 is Tk 23, up to Tk. 1,00,000 is TK 35 and TK 115 for above TK 100,000.

B) Foreign Remittance:

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

Procedures for Western Union, Spot cash , Transfast, Xpress money :

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

EFT and BFTN:

From various countries, amount is directly transferred to the branch of the clients. Now, share bonus, fund transfer and salary of Govt. and Private org are given through BFTN.

2. Bills and clearing section :

This section is very critical and complex. It carries risk. In my branch a Senior Officer named Mrs. Tahmina Begum is charged with this section that is well-experienced and skilled enough to deal such complexities.

Clearing

This section of General Banking deals with both the clearing of inter-banking and intra-banking checks. The checks which are deposited during the whole day are scanned and sent to Bangladesh Bank's central clearing house for clearing. Clearing is somewhat a complex process. Each and every scheduled bank has a clearing account with BB which is used to clear the payments made by checks. The checks that are scanned and sent to the BB are submitted to the center and the payments are made from the respective BB clearing account. Checks amounting more than Tk. 5 lac are immediately submitted to the central system before 11:00 am and cleared on an urgent basis.

The growth of banking habits among the people has led to greater use of cheques facility by them. The number of banks and their officers are also constantly on increase. Every bank receives daily hundreds of cheques, drafts, pay order etc. on the other banks. One method of collecting the money of such cheques, draft, pay order etc. are to send an official to every drawee bank. This method is bound to prove costly and tedious. The other alternative is to fix a common place where officials of different banks may meet daily to settle interbrain claims. Such a method is simple and convenient since it does not involve unnecessary traveling and actual handling of cash. The common place so fixed is termed as banker's clearing house.

A clearing house may, therefore be defined as an organization of banks consisted for the purpose of setting inter-bank liabilities due to transfer of deposits by a customer of a particular bank to that of another bank.

4. Cash section:

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

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

3.4.1. Cash Payment:

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

- 1) **Presenting the check:** If any A/C holder would like to draw money from his A/C he at first has to issue a check supplied by the respective bank. Then he has to present the check to the concerned officer after duly signed.
- 2) **Token Issue:** After receiving the check, the officer examines the followings-
 - a. Account number of customer
 - b. Issuing date of check
 - c. Amount of money mentioned in the check.
 - d. Amount position/balance position of the customer.
 - e. Whether the customer has signed behind the check or not.
 - f. After that, the officer enters the amount of money, token number, and account number in the daily transaction register. The register is usually called day book. Then, the token is issued & given to the customer. The number indicated in the token is written behind the check.
- 3) **Verifying the check:** At this stage, the check is sent to the principal officer (second officer) to verify it. To examine the validity of the check, the second officer compares the customers signatures given on the check with that on the signature card kept in his custody.
- 4) **Honoring the check:** If all the factors are satisfactory, the check is honored by the second officer.
- 5) **Check cancellation:** At this stage, the officer signs across the check to pay the money.
- 6) **Drawing money:** After the check is signed by the second officer, the customer returns the token to the cash payment section and draws his money.

3.4.2. Cash Receipt:

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

3.4.3. Check Dishonored by Bank:

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

- If the customer's account position is not okay, that is if the amount of money mentioned in the check is greater than customer's deposit.
- If the check is torn.
- If the check is postdated or a stolen checks.
- If the customer's signature given on the check is a forged one or does not tally with his specimen signature kept in bank custody.
- If the check is not submitted to the customer within banking hour.
- If the duration of issuing the check is more than 6 months
- Others.

4. Mails receive and dispatch section.

Internal letters are maintained in Local mail register (Receive & send). External letters are sent maintaining Registered mail register. Numbering of letters is the main task of dispatch section.

From my first day of internship, I was in duty of Dispatch. A number of business letters, statements, SC cheques are sent to local office, post office, head office and other business organizations. These are posted with number in outward register. When business letters, documents, circulars, orders, memorandums came, I posted in inward register with number.

This section is important for numbering. By number, all are traced out if need



Chapter -4

HR Management of Sonali Bank Ltd.

4.1 Human Resource Management in Sonali Bank Ltd.

In spite of all technological and intellectual developments – human resources remain the single most influential factor behind the success of any organization. SBL believe that a competent, committed and fully motivated team of human resources is the main driving force for performing at the highest level in a fiercely competitive financial market like Bangladesh.

Accordingly, the Bank's strategy is to attract, retain and motivate the most talented and success driving people. The Bank has developed a detailed HR manual and service rules covering the recruitment guidelines, promotion criteria, training and other related issues. HR manual and service rules are reviewed and updated so as to keep it time befitting and upholding employees' stake at the Bank's success. The core strength of HRD at SBL is its transparency and continuous endeavors for achieving the excellence.

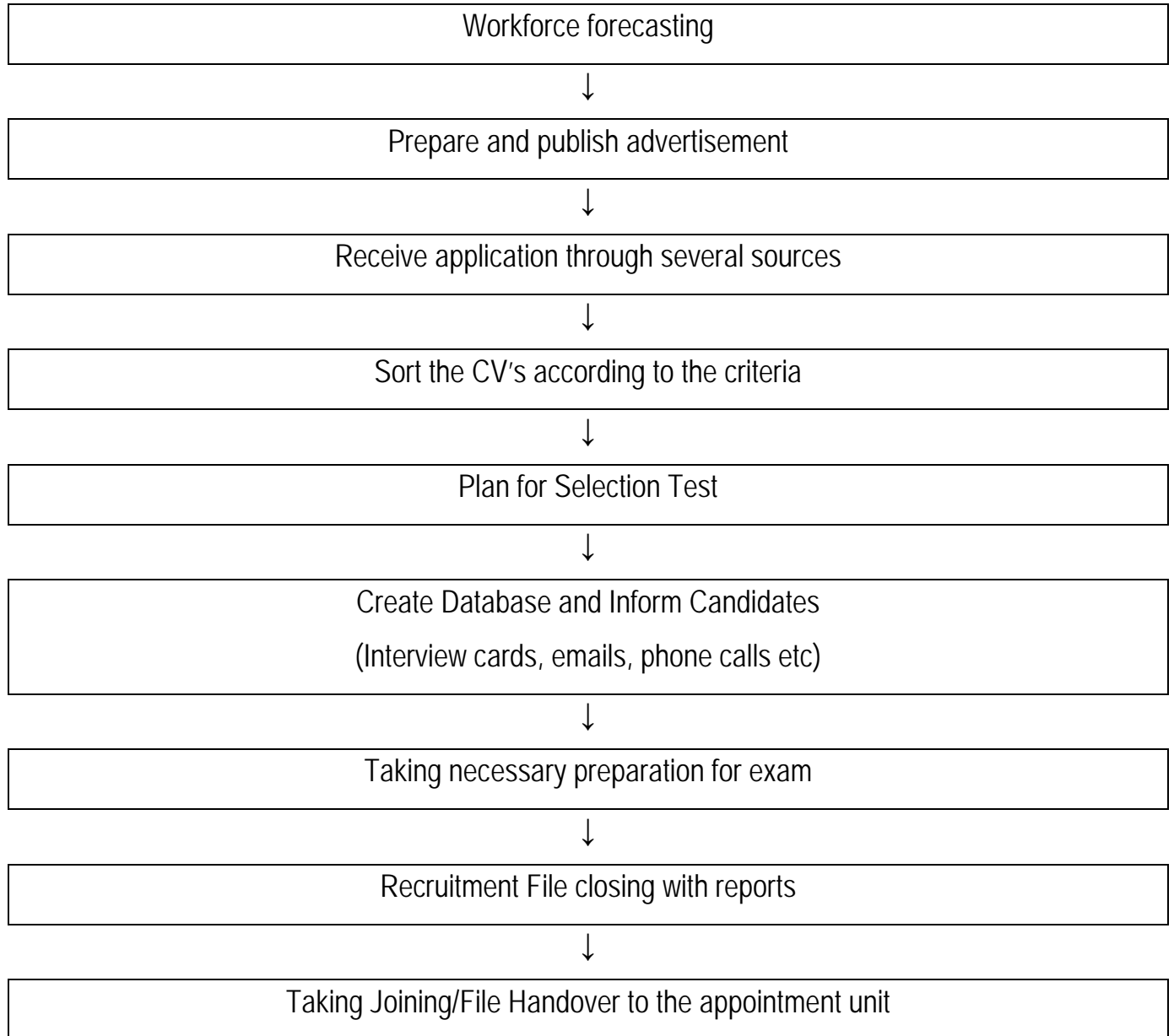
4.2 Recruitment in Sonali Bank Ltd.

Recruiting is important because the best- qualified applicants must be found to fill vacancies. Recruitment is the process of finding and attracting qualified or suitable applicants to fill vacancies. The methods and procedures used to acquire an understanding about jobs are called job analysis. There are mainly two sources of recruitment: internal and external.

On the other hand selection is a process of hiring suitable people for job. Right man for right job is the main goal of selection. The selection process involves many steps such as preliminary reception of application, interviewing, test, medical test, references and final decision of hiring.

Based on these two definitions of recruitment and selection SBL also practices a formal established recruitment and selection procedures.

Recruitment Flow-chart of SBL :



4.3 Selection Process in Sonali Bank Ltd.

Selection is a decision making process. A process is a number of interrelated activities. The selection process is a series of steps through which applicants' pass. For example, a candidate who fails to qualify for a particular step is not eligible for appearing for the subsequent step. Result of each step is crucial. Failure of any step disqualifies the candidate from attempting the next step.

Process of Selection in HR

Preliminary Interview
Selection Tests
Employment Interview
Reference & background
Selection Decision
Medical Examination
Job offer
Employment Contract
Evaluation

4.4 Socialization or Orientation in Sonali Bank Ltd.

HR is much more than just recruiting people. Once employee selection is completed, a proactive HR department helps the new hire become a productive and satisfied employee. The process of becoming a productive and satisfied employee is important to the organization and to the employee. This initial turnover is common.

The new comer often wants to know, "Will I be able to do the job? Will I fit in around here? Will the boss like me? Employees are likely to quit during their first few months than any other time in their employment. Orientation program familiarizes new employees with their roles, the organization, its

policies, and other employees. It is a process of helping new employees adapt to their new organizations and work responsibilities. It is a process of adaptation.

New employees suffer from anxiety. Anxiety is high at entry and new employees want to reduce that anxiety very quickly. Stress is high because the new member feels a lack of identification. Loneliness and a feeling of isolation are not unusual response. New employees need special attention to put them at ease.

This means providing an adequate amount of information to reduce uncertainties and ambiguities. Through this program, personnel department can reduce employee turnover. It can reduce turnover by meeting personal objectives of employees. Cost of turnover is very high. Costs are associated with recruiting, training and developing new employees. When employees quit, the loss may be high because of training, skills that they take with them.

The orientation of the new employees can be done either by the new employee's supervisor or by the people in the personnel department. Formal orientation programs usually depend on the personnel department and the supervisor. In many medium and large organizations, the personnel department takes charge of explaining such matters as overall organizational policies and employee benefits.

4.5 Training and Development in Sonali Bank Ltd.

Every organization needs well-trained people to perform the activities that have to be done. If current or potential job occupants can meet this requirement, training is not important. At the time of recruitment employees possess a certain amount of knowledge and skill. As time passes their knowledge becomes obsolete unless it is updated by proper training. When this is not the case, it is necessary to raise the skill levels and increase the versatility and adaptability of employee.

As jobs are become more complex, the importance of employee training was increased. Competent employees do not remain competent forever. Skills deteriorate and can become obsolete. Skilled and knowledgeable people are always short in supply. This is why, organizations spend billions of dollars each year on formal training. Intensified competition, technological change and the search for improved productivity are motivating management to enhance expenditures for training. Competitive advantage of a firm depends on the knowledge and skills possessed by the employees.

4.6 Performance Appraisal and Compensation in Sonali Bank Ltd.

Although helping others improve their performance is one of the manager's most important tasks, most managers freely admit performance appraisal and improvement coaching gives them difficulty. Judging an employee's performance accurately is not always easy.

Often it is even harder to convey that judgment to the employee in a constructive and painless manner and to translate feedback on past performance into future improvement. Determining appropriate compensation is a related task of great importance.

4.7 Promotions, Transfers, Demotions, and Separations in Sonali Bank Ltd.

The movement of personnel within an organization- their promotion, transfer, demotion and separation- is a major aspect of human resource management. The actual decisions about whom to promote and who to fire can also be among the most difficult, and important, a manager has to make.

4.8 HR Practice at Sat Masjid Road Branch, Sonali Bank Ltd.

Effective utilization of employees involves allocation of additional authority and responsibility, as and when they acquire adequate expertise and competence. Secondly, good work of an employee is to be recognized and rewarded. Thirdly, career development involves vertical movement of employees. Finally, higher vacancies in the organization are to be filled up progressively.

In Branch level, Establishment Section plays the role of HR. Sohaily Mahjabin Shampa , (Officer) in Sat Masjid Road Branch, Dhaka is charged with this administration. This section prepared-

1. Monthly salary.
2. Yearly Budget.
3. Office order for employees.
4. Sent regular official statement at PO & Ho in SBL.
5. Maintain correspondence with PO and HO.
6. Prepared charges and suspense vouchers.
7. Maintain leave record register.
8. Made procedures for PRL.
9. Stocked office stationary for employees.
10. Made memorandum for employees.
11. Prepared festival & incentive bonus.

4.9 SWOT Analysis of Sonali Bank Ltd.

Strengths:

Anything that a company can do well or anything that is internally favorable to the company is known as strength of that company. Internal Strengths of Sonali bank Ltd. are:

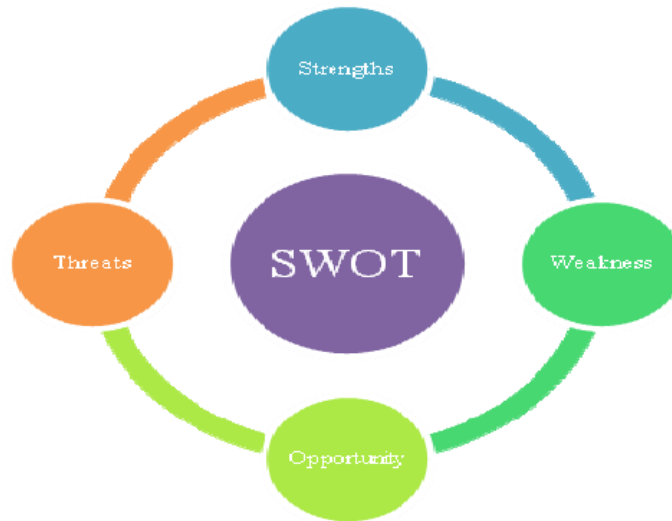
1. Sonali Bank Ltd. is the largest commercial bank of the country. The bank has wide network having 1206 branches in urban & rural areas.
2. The bank has a well-educated and trained workforce.
3. The bank has sustainability plans as indicated in its approach to diversify its line of banking business.

4. Government bank & Government support.
5. Sound organization showing good relationship. It has foreign correspondence relationship with 346 large of 98 countries. Top management is visionary.
6. Wide image.
7. Unlimited trustiness about SBL to rural people.
8. High commitments for customers.
9. Qualified and experiences personnel etc.

Weakness:

Anything a company does poorly or any resource that a company lacks is called weakness of that company. Internal weaknesses of the bank are:

1. Excessive Classified Loans.
2. Some of the directors are not professional bankers, thus hindering effective decision-making.
3. Backwardness in using modern banking technology.
4. Higher rate of cost of fund.
5. More dependence to government section & self-finance project in export & import.
6. Overall expenditures are high.
7. Insufficiency in commercial export & import.
8. Absence of service providing mentality
9. Absence of IT applications.
10. Somewhat manual based
11. The bank is so slow modernization.
12. Lack of motivation of workers.



Opportunities:

Any favorable condition that exists in the external environment is known as opportunity of that company.

1. Expansion of business by using local branches & foreign subsidiary branches network.
2. Expansion of interbank foreign exchange business.
3. Expanding commercial import & export.
4. Financing to export oriented industries.
5. Incentives for export of nontraditional industrial products.
6. High demand of credit.
7. High demand of small enterprise financing.
8. High demand of remittance facility.

A. Threats :

1. Increase the competition of the banking sector.
2. Increase the on line banking.
3. More number of banks of other banks has commenced business as outlets of western union.
4. Tough competition with Govt. Private & Foreign commercial banks.
5. Defaulting culture of the borrowers.
6. Unwillingness to work of some of employees.
7. Undue interference of the Govt.
8. Low interest rate in export financing imposed by the Govt.
9. Interfere of Combined Bargaining Agent (CBA)
10. Some rules and regulations of Bangladesh Bank.



Chapter -5

Findings of the Report

5.1 Findings

1. This branch office space is not large as its operation.
2. Aggression of CBA is a vital problem.
3. CBA affected the overall performance. High authorities are caught at their revolt.
4. Main Sources of Income is Foreign Exchange Business. Other business should be Elaborated. But in my branch there is no Foreign Exchange department.
5. Service of this bank is not fully modernized.
6. Sudden changes of government policies are a vital problem.
7. Maximum branches are not computerized so it effect the efficiency of the employee and customers are disturbed for delay of service.
8. Lack of smooth co-ordination.
9. Service of this branch is not attractive.
10. Products are not up dated. Schemes' rate are very low than Private Banks.
11. Salary structure is not good. To serve a huge employees , salary is poor which Demotivates qualified employees.
12. Corruption exists. From Upper level to lower level SSS, all hanker after money. For Money, they work many illegal works such as loan sanction without proper documents.
13. Ensure proper division labor in the desk. Unfortunately, someone works more, Someone passes time by gossiping.
14. Ensure sufficient manpower. Work load is more for lack of employees.
15. Development Human Resources which is a must for service organization.
16. Needed personnel having business knowledge by MBA.
17. Lack of proper supervision.

5.2 Recommendation

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

1. Bank must enrich their service like private commercial bank most likely one stop service, ATM service, ready cash service etc.
2. Smooth co-ordination should be needed.
3. Bank needs efficient employees who must be honest. To ensure this proper supervision is necessary.
4. The branch need large office space for it's vast banking operation.
5. Bank should open a computer section, It is the demand for modern era.
6. Activities of CBA should be reduced.
7. All banking activities should be performed using IT
8. Bank should neglect the manual based operation
9. All branches should be well decorated
10. Staff and officers should speak polite and low voice
11. Bank should introduce new product
12. Bank should consider experience, written test and viva examination in cases of promotion
13. Bank should provide appropriate training
14. Bank should take motivational effort
15. To limit interferences of CBA.
16. The entire department should be well informed regarding their goals and objectives. It is essential to execute company objectives into individual target.
17. There must be a clear allocation of responsibilities authority and accountability.
18. The bank should introduce more promotional activities.
19. Development of Human Resources.
20. Ensure the proper communication system.

Conclusion

Sonali Bank Limited is the largest commercial bank as well as the largest employer in both the public and private sector in Bangladesh. The bank is playing an important role in the socio-economic development through the development of industrial sector. The bank provides all the conventional banking service as well as some specialized financing activities to the economy period.

Finally we can say if the bank controls its expenses and takes proper steps to overcome its limitation, it will become a first rows bank of Bangladesh. So in conclusion it can be said that every organization has its positives as well as negatives and in case of Sonali Bank Limited existence of the later one is less than the earlier one and as the management is determine to reach the pick of success it seems that in near future the negatives will be eliminated. Because Sonali Bank Ltd. is near to the heart of the people acting old heritage with new generation ensuring digital Bangladesh.

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