

Report on  
**“E-Banking and customer satisfaction-  
A comprehensive study on Sonali Bank Limited.”**

By  
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An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of BBA

BRAC Business School  
BRAC University  
January, 2020

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## Declaration

It is hereby declared that the internship report submitted is my own original work while completing degree at BRAC University. This report does not contain material previously published or written by a third party, except where this is appropriately cited through referencing. The report does not contain material which has been published for any other degree or diploma at a university or other institution and all main sources of help has been acknowledged while making this report.

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Dr. Sharmin Shabnam Rahman  
Assistant Professor, BRAC Business School  
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## Letter of Transmittal

6<sup>th</sup> January, 2020

Dr. Sharmin Shabnam Rahman

Assistant Professor &

Area Director- Accounting & Finance,

BRAC Business School,

BRAC University,

66 Mohakhali, Dhaka-1212

**Subject:** Submission of Internship Report titled “**E-Banking and customer satisfaction-  
A comprehensive study on Sonali Bank Limited.**”

Dear Madam,

This is a great honor for me to have the chance to submit my Internship program report to you which is prepared on the basis of practical experience from my three months’ internship program at Mymensingh Road Branch, Sonali Bank Limited, Tangail. I have done my best to follow your directions as well as the guidelines provided by my on-site supervisor. In this report, I have tried to concentrate on the best suited and correlated aspects which might have an influence on my research topic and would cover the objectives of this report. I did my utmost to keep this report informative and comprehensive.

I pray and hope that this report will be able to fulfill the specifications and requirements expected by you under the course BUS-400. Also, hope you will be kind enough to excuse and mistakes the report may have. Lastly, I beg your kind consideration for evaluating this report.

Sincerely yours,

**Shoeb Ahmed**

**ID: 16204094**

BRAC Business School

BRAC University

## Acknowledgement

First of all, I am thanking the Almighty Allah. I am sincerely thankful to my academic supervisor, Dr. Sharmin Shabnam Rahman, Assistant Professor of BRAC Business School, BRAC University; who have guided and supported me to prepare this report on the “E-Banking and customer satisfaction-a comprehensive study on Sonali Bank Limited”. I am grateful to her for giving me this opportunity that has enriched my area of understanding about banking industry a lot. Furthermore, I want to thank my organizational supervisor Mrs Selina Akter, Manager, Sonali Bank, Mymensingh Road Branch, Tangail; for giving me the required information for this report and also all the other staffs who gave me such a wonderful work experience.

## Executive summary

The main objective of this report is to find out the performance of Sonali Bank Limited in electronic banking sector and the customer satisfaction based on the online services provided by the bank. I have prepared this report based on three-month internship program which I have successfully completed from Sonali Bank Limited, Mymensingh Road Branch. I started my Internship from 1<sup>st</sup> October, 2019 which is a requirement of my BBA program. Working as an intern I got the opportunity to experience how entire banking system operates, and the experience was very different from the theoretical knowledge.

A thorough analysis on electronic banking system is done based on current online banking services provided by the bank and the customer satisfaction level related to those banking services. This report is prepared in a sequence with several parts. The beginning of the report contains general overview and background of Sonali Bank Limited, overview of electronic banking in Bangladesh. Later discussed the management system, and different departments, research methodologies, objectives of the report. Following that, problems found and the limitations are mentioned and the solution to those problems are discussed in the later part of the report.

Current commercial banking sector is struggling with many problems and in this harsh business environment, to compete and be on top of others, Sonali Bank Limited needs to modernize its' business processes such as develop the marketing department, design effective training programs for the employees and make faster improvements in e-banking sector. Also, strong security measures should be taken to improve online banking security for the customers and to prevent data theft.

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## List of acronyms

SBL	Sonali Bank Limited
FDR	Fixed Deposit
SB	Savings Account
CA	Current Account
A/C	Account
SC	Short Credit
CIB	Credit Information Bureau
CRM	Credit Risk Management
SWOT	Strength Weakness Opportunity Threat
ALCO	Asset-Liability Management Committee
NPL	Non-performing Loan
RWA	Risk Weighted Assets
CRG	Credit Risk Grading
IBC	Inward Bill for Collection
KYC	Know Your Customer
VAT	Value Added Tax
L/C	Letter of Credit
CAR	Capital Adequacy Ratio
LR	Leverage Ratio
SLR	Statutory Liquidity Requirement
LIM	Invested Against Imported Merchandise
HBI	House Building Investment
BCD	Bearer Certificate Deposit
PO	Payment Order
ABB	Any Branch Banking
CRR	Cash Reserve Ratio



## **Chapter- 01: The Organization**

In this modern life most people and businesses rely on banks to conduct their daily financial transactions, because it's safe, sound, fast and secured. The necessity of a bank cannot be dismissed because banks are one of the major components of an economy that ensures a healthy economic progress of a country. Nowadays banks are everywhere. In Bangladesh there are 62 (59+ 3 new private commercial bank got approved in 2019) scheduled banks (The banks that remain in the list of banks maintained under the Bangladesh Bank order,1972) and 5 non-scheduled banks (The banks which are established for special and definite objective and operate under any act but are not scheduled banks. These banks cannot perform all functions of scheduled banks). It is evident that with more than sixty active banks and plenty of financial institutions within a small market, it is tough for any bank to reach to its target customers without hefty competition. So banks are always competing against each other to create unique positioning in the minds of their customers by offering attractive return on investments, lower interest rates for borrowers, introducing new and customized financial schemes, serving customer faster and setting up ATM booths for fast and secure transactions, mobile and SMS banking etc. In short, banks are evolving by modernizing their offers and services and getting more digitalized every day in order to satisfy customer wants and needs, which will eventually create a stronger and loyal customer base.

### **1.1 Background of the study**

Upon completion of all the courses required for getting an undergraduate (BBA) degree from BRAC Business School, it is obligatory to complete an at least 90 days' internship program from a well-known and reputed organization which falls under the course BUS-400. I chose Sonali Bank Limited, Mymensingh Road Branch, Tangail, to complete my internship program from. The reason for choosing SBL is because it is the largest state owned public limited bank with a great history and fame, also I had my personal interest to find out how actually a state owned bank runs its banking operations. This internship report has been originated for the partial fulfillment of the BBA program.

### **1.2 Rational of the study**

This study has been done in order to fulfill the requirements to obtain my graduation from BRAC Business School. I am proposing this research topic based on my practical work experience gathered within 3 months in this branch of SBL which was previously known as the Sonali Bank

Mohila Branch, later renamed as Sonali Bank Mymensingh Road Branch, Tangail. It is situated in the heart of the main town, Tangail, which attracts a lot of customers every working day of the week. In the branch I worked in, it had almost all the general banking services, which are performed by other commercial banks in Bangladesh. Any person with the interest of learning the modern banking process adopted by Sonali Bank and those who want to build a career in banking sector, can be benefitted through this comprehensive report on **“E-Banking and customer satisfaction- A comprehensive study on Sonali Bank Limited.”**

### 1.3 Objectives of the study

A clearly defined research objective leads the path to a successful research project. To keep my focus centered on my topic I have divided the objectives into following two categories.

#### 1.3.1 Broad Objectives

To expand the area of understanding and gain practical knowledge on the range of activities and services provided by the bank, which are associated with electronic banking and also customer satisfaction.

#### 1.3.2 Specific Objectives

- ❖ To evaluate performance of E-banking system in SBL
- ❖ To identify customer expectations from E-banking system of SBL
- ❖ To discover the gap between customer expectation and satisfaction level
- ❖ To portray the relationship between E-banking and customer satisfaction
- ❖ To look for problems and make necessary recommendations

### 1.4 Scope of the study

I have collected all the necessary documents used writing this report from SBL Mymensingh Road Branch, Tangail, during the period of my internship program. I had the opportunity to work with different sections of the bank, I started my first day in the SPOT Cash and Remittance section and cycled my way through debiting & crediting bank accounts, account opening booth, chequebook re-issuing, handling pay orders, sorting and checking vouchers, forwarding official documents through registered and couriers, SME Loan renewals, SMA (Special Mention Account) Loan collection etc. I have collected valuable opinions of 63 respondents who willingly helped me by giving their precious time and sharing their thoughts on e-banking of Sonali Bank Limited.

## 1.5 Methodology of the study

I have prepared this report based on my personal experience and knowledge gathered during my 3 months' internship program on Sonali Bank Limited, Mymensingh Road Branch, Tangail. Most of the information required for this paper was gathered from on-site, through verbal face to face interview with customers, with employees, and other stakeholders. A lot of raw data was collected throughout these 3 months and I have tried my best to transfer those into valuable and usable information for this report. Two following data collection methods were used and those are explained below;

### 1.5.1 Primary data sources

- ❖ Informations collected from office records
- ❖ Conversations with bank officials
- ❖ Conversations and informal interview with bank customers
- ❖ Survey questionnaire

### 1.5.2 Secondary data sources

- ❖ Sonali Bank official website
- ❖ Credible online journals
- ❖ Annual report of SBL
- ❖ Bangladesh Bank Website & circulars published by SBL

## 1.6 Limitations of the study

The limitations I have faced to prepare this report are as follows;

- ❖ This report has been prepared based on only few days' work experience.
- ❖ Number of survey respondents are kept very short, small sample size.
- ❖ Access to confidential information about the bank was restricted.
- ❖ Lack of statistical data because the topic is heavily subjective.
- ❖ Results are calculated manually. Data demands to be processed in professional statistical tool as SPSS.
- ❖ Some survey respondents were not very interested or eager to express their honest opinion.

## **Chapter- 02 Literature Review**

### **2.1 Electronic Banking**

Electronic banking, often called as online banking/ internet banking is one of the most precious blessings of having worldwide internet connectivity which has made banking much simpler, less time consuming and secured. Electronic banking, in short e-banking simply means performing usual personal banking activities through internet from anywhere, anytime under the protection of bank identifiers. E-banking allows its' users to pay invoices, receive payments, even make transactions with foreign users easily and securely while keeping the time needed for those services very short. Banks and financial institutions from all over the world are adopting e-banking fast. Sending and receiving money from a country to country has now become easier than ever. Computerization and introducing e-banking services in the banks has enabled the banks to reduce their costs in many ways, which allows them to offer more attractive interest rates to their clients. Also, maintaining bank user accounts online is much easier and cost effective than keeping physical record books and ledgers. E-banking enables customers to save their time as there is no queue to stand behind to get banking services. The next generation e-banking services are already in action, for example mobile banking. Mobile banking is a sub-section of e-banking which makes banking even more easier than ever before. The downside of older e-banking was people needed to go to the nearest bank branch to collect and get cash on their hands. Mobile banking was introduced to get rid of that problem and make cash available to get whenever possible for the customers. Another favorable gift of having online banking is the presence of ATM ("At The Moment" or "Automated Teller Machine") or known as "cash machine" booths, which are kept open and functioning 24 hours a day, 7 days a week. On-line, real-time banking services have now become a birth right of the customer as the customer demands the flexibility of operating an account in any branch of a bank irrespective of which branch the account was domiciled (Bank Away, 2001).

### **2.2 Customer Satisfaction**

Customer satisfaction is typically defined as a post consumption evaluative judgement concerning a specific product or service (Gunderson, Heide and Olsson, 1996). According to Saha and Zhao (2005), customer satisfaction is defined as a collection of outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. So it is clear that

customer satisfaction is a result of complex post purchase behavior of a buyer which is a feeling of pleasure originated from comparing the perceived performance with a standard one. According to Metawa and Almossawi, a satisfied customer will come back and repeat purchase from the same seller and spread positive feedback and inspire others to make purchase from that seller and this is why creating a satisfied customer base is so important in this competitive market.

## **Chapter- 03 Overview of Sonali Bank Limited**

### **3.1 Brief history of SBL**

Before independence of Bangladesh, the largest commercial bank of undivided Pakistan was the National Bank of Pakistan. After independence, this bank with together other two individual banks, Premier Bank and Bank of Bahawalpur were combined into Sonali Bank. It became nationalized under Government order P.O.26, 1972. This organization went public under 100% government ownership in November 15, 2007 and started its' journey as Sonali Bank Limited. This bank is operated by a 11-member board of directors, the head quarter of the bank is located at Motijheel, Dhaka, Bangladesh. SBL has authorized capital of crore Tk. 6000 and paid up capital of crore Tk. 4530, with 1218 branches all around the world.

### **3.2 Vision & Mission**

#### **Vision of SBL**

Socially committed leading banking institution with global presence.

#### **Mission of SBL**

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.

#### **Slogan of SBL**

Your trusted partner in innovative banking.

### 3.3 Corporate profile of SBL

Name of the Company	<b>Sonali Bank Limited</b>
Chairman	Mr. Ziaul Hasan Siddiqui
CEO & Managing Director	Mr. Md. Ataur Rahman Prodhan
Company Secretary	Mr. Md. Hasanul Banna
Legal Status	Public Limited Company
Genesis	Emerges as Nationalized Commercial Bank in 1972, following the Bangladesh Bank (Nationalization) Order No. 1972 (PO No.26 of 1972)
Date of Incorporation	03 June, 2007
Date of Vendor's Agreement	15 November, 2007
Registered Office	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorized Capital	Taka 6000.00 Crore
Paid-up Capital	Taka 4530.00 Crore
Number of Employee	17,965
Number of Branches	1218
Phone-PABX	9550426-31, 33, 34, 9552924
FAX	88-02-9561410, 9552007
SWIFT	BSONBDDH
Website	<a href="http://www.sonalibank.com.bd">www.sonalibank.com.bd</a>
E-mail	<a href="mailto:itd@sonalibank.com.bd">itd@sonalibank.com.bd</a>

### 3.4 Branches & Subsidiaries

Total No of Branches	1218
No of Foreign branches	02
No of Local branches	1216
No of Rural Branches	749
No of Urban Branches	467
No of Regional Offices	16
No of Principal Offices	46
No of G.M. Offices	11

#### **Subsidiaries:**

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

#### **Associates:**

- ❖ Sonali Bank (UK) Limited having 2 (Two) branches in UK.
- ❖ Sonali Polaris FT Limited.

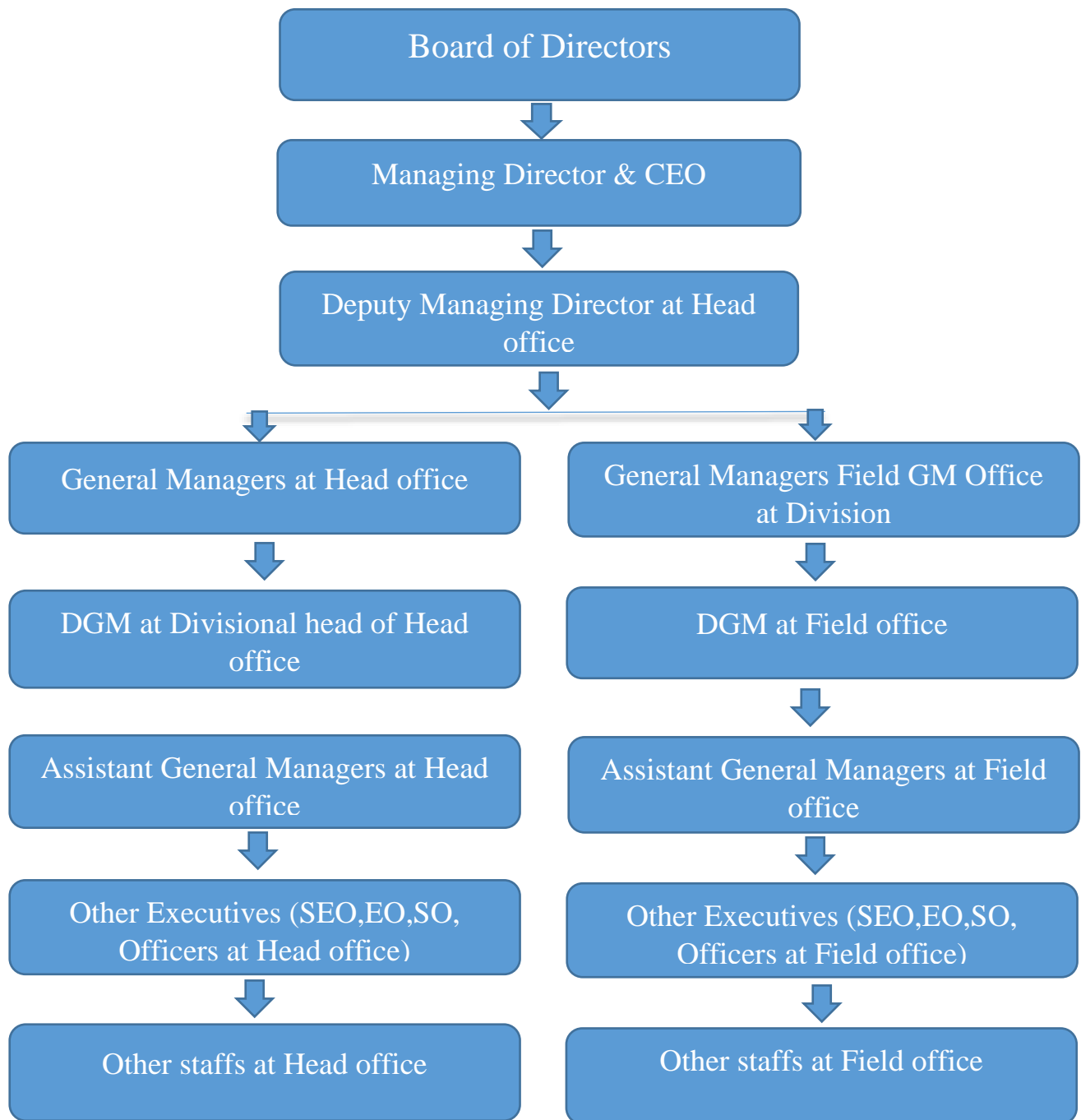
#### **Representative Offices:**

- ❖ Total 3, respectively in Jeddah, KSA; Riyadh, KSA and in Kuwait.

**Correspondence:** 639



### 3.5 Organogram of SBL



### 3.6 Services of Sonali Bank Limited

#### Core activities of SBL

Being the largest commercial bank of Bangladesh, SBL provides all sorts of general and commercial banking services to its clients through the vast network of branches all over the country. The activities of SBL are categorized as follows:

❖ Corporate Banking	❖ Project Financing
❖ SME Finance	❖ International Trade
❖ Consumer Credit	❖ Rural and Micro Credit
❖ Loan Syndication	❖ Trade Finance
❖ Remittance	❖ Investment
❖ International banking	❖ NGO- Linkage Loan
❖ Capital Market Operation	❖ Money Market Operation
❖ Government Treasury Function	❖ Foreign Exchange Dealing

#### Additional services performed by SBL

Also, SBL offers different special services to the clients in addition to the core commercial banking services. These services can be classified in following ways:

Collection of bills and such	
❖ Electricity bill	❖ Gas bill
❖ Sewerage bill	❖ Water bill
❖ Telephone bill	❖ Passport/Visa/Travel Tax fees
❖ Hajj fund	❖ Zakat fund
❖ Source tax and VAT	❖ Customs and excise duties
❖ Land development tax	❖ Municipal holding tax

In addition to those services, because of having the largest network of branches all over the country, Bangladesh government pushes government pensions and other financial facilities to people through this bank. Such as;

Govt. & non Govt. Settlements	
❖ Govt. employee pension	❖ Corporate employee pension
❖ Bank employee pension	❖ Army pension
❖ Pregnancy allowances	❖ Old age allowances
❖ Govt. & non Govt. teachers' salary	❖ Freedom fighters' allowance
❖ Widow, divorcee women allowances	❖ Maternal allowances
❖ Disability allowances	❖ Allowances for acid survival women

### 3.7 Core values of SBL

To accomplish ultimate objectives and meet the target, every employee has to follow the elements of core value proposition of SBL. The value proposition of SBL contains 10 elements;

#### **Ethics**

Every employee must have to maintain ethical practices of banking.

#### **Accountability**

Every employee is responsible for his/her own jobs, and remain accountable to their respective superior for the completion of their tasks.

#### **Objectivity**

Every employee must have objectives to complete.

#### **Transparency**

Openness towards information for the stakeholders should be maintained.

#### **Integrity**

Protection and safeguard of national and customer's interest are vital elements for societal trust.

#### **Team Work**

Open communication, discussion and interaction with coworkers would ensure common interest and efforts towards achieving the greater goal.

**Excellence**

There is no exception to providing excellent and effective services efficiently because of the large customer base of the bank.

**Self-Reliance**

Each employee will have ownership attitude towards the Bank and self confidence in his work for the betterment of the Bank.

**Commitment**

Every employee is committed to work up to the expected level to ensure satisfaction of valued customers.

**Innovation**

New and innovative products are the needs of the time for which continuous action oriented researches are being carried out.

## Chapter- 04 An overview of E-Banking

### 4.1 E-banking

According to Encyclopedia, E-banking is a special type of banking where transferring funds are done through electronic mediums by sending & receiving specific electronic signals rather than using a check, exchanging cash or any other paper documents. Transfer of funds happen instantaneously whenever a user uses his/her card to make payment of any purchase or while withdrawing money from the Automated Teller Machine (ATM), the funds gets transferred and adjusted automatically and electronically. Traditional banks nowadays offer various services to their customers such as accepting customer deposits, e-tender, e-tax payment etc. In addition to common banks which have both physical and online presence, few e-banks out there only have online presence. These banks are online only banks, and exists in the internet. HTML (Hyper Text Markup Language) is used to provide online banking services to customers. Users access client accounts with bank identifiers through computer systems and all confidential client information is kept stored securely in the central database of the bank. E-banking are also used by the financial institutions to sell financial products to their customers, dealing with stock markets, or to provide financial services. E-banking is used to transfer funds for both B2B (business to business) and B2C (business to consumers) purposes.

### 4.2 Types of E-banking

#### **Informational**

Informational e-banking involves fundamental stage banking and only used by bankers for marketing and promotional purpose of the bank. This method is used to let the target audiences know about new offerings of the bank, but does not allow communication between bank and its' customers. This part of e-banking is normally maintained by the bank itself or it can be outsourced from third party.

#### **Communicative**

This channel of e-banking is widely used in the banks, because it allows interaction between bank and its' clients. Although the interaction level is limited, for example clients can make an inquiry about his/her account balance, account status, apply to change basic informations etc. This stage is popular because almost all the banks have gone through computerization and now bank

employees can verify clients, their signs, and all other customer credentials from the central server. The whole banking process has gotten stronger and secured by communicative e-banking.

### **Transactional**

The most popular form of e-banking is transactional e-banking. This method allows users to transfer funds instantaneously, make deposits, withdraw at any moment. This gives the users all the benefits of manual banking and a control over their own bank account.

## **4.3 Risk management and E-banking**

In the age of internet information spreads super-fast and that affects financial markets all over the world. If any of the market faces a crash, then it starts a chain reaction and spreads all over the world. So, risk management gets the highest priority while doing any business. According to the Bangladesh Bank guidelines and BASEL-III, the following risks should be carefully monitored by all the banks under the protection of Bangladesh Bank and implement proper credit risk management actions to keep unforeseen loss minimized.

### **Credit risk**

Anyone with a bank account can apply for loans through e-banking. Although the online banking system is strong and secured, there are ways to falsify client information and it is possible to apply for loan with a stolen identity or under a false name. Also, credit worthiness of a client cannot be completely verified through online form submission and emails. Similarly, the valuation of collateral is nearly impossible through online mediums because frauds could submit false paper works to get loan from the bank.

### **Interest rate risk**

Interest rate risk is one of the most problematic risk to handle for any bank. Globalization and internet has connected countries together and now the economy of one country gets affected by others. Clients now have access to informations about which bank is providing how much interest on deposits and the market is very competitive. Interest rate risk could bring down an economy to its knees, for example, if the economy is slow, foreign investors are going to lose interest and start pulling their investments out of the system and if that happens in an uncontrolled manner, the whole economy will get destroyed along with the banks.

## Liquidity risk

E-banking provides easy access to cash to most of the clients, whenever they need. Because of this, if any other bank or financial institution offers more attractive rates and products, then the existing customers might demand withdraw all together at the same time which going to put the bank in a higher liquidity risk position.

## Foreign exchange risk

Foreign exchange risk upsurges when bank owns assets or liabilities in foreign currency. The rate of exchange might go up or down any time and that puts the earnings of the bank at risk. One of the reasons of bank holding foreign currencies is the purchase and sale of foreign currencies to allow customers (or the bank itself) to take positions in foreign transactions and financial investments. Online banking has reduced the probability of foreign exchange risk by letting the banks act fast on sudden exchange rate changes.

### 4.4 Structural diagram of e-banking system

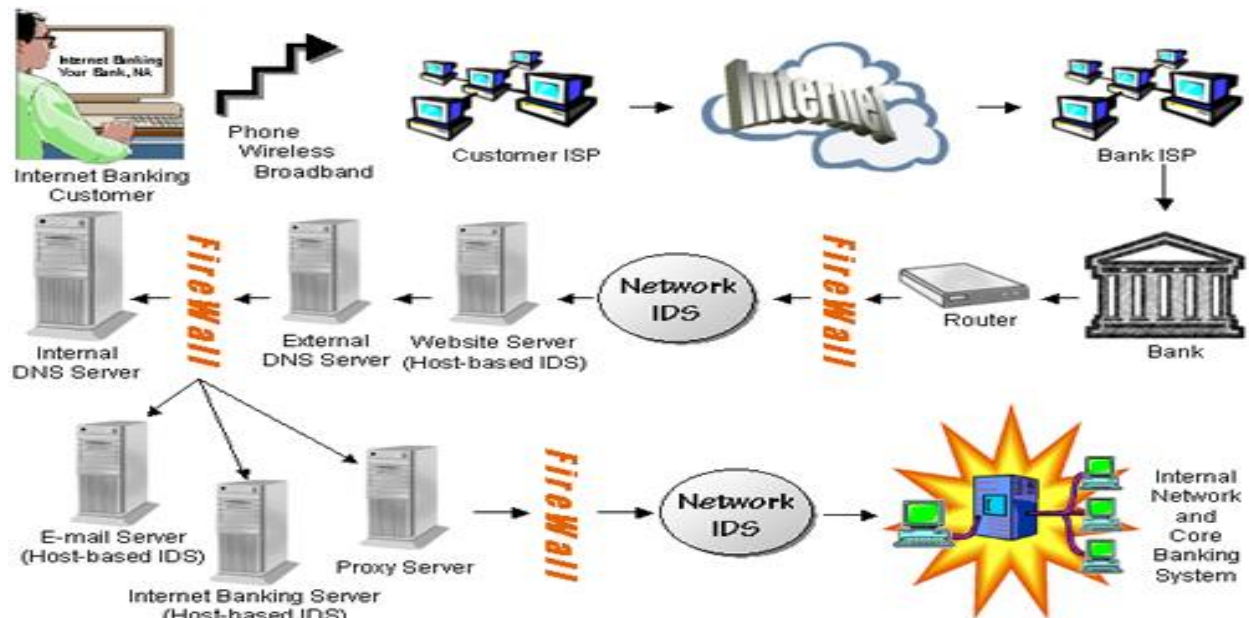


Figure E-banking system, Source: FFIEC

## 4.5 Facilities provided by banks through e-banking

### ❖ **Debit & Credit cards**

All commercial banks in Bangladesh provides their own debit card and credit card facilities to their customers. Debit card holders can withdraw or pay with their card anytime through registered ATM booths or stores. Credit card allows users to get emergency funds from bank whenever needed in exchange of service charges. It is a payment card issued to users (cardholders) as a method of payment. It allows the cardholder to pay for goods and services based on the holder's promise to pay for them. The issuer of the card creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance.

### ❖ **Banking through mobile apps**

Nowadays in Bangladesh, mobile banking is getting very popular because its' easy, always accessible, always ready to go and convenient. BRAC Bank has bKash, Bangladesh Post office has Nagad, DBBL has Rocket, City bank has City Touch etc.

### ❖ **ATM**

Automated Teller Machine, also known as cash machine is a kind of telecommunication device that establish a secure connection between user and the bank, to perform financial transactions, particularly cash withdrawal, without the presence of a bank cashier, clerk or bank teller.

### ❖ **Other notable services**

1. Make deposits, loan payments and card management.
2. Fund transfer to any bank and detailed account statements.
3. Internet shopping and digital payment through e-commerce gateway.
4. Instant bill payment such as tuition fees, mobile phone bills, insurance premium, club payments, internet bill payments etc.
5. Instant top-up to mobile phones.
6. Utility Bill Payments.
7. Loan account information and management.
8. Beneficiary Management.
9. Electronically management of all client accounts.



## **Chapter- 05 E-banking services of SBL**

### **5.1 General Banking services**

All the general banking activities performed by Sonali Bank Limited are now done electronically. Total 1218 inland branches are now under full automation and computerized.

The main four general banking activities of Sonali Bank are given in the following section;

- ❖ Account opening
- ❖ Clearing
- ❖ Remittance and
- ❖ Cash

All four of general banking activities are now gets completed through online servers of the bank and the record keeping of all the vouchers and checks are done both physically and electronically. For the account opening section, walk in customers fills up an account opening form containing all the personal details of the client, such as his/her national id card information, photographs, nominee informations, source of income and purpose of the account, signature verification, and then an employee inputs all the information on the bank server and keeps the digital record and the bank identifiers of each client account. For the remittance section, bank's own in-house software "Remittance Management System" (RMS+), having, among others, the feature of paying foreign remittance instantly over the counter is being implemented at all branches. This web based software provides digital services to the expatriates through its unique advantage of sending confirmation message to the mobile phone of the remitter/beneficiary. Also, for the clearing section Sonali Bank uses the automated clearing house of Bangladesh. Cash is the only general banking service section where digitalization has brought change the least. Addition of automatic money counting machines in the cash section has made the cash disbursement easier and more controlled.

### **SBL ATM**

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

Credit Card. Yearly charge for debit card is Taka 345.00 (Including VAT), replacement card issue cost Taka 200.00 if the original card is lost.

### **Online and SMS Banking**

According to Sonali Bank Website, and the last update January 16,2017;

- ❖ At present 1218 branches of Sonali Bank are under in the Online ABB network.
- ❖ SMS Banking service is running in 1216+ branches.
- ❖ 1218 branches are now in automation network within 1216 branches at home.
- ❖ Total number of CBS running branch is 1216 and all CBS branches support SMS banking.
- ❖ RTGS enabled branch no is 1214.

The bank is seriously working on connecting all branches in the Real-time Online Banking network gradually. Branches having ABB facility are also providing SMS banking services.

### **Features of SBL Q-Cash ATM network**

- ❖ Sonali Bank Limited has launched Debit & Credit cards which can be used in all q-cash accepted ATM booths.
- ❖ Card holders has the ability to pay utility bills like- Water, Telephone, Gas etc.
- ❖ It is easy to remit funds among the participating branches of the Bank.
- ❖ Open 24/7, transactions are possible anytime.
- ❖ It provides a risk free cash carrying facility.
- ❖ Internet purchase or digital payment is possible from specific Point of Sales (POS).
- ❖ Only designed Branches of Bangladesh deal Q-Cash cards.

### **Banks under Q-Cash consortium (Debit Card)**

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

1. Sonali Bank Limited	12. Eastern Bank Limited
2. Basic Bank Limited	13. Jamuna Bank Limited
3. IFIC Bank Limited	14. Markentile Bank Limited
4. Janata Bank Limited	15. NCC Bank Limited
5. National Bank Limited	16. Shahjalal Islamic Bank Limited
6. Pubali Bank Limited	17. The City Bank Limited
7. Trust Bank Limited	18. Standard Bank Limited
8. ICB Islamic Bank Limited	19. Uttara Bank Limited
9. Social Islamic Bank Limited	20. Bank Asia Limited
10. Bangladesh Commerce Bank Limited	21. Mutual Trust Bank Limited
11. State Bank of India	22. Trust Bank Limited

<b>Other Bank Transaction Charges per Transaction including VAT</b>
❖ 22 Q-Cash Member Banks = Tk 11.50
❖ Omnibus Network (BRAC Bank) = Tk 17.25
❖ Dutch Bangla Bank = Tk 34.50

### **Credit Card facilities**

Sonali bank Limited recently introduced proprietary credit cards for Sonali bank officials, government officers and other autonomous organizations, teachers of the government universities, whose monthly salary is disbursed through Sonali Bank. This card is not applicable for common clients, only government officials are allowed to use this service till now.

<b>Credit Limit</b>	
❖ General Manager and Above	Tk. 3,00,000.00
❖ Deputy General Manager & Assistant General Manager	Tk. 2,00,000.00
❖ SEO	Tk. 1,50,000.00
❖ Executive Officer	Tk. 1,00,000.00
❖ Senior Officer & Officer	Tk. 75,000.00

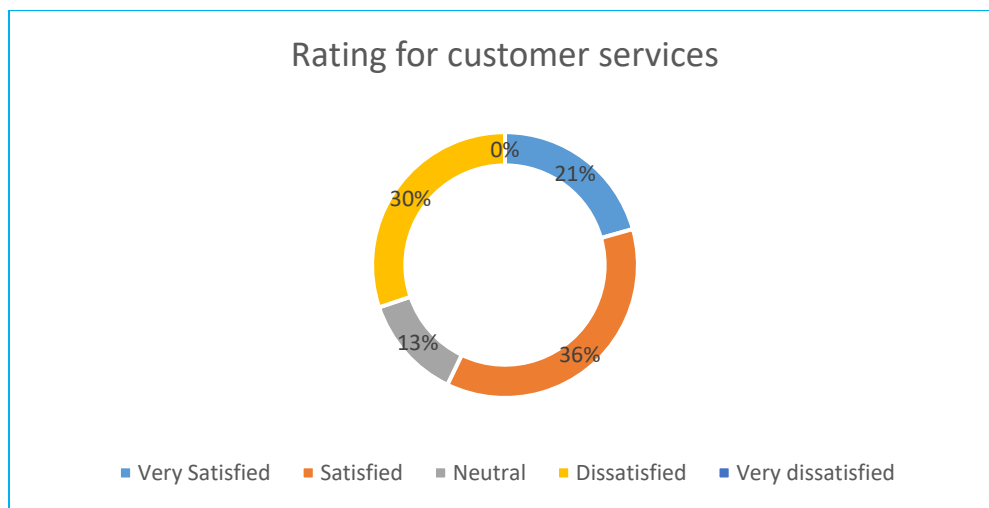
## Chapter- 06 Findings

The survey questionnaire is prepared to capture the thoughts of customers about the quality of services provided by Sonali Bank Limited and if the automated and online based services are strong enough to satisfy customers.

### 6.1 Analysis

Note: The first question of the questionnaire is a screen out type of question, responses from people with existing Sonali Bank account was counted. Findings from the survey is given below:

From the perspective of the customers, it is clear that majority of the clients are fine with the quality of services they are getting.

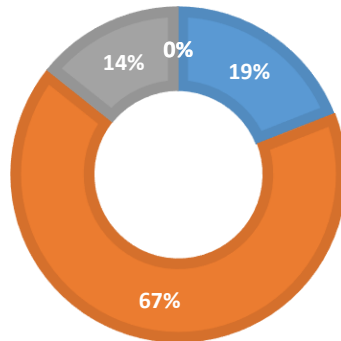


Among 63 respondents, 36% of the sample agreed that they are satisfied, 21% very satisfied with the customer service of SBL. 13% of the sample remained neutral, and 30% opted for dissatisfied.

The next chart shows how much the existing customers think about the effectiveness of the interactions they have with the bank officials. It shows that more than 85% of the population has positive attitude towards effectiveness of the usual interactions they do with bank employees. In the last three months I have encountered many type of critical client handling situation. For example, a big portion of the customers coming in the bank are senior citizens. They come to collect their retirement pension or old age allowances, and sometime it gets hard to make them understand fundamental bank rules and regulations. Every employee is trained to handle such situations and give best effort to make interaction with customers as good as possible.

### INTERACTION WITH EMPLOYEES

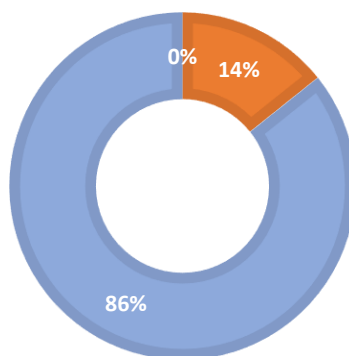
■ Very satisfied ■ Satisfied ■ Neutral ■ Dissatisfied ■ Very dissatisfied



One of the major findings is, people are unhappy about the average time it takes to get any banking services. The major complaint related to the quality of customer service is that to get a simple work done, each customer need to spend average more than 15 minutes because in the existing system setup of the bank, only one employee in the debit-credit section does the verification of clients and their checks, make data entry for cash withdrawal/ deposit amount to the specific account, keep records of the daily SC and LSC, clearing checks, data entry for account opening etc. Although it takes more than 15 minutes per person after the computerization of the branch, it took even more time when the whole banking process was done manually. Also, 92% of the respondents believe in the technological excellence of SBL.

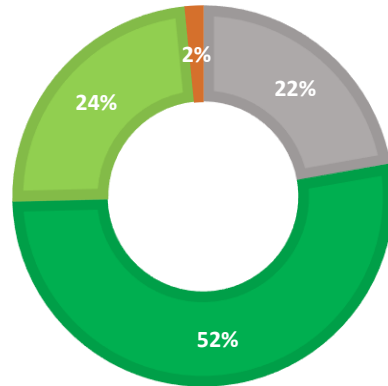
### AVERAGE TIME REQUIRED

■ Less than 5 minutes ■ 5 to 15 mintures ■ more than 15 minutes



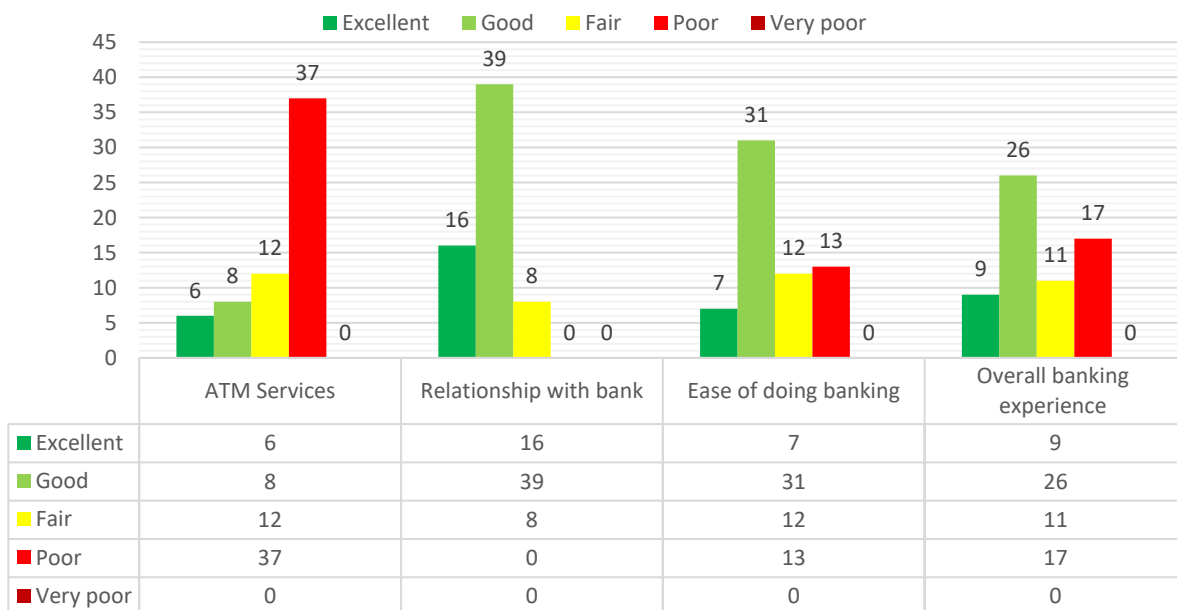
### E-BANKING USERS

■ No ■ SMS ■ Debit card ■ Credit card



Almost  $\frac{3}{4}$  portion of total users have some sort of e-banking services linked to their accounts. Particularly, 52% of the total respondents have SMS alert service activated, 24% have their own debit card against their account, and mere 2% users have credit card authorized with their bank account.

### Customer Satisfaction level on the basis of e-banking



Customers with debit card complained about not getting enough funds in the Sonali Bank's personal ATM booths, 37 respondents among 63 has agreed that the quality of ATM booth service compared to other banks is poor. Except this one, SBL is doing well maintaining their customer satisfaction level up by keeping good relationship with customers, making the banking easy and simple for people. By doing these, SBL is providing a good overall banking experience to its' clients. 100% of the total population believe that Sonali Bank Limited will be able to satisfy their future needs.

The last question of the questionnaire is an open ended question and from analysis, it is found that people demand faster service and gentle behavior from the employees.

## 6.2 Problems found in SBL

- ❖ The software SBL uses like RMS+, runs on windows XP which is an outdated operating system declared by Microsoft. That is a great online security concern, hackers are smarter nowadays and managed to steal almost \$100M from Bangladesh Bank in recent year.
- ❖ Not adequate technological equipment available.
- ❖ Poor job satisfaction due to lower pay scale compared to private banks.
- ❖ Using local Internet Service Provider (ISP) to operate online banking.
- ❖ It is hard to introduce any change in an organization this big.
- ❖ Record keeping procedures are flawed. Older register books and files are not kept with care and safety.
- ❖ All the services are not distributed evenly among employees. Senior employees tend to put more work pressure on junior employees. This creates imbalance in the work place and ultimately increases the average customer serving time.
- ❖ The central server gets slow at peak hour, hence the efficiency of work becomes poor.
- ❖ Lack of employee satisfaction and motivation was observed because of working without breaks, inadequate space to say prayers, eat lunch and relaxation.

## **Chapter-07 Recommendation & Conclusion**

### **7.1 Constructive suggestions**

- ❖ Instead of using internet service from the local ISP, SBL should use more secure and trusted source for internet connection. If possible set up own ISP for branches all over the country.
- ❖ Old banking software should be discarded, more secured modern banking software with proper employee training programs should be undertaken.
- ❖ Establish a wide network of personal ATM booths and have to make sure that funds in those booths are always available.
- ❖ Should take adequate and proper record keeping procedures.
- ❖ Allocate tasks evenly throughout the work place and make sure employees are properly motivated.
- ❖ Update central servers to function without any issues.
- ❖ Necessary technological equipment should be owned through requisition.
- ❖ Small steps towards positive change should be made instead of total reconstruction of existing rules.
- ❖ Launching mobile application will make e-banking for customers more accessible.
- ❖ To meet customer expectation and satisfaction, necessary training programs should be designed to make employees more efficient.

### **7.2 Conclusion**

Technology is moving fast. Moving alongside that, expectation and demand of people is continuously changing. To meet the expected customer satisfaction level, Sonali Bank Limited should take small steps towards making positive change in the organization. More attention should be given towards making the banking process as simple as possible to acquire and make a loyal customer base. Current competition in the banking sector is huge. Small and new private commercial banks are operating in the market with modern business plan and offering variety of financial products and services. They have solid and strong marketing team which helps them reach customers effectively. To compete in such harsh environment, SBL needs to modernize its' marketing department, design effective training programs for the employees and make faster improvements in e-banking sector. Attention should be given into strong encryption of user data,



updated software, introducing smartphone apps to connect with more customers and lastly, motivate employees to their best for the bank to stay on top of the banking sector in Bangladesh.

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## Appendix

### ❖ Questionnaire:

**1. Do you have bank account in SBL?**

- ☐ Yes
- ☐ No

**Note**

**SBL: Sonali Bank Limited**

**2. What gender do you identify as?**

- ☐ Male
- ☐ Female
- ☐ Other

**3. How long have you been with SBL?**

- ☐ Less than 1 year
- ☐ 1 to 3 years
- ☐ More than 3 years

**4. Do you have accounts in other banks? If yes, please mention below**

- ☐ No
- ☐ Yes

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**5. How would you rate the following services at SBL?**

Rating	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Customer service					
Bank security					
Interaction with employees					

**6. What is the average waiting time in the bank?**

- ☐ Less than 5 minutes
- ☐ 5 to 15 minutes
- ☐ More than 15 minutes

**7. Do you believe in the technological excellence of SBL?**

- ☐ Yes
- ☐ No

**8. Do you have SMS banking or Debit/Credit card attached with your account?**

- ☐ No
- ☐ Yes, Which one of the following
  - ◆ SMS Banking
  - ◆ Debit card
  - ◆ Credit card

**9. How would you rate the ATM services provided by SBL compared to other banks?**

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very poor

**10. How would you rate the overall quality of your relationship with the bank?**

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very poor

**11. How would you rate the ease of doing regular banking with SBL?**

- ☐ Very easy
- ☐ Fair
- ☐ Moderate
- ☐ Complicated
- ☐ Very complicated

**12. Do you believe that SBL can satisfy your future needs?**

- ☐ Yes
- ☐ No

**13. How would you rate the overall banking experience with SBL?**

- ☐ Excellent
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Very poor

**14. Please mention at-least one aspect of customer service you wish SBL would improve?**

**Date:**

**Name:**