

Report On
Analysis on the Core Financial Services Offered at Sonali Bank Ltd

By

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**An internship report submitted to the BRAC Business School (BBS) in partial fulfillment
of the requirements for the degree of
Bachelors of Business Administration (BBA)**

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Letter of Transmittal

Dr, Nitai Chandra Debnath
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Subject: Submission of Internship Report on “Analysis on the Core Financial Services Offered at Sonali Bank Ltd”

Dear Sir

It is an honor to prepare and submit this report on the “Analysis on the Core Financial Services Offered at Sonali Bank Ltd” based on my internship experience at Sonali Bank.

I have completed this report with all the necessary facts and recommended propositions to the best of my knowledge and as comprehensively as possible. I am certain that this report will fulfil your expectations, and I am happy to answer any queries you may have about it.

Sincerely yours,

Faiza Nuren Ira
20104059
BRAC Business School
BRAC University
Date: April 1, 2024

Non-Disclosure Agreement

I hereby declare that the information that I have attained during my tenure as an intern is expressed in this report in accordance with the policies set Sonali Bank Ltd. I further declare that I will protect the privacy of any sensitive information I have learned while working as an intern and will not confer it with anyone.

Student's Full Name & Signature:

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Organization Supervisor's Full Name & Signature:

Mahbuba Hossain

Senior Principal Officer & Relationship Manager

Acknowledgement

I want to start by sincerely thanking Almighty Allah for giving me the courage to stand where I am at this moment. Additionally, I want to express my sincere gratitude to my academic supervisor Associate Professor Dr. Nitai Chandra Debnath and co supervisor Assistant Professor Md. Kausar Alam, PhD for their guidance, support and for being inspiring figures to me.

I am grateful to my onsite office supervisor, Mahbuba Hossain, Senior Principal Officer, Sonali Bank Limited, Lalmatia Branch. Despite her hectic schedule and several responsibilities, she provided excellent mentorship and guidance during my internship experience. She guided me in creating the report with ease and assisted me in reaching my objectives.

Finally, I would like to express my gratefulness to BRAC University Office of Career Services & Alumni Relations (OCSAR) for their kindness and cooperation.

Executive Summary

In Bangladesh, Sonali Bank Limited (SBL) is regarded as one of the top state-owned banks. Both in the banking industry and the broader economy, they are producing incredible results. Throughout my internship at SBL, I had the opportunity to learn about their company culture and banking practices. The beginning of the study highlights the overall experience at SBL. Additionally, it contains all of the various background study on the organization. The main part of the report contains a detail discussion of the main services that are offered at SBL and their performances over the years. Some of the financial services discussed here are, collection of foreign remittance, rural credit, micro credit, international banking and personal banking.

Keywords: Banking services; Foreign remittance; Rural credit; Micro credit; Sonali Bank Limited

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List of Acronyms

SBL	Sonali Bank Limited
CBS	Central Banking System
SPO	Senior Principal Officer
FDR	Fixed Deposit Receipt
SBMS	Sonali Bank Millionaire Scheme
MDS	Medicare Scheme
RMS	Remittance Management System
CRMS	Customer Payment Management System
CCMS	Chest Branch Currency Management System
BEFTN	Bangladesh Electronic Fund Transfer Network
NCB	Nationalized Commercial Bank
SECI	Sonali Exchange Company Inc.
DDs	Demand Drafts
TTs	Telegraphic Transfers
IRDP	Integrated Rural development Program
RDS	Rural Deposit Scheme
MES	Monthly Earning Scheme

Chapter 1

Overview of internship

1.1 Student Information

Name: Faiza Nuren Ira

ID: 20104059

Program: Bachelor of Business Administration (BBA)

Majors: Finance and HRM

1.2 Internship Information

1.2.1 I started my internship at Sonali Bank Ltd on 24 January 2024 at their Lalmatia branch. It is located in 4/1/A New Burry Palace (1st Floor), Sobhanbag, Dhaka-1207. I was assigned to work in the general banking department.

1.2.2 My onsite supervisor was Mahbuba Hossain. She is the Senior Principal Officer (SPO) at Sonali Bank Ltd Lalmatia Branch.

1.2.3 My job responsibilities as an intern are as follows:

- Cross Checked the information provide in the Savings and Scheme forms
- Updated the signature card of account opening forms in the Central Banking System (CBS)
- Wrote check and vouchers
- Verified NID of the account Holder
- Updated vouchers and invoices in the government website
- Reconciled cheques, vouchers and invoices with the daybook

1.3 Internship Outcome

1.3.1 Student's contribution in the company

In the general banking department, I have assisted in account opening by updating account holder's information in the bank's CBS and also by verifying their NID. Moreover, I have also assisted the SPO's in daybook keeping and by checking whether the cheques deposited have the appropriate amount, date and seal. These are important tasks as the bank's internal and external auditors charge the bank if there is a mistake in the daybook or in the issued cheques. Therefore, I had made sure that all the vouchers and invoices matched with the daybook of each particular day and also made sure that there were no mistakes in the issued cheques.

1.3.2 Student's Benefit

General banking is the foundation of all banking operations, enabling banks to provide daily services to consumers. General banking services include opening accounts, remitting funds, issuing cheques, and placing pay orders.

During my internship, I gained insight into banking operations by observing officials from various departments. The general banking department especially taught me about the cash section, account section, clearing section, bills collection, accounts opening, FDR etc. Overall, I have grasped a good knowledge about the banking culture in Bangladesh.

1.3.3 Problems/Difficulties

Fortunately, I had very little trouble working at Sonali Bank Limited's Lalmatia branch because the staff were extremely helpful and friendly towards me throughout my tenure. However, because of confidentiality, it was a little challenging to acquire information in making this report.

1.3.4 Recommendations

The following are the recommendations that I would like to suggest SBL on future internship

- They can hire more interns for a particular branch so that the workload can lessen the load on the individual interns and they can perform more efficiently.
- In order to reduce the monotony, interns can be assigned challenging duties that will strengthen their interpersonal skills. By rotating the interns in different divisions of the bank every now and then can help the interns feel more included and motivated to work.

Chapter 2

Sonali Bank Limited

2.1 Introduction: A brief overview of the banking of banking operations in Bangladesh

Economic activity and policies greatly influence a country's development. Banking contributes significantly to Bangladesh's economic development and circulation. Banks play an important role in advancing the socioeconomic changes in Bangladesh. The tasks that banks perform these days are becoming more intricate. The bank's operation now includes multifaceted configuration. These days, banks serve a variety of purposes. However, much like in the past, lending is still one of banks' primary responsibilities.

Banks in Bangladesh serve a wide range of customers - individuals, small enterprises, government, and international corporations. The banking industry's responsibilities are expanding daily to accommodate a wider range of consumer needs. They serve clients from a variety of backgrounds and aim to interact with more individuals. They do so by providing their customers with a range of services and possibilities. The bank offers a variety of accounts, including checking, savings, and current accounts, to individuals with diverse interests. Depending on an individual's profession, the bank also opens different accounts, like money market accounts. They also open different accounts based on individual circumstances, such as retirement arrangement accounts.

In Bangladesh Grameen Bank exposed us to a new system called the microcredit system. Rural residents can get loans from Grameen Bank to help them find work. Microcredit is the extension of extremely small loans, known as microloans, to rural disadvantaged individuals

who usually require stable work in order to escape poverty. The goal of the microcredit system is to lessen poverty and encourage entrepreneurship among the underprivileged.

The central bank of the country, Bangladesh Bank oversees the monetary policy of Bangladesh and manages all the other banks and financial institutions of the country. Bangladesh has several types of banks, including government, public, private, international, local, and Islamic. (*Sonali Bank - Bangladesh "bankinfobd, n.d.*)

Sonali Bank stands out among them as a top government bank that prioritizes customer service and is consistently recognized for delivering excellent customer service. In addition, compared to other government banks, it is already receiving positive feedback from customers regarding the quality of their services.

2.2 Overview of Sonali Bank PLC

2.2.1 Background

Sonali Bank is one of the biggest state-owned commercial banks in Bangladesh. It was first created in 1972, following Bangladesh's independence. Originally, it was known as the National Bank of Pakistan's East Pakistan branches. Following Bangladesh's independence, these branches were nationalized, forming Sonali Bank.

Sonali Bank first started out with a paid-up capital of Tk 30 million. Its paid-up capital reached 3.272 billion takas in 2001. In 2001, Sonali Bank had an authorized capital of Tk 10 billion which recently increased to Tk 9 billion. Sonali Bank has approximately 22904 workers.

On November 15, 2007, the bank was restructured as a public limited company, with the government owning 100% of the company. Sonali Bank Limited assumed all of the assets, liabilities, and operations of the previous Sonali Bank. Following corporatization, the bank was

granted the necessary authority to maintain their competitiveness and efficiently conduct business.

Sonali Bank PLC has 1231 branches in total. There are 1229 in the country and 2 in foreign country. There are 730 branches in rural areas. In India, Sonali Bank opened two branches that are successfully running their banking operations. Additionally, it manages Sonali Exchange Company Inc. in the United States, Sonali Exchange in Dubai (UAE), Sonali Bank (UK) Ltd. in the United Kingdom, Hong Kong (HAR), and Singapore, which successfully serve as reputable foreign exchange remittance platforms for Bangladeshi residents residing in those countries. Up to 25 locations in Bangladesh are directly regulated by Sonali Bank UK; these include Dhaka, Chittagong, Sylhet, Moulbhabazar, Balaganj, Nabigonj, Tajpur. Bishwanath, Gopalganj, Jagannathpur, Hobigonj, Kulaura, Beanibazar, and Shunamganj,

2.2.2 Mission and Vision

Vision

Socially committed leading banking institution with global presence. (*Sonali Bank plc, n.d.*)

Mission

Dedicated to extending a whole range of quality products that support divergent needs of people aiming at enriching their lives, creating values for the stakeholders and contributing towards socio economic development of the country. The bank's mission is to effectively contribute to the social and economic advancement of the country by running a financially sound business, lending money to creditworthy borrowers in an economical, timely, and efficient manner, all the while safeguarding depositor funds and giving owners a respectable return on their equity. (*Sonali Bank plc, n.d.*)

2.2.3 Objectives of SBL

The Bank's primary goal is to deliver all financial services right to customers' doorsteps. The Bank also takes part in the execution of many government policies and commitments, as well as a number of social and development initiatives.

SBL has the following objectives:

1. To gather people's dispersed funds
2. To improve the geographic coverage and diversification of the loan portfolio.
3. To maintain a suitable mix of deposits.
4. To provide loan facilities to the commercial, industrial, and agricultural sectors for rural development.
5. Developing human resources by means of ongoing training.
6. To supply foreign remittances
7. To finance exports and imports
8. To generate employment

2.3 Management Practices

2.3.1 Corporate Organogram

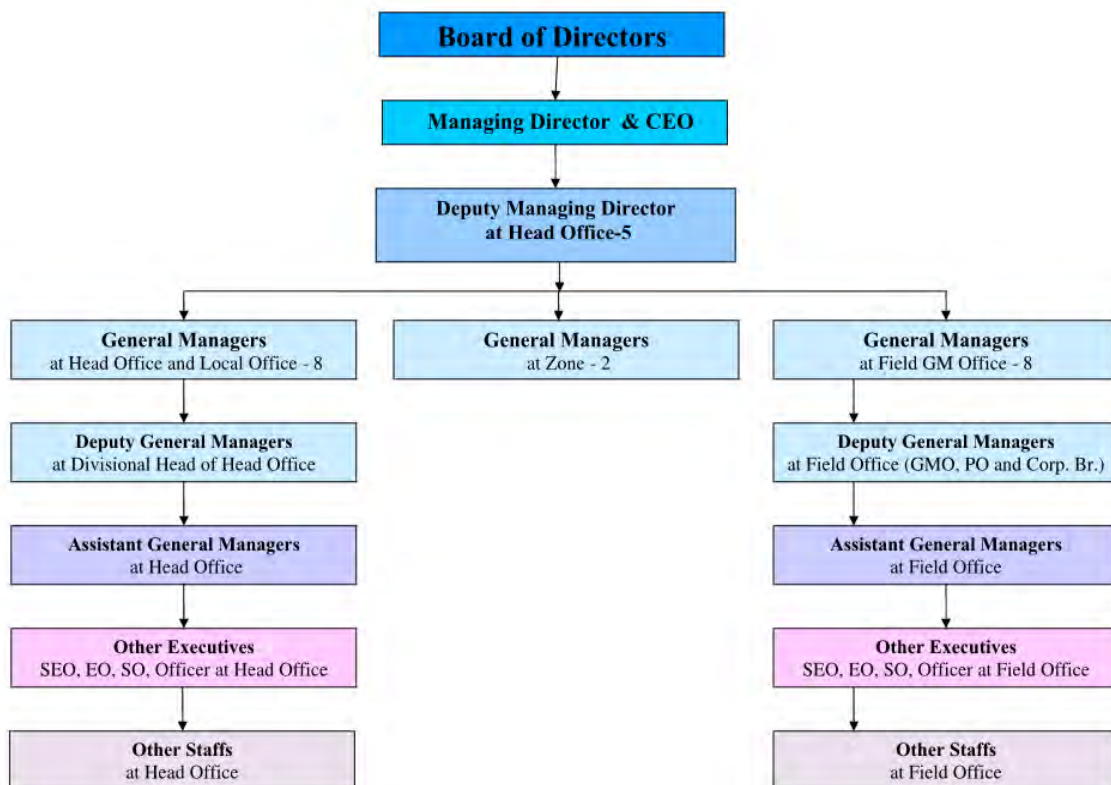


Figure 1

(Source: <https://www.sonalibank.com.bd/index.php>)

Sonali Bank's management had created a board contain seven directors, who were chosen by the government. Among them is the managing director known as the CEO. The CEO is supported by one deputy managing director, six general managers and several senior executives. The general managers are assigned in the head branches of each of the six divisions of the country.

2.3.2 HRM Practices

Recruitment and selection process

The SBL recruitment policy is as follows:

- Onsite recruitment is typically used; however external recruitment may be used to fill vacancies.
- The bank prioritizes hiring long-term employees for promotion to mid-level positions.

The recruitment process at SBL begins with job analysis, followed by HR planning, advertisement, CV submission, receipt of application, sorting out of application. (Hadi, 2019)

The selection process includes notifying the candidates followed by a written exam, interview, final approval by proficient authority, medical checkup and lastly joining and placement. (Hadi, 2019)

Compensation system

Both the executive and operative employees at Sonali Bank receive a house rent allowance, medical allowance and transport allowance alongside their monthly salary. Aside from that, there are two yearly festival bonuses and performance bonuses. In the long term the employees receive provident fund and medical benefits. Moreover, the executives also receive yearly leave fare assistance, profit sharing bonus, gratuity and group insurance policy. (Chowdhury, 2020)

2.4 Financial Performance

2.4.1 Liquidity ratio

Current ratio

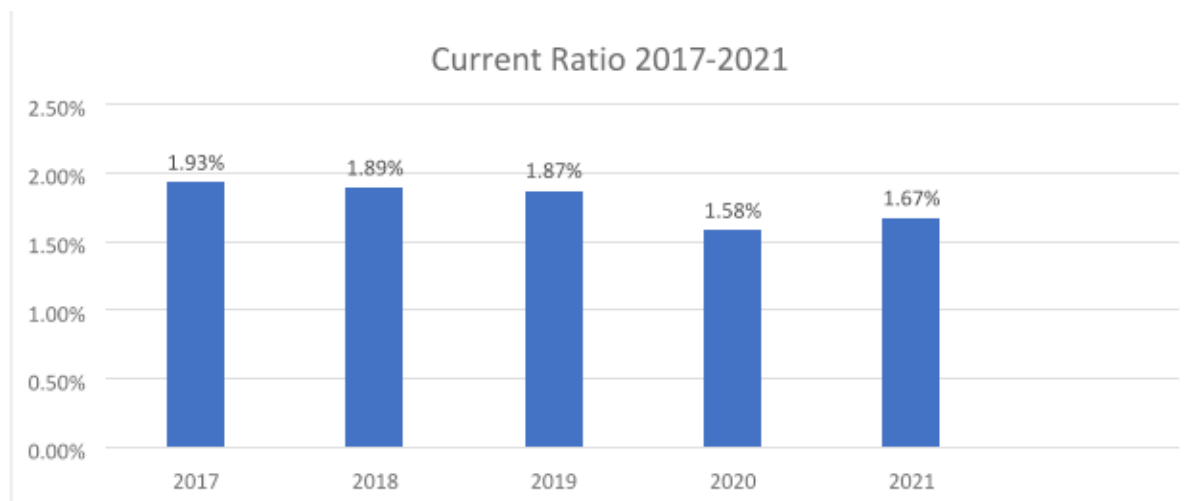


Figure 2

Interpretation: The Bar Chart shows Sonali Bank's current ratio in 2017 was somewhat higher than the previous four years. In 2019, Sonali Bank's current ratio decreased from 2021, but increased in 2020. However, the adjustments to this present ratio were not considerable. Sonali Bank PLC has the flexibility to use its current assets to manage its current liabilities

2.4.2 Leverage Ratio

Debt Ratio



Figure 3

Interpretation: Sonali Bank's long-term solvency can be verified using the Bar Chart, which displays the percentage of financial capital derived from debt between 2017 and 2021. Between 2019 and 2021, the debt ratio fluctuated somewhat but remained consistent. However, in 2018, it declined by about 1%.

Debt to Equity Ratio

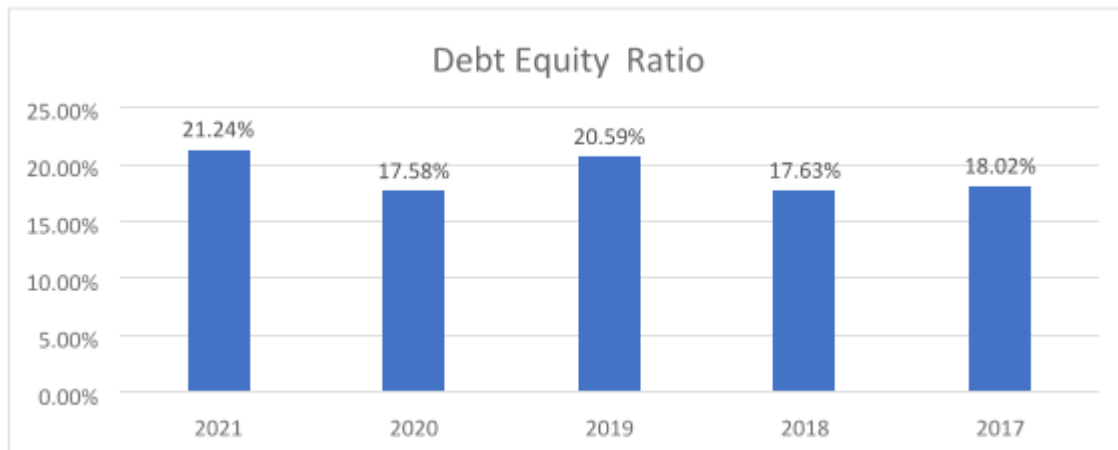


Figure 4

Interpretation: The Bar Chart is a useful tool for confirming the bank's long-term solvency because it displays the proportion of debt that a Sonali Bank has from 2017 to 2021. While there were some ups and downs, the debt ratio was generally comparable from 2018 to 2020. However, in 2021, it rises by about 1%.

2.4.3 Profitability Ratio

Return on Assets (ROA)

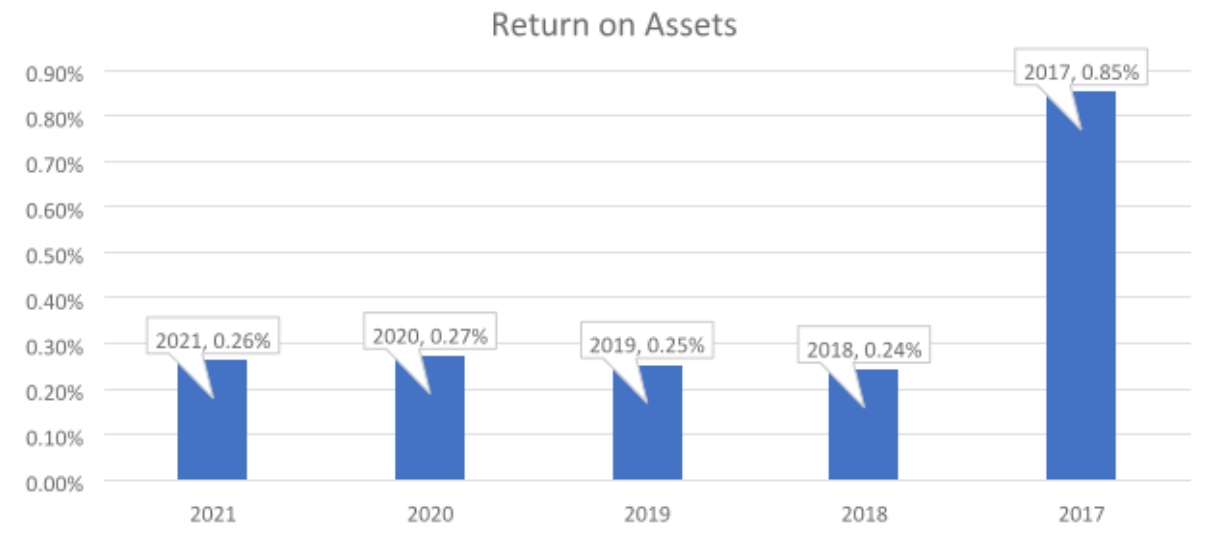


Figure 5

Interpretation: The chart above represents the level of net income generated by the assets of Sonali Bank PLC between the years of 2017-2021. It can be seen that there has been a significant decrease in ROA after 2017 indicating that the bank has not been able to generate enough income from their assets.

Return on Equity (ROE)

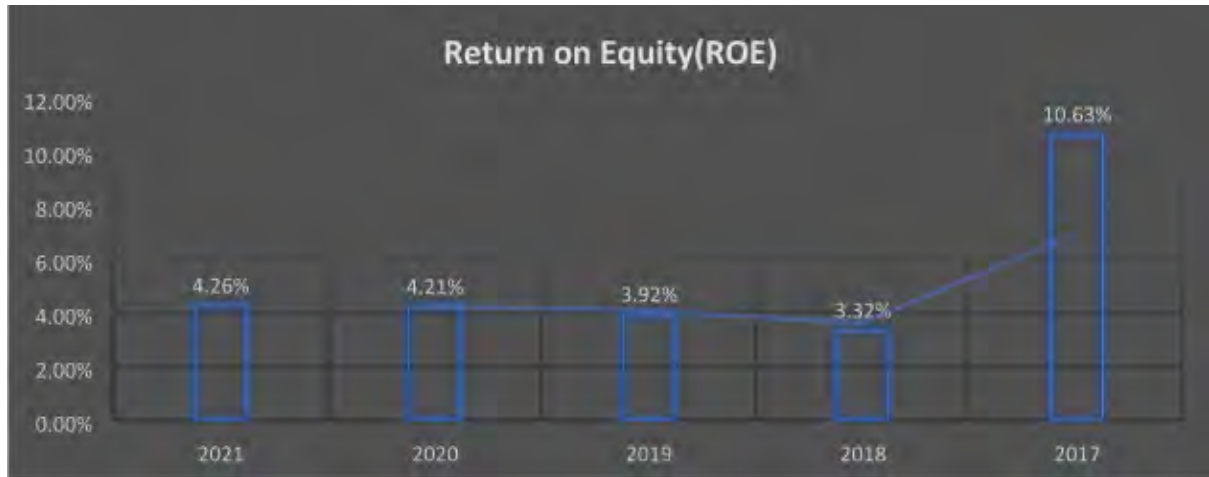


Figure 6

The graph shows Sonali Bank's management's effective utilization of capital funds for operations and growth. Furthermore, it demonstrates the bank's potential to earn profits from shareholder investments. The bank's ROE is extremely low. Though it was good in 2021, the ROE declined dramatically from 2018 to 2019.

Net Profit Margin



Figure 7

Interpretation: The figure above depicts Sonali Bank PLC's net profit margin ratio, which indicates their net income per sales. From 2018 to 2020, the net profit margin was consistently low and negative. Surprisingly, it improved by 4% in 2021.

2.5 Operations Management and Information System Practices

2.5.1 Operations Management

The bank offers financial services to consumers through 1196 branches, including 1194 domestic branches and two abroad locations in Kolkata and Siliguri, India. Out of 1196 branches, 702 are located in rural areas and 491 in metropolitan areas. Additionally, 25 booths under different branches are hosting specialty events at various places. The branches' general functions are overseen and controlled by 70 administrative offices. (Haque, 2021)

Since December 2002, Sonali Bank (UK) Ltd., a venture business of Sonali Bank of the Government of Bangladesh, has been facilitating banking activities throughout Europe. The Bank formed a subsidiary company, Sonali Exchange Company Inc., in the USA to facilitate global cash remittances for Bangladeshi voters living in the US. Sonali Bank Limited has three representative offices that encourage Bangladeshis to use banking channels for cash transfers. (Haque, 2021)

2.5.2 Information System Practices

Since 1989, the bank has been computerizing its branches using the Stand Alone Banking Application program. The bank has 1210 branches worldwide, including two in Siliguri, India. The bank has joint ventures and subsidiaries under the names Sonali Bank (IK) Ltd. in the UK and Sonali Exchange Company INC., which acts as a money transmitter in the USA. Sonali Polestar Linear Unit Limited, an associate firm of the Bank, is responsible for implementing CBS within the bank. (Haque, 2021)

For its daily operations, Sonali Bank Limited has made substantial use of information technology. These includes RMS+ (Remittance Management System), CRMS+ (Customer payment Management System), BEFTN, Pension paying System, Sonali Sheba (e-service-tax and others), Govt. Transaction System, Sanchayapatra, Chest Branch Currency Management System (CCMS), Sonali Banking Solutions (Branch Banking Application software) etc (Haque, 2021)

2.6 Marketing Practices

A combination of 4ps- product, price, place and promotion is used by Sonali Bank Ltd to access their customers

Product:

Sonali Bank primarily provides clients with a wide range of financial services and products through creative & successful marketing. These includes personal banking, international banking, SME banking, social services. Sales and encashment, Islamic banking services etc. These products fulfil the essential demands of the customers.

Price:

Products and services are priced competitively. The bank tries to keep the interest rates on loan and deposits as lucrative as possible for their customers.

Place:

SBL is numerous branches across the seven divisions of Bangladesh. It also two foreign branches in India and several other exchange houses. Being the top government bank of Bangladesh, SBL thrives to reach to a diverse range of customers. Moreover, the bank also has online mobile banking services in order to be more accessible to their customers.

Promotion:

In order to attract more customers a range of promotion activities including advertisement, special deals, community involvement etc are used by SBL. The SPO at different branches of the bank also acts as the relationship manager to maintain customer relation.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces Analysis

Threat of New Entrants (Low): In 1972, Sonali Bank Limited became the pioneer bank to enter the banking industry, and just 57 banks have since been created, indicating a low threat from new entrants. Typically, one bank is formed per year. New entrants provide a low danger to Sonali Bank Limited, as entering the business is challenging due to capital requirements and regulatory frameworks. (Haque, 2021)

Bargaining Power of General Customers (High): Customers still have a fair amount of bargaining power despite government control. This is due to the cheap switching costs for clients leaving Sonali Bank Ltd. and the ease with which they can obtain banking services from other banks in the event that they receive subpar treatment. In addition, numerous commercial banks and other government institutions—like Janata Bank, Agrani Bank, etc.—compete to draw in clients. (Haque, 2021)

Threat of Substitutes (High): The banking sector as a whole is threatened by the emergence of more and more alternatives, including microcredit, mobile banking, the internal or financial market, and non-governmental organizations. Therefore, these alternatives can essentially execute all of the tasks carried out by Sonali Bank Limited. Because of this, customers now have additional options for conducting their financial transactions through informal financial systems as opposed to solely depending on banks which raises the possibility of competitors for them. (Haque, 2021)

Bargaining power of Depositors (High): While consumers look for loans at the lowest interest rate, depositors may rapidly utilize the internet to find out which bank is offering the highest interest rate on their deposit. Because of this, the industry's price sensitivity has grown

as more depositors have access to competing products. This explains why their depositor bargaining is so high. (Haque, 2021)

Rivalry among Competitors (Low): Sonali Bank Ltd competes directly with other banks for depositors and market share. Sonali Bank Limited, as a government bank, provides unique services that cannot be replicated by other banks. For instance, opening a student account at SBL costs only Tk 150, while other private commercial banks charge more. Moreover, SBL collects payments for other government bank employees and charges a commission. They can borrow money from Bangladesh Bank in the event that they run into cash flow problems. They have a competitive edge, resulting in little rivalry among other banks. (Haque, 2021).

2.7.2 SWOT Analysis

Strengths

1. As the largest bank, it employs competent, professional, and experienced individuals.
2. The structural setup and business location are strategic.
3. Sonali Bank's asset position is good, and there is no funding crisis.
4. Sonali Bank has the capacity and strength needed to prosper in a mixed economy.
5. Sonali Bank receives government assistance for all activities and new projects that are viable.

Weaknesses

1. Sonali Bank Limited is heavily in debt due to both large deposits and borrowing from other banks.
2. Bureaucracy official processes can sometimes hinder the daily workflow
3. Lack of motivation within workers due to low salary structure resulting in high staff turnover
4. The bank still uses outdated technology and most of their record keeping is still done manually.
5. There is work inefficiency as in many cases, a work can be done in a few days and takes months to complete.

Opportunities

1. they can expand into a new investment sector
2. Introduction of automation will provide vast new opportunities
3. Sonali Bank, being a government-owned enterprise, receives government support in the event of a financial crisis.

Threats

1. There is fierce competition among the various public banks, private banks and other financial institutions.
2. Systems for recovering loans are incredibly inadequate, and policies are occasionally not followed correctly.
3. The banking rules and regulations are getting harder day by day.

Chapter 3

An Analysis on the Core Financial Services Offered at Sonali Bank Limited

3.1 Introduction

Commercial banks are a major provider to the Bangladesh economy. In order to have an economic growth, the banking sector needs to function smoothly and provide funding to appropriate organizations. Commercial banks act as financial intermediaries, by obtaining funds from one group and lending them to another for a reasonable return after deducting funding costs, commercial banks act as financial intermediaries. The financial sector services provided by these banks are vital to both the public and the government.

Sonali Bank Limited, as a government-owned bank, contributes positively to our economy through its numerous operations. It is well-known for its general banking services, investments in a variety of industries, and foreign exchange transactions.

With greater accountability and superior performance, Sonali Bank Limited went from being a small bank to becoming the biggest Nationalized Commercial Bank (NCB) in the nation in a matter of years. The bank's main operations involve offering its clients a wide range of commercial banking services. Additionally, it represents the Bangladesh Bank as an agent for Government Treasury functions.

3.1.1 Literature Review

The banking industry and the economy are interdependent and go hand in hand. Sonali Bank has been a major contributor to the nation's economic growth. (March & Tamal, 2023). A wide range of banking services are provided by Sonali Bank Limited to meet the various needs of people, companies, and organizations. (*Sonali Bank plc, n.d.*). These services support the bank's objective of promoting economic growth and development in Bangladesh and include corporate, retail, international, loan products, and electronic banking services. Firstly, as per Bangladesh Bank report, Sonali Bank is one of the banks that has played an important role in fostering financial inclusion in Bangladesh by offering banking services to disadvantaged and rural communities. Secondly, by providing banking services such as savings accounts, remittance facilities, and microfinance projects, the bank has played a role in integrating a substantial segment of the people into the official banking system. (Bangladesh Bank, n.d.). Thirdly, a state-owned bank, Sonali Bank offers banking services to the Bangladeshi government, such as maintaining government accounts, enabling treasury operations, and paying salaries and pensions to government personnel. These services help to ensure that the government's financial operations run smoothly. (*Sonali Bank plc, n.d.*). Fourthly, Sonali Bank facilitates foreign trade transactions, which are critical to export-oriented countries like Bangladesh. The bank offers trade finance services such foreign exchange, export-import financing, and letters of credit, which help businesses perform their trading operations conveniently. (*Sonali Bank plc, n.d.*). Lastly, in order to assist foreign remittance, Sonali Bank Limited has created two subsidiaries: Sonali Bank (U.K.) and Sonali Exchange Company Inc. (SECI) in the United States. This allows remitters to easily transmit their hard-earned money to recipients in Bangladesh via the different branches of the bank across the country.

3.1.2 Objective

This internship report aims to provide a comprehensive analysis of the various services offered at Sonali Bank Ltd.

3.1.3 Significance

This report intends to deliver an in-depth experience regarding some of the main financial services at SBL. This information will help readers get an idea of some of the various services that they can get at SBL.

3.2 Methodology

This study uses a mixed-methods strategy, which combines both secondary and primary research methods.

Primary Research: Personal observations based on practical job experiences.

Secondary Research: Collected information from Sonali Bank Limited's website and record as well as from other manuals and books available at the Sonali Bank Ltd Staff College.

3.3 Findings and Analysis

3.3.1 Collection of Foreign Remittance

SBL has played a significant role in developing Bangladesh's national infrastructure and economy by bringing remittance of the country's expatriates residing and working in foreign countries via their banking networks. SBL has exchange houses in United Kingdom, United states, Canada, Malaysia and in Gulf countries. Through these arrangements, workers abroad

can conveniently transfer money to their families. Some of the methods used to send money are, Telegraphic Transfers (TTs), Demand Drafts (DDs), SWIFT and Computerized Payment Instructions. (*Sonali Bank plc*, n.d.)

3.3.2 Rural Credit

Since its founding in 1972, Sonali Bank Limited has been a key player in the advancement of socioeconomic growth and the reduction of poverty. Taking into account that finance is one of the many inputs required to complete the agricultural production cycle, Sonali Bank provides rural credit through 1191 of its offices around the country. In 1973, they launched indirect rural credit through the IRDP (now known as the BRDB). (Reza, 2017). The bank thereafter continued to lend money through the following programs.

1. Crop Loan (Special Agricultural Credit Program): With 707 branches, it was launched in 1977 with the goal of boosting crop production. Revolving Crop Credit Limit System was recently launched by Sonali Bank Limited, starting with one branch in each district. (Reza, 2017)
2. Farming and off-farming Program: This initiative, aims to employ rural residents in cash-generating ventures such as poultry, dairy, fishing, nurseries etc. Small and medium-sized farms are established through bank financing, and it is available to all branches nationwide. The maximum loan amount is Tk. 15.00 Lakh. (Reza, 2017)
3. Fertilizer Dealers Credit Program: It was established in 1981 to provide loan to approved fertilizer dealers operating at BADC's primary distribution points in exchange of lifting their quota on fertilizers so that farmers can easily access it. (Reza, 2017)
4. Special Investment Program: This program, which is offered through 236 carefully chosen branches around the nation, was created in 1993 with the goal of fostering self-employment through the establishment of small and medium-sized farms (dairy,

poultry, and fishing) through bank financing. The maximum loan amount is Tk 5.00 Lakhs. (Reza, 2017)

5. Loan program for sugarcane production in the mill zone area: This initiative was started in 1975 with the goal of producing more sugar. 11 (eleven) sugar mills are given credit under this program, with the final distribution going to its associated farmers. (Reza, 2017)

3.3.3 Micro Credit

Microcredit is acknowledged as a valuable tool for poverty alleviation, self-employment, and rural socio-economic development. Sonali Bank Limited established a microcredit section in 2003 to alleviate poverty. SBL now manages over twenty Micro Credit projects and programs. These programs include: the Bank-NGO Linkage wholesale credit program; the Fruit, Herbal, Medicinal, and Nursery development credit scheme; the Loan program for Disabled persons; Swanirvar; and various forms of credit through BRDB-UCCA (Corp, Shrimp culture, Women development & Poverty Alleviation). Credit for the Urban Women Micro Enterprise Development (CUMED) project. All of these operates in 92 branches nationwide, including all district branches, without the any need for collateral for up to Tk. 5.00 lacs. (*Micro Credit Division, n.d.*)

3.3.4 International Banking

Sonali Bank Limited's competence in international banking has resulted in in-house growth for more than 50 years. Its pioneering position in overseas trade and foreign exchange operations before the country's independence is still unmatched. With a huge network of domestic

branches as well as a significant number of correspondent banks around the world, it handles the highest volume of import-export transactions. (*Sonali Bank plc, n.d.*)

Import Finance: To help its clients run their businesses smoothly, Sonali Bank Limited offers facilities at every stage of the import process. The services that are available are:

1. Import Letter of Credit.
2. Post Import Financing (LIM, LTR etc).
3. Import collection services & Shipping Guarantees.

Export Finance: Sonali Bank Limited provides its customers with additional coverage throughout the export process in order to speed up the collection of proceeds. The services offered are:

1. Export Letters of Credit advising.
2. Export documents negotiation.
3. Pre-shipment Export Financing.
4. Letter of Credit confirmation.

3.3.5 Personal Banking

Sonali Bank Limited's highly skilled workforce and extensive branch network, which spans all of Bangladesh's urban and rural areas, enable it to provide all of the country's key personal banking facilities and services to its clients. Some of the key services that are provided includes

1. Transfer of funds from one branch to another by – Demand Draft Savings A/C , Mail Transfer Daily Profit A/C , Telegraphic Transfer FDR A/C.

2. Transfer of fund on Standing Instruction Arrangement (Trade Finance).
3. Collection of cheques through clearing house/beyond Clearing House.
4. Issuance of Payment Order / Call Deposit.
5. Locker facilities for safekeeping of valuables.
6. Corporate Client Services with computerized systems at selective branches.
7. Various schemes such as Rural Deposit Scheme (RDS), Monthly Earning Scheme (MES), Sonali Bank Millionaire Scheme (SBMS), Medicare Deposit Scheme (MDS), Education Deposit Scheme (EDS).

3.4 Conclusion

Sonali Bank's financial services has been an important part of Bangladesh's financial environment. It's various rural credit and micro credit services has rendered significant improvement economic development of the country. Moreover, it has created a seamless network to conduct trading business in the country by facilitating import and export. Most importantly its role in the collection of remittance has made the lives of expatriates and their families much easier, thereby contributing to the foreign reserve of the country. To sum it up, SBL's complete range of banking services acts as a catalyst for financial inclusion, enabling individuals, businesses, and institutions across the nation.

3.5 Recommendation

There are various ways in which SBL can further improve their financial services. Firstly, they can invest in upgrading their digital bank platform for seamless user experience. Secondly, they can simplify corporate policies and practices to cut down on paperwork, accelerate service delivery, and reduce bureaucracy. Finally, they need to stay agile and responsive to the changing financial scene and technology in the country.

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Appendix A.

Sonali Bank Limited
Profit and Loss Account
For the year ended 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
Operating Income			
Interest income	21.00	33,744,484,441	31,959,609,482
Interest paid on deposit and borrowing etc.	22.00	(43,537,089,183)	(41,906,606,914)
Net Interest Income		(9,792,604,742)	(9,946,997,432)
Investment income	23.00	38,692,731,319	39,996,429,147
Commission, exchange and brokerage	24.00	13,051,574,985	12,273,491,482
Other operating income	25.00	436,575,195	550,347,411
		52,180,881,500	52,820,268,041
Total Operating Income (A)		42,388,276,758	42,873,270,609
Operating Expenses			
Salary and allowances	26.00	14,822,823,616	14,424,170,475
Rent, tax, insurance, electricity etc.	27.00	1,231,885,570	1,110,083,183
Legal expenses	28.00	18,917,304	34,104,542
Postage, stamps and telecommunication etc.	29.00	47,623,595	41,150,365
Printings, stationery, advertisements etc.	30.00	167,683,896	159,106,918
Chief Executive's salary and fees	31.00	9,054,180	7,806,871
Directors' fees	32.00	5,099,600	3,617,900
Auditors' fees	33.00	4,616,980	4,281,195
Depreciation & repair of bank's assets	34.00	812,671,187	793,706,908
Other expenses	35.00	4,364,150,197	4,768,310,483
Total Operating Expenses (B)		21,484,526,125	21,346,338,841
Profit Before Provision, Amortization and Taxes C=(A-B)		20,903,750,633	21,526,931,768
Provision for loans & advances	36.00	6,106,700,767	11,919,329,137
Provision for diminution in value of investment	37.00	(632,860,461)	(884,216,807)
Other provision	38.00	10,039,439,275	5,149,669,873
Total Provision (D)		15,513,279,580	16,184,782,202
Total Profit/(Loss) before Taxes E=(C-D)		5,390,471,053	5,342,149,566
Provision for Taxation (F)		1,933,802,904	2,107,800,124
Current tax	13.06	511,509,649	505,975,162
Deferred tax	9.08.01	1,422,293,255	1,601,824,962
Net Profit/(Loss) after Tax G=(E-F)		3,456,668,149	3,234,349,442

Sonali Bank Limited
Balance Sheet
As at 31 December 2021

Particulars	Notes	2021 Taka	2020 Taka
PROPERTY AND ASSETS			
Cash			
Cash in Hand (Including Foreign Currencies)		7,725,820,573	7,300,875,336
Balance with Bangladesh Bank and its agent Bank(s) (Including Foreign Currencies)		69,801,130,063	83,801,297,347
	3.00	77,526,950,637	91,102,172,683
Balance with other Banks & Financial Institutions			
In Bangladesh		28,673,656,263	40,680,381,895
Outside Bangladesh		9,381,544,650	11,628,426,724
	4.00	38,055,200,913	52,308,808,619
Money at Call on Short Notice	5.00	8,663,000,000	9,031,300,000
Investments			
Government		613,131,576,047	550,695,158,356
Others		74,933,140,621	78,986,680,661
	6.00	688,064,716,668	629,681,839,017
Loans and Advances			
Loans, Cash Credit, Overdrafts, etc.		676,737,656,645	572,795,130,205
Bills Purchased and Discounted		13,859,197,296	13,437,589,499
	7.00	690,596,853,940	586,232,719,704
Fixed Asset including Premises, Furniture and Fixture	8.00	33,876,421,896	33,891,294,562
Other Assets	9.00	170,020,306,696	188,985,629,876
Non-Banking Assets	10.00	-	-
Total Assets		1,706,803,450,750	1,591,233,764,462
LIABILITIES AND CAPITAL			
Liabilities			
Borrowing from other Banks, Financial Institutions & Agents	11.00	494,325,183	549,250,183
Deposit and Other Accounts			
Current Accounts & Other Accounts etc.		231,392,546,360	243,012,272,784
Bills Payable		12,814,684,803	11,043,066,246
Savings Bank Deposits		528,620,042,413	451,471,060,424
Fixed Deposits		577,891,093,980	553,247,976,484
Other Deposits		97,505,675	11,888,727
	12.00	1,350,815,873,232	1,258,786,264,665
Other Liabilities	13.00	278,750,357,410	246,282,644,415
Total Liabilities		1,630,060,555,824	1,505,618,159,263
Shareholders' Equity			
Paid-up Capital	14.00	45,300,000,000	45,300,000,000
Statutory Reserve	15.00	14,547,096,640	13,469,002,429
Other Reserve	16.00	166,762,690	165,713,816
Revaluation Reserve	17.00	24,082,604,301	36,328,464,917
Surplus in Profit and Loss Account/Retained Earnings	18.00	(7,353,568,706)	(9,647,575,963)
		76,742,894,925	85,615,605,199
Total Liabilities and Shareholders' Equity		1,706,803,450,750	1,591,233,764,462



Off Balance Sheet Items**Contingent Liabilities****Acceptances and Endorsements**

Letters of Guarantee		9,454,478,857	7,474,857,353
Irrevocable Letters of Credit		868,318,836,307	936,600,205,509
Bills for Collection		8,420,138,856	5,338,003,972
Other Contingent Liabilities		-	-
	19.00	886,193,454,020	949,413,066,834

Other Commitments

Documentary credits and short term trade related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		886,193,454,020	949,413,066,834

Total Off Balance Sheet items including contingent liabilities**Net Asset Value (NAV) per share**

	169.41	189.00
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