



*“Analysis of Retail Banking Products  
And Performance  
Of  
Social Islami Bank Limited”*

## Letter of Transmittal

10<sup>th</sup> September 2014

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Subject: Submission of Internship report

Dear Sir,

I am very pleased to submit to you my internship report titled ‘Analysis of Retail Banking Products of Social Islami Bank Limited prepared as a part of the requirement of BBA program of BRAC Business School. I have successfully completed my internship program in Social Islami Bank Limited and I worked as an intern at different departments for three months. Working on this report was a great learning experience for me as I got to learn the differences between practical and theoretical work. Preparing this report has provided me with an opportunity to get some insight on the activities of banking and also enabled me to apply my theoretical expertise. I thank you very much for letting me have the chance to work on this topic and hope that it meets your expectations and standards. I hope you will find the report to be systematic and reliable.

I would like to take this opportunity to thank you for all the support and guidelines that you have provided, which I hope to continue getting in the future.

Sincerely yours,

Farhana Alam  
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# Acknowledgements

At the very beginning I would like to thank the almighty Allah for giving me the opportunity and strength for the successful completion of my internship report under such a critical phase. This is high time to convey my heartfelt thanks to them who have helped me to make this report in an effective and proper way with their kind opinion, suggestions, support and appropriate guidelines for this.

First of all, I would like to thank my Internship Supervisor Mr. Saif Hossain, Lecturer, BRAC University, for his continuous guidance and assistance in preparing the report “Analysis of Retail Banking Products of Social Islami Bank Limited”. His valuable advice has helped me a lot in writing this report. I am immensely thankful to him for the support he has provided during my Internship period.

Next, I would also like to articulate my earnest gratitude to my organizational supervisor at Social Islami Bank Limited, Mr. Shamsul Alam, Branch Manager, New Eskaton Branch. He directed me towards the right information and recurrently reviewed my progress in preparation of this report. He has provided the information about the organization and Branch Banking as well.

Finally, this report would not have been possible without the dedication and contribution of all my colleagues from whom I got the schooling of all the works.

I express my sincere gratitude to all of them. Their valuable contribution is what made this Report possible.

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## Executive Summary

To survive in this competitive market every business no matter it is production oriented or service oriented should make broaden their horizons. Their products must be diversified which can respond to the market demand easily. SIBL has a complete assortment of Commercial Corporate and Personal banking service covering all segments of society.

SIBL is very different from any other commercial banks and islami banks as well. It was an investment bank earlier so it knows the demand of the market more than other islami banks. That is why I have decided to prepare my internship report on Retail Banking & Performance Evaluation of Social Islami Bank Limited.

This report has been conducted to find out the possibility of ascertain the standard of SIBL in the higher level in terms of retail products.

In this report the total portfolio of SIBL has been shown that indicated a positive growth trend in the retail credit amount disbursed. Nowadays more people are interested in Islamic banking system may be for the religious view. Islamic bank does not have any interest system. They only give profit upon the depository amount and receives profit from the investors by giving loans.

From the comparison with other commercial and Islamic banks, some problems and prospects are found in SIBL. They are offering diversified product portfolio and lowest rates and charges which are their strength to proceed further in the business.

Again, SIBL has some problems regarding target clients segments and promotional activities that should be rectified. The products and drawbacks of SIBL are described in the report. Some solutions are also covered in the report which can help the bank to minimize the risk of customer dissatisfaction.

## **Chapter: One**

### **1.1 Rationale of the Study**

A research is always formulated based on some requirements and enquiries. This research has been carried out as a part of the BBA program but this study might be very much helpful for banks or financial institutes or the related parties. At this competitive market every bank has some competitive objectives of their own. The Banks are now facing more competition than ever before which leads them to offer more customized and quality service to their customers to ensure customer's satisfaction. Customer service of a bank is the main reason to become competitive.

### **1.2 Origin of the report**

This report has been prepared as a requirement to complete the BBA Program. The title of the report can be "Analysis of Retail Banking Products Of Social Islami Bank Limited". In our whole BBA program we learn about various financial markets and institutions and their activities along with other subjects. So in this report we tried to relate those theories with the practical work.

### **1.3 Objective of the Study**

The objective of the Internship report is to engage the students with the organizational functioning situation and this report is a result of such organizational involvement. The primary objective of this report is to explain the real life scenarios in the organizational working

environment. But the objective behind this study may something be broader. Thus the objectives of the study are:

- To describe the retail banking system
- View the SIBL products and services
- Evaluate the performance
- Finding drawbacks in products and services
- Draw some solutions to the problems
- To apply theoretical knowledge in the practical field.
- To find out facilities that are provide by SIBL to its customers.
- How branches are dealing with the customers
- The process of working sections of a branch.
- To analyze the performance of SIBL.
- To have some practical experience that will be helpful for future career growth.

## **1.4 Methodology**

To prepare this report I have assembled the data and information from both primary and secondary sources. Primary data and information were collected through:

- **Interviewing the officials**

I have interviewed some senior officers and tried to know about their products and some drawbacks of the bank. Mr. Enamul Haque, Senior Executive Officer and Mrs. Afrina Islam was very helpful from their experience and information.

- **Discussion with clients**

I used to handle clients during my internship period. So I could easily observe their reaction about our services and products.



- **Personal observation & intelligence**

During my internship period I have scrutinized the system of working and product details so closely. That's why it was easier for me to describe the products and find out the drawbacks.

- **Working with officials as a helping hand**

Primary data are not always sufficient for a report. Some secondary sources of data can help adequately. Secondary information was collected from the following sources:

- **Annual reports of bank.**
- **Official website of Social Islami Bank Limited**
- **Files, records, journals, manuals and publications obtained from library of the bank.**
- **Different circular issued by the Head office and Bangladesh bank.**

## **1.5 Data Collection Procedure**

There should a particular process for collecting data for a report. The necessary data and information were collected in the following ways:

- Through discussion of the topic.
- Through a formal questionnaire.
- Though the papers of rules and regulations.

- Files containing product details.
- Through various journal of banks.
- Personal experience gained by visiting different desks.
- Study of old files.
- Personal investigation with bankers.
- Different circulars sent by Head Office of SIBL and Bangladesh Bank.

## **1.6 Limitations of the report**

This report may not be the perfect one as there were some limitations to collect every single information of the organization. Sometimes a whole-hearted effort applied to collect, organize, analyze, and interpret the related data may not be enough to make a perfect one. To attain the best possible outcome of the report I tried my level best but in spite of these efforts, there exist some limitations that acted as a barrier to conduct the research.

- Three months are not enough to make an exhaustive study of all types of retail products and find out all the drawbacks.
- Maintenance of stringent confidentiality about their financial and other information does not permit us having access on all the information. Information leakage to their competitors can hamper the organization very much. So there was always lack of appropriate information.

- As I was not working in the head office of the bank all the necessary files and records were present there.
- Lack of sufficient books, papers and periodicals took me go on serious brainstorming while preparing this report.
- The websites of SIBL is not updated enough. So the collection of secondary data was not appropriate enough.
- Some officials were not prepared enough for giving the data which could be helpful for the report
- Because of the limitation of information, some assumptions were made. So there may be some unintentional mistake in the report.
- In case of performance analysis secondary data were used.

## **Chapter: Two**

### **2.1 Introduction**

In the modern world, banks are playing a key role for the development of an economy and the banks are no more divergent from any other consumer marketing corporation. The excellent service quality allows a bank to make them diverse from their competitors, provide an enduring competitive advantage, and augment efficiency.

Customer service is the process of ensuring customer satisfaction with a product or service. Customer service takes place due to performing a transaction for the customer, such as making a sale or returning an item. In Banks customer service includes the processing of cheque, cash and direct debit payments and withdrawals, setting up and maintaining customers' accounts, selling financial products and services to customers, dealing with enquiries, promoting the products and using a computerized system to update account details, general administration tasks such as maintaining records, sending letters to customers, helping customers with loan and mortgage applications. This internship report restrains the fleeting study on Social Islami Bank Limited

The report is disseminated in many parts according to the structure of supervisor of report. Most of the banks have some distinct business divisions namely

- Corporate & Investment Banking;
- Treasury & Market Risks;
- Retail Banking (including Cards);
- SME Banking.

Under a real time online banking platform, these four business divisions are supported at the back by a vigorous service delivery or operations setup and also a smart IT Backbone. Such centralized business segment based business & operating model ensure specialized treatment and services to the bank's different customer segments.

## **2.2 Background of the Organization**

### **History**

**Social Islami Bank** was founded in 1995 as **Social Investment Bank Limited** and changed its name to the present one on August 2009. Social Islami Bank Limited (SIBL) was incorporated on 5th July, 1995 as a result of dedicated effort of a group of established Bangladeshi entrepreneurs and internationally important personalities. The bank started commercial operation on 22nd November, 1995 with a clear manifesto to demonstrate the operational meaning of particularly economy, banking and financial activities as an integrated part of Islamic code of life. At first, it was known as Social Investment Bank Limited. Social Islami Bank Limited (SIBL) is a fast growing private sector and Islamic bank in Bangladesh. In terms of quality services and value addition to shareholders, Social Islami Bank Limited is already maintaining its position at the top slot. At the end of 2013 SIBL had 96 branches, highest in the private sector commercial bank in the country. Every month some 1,500 new customers begin to Bank with SIBL.

### **2.3 Definition of Islamic banking**

An Islamic Bank is a financial institution that operates with the objective to implement and materialize the economic and financial principles of Islam in the banking arena. Islamic banking refers to a system of banking or banking activity that is consistent with the principles of Islamic

law (Shariah) and its practical application through the development of Islamic economics. Shariah prohibits the payment of fees for the renting of money (Riba, Usury) for specific terms, as well as investing in businesses that provide goods or services considered contrary to its principles (Haraam, Forbidden). While these principles were used as the basis for a flourishing economy in earlier times, it is only in the late 20th century that a number of Islamic banks were formed to apply these principles to private or semi-private commercial institutions within the Muslim community.

The World Islamic Banking Conference held annually in Bahrain since 1994 is the unique platform internationally recognized as the largest and most significant gathering of Islamic banking and finance leaders in the world.

The Organization of Islamic Conference (OIC) defined an Islamic Bank as financial institution whose statutes, rules and procedures expressly state its commitment to the principles of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations.”

According to Islami Banking Act 1983 of Malaysia, an Islamic Bank is a “company which carries on Islamic Banking business. Islamic Banking business means banking business whose aims and operations do not involve any element which is not approved by the religion Islam.”

## **2.4 Vision of the Organization**

In their journey towards continuous excellence they are striving to become the country's leading Islamic Bank offering one-step service of an wide range of value added products and services meeting the needs of the customers; conducting their business ethically in accordance with the laws of Shariah while optimizing best utilization of the most modern state-of-the-art technological solutions through creation of pro-active organizational culture based on sound team spirit, fairness, mutual understanding and pragmatic leadership always remaining open to new ideas and adaptable to the best practices in the market ensuring recognition and quality banking experience to our Customers and deliver best value to all our stakeholders as well.

- Formal Sector- Commercial Banking with latest technology: SIBL will ensure to maximize shareholder's value.
  - Non-Formal Sector - Family Empowerment Micro-Credit & Micro-enterprise program:
  - Voluntary Sector - Social Capital mobilization through CASH WAQF and others.
- Finally, "Reduction of Poverty Level" is our Vision, which is a prime object as stated in Memorandum of Association of the Bank with the commitment "Working Together for a Caring Society".

## 2.5 Mission of the Organization

The targets that Social Islami Bank wants to achieve in the near future are:

- Achieving the satisfaction of Almighty Allah both here and hereafter
- Fast, Accurate and Satisfactory customer service.
- Proliferation of Shariah based banking practices.
- Introducing innovative Islamic Banking products.
- Attract and retain eminence in human resource.
- To provide excellent quality products and services that will encourage savings.
- Achieving sustainable Participatory economy, Social Security, and peace for the society.
- Transformation into a service-oriented technology-driven profit earning Bank.
- Balanced & sustainable growth strategy.
- Optimum return on shareholder's equity.
- Empowering real poor families and create local income opportunities.
- Providing support for social benefit organizations by way of mobilizing Funds and social services.

## **2.6 Values followed by the Organization**

As a Islamic bank SIBL follows the values and norms which the other commercial banks may not give emphasize to. The values are:

- Honesty
- Efficiency
- Accountability
- Transparency
- Flexibility
- Innovation
- Religiousness
- Security
- Technology

## **2.7 Products & Services of SIBL**

### **❖ Depository Products**

- Al-Wadiah current deposit
- Mudaraba savings deposit
- Mudaraba term deposit
- Mudaraba Lakhpoti Deposit Scheme
- Mudaraba Double Benefit Deposit Scheme
- Mudaraba Pension Saving Deposit
- Sonali Din (Male)
- Subarna Rekha (Female)



### ❖ Investment products

- Bai–Murabaha
- Bai–Muajjal
- Mudaraba
- Musharaka
- Bai–Salam
- Quard

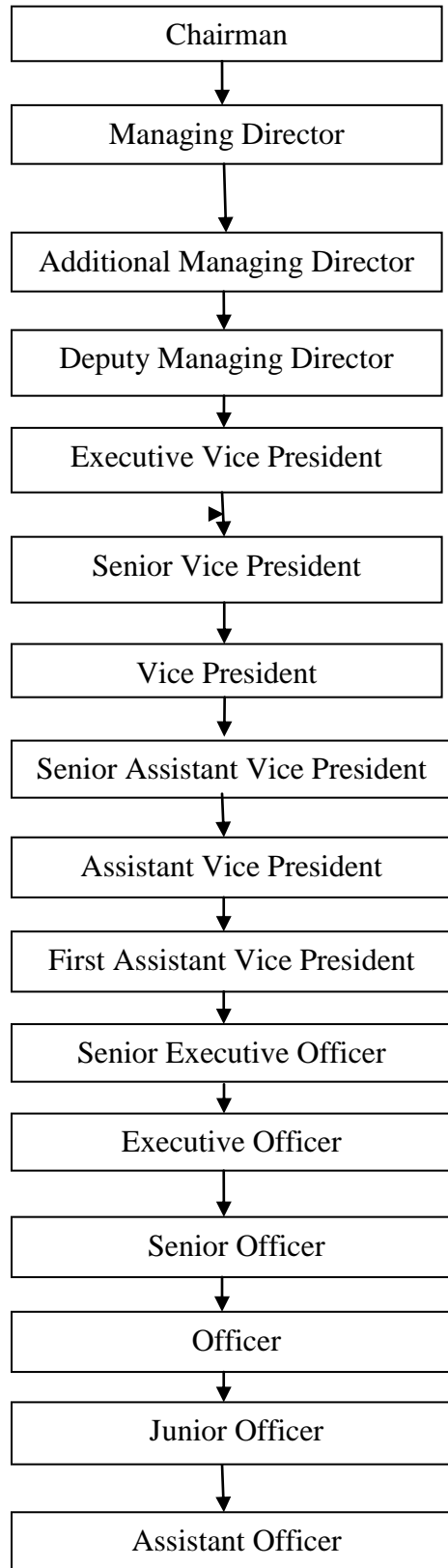
### ❖ Foreign exchange products

- Export Finance
- Import Finance
- Foreign Remittance


### ❖ Service products

- Online Banking
- ATM 24/7
- Card (Local and Foreign)
- Automated Clearing

## 2.8 Organogram of SIBL:



## 2.9 Social Islami Bank Limited at a glance

<b>NAME</b>	SOCIAL ISLAMIC BANK LIMITED
<b>Date of incorporation</b>	5 <sup>th</sup> July, 1995
<b>Date of inauguration of operation</b>	22 <sup>nd</sup> November, 1995
<b>Registered office</b>	City Center 90/1, Motijeel Commercial Area Dhaka-1000, Bangladesh.
<b>Head Office</b>	City Center Level : 19, 20,21 & 22 90/1 Motijeel Commercial Area Dhaka-1000, Bangladesh.
<b>Logo</b>	
<b>Name of the chairman of the Board</b>	Major (Retired) Dr. Md. Rezaul Hoque
<b>Name of Managing Director</b>	Md. Shafiqur Rahman
<b>Number of Branches</b>	96
<b>Services provided</b>	Deposit scheme, Credit facility, Investment facility and Foreign exchange services
<b>Paid up capital</b>	Taka 7031.42 million(2013)
<b>Profit after tax and provision</b>	Taka 1252.13 million(2013)
<b>Retained Earnings</b>	Taka 846.53 million(2013)
<b>Banking software used</b>	ABABIL™
<b>Technology used</b>	Member of Ababil
<b>Earnings per share</b>	1.74

## 2.10 Salient Features of Social Islami Bank

The major features of Social Islami Bank are as follows:

- Social Islami Banking activities are regulated according to Islamic Shariah.
- Social Islami Bank is directed by Shariah board, which consists of many brilliant and famous intellectuals, economists, banker and lawyers.
- All economic activities are free from interest.
- It tries to coordinate economic and social development.
- The shareholders and the depositors are the only source of funds for Islamic banks. They do not use borrowing as a source of finance.
- Social Islami bank grants interest free loans to the underprivileged group (poor, students and needy people.)
- Social Islami bank avoids investment in debentures and bonds because of their fixed rate interest.

## 2.11 Branches of Dhaka city

Area	Branch
Motijheel	Foreign Exchange Branch Principal Branch
Gulshan	Banani Branch Gulshan
Panthapath	Panthapath Branch
Dhanmondi	Dhanmondi Branch
Uttara	Uttara Branch

Agragaon	Begum Rokeya Sarani Branch
Nawabpur	Galimpur SME/Krishi Branch Nawabpur Road Branch
Babu Bazar	Babu Bazar Branch
Moulvi Bazar	Moulvi Bazar Branch
Mirpur	Mirpur Branch
Keranigonj	Hasnabad Branch Keranigonj Branch
Savar	Savar Branch
Mohammadpur	Mohammadpur Kaderia Tayebia Madrasha
Rosulpur	Rosulpur Branch
Rampura	Rampura
Islampur	Islampur Branch
New Eskaton	New Eskaton Branch
Dhamrai	Dhamrai SME/Krishi Branch
Mohakhali	Mohakhali Branch
Bangshal	Bangshal Branch
Bonosree	South Bonosree Branch

## **Chapter: Three**

### **Job Experience**

#### **3.1 Introduction**

In June 2014, I was assigned by The Social Islami Bank Limited, HR personnel's as an intern in the New Eskaton Branch. Here a schedule of the internship program was given to me consist of the working schedule along with the job responsibilities. There was mainly three sections in the branch which are:

- General Banking
- Investment Banking
- Foreign Exchange Department

I worked under the Customer service section of General Banking Department of the New Eskaton Branch. I got enough time to gather knowledge about that particular segment and throughout the whole branch as well.

#### **3.2 Job Description**

Social Islami Bank Limited (SIBL) is a potential source of gaining an internship placement in Bangladesh as they encourage competent students to apply for the position on a regular basis. I was assigned on the front desk of general banking department with the customer service officer at the first place. Front desk is known as account opening section, which is one of the sections of General Banking. General Banking department is the heart of banking system. It is the starting point of all banking operation with which all departments are linked. It provides day to day service to the customers and that's how I was directly handling the clients. I have done some following responsibilities at Account opening section of General Banking Department

- Account opening.
- Issuing cheque books.
- Issuing Pay orders.
- Providing bank statement.
- Providing bank solvency certificate.
- Providing service over phone.
- Checking vouchers of the officials.
- Updating the register of accounts
- File management
- Documentation
- Card delivery

### **3.2.1 Account opening**

As I was working in the front desk of the branch I used to handle the customers and open the accounts. There are four types of accounts available at Social Islami Bank Limited (SIBL). These are

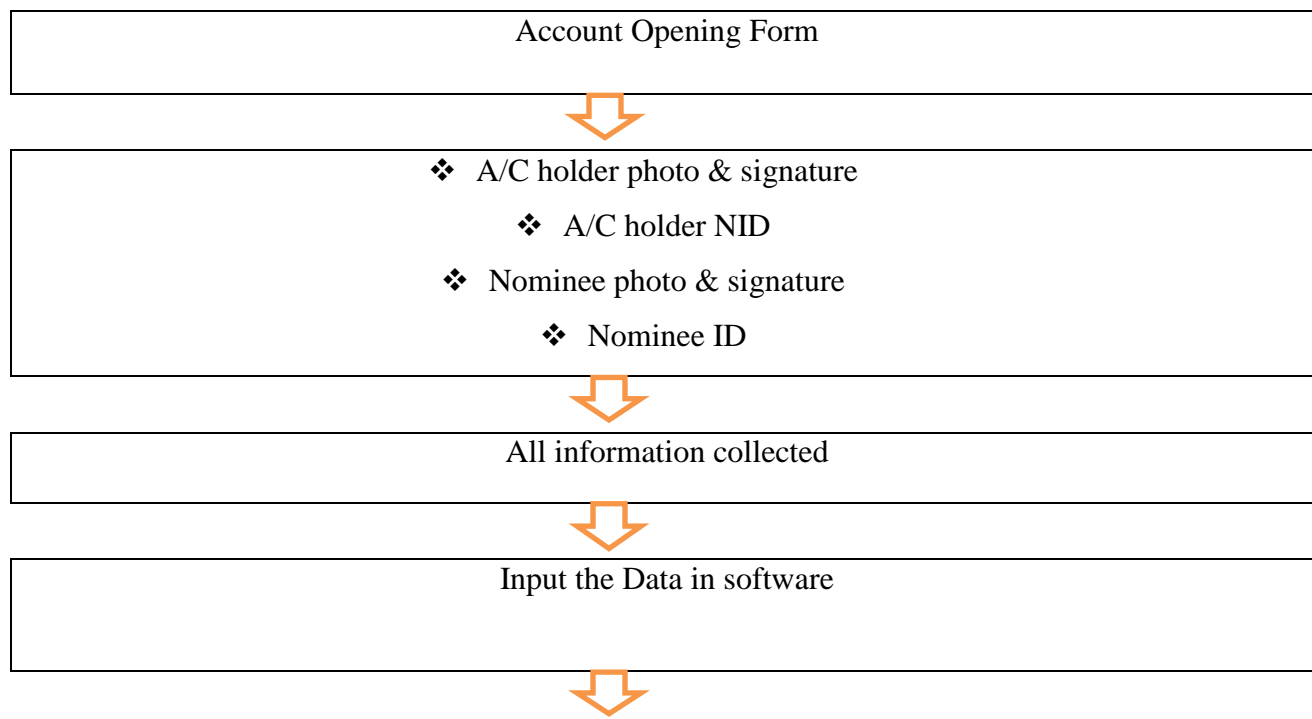
- Al-Wadiah current account.
- Mudaraba Savings account.
- Mudaraba Term deposit account.
- Mudaraba Scheme deposit account.

### **3.2.2 Requirements for opening an account**

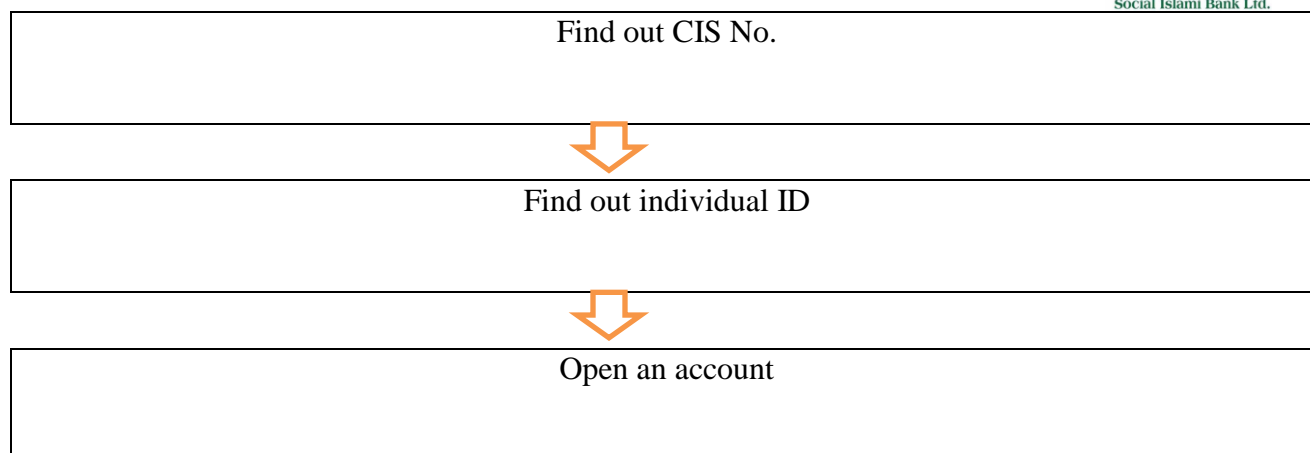
Before opening of Al-Wadiah Current Account /Mudaraba saving Account/Mudaraba Term deposit account/Mudaraba Scheme deposit account, the following formalities must be completed by the customer

- Application on the prescribed form.
- Furnishing photographs.
- Introduction by an account holder.
- Putting specimen signatures in the specimen card.
- Mandate if necessary.
- After fulfilling the above formalities, SIBL provides customers a pay-in-slip book and cheque book.
- National ID card / photocopy of passport / chairman certificate.

### 3.2.3 Format of Account Opening







Application form for Al-Wadiah current deposit/Mudaraba saving account/ Mudaraba Term deposit account/Mudaraba Scheme deposit account

### 3.2.4 Contents of Application Form of Accounts:

Followings are the contents of the application form for opening Al-Wadiah Current/Mudaraba Saving Account in SIBL

- Types of the account; individual/joint/proprietorship/partnership/limited
  - Company /club/society/co-operatives,
- Name of the applicant(s),
- Father's/husband's name,
- Present address,
- Permanent address,
- Number date of issue, date of expiry and place of issue of passport(if any),
- Date of birth,
- Nationality,
- Occupation,
- Nominee(s),

- Special instruction for operation of account(if any),
- Specimen signature(s) of the applicants,
- Introducer's information(name, account no, specimen signature),
- KYC (know your customer) form,
- Initial deposit,

#### ❖ In case of joint account

- Operational instruction of the account,
- Signature(s)

#### ❖ In case of partnership account

- Partner's signature,
- Partner's name,
- The following formalities along with the documents are to be completed before opening in account;
- Two copies of photographs of the account holder(s) duly attested by the introducer,
- Account to be introduced properly,
- Introducer's signature on account opening form to be verified by an officer
- Letter of thanks to account holder(s) and introducer to be sent under registered post,
- In case of joint account, operational instructions are to be signed by the joint account holders.

### ❖ In case of club/society

- Registration certificate under the Societies Registration Act,1962
- Certified copy of resolution for opening and operation of account,
- Copies of memorandum, Articles of Association
- Power of attorney to borrow

### ❖ In case of non-government organization

The account opening procedure is same but the exception is that registration certificate from the Social Welfare Department of Government must be enclosed with the application.

### ❖ In case of minor's Account

- Putting the word “MINOR” after the title of the account,
- Recording special instruction of operation of the account
- The account opening form is to be filled in and signed by either of the parents of the legal guardian appointed by the court of law and note by minor.

### ❖ In case of limited company

One having the desire to open an account from a limited company, following documents is asked

- Registration certificate from the Register of Joint Stock of Companies
- Certificate of Incorporation
- Certificate of Commencement of business
- Memorandum of association
- Articles of association
- Copies of annual accounts
- Copies of board resolution

After collecting the signatures and necessary information of the customer I used to fill up the form of the particular account. Then the information was inputted to the software named “ABABIL” used by SIBL. In the software when we input the information it gives a customer ID which is used to get the information of that particular customer any time you want. So when the customer opens another account we don’t need to input his/her information again as it’s already there.

In case of savings and current account we need to update the transaction profile which shows the probability of transaction with a certain amount. When the clients do transaction more than the amount the TP gets violated which needs to be updated.

### **3.3 Card Delivery**

An intern of SIBL is also assigned to take part in assistance to the customer service area. For example, by delivering debit and credit cards to the customer or bearer, keeping the track of the regular cards received from the currier and reconcile of the cards. I used to deliver the cards but before that I had to check if the card has come. Every day I used to receive the ATM cards and write the name and numbers in the register. Whenever a person opens a transaction able account we offer them to take ATM cards. To give requisition for ATM cards the clients need to sign in an ATM Card requisition form. Then we give requisition for the card in the software. It takes minimum 15 days to receive the card. There were four register book for maintaining the cards; two is for new issue cards and rest for lost and stolen card. In the both cases cards and pins maintain by two separate individual for security purpose. There were two people in the hold of card and pin of that branch. They have to maintain the existing card user with increasing large number of new card user day by day.

### **3.4 Cheque Book Requisition and Delivery**

As an intern it was my job to deliver the cheque books to the customers. I used to receive the cheque book slip for the requisition of the book which contains the A/c no. and signatures of the A/C holder. If the A/C Holder wants another person to receive the book the person need to give sign at the place of Bearer's sign. The cheque books can be of 25, 50, 75 and 100 leafs which is mentioned in the slip. I used to receive the Cheque books from courier and then input them into the register. End of the day a voucher is kept in the file containing the A/C details of cheque requisition and delivery in the whole day. The customer who receives the book needs to sign in the register. Then I used to match the sign with the saved signature and then deliver it to the clients.

### **3.5 Loan Paper Fill Up**

Customers who take loans tend to have all their information written down manually in small loan book. Every customer has one each. These information books are filled up by the interns. Again the undertaking letters are also filled up by the interns in SIBL

### **3.6 Data entry of Electricity and other bill in the MS Excel**

SIBL used to receive electricity bills from clients and they also need to give bills. So the amount of the bill is needed to input in the software. We used to input them in the MS Excel every week.

### **3.7 Maintain Register for receipt of shares amount**

SIBL receives share's money for some particular company. So everyday during that period the interns were used to maintain the register of received money and do calculations.

### **3.8 Reconciliation**

Bank reconciliation statement is a report which compares the bank balance as per company's accounting records with the balance stated in the bank statement. Reconcile of the cards, pins, FDR, Cheque books are done every day. Before reconciling we have to count the closing balance of the day, then count how many are being received from the currier and the number delivered to the customers. In the branch everything is reconciled starting from cheque books, cards, pins, FDR's etc.

### **3.9 Nominee, Signature or Address Change of Existing Account**

There are several issues like nominee change, signature change, and address change etc. work regarding existing account. Nominee is the person who is the authorized person on behalf of the account holder. Basically after the death or any such cases nominee will have the right to take any kind of decision regarding that account. To change the nominee customer needs to come to the branch of the account and then fill up a form named nominee change form. In the nominee form, one copy of nominee photograph is needed and account holder has to sign the form that he or she wants to change his or her accounts nominee. Then files need to submit to the responsible officer and responsible person will verify the information and sign. This whole process takes 2 to 3 days.

For signature change, account holder has to fill up the signature change form and then needs to submit to the customer service department. Customer service officer verify the signature and the information with photograph change, in some cases account holder needs to provide a photograph of his or her own if the previous photograph is not matched with the present photograph. This whole process also takes 2 to 3 days.

Again for name change, address change, and many other factors works as almost in the same process, except the address change process. For address change, account holder needs to provide

the NID, which has to match with his present address then the account holder can change the address. The remaining process is same as other like has to fill up a form then submit it to the customer service department and then responsible officer will verify the account and signature passed to the head office. This process also takes 2 to 3 days as well.

### **3.10 Account Closure**

If an account holder requests to close up his or her account, it can be closed. After receiving an application from the customer to close an account, some procedures are followed by a banker. But we always encourage the customers not to close the A/C.

To close the A/C the customer should be asked to submit the check book and ATM card. The amount standing to the credit of his account less the amount of closing and other incidental charges are handed over to the A/C holder. The A/C should be debited for the account closing charges etc. and an authorized officer of the bank should destroy unused cheque leaves. In case of Joint A/C, the application should be signed by all the joint holders.

## **Chapter: Four**

### **4.1 Retail Banking**

Retail banking is a distinctive mass-market banking system in which individual customers use local branches of larger commercial banks. Services offered include savings and current accounts, mortgages, personal loans, debit/credit cards and certificates of deposit. This is a consumer oriented banking system where the organization deals with the customers directly.

Through retail banking customers can get financial services Retail banking is the division of a bank which deals with retail customers which defined as the process of identifying individual needs and satisfying them accordingly.

### **4.2 Objectives of Retail Banking**

- To get better living standard certain segments of customer by giving collateral free loan
- To participate in the Scio-economic development of the country
- To ensure the access to credit by mass people
- To diversify loan portfolio to minimize risk



- To maximize bank profit as well as to minimize pressure on liquidity through quicker recycling but higher yielding loan operation

### **4.3 Target Market of Retail Banking**

- Confirmed Officers of Government, Non–Government organizations/Institutes, Semi Government, Autonomous bodies & Corporations
- Professionals, Business Executives and Self Employed Persons who have regular monthly income with repayment capacity
- Any other individuals where the monthly installment size shall not exceed one third of their take home income.

### **4.4 Retail Banking Products and Services**

#### **4.4.1 Al-Wadiah current account**

One of the most significant sources of depository amount is the Al–Wadiah current deposit .It has some similarities with the current account of conventional bank account. The term Al-Wadiah current deposit means deposit of money allowing somebody to sue it. Bank being a trustee preserve and keeps or in safe custody of what is deposited. Depositors feel safe in keeping their money with the bank and take transaction facilities.

#### **❖ Features of this deposit**

- Minimum TK 1000 is required to open this account.
- This account is operated under Al-Wadiah principle.
- Without any condition any amount can deposited to this account.

- A cheque book is provided for the account.
- Any amount can be withdrawn at any banking holder

#### **4.4.2 Mudaraba Savings Deposit**

Mudaraba savings Deposit (MSD) account is opened by the lower and middle classes people who wish to save a part of their incomes to meet their future intend to earn an income from their savings. It aims at encouraging savings of non-trading person(s), institution(s), society, etc by depositing small amount of money in the bank.

##### **❖ Features of this deposit**

- This account is operated under profit sharing principle. Here bank is Mudarib and depositors are Sahib al-mal.
- Cheque books are provided for this account.
- From this account money can be withdrawn four times a month.
- For this account an interim profit is provided in the month of June and December in each year.
- After preparing the final account at the end of each year the final profit is provided to the depositors.

#### **4.4.3 Mudaraba Term Deposit**

Mudaraba Term Deposits are opened by the bank with a sum of Tk. 5000 or above any amount from individuals (single and joint), firms (proprietorship/partnership), limited companies etc. This deposit is accepted by the period of 1, 3, 6, 12, 24 months. This account holder will share the profit of investment with Social Islami Bank Ltd, at the rate declared by the bank from time

to time. The Bank reserves the right to invest the funds received in Mudaraba term deposit accounts, in its sole judgment, in any interest-free "Halal" business it deems fit.

### ❖ Features of this deposit

- Mudaraba Term Deposits are accepted by the bank with a sum of Tk. 10000 or above (multiple of 5000) from individuals (single and joint), firms (proprietorship/partnership), limited companies, autonomous bodies, charitable institutions, association, educational institution, local bodies, trusts, etc, against issuance of non transferable receipts in acknowledgement of MTD account may be opened in the names of minors jointly with
  - Their guardians, for example:
  - Received from Mr. X Guardian of Mister/Miss..... (Minor)
- The Mudaraba term deposits are accepted for periods of 1, 3,6,12 and 36 months. Weight age on the rate of return is given to deposits of longer maturity.
- The Bank reserves the right to invest the funds received in Mudaraba term deposit accounts, in its sole judgment, in any interest-free "Halal" business it deems fit.
- Mudaraba term deposit account holder will share the profit of investment with Social Islami Bank Ltd, at the rate declared by the bank from time to time.
- The account holder is not allowed to withdraw the amount before maturity date.
- MTD account holder may withdraw the profit amount annually if he so desires on condition the final adjustment.
- If the profit amount is not withdrawn it will automatically be added to the principal amount annually and the entire amount will earn profit/loss.
- The bank retains the right of refusing to accept any deposit from any person in MTD account without assigning any reason.

#### 4.4.4 Mudaraba Scheme Deposit

In SIBL they offer monthly depository scheme. In those account people deposit a certain amount of money every month for a predetermined period of time and gets profit at the current rate of profit. Now there rate is 10% for monthly deposit scheme. The installment and profits are given below.

				<b>10.00%</b>
<b>SI No</b>	<b>Monthly Installment</b>	<b>Year 3</b>	<b>Year 5</b>	<b>Year 10</b>
1	100	4,178	7,744	20,484
2	200	8,356	15,487	40,969
3	300	12,535	23,231	61,453
4	400	16,713	30,975	81,938
5	500	20,891	38,719	102,422
6	1,000	41,782	77,437	204,845
7	1,500	62,673	116,156	307,267
8	2,000	83,564	154,874	409,690
9	5,000	208,909	387,185	1,024,225
10	10,000	417,818	774,371	2,048,450
11	20,000	835,636	1,548,741	4,096,900
12	25,000	1,044,546	1,935,927	5,121,124

A large number of scheme deposits are available in SIBL, the bank tried to meet customer need by using the following scheme

#### 4.4.5 Mudaraba Hajj Saving Deposit

This scheme will be accounted under Mudaraba rules. The Bank as Mudarib and the account holder will be treated as Sahib-e-Mal. The duration of this scheme will be 1 to 20 years. An

introducer must be there to open an account. Any installment size can be chosen during the opening of the account. In case of closing the account before maturity profit will be given as per rules of Al-Wadiah Current account.

#### ❖ Features of this deposit

- This account shall be called as Hajj/Umrah Savings Scheme.
- Any Muslim Residing in Bangladesh may open an account under this scheme.
- In case of change of address the bank must have to be notified as soon as possible.
- An introducer must be there to open an account.
- In case of closing the account before maturity profit will be given as per rules of Al-Wadiah Current account. No profit will be given in case of closing the account before 6 (Six) months.
- Monthly installment of the account will be deposited within 10th day of each month. Any advance installment is always appreciable.
- In case of failing of 3 consecutive installments the account will be automatically changed to savings account.

#### 4.4.6 Mudaraba Bashastan Savings scheme

The scheme is provided to facilitate the inhabitant. It helps to fulfill basic needs of housing.

#### ❖ Features of this deposit

- The applicant has to fill the application form duly.
- An amount of Tk. 500/-, 1000/-, 1500/-, 2000/- or any amount multiple can be deposited under this scheme.
- The depositor will enjoy earnings from investments under Islami Shariah based Mudaraba rules.

- As per rules of Islami banking the actual amount may vary from the estimated amount.
- In case of failing of 3 (Three) consecutive installments the account will be closed. In such cases profit will be given as per savings account rate, but no profit will be given if the account is closed within 6(Six) months.
- The account holder may choose any installment size on account opening, which cannot be changed later.
- Installment must be deposited within first 15 day of the month. Any amount deposited as advance installment is always welcome.

#### **4.4.7 Mudaraba Education Deposit**

This scheme facilitates the higher study and to continue education.

##### **❖ Features of this deposit**

- Any amount of Tk. 25,000/- or multiple is accepted in this scheme.
- After maturity the amount can be cashed at a time or can be taken for the next 6 (Six) years of maturity.
- The depositor will get a receipt on the deposited amount.
- In order to receive the monthly education allowance the depositor will have to submit all the Receipts duly discharged and proper instruction must be provided in writing to nominate a person for receiving the allowance.
- In case of Death of the depositor the amount payable will be paid to the nominee.

#### **4.4.8 Mudaraba Pension Saving Deposit**

To create awareness to deposit among income people this scheme is introduced. It facilitates the old aged people.

##### **❖ Features of the deposit**

- An amount of taka 100, 200, 300, 400, 500, and 1000 can be installed here.
- Any Bangladeshi person aged above 18 yrs and having sound mental condition can may open this scheme.
- To open this account there must be a signature of a valued introducer.
- Parents or legal guardians can open this scheme in the name of their underage children.

#### **4.4.9 Mudaraba Millionaire Scheme**

Thinking of the income generation of the people, Mudaraba Millionaire scheme is introduced by SIBL.

##### **❖ Features of the deposit**

- Tk. 550/-, Tk. 1050/- or Tk. 2050/- is taken as monthly installment under Mudaraba principles of Islami Shariah.
- Duration of this scheme will be 5, 10 yrs.
- After starting of operation of this scheme size of installment cannot be changed.
- Any depositor may open one or more account in the same name in the same branch.

- If a depositor fails to deposit 4 consecutive installments then the account will be closed and profit will applied as per rate of Mudaraba Savings Rate. Profit for the first 06 (Six) months shall not be applied.

#### **4.4.10 Mudaraba Monthly Profit scheme**

It is a scheme which is introduced by SIBL to facilitate the people at a monthly basis.

##### **❖ Features of this deposit**

- The scheme provides monthly profit for service holders who may deposit the pension benefit.
- Tk. 1, 00,000/-, 1, 10,000/-, 1, 20,000/- or 1, 25,000/- or any amount multiple can be deposited under this scheme.
- The duration of the amount should be for Five years.
- The payable profit will become due after 1 month of deposit. But the amount will be deposited to account in the last week of the month.
- Generally, a depositor cannot withdraw the amount before 5 years. But, in unavoidable circumstances the depositor can withdraw the amount and in that case
- The depositor will have to submit the duly filled application form of the scheme.
- The depositor will have to maintain a Mudaraba Savings account in which the profit of the scheme will be deposited.
- In case of change of address the depositor must inform the bank as soon as possible.
- If the scheme is closed before 1 year then no profit will be given.



#### **4.4.11 Mudaraba Lakhpoti Deposit Scheme**

This scheme is also provided to the customer for facilitating them.

##### **❖ Features of this deposit**

- Any person can open this account by selecting a monthly saving amount of Tk. 470/-, 1280/-, 2380/-, 3830/-.
- The duration of this scheme is 2, 3, 5, 10 years. The instrument cannot be cashed before maturity.
- In case of emergency if the depositor wants to en cash before maturity then the profit will be given as per rules of Mudaraba Saving account but no profit will be given in case of closing the account before 6 (six) months.
- After successful continuation of the scheme for 1 year the depositor may take up to 80% loan of the deposited amount.

#### **4.4.12 Mudaraba Double Benefit Deposit Scheme**

It is a kind of scheme where the deposited money remains almost double at the end of fixed maturity.

##### **❖ Features of this deposit**

- The bank open this scheme by taking Tk. 10,000 or any multiple amounts from any person or depositor, this scheme will be accounted under Islamic Shariah based Mudaraba rules.

- The instrument cannot be encased before maturity.
- The instrument cannot be cashed before maturity.
- In case of closing the account before maturity profit will be given as per rules of Mudaraba Saving account but no profit will be given in case of closing the account before One year

#### 4.5 Issuing cheque books

After opening Al-Wadiah current account or Mudaraba Savings account, customer are provided with a cheque book. Customers can choose the leave limits starting from 25-100. Customers have to fill the requisition form, leave it to the prospective officer and can collect it after four working day. For a new cheque book there is a leave attached inside the cheque book. To collect a new one same procedure is repeated.

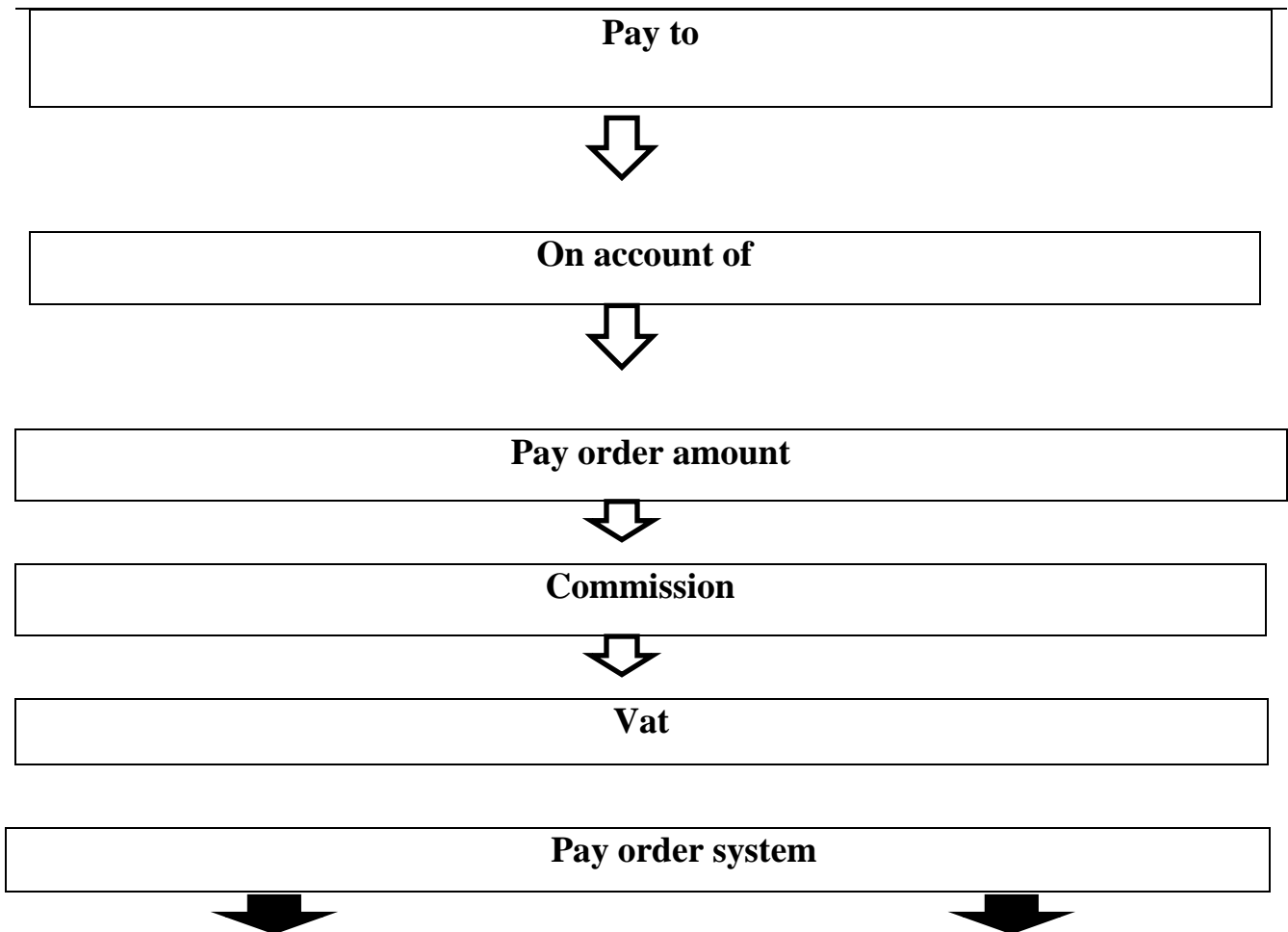
#### 4.6 Issuing Pay orders

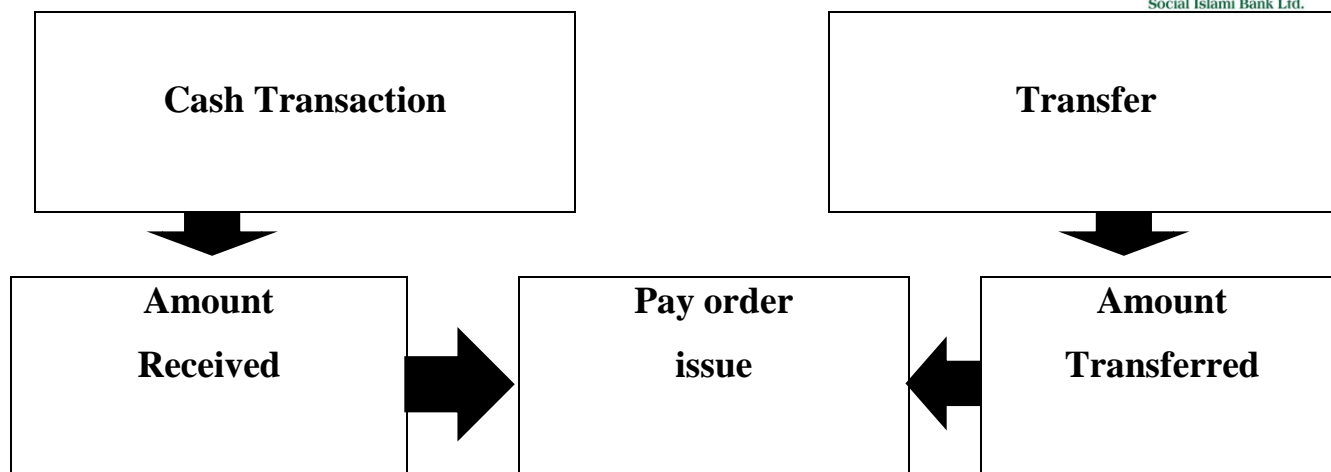
Pay order is an instrument, which is used to remit money with in a city through banking channel; the instruments are generally safe as most of them are crossed. SIBL charges different amount of commotions on the basis of payment order amount. The bank charges for pay order are given bellow.

Total amount of PO	Commission +Vat
Up To-TK 1,00,000	TK 50+8
TK 1,00,001-TK 5,00,000	TK100+15

TK 5,00,001-TK 9,99,999	TK 150+23
TK 10,00,000 to above	TK 200+30

#### 4.6.1 Pay Order Form





#### **4.7 Providing bank statement**

An account statement or a bank statement is a summary of all financial transactions occurring over a given period of time on a deposit account, a credit card, or any other type of account offered by the SIBL. Fixed amount of money is charged for Bank statement. TK 100/- is charged for every single time.

#### **4.8 Providing bank solvency certificate**

Bank provide bank solvency certificate to a client to declare either the client is financially solvent or not. There are two conditions; bank will issue a solvency certificate either to the amount of balance in the account or on fixed deposit or any other collateral security. Bank charge TK 100/- for this service.

#### **4.9 Tele Banking**

Social Islami Bank Limited (SIBL) provides the Tele Banking Service to its customers. Who lead very busy life or live far from bank or do not want experience crowd by telephone they can

gather information what they want to know. They will have the convenience of requesting the services mentioned below-

- Balance Inquiry
- Exchange Rate Inquiry
- Request for Statements
- Information about interest on different types of deposits.
- Balance of the account
- Other Banking Information

Along with the Account opening section I worked at FDR section of General banking department. Both the Account opening section and General banking department helped me to fulfill the requirements to complete my assigned internship report.

#### **4.10 Clearing Activities**

According through the 37(2) of Bangladesh Bank Order 1972, which are the member of the clearinghouse, are called as Scheduled Bank. The scheduled banks clear the cheques drawn upon one another through the clearinghouse. Banks for credit of the proceeds to the customer's account accept cheques and other similar instruments. The banks receive many such instruments during the from account holders.

The Clearing house sits for two times a working day. The members submit the climbable cheque in the respective desks of the banks and vice-versa. Consequently the debit and credit entries are given. Then the banks clear the balances through the cheque of Bangladesh Bank. The dishonored cheque are sorted and returned with return memo.

I had got a little chance to work under this table but I have observed the work very closely. First the received cheque is silted and signed by one authorized officer; in New Eskaton Branch, Rifat Nowrin Senior office performs this part in favor of the Branch. Actually she helped me a lot to understand how this clearing house works practically. I have practically work for one day under her supervision and the process is as under

- Cheque is collected from customer throughout the day then it is crossed.
- At the end of collection one authorized officer signed on other side of the instruments.
- Then the deposit slip is separated from the instruments and has to put input in a register book, manually.
- After that all the instruments are organized as sill
  - ❖ High value
  - ❖ Regular value

Finally all the instruments are placed to a scanner and have to give commend on the computer and the scanner starts itself. Then the entire scanned image is to be verified after give input in Bangladesh Bank web side. When the input is finished reports of the input is generated and it is cross checked for any type of mistake. If everything is correct then the task is finished for the day. In the evening every day the returns report of the previous day is generated and it need to be collected and it's the duty of that officer to inform the party who submitted the instruments.

#### **4.11 Organization-wide**

These are the following responsibilities covered organization wide

##### **❖ Export Finance**

Foreign Exchange Trade of SIBL is dealt with its 9 AD branches out of which 4 branches are in Dhaka and the remaining 5 are in Chittagong, Khulna, Sylhet, Rajshahi and Bogra. As a 21st Century Bank, it is providing the services in foreign trade through import and export finance and also playing significant role in the area of foreign remittance. To facilitate the import obligation of the Bank as well as considering the requirement of foreign currency of the country, potential exporters are encouraged to do their export business with SIBL. Competitive exchange rate is provided for foreign currency to valued exporters. In the last 3 years our export business performance is significant.

### ❖ **Import Finance**

SIBL deal with import business and its import business is extended to commercial importers (traders) for import of various Shariah approved items and industrial importers (Users) for import of raw cotton, yarn, clinker, pharmaceutical raw materials, TV parts, Computer parts etc raw materials for their industries

### ❖ **Foreign Remittance**

SIBL is playing important role in the Foreign Remittance sector also. It has correspondent relationship with almost all major 122 Banks of 109 countries of the world like Standard Chartered Bank, American Express Bank Limited, HSBC, HBZ Finance, Mashreq Bank PSC, Dresdner Bank AG and with local banks in Pakistan, India, Nepal and Bhutan etc with whom is plays role over advising, reimbursing and add confirming arrangement.

### ❖ **SWIFT**

SIBL is the member of SWIFT and have 9 SWIFT workstations in all of 9 AD branches. Beside 96 branches are equipped with online banking. All the SWIFT workstations keep under online system. All correspondences of foreign trade both export and import is communicated through SWIFT. As a result foreign exchange trade becomes expeditious and instant.

## **4.12 Cash Section**

Cash section deals with all kind of transaction in cash. This department starts day with cash in vault. This amount is called opening cash balance. Bank makes cash payment and takes cash receipts.net figure of cash receipt and payment added with opening cash balance .this figure is called closing balance. This closing balance is then added to the vault and this is the final cash balance figure for the bank at the end of a day.

### **4.13 Other Activities**

I have also gone through some other activities namely:

- Indexing files.
- Attending meetings.
- Serving new clients with information.
- Reporting other departments on requests.
- Make phone calls to the clients when needed.
- Sending letter to accounts.
- Balancing the stationary ledger.
- I used to ask question about general banking system to the officers and used to observe their activities.
- I asked them to give me printouts of necessary documents on my areas.
- Searching of files from the store room.

### **4.14 Debit and Credit card**

SIBL provides Debit card and credit to the customers having savings and current account with them. For debit cards no charge is applied for the first year and from the second year the charge is 450tk. For credit card the client must have the monthly income above 40000 tk.

#### **4.14.1. SIBL Debit Card**

It's a card issued by a bank that combines the functions of an ATM card checks. The debit card can be used to withdraw cash at a bank like an ATM cart, and it can also be used at stores to pay for goods and services in place of a check. Unlike a credit card, a debit card automatically withdraws money from our checking account at the time of the transaction.

#### **4.14.2. SIBL VISA Electron**

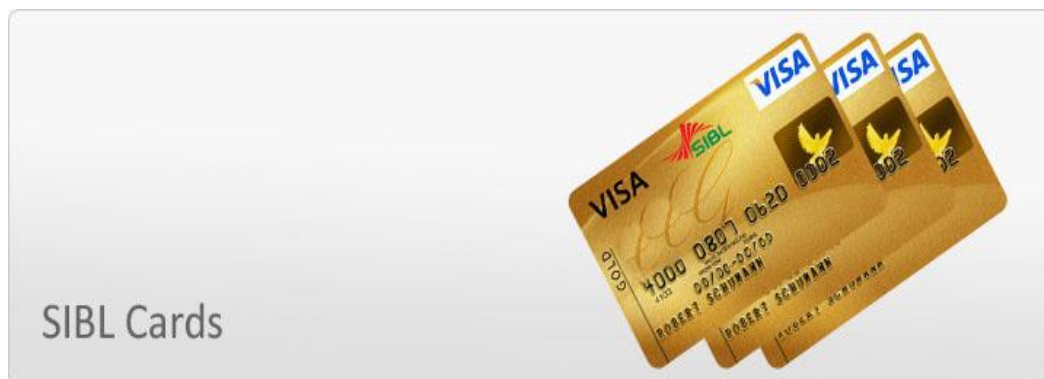
Visa Electron cards are issued against customers account maintained with any of our branches. Cards are issued against the following accounts:



- Mudaraba Savings Deposit – Staff,Client
- Al-wadiah Current Deposit – Client
- Mudaraba Notice deposit – Client
- Mudaraba Notice deposit – Client

❖ **Features**

- Round the clock transaction facility
- Directly linked to Cardholders Account at SIBL
- Balance Inquiry
- PIN Change
- Mini statement
- Accepted for purchase at all VISA terminal
- Minimizing risk of carrying cash



### 4.14.3. ATM booths throughout Bangladesh

The debit card or credit card of Social Islami Bank Limited can be used from any booth of VISA Electron card. Here the amount of booth and location are given below:

Serial No.	Area	No. of ATMs
1.	Dhaka	332
2.	Chittagong	91

3.	Sylhet	34
4.	Khulna	17
5.	Cox's Bazaar	08
6.	Bogra	15
7.	Sirajgonj	2
8.	Munshigonj	3
9.	Feni	10
10.	Rajshahi	8
11.	Mymensing	7
12.	Comilla	14
13.	Chapainawbgonj	2
14.	Sunamgonj	02
15.	Rangamati	02
16.	Patuakhali	02
17.	Thakurgaon	03
18.	Savar	03
19.	Sitakunda	01
20.	Tangail	05
21.	Barisal	07
22.	Rangpur	08
23.	Dinajpur	05
24.	Naogaon	03
25.	Narayangonj	09
26.	Gazipur	16
27.	Jessore	11
28.	Pabna	03
29.	Noakhali	07
30.	Satkhira	01
31.	Gopalganj	01

32.	Nilphamary	03
33.	Panchagarh	01
34.	Narsingdi	03
35.	Natore	01
36.	Kustia	03
37.	Jamalpur	02
38.	Bandarban	01
39.	Faridpur	05
40.	Madaripur	01
41.	Kishorgong	03
42.	Brahmanbaria	02
43.	Laxipur	03
	Total	660

#### 4.15.SME Banking

SIBL has an array of SME/Agri products- designed to satisfy the diversified financial needs of SME/Agri. clients. They offer both Revolving & Term Investment facilities to the SME/Agri. clients. Small Entrepreneurs, Agri. Clients and Women Entrepreneurs who are properly addressed by the diversified products designed for this purpose.

#### Features of SME products - at a glance:

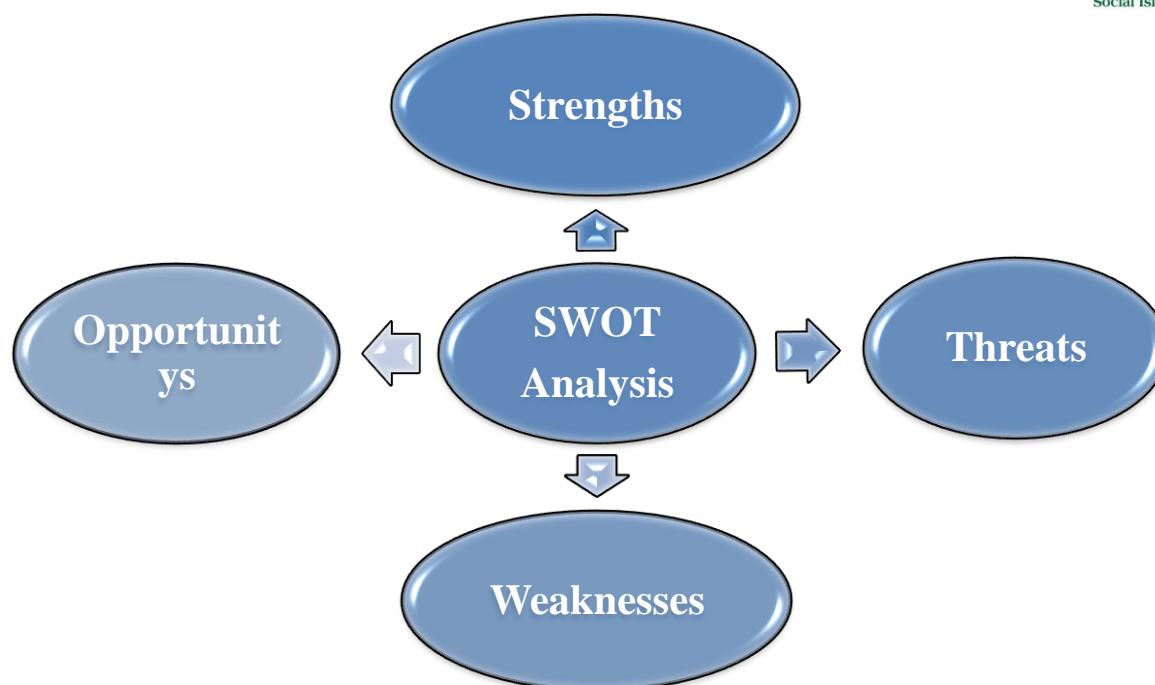
Sl. no	Product Name	Features	Small Enterprise	Medium Enterprise	Profit rate	Tenor
			Investment Amount	Investment Amount		
PPG-1	Baim- SME (Revolving)	Continuous Investment to meet up working capital requirement. (Revolving basis)	Maximum Tk 50.00 lac.	Maximum Tk 5.00 crore.	Market based and competitive	1 year
PPG-	HPSM- SME	Term Investment to	Maximum	Maximum		2-5 years

2	(Com.)	purchase fixed asset. (Equal Monthly Installment-EMI basis)	Tk 50.00 lac.	Tk 5.00 crore.	
PPG-3	HPSM- SME (Transport)	Term Investment to purchase transport for business purpose. (Equal Monthly Installment-EMI basis)	Maximum Tk 50.00 lac.	Maximum Tk 5.00 crore.	2-5 years
PPG-4	Baim- ME (Micro-Enterprise)	Term Investment to purchase raw materials/goods. (Equal Monthly Installment-EMI basis)	Maximum Tk 5.00 lac.	-----	Maximum 3 years
PPG-5	Bai- Muajjal Com Installment (SME)	Term Investment to meet up working capital requirement. (Equal Monthly Installment-EMI basis)	Maximum Tk 50.00 lac.	Maximum Tk 5.00 crore.	
PPG-6	Murabaha-SME	Continuous Investment to meet up working capital requirement. (Revolving basis)	Maximum Tk 50.00 lac	Maximum Tk 5.00 crore.	1 year

## Chapter: Five

### **5.1 Challenges and Proposed course of action Identified in the Organization**

In my Internship period I observed my organization and found out some limitations of the organization. I have presented those by using a SWOT Analysis. The SWOT analysis comprises of the organization's internal strengths and weaknesses and external opportunities and threats. SWOT analysis helps to identify the current position of the organization. A SWOT analysis Social Islami Bank Ltd. has been done below:



Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• First-class service management</li> </ul>	<ul style="list-style-type: none"> <li>• Heavily dependent on head office for decision making</li> </ul>
<ul style="list-style-type: none"> <li>• Initially being a specialized bank, it caters to the needs of an entire target market</li> </ul>	<ul style="list-style-type: none"> <li>• Some foreign branches</li> </ul>
<ul style="list-style-type: none"> <li>• Low customer base ensures dedicated attention to each customer</li> </ul>	<ul style="list-style-type: none"> <li>• Most of the branches are situated in urban areas</li> </ul>
<ul style="list-style-type: none"> <li>• Low service charges with no hidden cost</li> </ul>	<ul style="list-style-type: none"> <li>• Low rate of interest on deposits</li> </ul>
<ul style="list-style-type: none"> <li>• Strong internal co-ordination</li> </ul>	<ul style="list-style-type: none"> <li>• Very few ATM Booths</li> </ul>
<ul style="list-style-type: none"> <li>• Friendly environment</li> </ul>	<ul style="list-style-type: none"> <li>• Small range of offerings</li> </ul>
<ul style="list-style-type: none"> <li>• Comparatively less risky</li> </ul>	<ul style="list-style-type: none"> <li>• Not enough promotional activities</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• <b>Enlarging business by opening new branches in rural areas</b></li> </ul>	<ul style="list-style-type: none"> <li>• Increased competition by foreign and local banks</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Innovation of new service</b></li> </ul>	<ul style="list-style-type: none"> <li>• Political involvement in decision making</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Increasing demand for account opening, loan, import, export and L/C through proper promotional activities</b></li> </ul>	<ul style="list-style-type: none"> <li>• Forecast of low growth in national economy due to adverse world economic situation and recession</li> </ul>
<ul style="list-style-type: none"> <li>• Fully utilizing incentives provided to Islami banks</li> </ul>	

## 5.2 Observation in the Organization

During my internship I have face few problems in this branch such as-

- Most of the bank officers were busy for their work, so they could not give me so much time for learning a topic.
- Many clients were uneducated, so I face some problems when I deal with those clients.
- All the bank officers were not helpful. But some officers help me a lot to learning about Islamic banking. System.
- In order to maintain secrecy they don't gave me all information.

## 5.3 Drawbacks of the Organization

In spite of the good management system and customer service the organization has lack of performance. There are some areas which require extensive improvement. To remain established in the complete market Social Islami Bank must solve their problems and improve their service. The drawbacks they must work on are:

### ❖ **No enough ATM Booths**

Social Islami bank does not have much ATM booths in Dhaka City and outside Dhaka as well. So the customer faces problems for withdrawal of money. Where the other commercial banks have emphasized on the ATM Booth, SIBL is far away from the competition.

To ensure the customer satisfaction SIBL must increase the number of ATM booth in whole Bangladesh.

### ❖ **Bad network of ATM Booth**

During my internship period I have noticed many times that the customers are complaining about the ATM booths. Sometimes the clients can not withdraw their money from the booth in spite of having balance in the account.

Service of ATM booths must be updated.

### ❖ **Captured card**

The debit/credit card of Social Islami Bank Limited is the VISA debit card. So it can be used in other VISA Card booths. But sometimes the card gets captured by those booths. That's why the client face hassles. They need to give application to recover the captured card. I think this is the responsibility of the card division of SIBL.

### ❖ **No Automatic Transaction Profile**

Transaction Profile is the profile of the client of savings and current account in which they mention an approximate amount of money which can take place in every transaction or the total amount of transaction in a certain month. Sometimes the client may violate the Transaction profile where there transactions exceed that certain amount. In SIBL if the TP violates the software does not notify that. So in every month the offices need to check the transaction profile of every client which is very time consuming. To avoid this updated software is required.

### ❖ **No Circular for the changing rates of deposits and loans**

The rate of deposits and loans are fluctuating all the time. Whenever the rate changes an updated chart of rate or installment is needed for the customers. For DPS the customers need a chart to know about the installments and profits from the certain period. When the rate changes, the installment amount and maturity changes as well. But there is no updated circular or chart for the depository amount or maturity.

The head office should provide a new chart for the deposits and loans to all the branches. So the customer will not face any confusion.

### ❖ **No updated form**

The account opening forms are not updated enough. All the accounts have the same form which is very confusing for the clients and the officials. For better customer service, the forms need to be more updated.

### ❖ **No enough promotional activities**

SIBL does not give enough emphasizes to the promotional activities which results less popularity of it. When more people will get to know about the services , more people would like to involve with it.

### ❖ **Less motivational activities**

The motivational activities can increase the quality of the performance and can take the organization in the higher position. To get better performance from the employees the motivational activities should be broaden. Such as:



- High-quality work environment
- Standard amount of salary
- Other beneficiary things

#### ❖ **Poor service quality**

The customer service quality is not satisfactory enough according to the perceptions of the customers, in terms of responsiveness and assurance of the employees in comparison with other banks. Most of the employees are not aware of the segmentation of the customers, which results into dissatisfaction of those customers.

#### ❖ **Lack of waiting place**

Compared to the amount of customer the waiting place for them is too little. The branch Manager should pay more attention to the comfort of the customers.

### **5.4 Comparison of profit rates with other commercial banks**

#### **Fixed Deposit-**

<b>Maturity Period</b>	<b>Social Islami Bank Limited</b>	<b>Standard Chartered Bank</b>	<b>Exim Bank</b>
<b>1 Month</b>	<b>6.00%</b>	<b>3.00% To 9.75%</b>	<b>6.75%</b>
<b>3 Month</b>	<b>9.00%</b>	<b>3.00% To 6.00%</b>	<b>8.75%</b>
<b>6 Month</b>	<b>9.00%</b>	<b>3.00% To 6.00%</b>	<b>8.75%</b>

<b>1 Year</b>	<b>9.00%</b>	<b>3.00% To 6.00%</b>	<b>8.75%</b>
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## **Chapter: Six**

### **Conclusion**

The Banks always contribute towards the economic development of a country. Compared to other Banks SIBL is also playing a leading role in socio-economic development of the country. The bank is currently doing average. By analyzing its performance it is observed that a potential growth might be accelerated through effective implications of some policy. Being an old generation bank it has an advantage compared to newly established bank in the form of wide range of activities. However policy implication needs to be as fast as possible to grab the early mover advantage. The bank through years has been able to spread operation in mass banking

rather than concentrating in niches. It can hedge poor performance of one sector by some other sector for its wide range of offering. Capital market operation has become a great potential for the bank to increase its profitability. SIBL is concentrating to establish new work stations in order to facilitate investor of remote places. The bank has been able to create a multi component portfolio. However none performing are a real challenge to the sound general banking management. Default is increasing for lack of monitoring. The bank is trying to increase its quality by accelerating its recovery policy.

## **Chapter: Seven**

### **Recommendation for Future Strategic Action**

To satisfy customers it is very important to provide customer with better service and no service gaps. Work experience and observation help me to draw the following recommendation:

1. Employees of SIBL should be more responsive in terms of service delivery. Proper training should be provided if needed.
2. SIBL should identify the target customer group
3. Branch location should be in more secure place to make the customers feel secure as well as the employees
4. Adequate place should be there for all the departments and the customers to avoid crowd
5. SIBL should create awareness and consciousness among the clients of the bank's Current image
6. Call centre can be established for receiving complains and suggestions.
7. Telephone network should be developed
8. All the tasks should be equally distributed to all the employees
9. Evening bank should be introduced
10. 5 pages cheque book can be provided with new account to avoid lengthiness
11. Credit card holder customers should be informed few days before the card's expired
12. Bar code can be used in cheque leaves to avoid fraudal activities

## **Chapter: Eight**

### **Appendix**

#### **ACRONYMS**

- SIBL: Social Islami Bank Limited
- BB: Bangladesh Bank
- A/C: Account
- CD: Current Account
- SB: Savings Account
- FDR: Fixed Deposit Receipt
- DD: Demand Draft
- PO: Pay Order
- PS: Pay Slip
- TT: Telegraphic Transfer
- STD: Short Term Deposit
- KYC: Know Your Customer
- CIB: Credit Information Bureau
- NID: National Identity Card

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