



**Daffodil**  
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**University**

**INTERNSHIP REPORT**

**ON**

**LONG-TERM INVESTMENT MANAGEMNET OF SONALI BANK LIMITED**

**(A STUDY ON UTTAR KHAN BRANCH)**

**SUBMITTED TO:**

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(Major in Finance)  
Daffodil International University

**Submission Date:**



# INTERNSHIP REPORT

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## **LETTER OF TRANSMITTAL**

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

Professor Dr. Mostafa Kamal

Department of Business Administration

Daffodil International University

Sub: Submission of Internship Report.

Dear Sir,

With due respect, I would like to state that I have completed my Internship Report on “Long – term investment Management ” at Sonali Bank as a part of my BBA program. It is an exquisite delight for me to get the opportunity of learning from a workplace. I have written the report based on the theoretical information as well as observations accumulated from my three months long internship program in Sonali Bank Ltd. at the Uttar khan Branch located in Uttarkhan Dhaka Bangladesh.

I have covered all of the facts that are related to my topic. Moreover, the whole experiences that I have acquired through the internship program will give me the strength to overcome future challenges. I am very much grateful to Professor Dr. Mostafa Kamal Sir as you guide and motivate me while preparing the report.

Sincerely, I want to give you thanks for your approval to prepare my report on. I hope you will accept my internship report and oblige thereby.

Yours Sincerely,

Swarna Akter

ID: 162-11-352

Batch: 44<sup>th</sup>



Major: Finance

## **DECLARATION**

I hereby declare that , the internship report under the title of “ **Long term investment management of Sonali bank ltd. ( Uttarkhan Branch)** has been prepared by me under **Professor Dr. Mostafa kamal** of Department of Business Administration , Faculty of business and entrepreneurship . Daffodil international University, Dhaka.

I also declare that all the information embodied in this report is original.

**Swarna Akter**

**Id No: 162-11-352**

**BBA (44th semester)**

**Department of business administration**



## **ACKHOWELDGEEMENT**

At the outset I submit my deepest gratitude to Almighty Allah who has given me opportunity to go through the total process of internship and to write a report in this regard.

I would wish to take the opportunity to express my gratitude to my Internship Advisor , professor Dr. Mostafa Kamal and , Department of Business Administration , Daffodil International University whose direction, guidance and support helped me a lot in writing this report.

It was a great pleasure for me to work in Sonali Bank Limited (Uttar khan Branch) as an intern. I thank all the employees of the branch for being friendly and cooperative. I was taught lots of important things through-out my internship career because of their co-operation and proper attention.

Now I am sincerely thankful to my Principle officer ( General) Sayeda Rayhana Shultana and My Brunch Manager Shaheen Sultana. They continuously provide me the useful information and documents which help me to complete the report successfully.

The working environment and cluster commitment of this bank is absolutely wonderful that has help me a lot deal to observe the banking activities during my internship period of three months. Finally I like to express heartiest indebtedness and gratitude to my friends who inspire in



different ways to complete the report and the course as well.

## **EXECUTIVE SUMMERY**

The report's goal is to examine Sonali Bank Limited's Long Term Management. Through offering traditional banking facilities and customer-oriented projects, the bank has hit the customer's heart as well as growing the market and becoming the country's leading banks.

I provided an introduction in the very first part of my report that explains the overall content of the study. After that, I will shortly recap Sonali Bank Limited's rundown. In this section, I tried to cover Sonali Bank Ltd's historical background, number of branches, dream, mission, etc.

The part of the project comes after that. In this part I demonstrated sonali bank ltd's Long Term Investment Management. I addressed the Long Term Investment sections in detail.

I gave the fact that Earnings Form Investment is not impressive in findings section.

I then recommended some recommendations based on this report's findings. I suggested that the bank authority, by acquiring customised banking tools and applications, be able to relate to the ultra-speed of modern technology.

I have also recommended the concern authority to develop their loan sanction Procedure in order to get the expected result. Finally, I have mentioned that the bank should take necessary actions. If the bank wants the betterment of common people, it would design more effective programs in the future.



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# **CHAPTER 1**

## **INTRODUCTION**



## **1. Introduction**

An Investment is a current commitment of money for a particular period of time in order to drive the anticipated future benefits that will compensate for: Time time for which fund are committed, The expected rate of inflation, The uncertainty of future payment. Credit could be a written agreement agreement within which a recipient receives one thing of import currently and agrees to repay the loaner at some later date considerably, typically with interest.

Long-term investment is about the creation of wealth. It's about building the sort of portfolio of investment that will give you income for the rest of your life. That would be, or sometimes sooner, retirement. But it can only happen if you build the amount of wealth needed to deliver the level of income you need to thrive. In the pursuit of higher rewards, long-term investment means accepting a certain amount of risk. This usually means investments in the equity type, such as stocks and shares with debt. These continue to be the best long-term investments because of their capital appreciation potential.

In today's world our life are attached with the touch of banking services. Not only a bank provides fund to people but also it contributes to construct the economical basement of a nation largely. In several financial events a day, the banking sector extends its side. The banking cycle is becoming quicker, simpler at an equivalent time, and thus the banking arena is expanding. Because the demand for better service grows every day, various innovative ideas and goods come with them. To order to survive in the dynamic banking sector, both banking organisations are trying to find better opportunities to provide services to their fellow customers. As a result, getting some idea about the banking and banking procedure becomes important for each individual.

Sonali Bank Limited is the leading bank in Bangladesh offering full range of Personal, Corporate, International Trade, Capital Market Services and Foreign Exchange. . Sonali Bank Limited is the preferred choice in banking for friendly and personalized services, tailored solutions for business needs, leading edge technology global reach in trade and highly yields on investment, assuring excellence in banking service .

This study is an attempt to produce a constructive report on Long team Investment management of Sonali Bank Limited ( Uttarkhan Branch ) with special reference to the Investment products, Investment procedures etc.



## **1.2 Objectives of the Study**

The study has been carried with the following objectives-

### **1.2.1 General Objective:**

- The General objective of the study is to analyze the Long Term investment management of Sonali Bank Ltd. And also complete the partial requirement of the BBA program on Long term investment management process .

### **1.2.2 Specific Objective:**

- To apply the theoretical knowledge on practical business work environment.
- To analyze the performance of investment management of Sonali Bank Ltd.
- To examine the overall performance of the bank and analyze the strength and weaknesses of SBL.
- To recommend the Efficiency of Sonali Bank Limited

## **1.3 Scope of the study :**

The scope of the study is confined to long term investment process and practices of Sonali bank Limited. It only covered only how to manage the long term investment process and performances, mechanism of Investment .

## **1.4 Methodology of the report:**

There are two types of sources which have been used to compose a report-

### **1.4 .1Primary Sources:**

Learning from the real work experiences gathered from internship period.

From interviews, paper cutting, documents. Also discussion with the senior principle officer and the branch manager.





#### **1.4.2 Secondary Sources:**

Without the secondary sources it was so hard for me to collect all of the information and get a brief knowledge of the company. Comparing to the primary sources, this secondary sources were more effective, less time consuming. Therefore, the combination of two sources has enabled me to prepare the report.

- ✓ The annual report of SBL
- ✓ The numerous books, journals, articles
- ✓ Got information from procedure manual and circulars.

#### **1.5 Limitations of the Study**

While preparing this report i have faced those following obstacles:

- **Internship Duration:** Learning all the banking functions about the Long Term investment management within just 90 days was very tough.
- **Information:** The main constraint of the study was insufficiency of information.
- **Bank Restriction:** Large scale research was not possible due to the constraints and restrictions posed by the bank.
- **Privacy:** The officials do not want to disclose the information regarding the topic. Sometimes they were quite busy with their work that it was hard to talk to them for getting information.
- **Sources of Data :** Data and information used in this study are mostly from secondary sources.
- Higher level authority was not interested to give their interviews.
- **Inconsistent Data :** Data from different sources were quite inconsistent which created some problems in making the report.



## **CHAPTER 2**

### **OVERVIWE OF SONALI BANK LTD.**



## 2 HISTORY OF SONALI BANK LTD.

**Sonali Bank Limited** is a state-owned leading commercial bank in Bangladesh. It is the largest bank of the country.

Sonali Bank was established in 1972 under the Bangladesh Banks (Nationalization) Order by amalgamating and nationalising branches of Pakistan's National Bank, Bahawalpur Bank and Premier Bank branches in East Pakistan until the 1971 Bangladesh Liberation War. Sonali Bank had a paid-up capital of 30 million taka when it was set up. Its approved and paid-up capital was Tk in 2001. Ten billion dollars and tk. The number is 3.272 billion. Its authorised and paid-up capital is currently Tk. Ten billion dollars and tk. 9 Billion Tk was the reserve funds of the bank, respectively. In 1979, 60 million and Tk. On 30 June 2000, \$2.050 billion. Cyber criminals have stolen \$250,000 from the bank in 2013 using the Swift International payment network. The Bank signed an agreement with PayPal in 2016. There are a total of 1218 branches in Sonali Bank. The last one is in Damla, Sreenagar, Munshiganj. Of these, 467 are located in urban areas, 746 are located in rural areas and 2 are located overseas (India). It also runs the US-based Sonali Exchange Company Inc. and UK-based Sonali Bank (UK) Ltd. to facilitate foreign currency remittances. Sonali Bank UK directly delivers up to 14 destinations across Bangladesh, including Dhaka, Chittagong, Sylhet, Moulvibazar, Beanibazar, Balaganj, Biswanath, Jagannathpur, Sunamganj, Gopalganj, Nabiganj, Hobiganj, Kulaura and Tajpur. There are actually three branches in the United Kingdom, one in Osborn Road, London, one in Small Heath, Birmingham and Manchester.

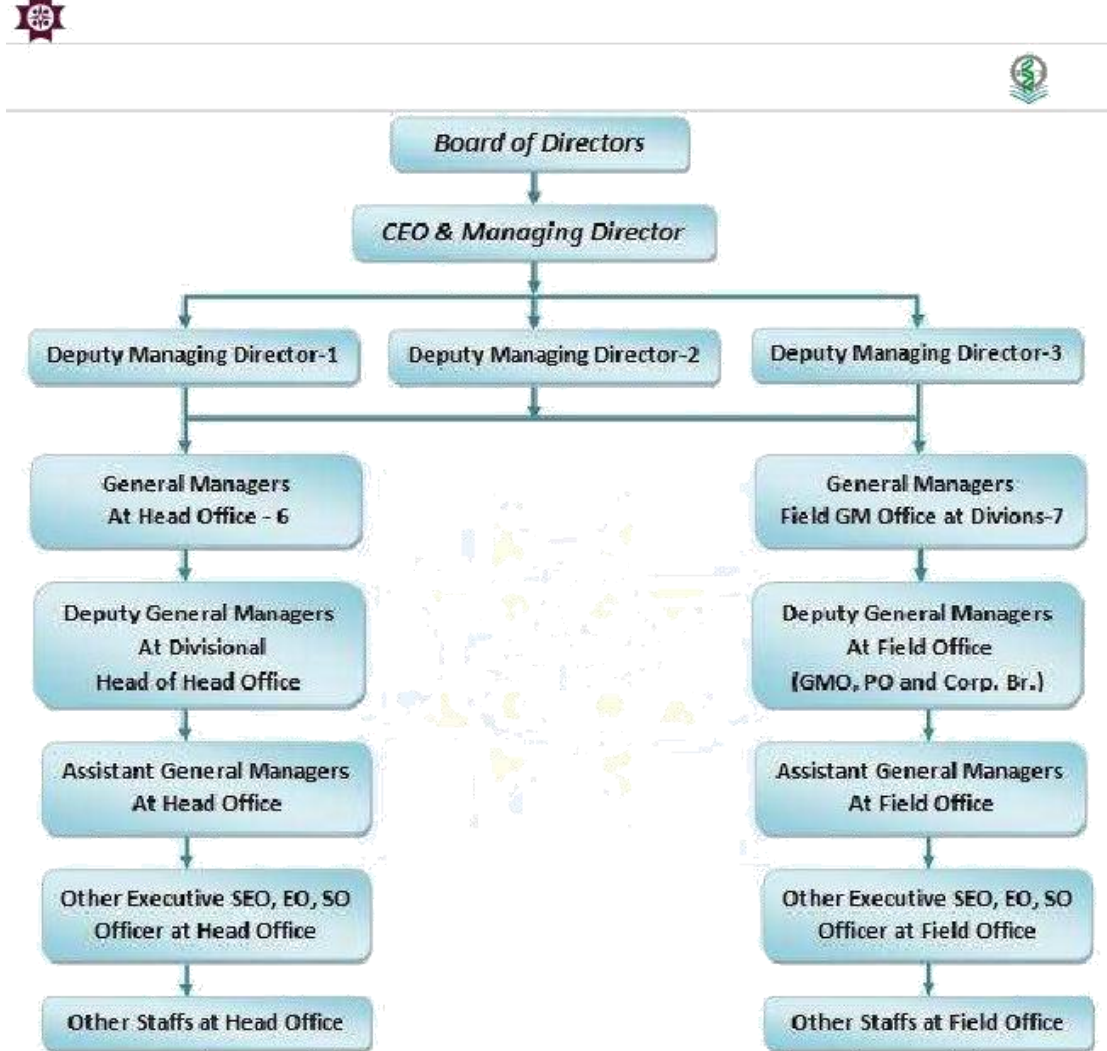


## **2.1 CORPORATE PROFILE**

Name of the Company	: <b>Sonali Bank Limited</b>
Chairman	: Mr. Ziaul Hasan Siddiqui
CEO & Managing Director	: Mr. Md. Ataur Rahman Prodhan
Company Secretary	: Mr. Md. Hasanul Banna
Legal Status	: Public Limited Company
Genesis	: Emerged as Nationalised Commercial Bank in 1972, following the Bangladesh Bank (Nationalisation) Order No. 1972 (PO No.26 of 1972)
Date of Incorporation	: 03 June, 2007
Date of Vendor's Agreement	: 15 November, 2007
Registered Office	: 35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorised Capital	: Taka 6000.00 Crore
Paid-up Capital	: Taka 4130.00 Crore
Number of Employee	: 18,167
Number of Branches	: 1218
Phone-PABX	: 9550426-31, 33, 34, 9552924
FAX	: 88-02-9561410, 9552007
SWIFT	: BSONBDDH
Website	: <a href="http://www.sonalibank.com.bd">www.sonalibank.com.bd</a>
E-mail	: <a href="mailto:itd@sonalibank.com.bd">itd@sonalibank.com.bd</a>



## 2.2 ORGANIZATIONAL STRUCTURE OF SONALI BANK LTD. :



## 2.3 BORD OF DERECTORS:

**Mr. Ziaul Hasan Siddiqui**  
**Chairman and Director**  
 Ex-Deputy Governor, Bangladesh Bank

**Mr. Md. Fazlul Haque**  
**Director**  
 Additional Secretary (on PRL)  
 Financial Institutions Division, Ministry of Finance  
 Govt. of the People's Republic of Bangladesh



<b>Mr. A.K.M Kamrul Islam, FCA, FCS</b> <b>Director</b>
<b>Dr. Md. Nurul Alam Talukder</b> <b>Director</b> Ex-Managing Director Bangladesh House Building Finance Corporation
<b>Mr. Ishtiaque Ahmed Chowdhury</b> <b>Director</b> Ex-Managing Director & CEO Trust Bank Limited
<b>Dr. Daulatunnaher Khanam</b> <b>Director</b> Ex-Deputy Managing Director Bangladesh House Building Finance Corporation
<b>Mr. Md. Mofazzal Husain</b> <b>Director</b> Ex-Managing Director Rajshahi Krishi Unnayan Bank
<b>Mr. Molla Abdul Wadud</b> <b>Director</b> Former General Manager Bakhrabad Gas Distribution Company Limited
<b>Mr. Md. Aaur Rahman Prohdan</b> <b>CEO &amp; Managing Director</b> Sonali Bank Limited

## 2.4 VISION of SBL :

Socially committed leading banking with global presence .

## 2.5 MISSION of SBL :

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

## 2.6 OBJECTIVES of SBL :

- ✓ **Earning profit** is one of the main objectives of Sonali Bank Limited in order to survive in the competitive banking world. Without making profit, no organization can work properly . To make



profit, sonali bank invests in shares and bonds and purchases Treasury Bills and tries to minimize its operational costs.

- ✓ **Collecting savings** is a general objective of Sonali bank ltd. Sonali bank collects money from surplus units through different way like using different accounts , schemes and provident fund . for encouraging people , it provides different types of profitable investment opportunities like double benefit schemes .
- ✓ Sonali bank ltd. collect savings form surplus units by using different accounts then **creates capital** for deficit unit and this capital help in the development of the country as well as itself .
- ✓ Sonali Bank Limited **creates medium of exchange** through its branches very easily. It issues check, bank draft, bills, demand draft, pay order and provides telegraphic transfer, mail service for creating medium of exchange.
- ✓ Supplying money created by Bangladesh Bank to the people of Bangladesh is another objective of Sonali Bank Limited. In managing money supply and money management Sonali Bank limited helps Central Bank.
- ✓ Bangladesh is a small country . It has 64 districts . All are not equally developed , some are enjoying the benefit of modern facilities of bank services and many are not getting those benefits . as a largest bank of Bangladesh sonali bank are cooperate in **regional development** .
- ✓ Poverty is curse for any country . people of rural areas faces many problems like children suffer from malnutrition , hunger and epidemic diseases . for minimizing peoples sufferings , sonali bank ltd . provides credit at the lower rates and encourages them to work like micro credit services .
- ✓ Unemployment is a big problem . unemployment rate is increasing day by day . To **minimize unemployment** rate sonali bank provides loan and board of directors has declare that at least 250 people will be hired each year.

## 2.7 CORE BUSINESS :

::

- |                     |                            |                                |
|---------------------|----------------------------|--------------------------------|
| • Corporate Banking | • Trade Finance            | • Our Core Business Investment |
| • Project Finance   | • Loan Syndication         | • Government Treasury Function |
| • SME Finance       | • Foreign Exchange Dealing | • Money Market Operation       |
| • Remittance        | • International Trade      | • Rural and Micro credit       |
| • Lease Finance     | • NGO-Linkage Loan         | • Capital Market Operation     |
| • Consumer Credit   | • Consumer Credit          | • Special Small Loan           |

### ::2.7.1 Other Business/Services::

- |                             |                            |
|-----------------------------|----------------------------|
| • Government Treasury Bonds | • Utility Bills Collection |
| • Locker Service            | • Ancillary Services       |
| • A.T.M. Card               | • Merchant Banking         |



## ::2. 7.2 Islamic Banking Services::

### **:Deposit Products:**

- Al-Wadeeah Current Account(AWCA)
- Mudaraba Savings Account(MSA)
- Mudaraba Special Notice Deposit Account(MSNDA)
- Mudaraba Term Deposit Account(MTDA)
- Mudaraba Hajj Saving Account(MHSA)
- Mudaraba Sonali Monthly Deposit Scheme(SMDS)
- Mudaraba Monthly Profit Scheme(MMPS)

### **:Investment Products:**

- Bai-Murabaha
- Bai-Muajjal
- Bai-Salam
- Bai-Istisna
- Hire Purchase Under Shirkatul Melk(HPSM)

## 2. 8 At a Glance Sonali bank ltd ( Uttarkhan Branch )

In Bangladesh , commercial banks are many , in all Sonali bank ltd. Is one of the largest state owned bank . It has 1218 branches all over the country and UTTARKHAN branch is one of them . It is situated near Uttara , Dhaka .

### **Sonali Bank Ltd. Uttarkhan Branch at a glance :**

Bank name	Sonali Bank Ltd.
Branch Name	Uttarkhan
Branch Address	Uttarkhan Mazar , Uttara , Dhaka- 1230
Telephone no.	
Branch code	01321

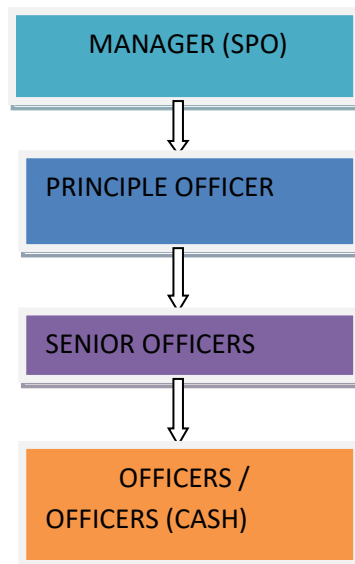




Routing no.	200264604
District	Dhaka
Services hour	Sunday - Thursday ( 10.00 – 04.00)

### **2.8.1 Hierarchy of Sonali bank (Uttarkhan Branch)**

Hierarchy position of Uttarkhan Brach is given below :





## 2.8.2 Employee chart of Sonali bank Uttarkhan branch

SI NO.	Designation of the employee	No. employee
1	Principle officers	1
2	Senior officers	4
3	Officers / officers (cash)	4

## 2.8.3 Major Activities of Sonali Bank Ltd.

To understand the banking activities of Sonali Bank Ltd. we have to learn the general banking activities. General Banking is most busiest and important department of a branch, because funds are mobilized, cash transactions are made; clearing, remittance and accounting activities are done here. Since bank is confined to supply the services day to day, general banking is additionally. In Sonali Bank Limited , Uttarkhan branch, the subsequent things wiped out in this department:

- Opening of account
- Chequ book issue
- Transfer of account
- Closing of account
- Remittance
- Issuing solvency certificates
- Providing statement to customers
- Inward and outward mail registration etc.



#### **2.8.4 Depository product :**

- Saving Bank Account (SB A/C)
- Current Deposit Account (CD A/C)
- Short – term Deposit
- Fixed deposit

#### **Special schemes**

- Sonali deposit scheme (SDS)
- Educational deposit scheme (EDS)
- Medical deposit scheme (MDS)
- Marriage savings schemes (MSS)

#### **Most Attractive Schemes**

- Monthly earnings Schemes (MES)

#### **2.8.5 Loan Product :**

- Cash credit general – hypothecation
- Sort over draft ( SDS, EDS,MDS,MSS,SBMS,FDR )
- House Building Loan ( General )
- SMALL BUSINESS LOAN SCHEME
- Personal loan ( consumer loan )
- House Building Loan ( STAFF)
- MOTOR CYCLE LOAN



- COMPUTER LOAN
- SME FINANCE ( WORKING CAPITAL TO TRADE )
- LEADING UNDER SPECIAL INVESTMENT SCHEME

### **2.8.6 Cards :**

- ATM Card
- Credit Card (Local, International and Dual)



## **CHAPTER 3**

### **ANALAZE THE PERFORMANCE OF LONG TERM INVESTMENT OF SONALI BANK LIMITED**



### **3 Investment**

Investment is expenditure or current sacrifices of firm for the anticipated benefit of the future.

Investment is an asset intended to produce income or capital gains.

#### **3.1 Objectives and Principles of Investment :**

The Objective and principles of Investment operation of Bank

- To diversify its investment portfolio by size if investment portfolio by sector by securities by economic purpose and by geographical are including commercial and agriculture industrial, .
- To make investment keeping to socio economic requirement of the country view .
- To increase the potential number of investors by making participatory and productive investment .
- To invest in form of goods and commodities rather than give out cash money to the investment client .

#### **3.2 Process of Investment**

Heads	Characteristics
Application	An applicant applies for the loan in the prescribed form of the bank describing the types and purpose of loan.
Suction	I. 1. Collecting credit information about the applicant to determine the credit worthiness other borrower. Source of information 2. Personal Investigation, confidential report from the bank, Head offices / chamber of commerce. 3. CIB



	(Central information bureau) report from central bank. 1. Evaluation of complies with its lending policy. 2. Evacuating the proposed security .4. LRA is must for the loan exceeding one corer as ordered by Bangladesh Bank. 5 If everything is in accordance the loan is sanctions
Documentation	Then bank prepare a loan proposal which contains terms and conditions of loan for approval of manager . Takes the necessary papers and signature from borrowers .
Disbursement	A loan Account is opened. Where Customer A/C -----Dr. Respective Loan -----Cr.

Table 01: Process of Investment of SBL

### 3.3 Economic Sector Wise Investment :

Sector	2014 (Tk.)	2015 (Tk.)	2016(Tk.)	2017(Tk.)	2018(Tk.)
<b>Bank and NBF</b>	2,966,211,660	3,027,403,329	3,015,648,286	2,491,218,565	3,405,883,131
<b>Insurance Company</b>	110,885,104	110,892,579	100,892,579	65,103,754	65,103,754
<b>Fuel and Power Company</b>	396,154,586	443,936,508	463,816,949	625,790,542	731,052,961
<b>Manufacturing</b>	1,200,839,354	1,183,974,530	1,226,987,525	1,660,790,046	2,937,116,625



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Table 02 : Sector wise investment of SBL

### Interpretation :

In sector wise investment is quiet sable as we saw on this table. In sector Fuel and power company sonali bank ltd. Invest highest amount and then Bank and NBFI , in manufacturing sector and then least investment on insurance company .

### 3.4 Long term Investment :

- Government Notes / Bonds / other securities
- Prize Bond
- ICB share
- Debenture Public
- Privet bond
- Long Term Loan

#### 3.4.1 Treasury Bond (T-bond)/ Government Bond

T-bonds are marketable debt securities issued by Government with maturity of more than ten years. It is known as risk free in the market and makes semi-annual interest payment.

Particulars	2014	2015	2016	2017	2018
2 years	18,839,834,947	21,232,792,548	26,162,027,697	20,351,863,223	16,033,485,469
<b>T-bond</b>					
5 Years	53,667,355,833	72,404,566,063	100,629,810,113	92,931,469,314	108,886,646,549





<b>T- bond</b>					
<b>10 Years</b>	45,745,407,919	56,631,830,471	85,446,507,886	95,428,440,421	102,465,442,765
<b>T- bond</b>					
<b>15 Years</b>	10,677,473,491	18,165,349,005	29,169,714,917	36,058,788,719	44,757,377,619
<b>T- bond</b>					
<b>20 Years</b>	9,381,482,353	21,989,598,783	27,651,908,186	32,882,010,000	40,634,442,446
<b>T- bond</b>					
<b>25 years</b>	596,933,000	434129000	5,354,200,000	5,354,200,000	42,387,500
<b>T- bond (SPL)</b>					
<b>5-15 years T - bond</b>	54,164,700,000	55,164,700,000	271,325,000	144,140,000	46,364,700,000

**Table 03 : Different types of Treasury Bond of SBL**

### **3.4.2 Prize Bond (P-bond)**

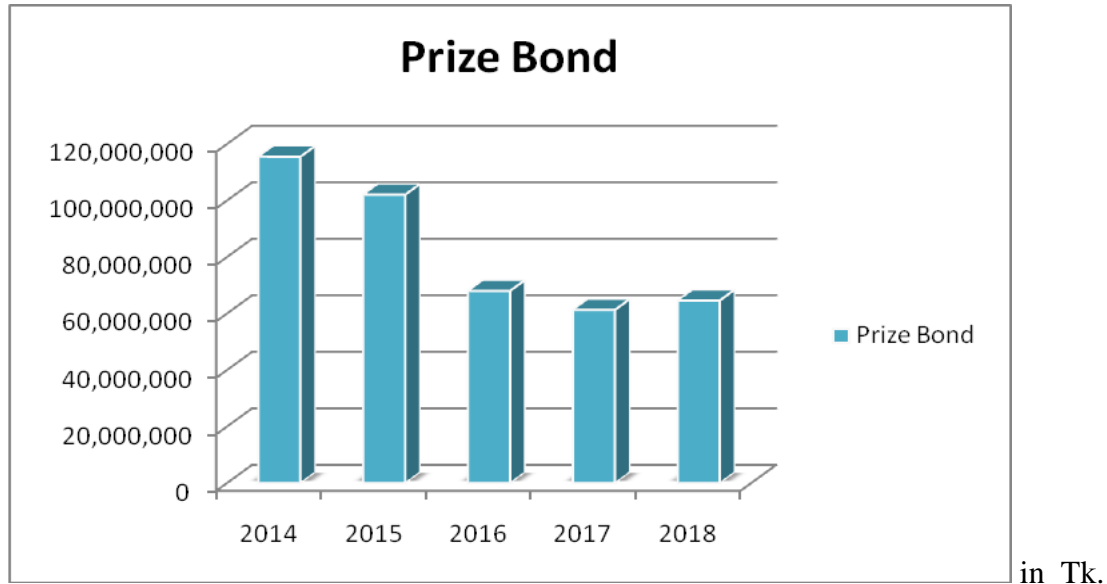
It is lottery bond, bearing non-interest. Government raises bonds for internal borrowings, after a particular time it is refunded to its owner.

<b>Particulars</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>P-bond</b>	115,501,476	102,078,300	67,999,430	61,275,750	64,590,200

**Table 04: Prize Bond of Sonali Bank ltd.**



**Graphical Presentation:**



**Figure01 : Prize Bond of Sonali Bank Ltd.**

**Interpretation :**

Investment of prize bond was decreased by year to year . This figure shows that in 2014 , investment on prize bond is tk. 115,501,467 it was decreased to 102, 078 , 300 in 2015 . Then it was decreased year to year . Now in 2018 , the prize bond investment is 64, 590,200.

### 3.4.3 ICB Share

Particulars	2014	2015	2016	2017	2018
ICB Share	175,027,500	913,424,500	913,424,500	913,424,500	913,424,500

**Table05: ICB share of SBL**



## Graphical Presentation :

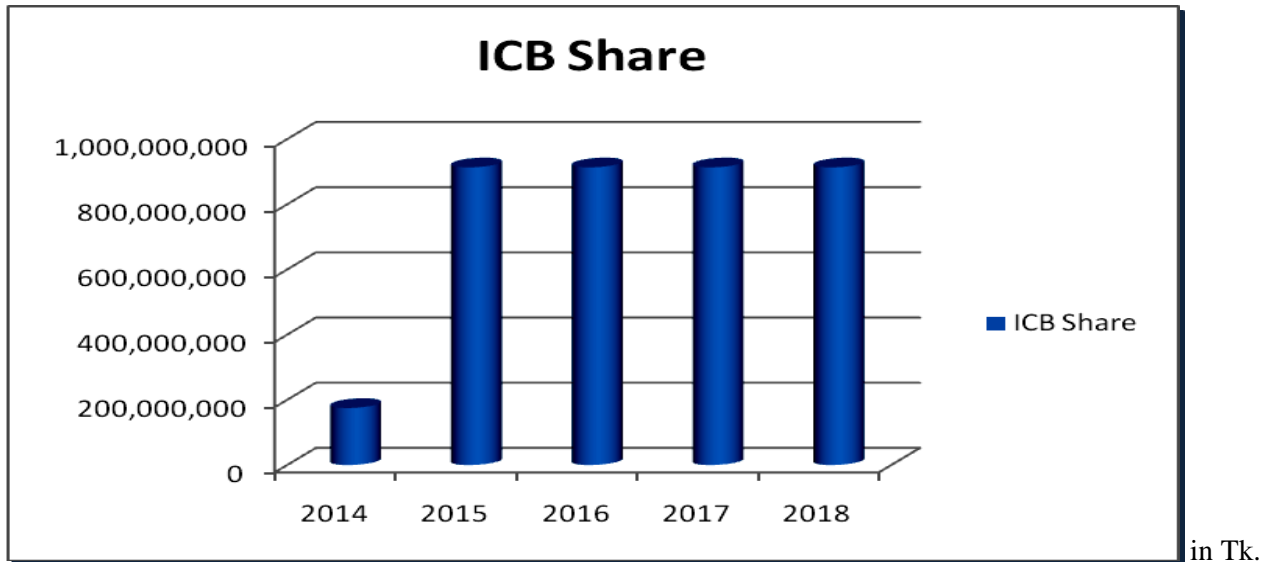


Figure 02 : ICB share of SBL

### Interpretation :

Investment of ICB share is in stable position . This figure shows that in 2014 , investment on ICB share is tk. 175,027,500 and it was increased to in 2015, in amount 913,424,500 . Then it was in stable position .

### 3.4.4 Debenture :

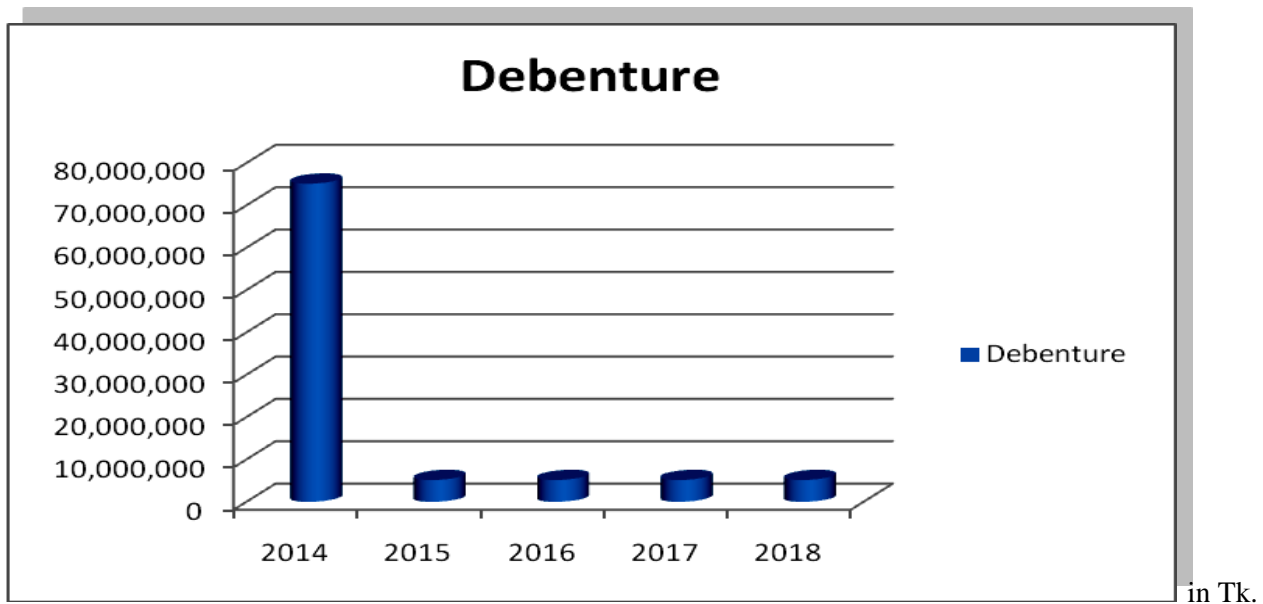
Debenture is a unsecured debt security . Debenture unsecured because of collateral . Only Creditworthy company can purchase this .

Particulars	2014	2015	2016	2017	2018
Debenture	75,147,900	5,147,900	5,147,900	5,147,900	5,147,900

Table 06 : Debenture of SBL



## Graphical Presentation :



**Figure 03 : Debenture of SBL**

### Interpretation:

Investment of Debenture is in stable position . This figure shows that in 2014 , investment on Debenture is tk. 75,147,900 and it was decreased to in 2015 , amount is tk. 5,147,900 . Then it is in stable position form 2015 to now .

### 3.4.5 Privet Bond

Privet bond also can call corporate bond. Invest on privet bond means that purchasing bond from the issuing corporation like – Prime bank ltd Bond , jamuna bank ltd Bond., MTBL Bond , SIBL Banl Bond and so on .

Particulars	2014	2015	2016	2017	2018
Privet Bond	3,738,000,000	10,639,900,000	15,241,920,000	21,340,000,00	43,930,000,000
				0	

**Table 07 : Privet Bond Of SBL**



### Graphical Presentation :

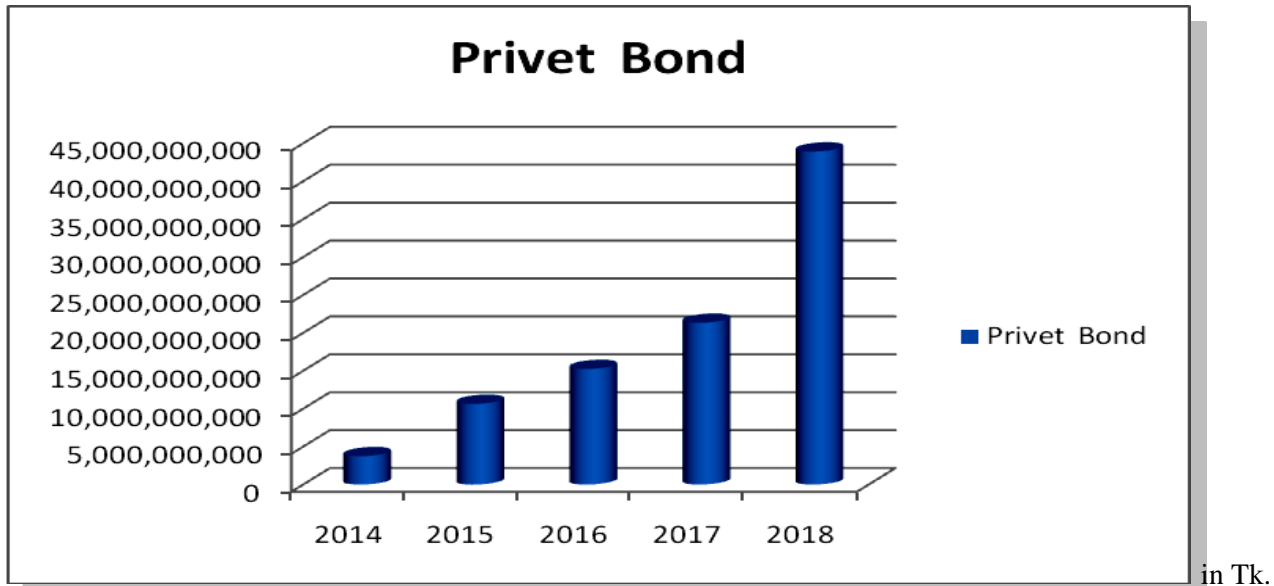


Figure04 : Privet Bond of SBL

### Interpretation :

Investment on Privet Bond is in good position than other investment of SBL . In 2014, investment on Privet Bond amount in Tk. 3,738,000,000 from then investment of Privet Bond in increased day by day in 2018 , investment on Privet Bond is amount Tk. 43,930,000,000 .

### 3.4.6 Long Term Loan :

In normal sense Loan is a liability. In bank Loan is source of earring money by Interest . so Loan is one kind of investment and assets of a organization .

Particulars	2014	2015	2016	2017	2018
<b>Total Loan</b>	337,554,433,143	346,346,340,867	384,538,118,238	423,218,353,943	464,083,319,377

Table 08 : Long Term Loan of SBL



**Graphical Presentation:**

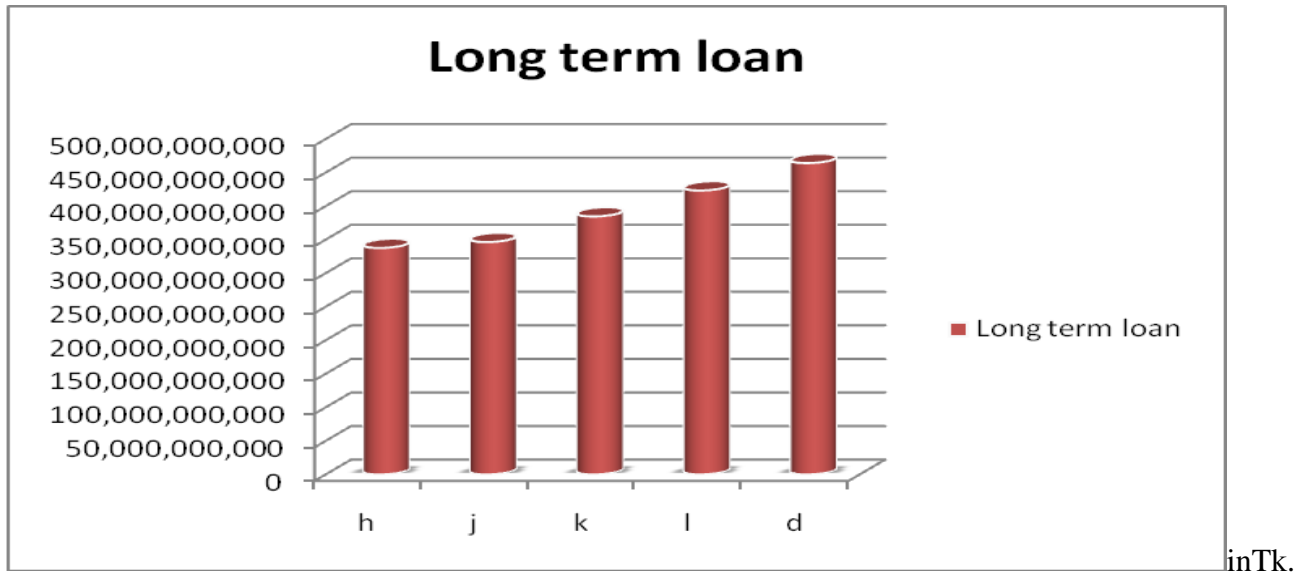


Figure 05: Long Term Loan of SBL

Interpretation :

This graphical presentation of Loan shows that the amount of Loan investment is increased every year of SBL . in 2014 to 2018 the loan amount in tk. Increased 337,554,433,143 to 464,083,319,377. So, this is good sign for company .

**3.4.7 Total Investment of Sonali Bank**

Particulars	2014	2015	2016	2017	2018
<b>Government Securities</b>	18,352,194,148	25,241,572,158	20,035,094,753	420,729,885,067	377,242,876,572
<b>Other Securities</b>	1,556,127,854	1,327,089,604	1,422,497,335	41,846,731,809	66,808,724,194
<b>Total</b>	<b>19,908,322,002</b>	<b>26,568,661,762</b>	<b>21,457,592,088</b>	<b>462,576,616,876</b>	<b>444,051,600,766</b>

Table 09: Total Investment of sonali Bank



**Graphical Presentation:**

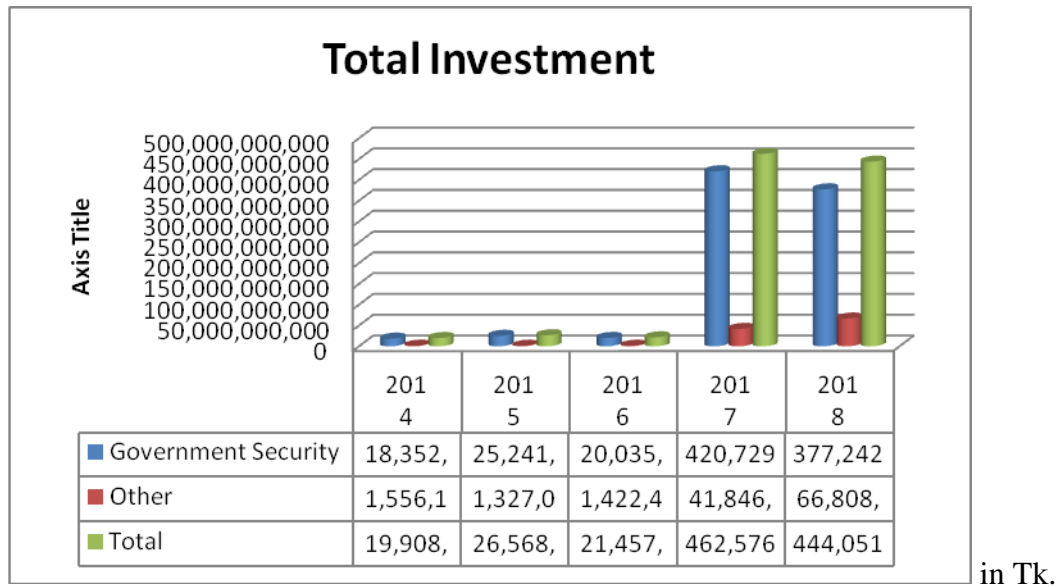


Figure 06 : Total Investment of SBL

**Interpretation :**

Sonali Bank Limited is a state owned bank of Bangladesh . Government support is strength for Sonali Bnak Limited . Investment of Government security in increased day by day. In 2014 investment on government security was TK. 43,930,000,000 . From then the investment of Government Security was increased day by day . Now 2017, amount TK. 420,729,885,067 then it is decreased by 377,242,876,572 in 2018. Other Securities was increased from 2014 to 2018 , in amount Tk. 1,556,127,854 to 66,808,724,194 .

**3.5 Earnings form Investment;**



A Study on Long – Term investment management of Sonali Bank Ltd.

Particulars	2014	2015	2016	2017	2018
Interest on treasury bond (RM)	15,024,563,090	17,500,306,614	28,633,223,132	28,801,259,205	31,528,838,468
Interest on debenture	41,784	6034,026	-	2,508,403,719	545,982,567
Dividend on shares	1,292,102,150	831,835,943	956,568,186	1,091,393,479	1,328,342,121
Gain on sale of shares	-	-			923,759,605
Capital gain or loss of investment securities	972,228,992	546,140,754	682,027,666	(124,023,354)	
Discount income	-	-	-	-	
<b>Total</b>	<b>23,136318,700</b>	<b>27,400,014,402</b>	<b>30,967,665,178</b>	<b>33,955,789,770</b>	<b>34,359,121,291</b>

**Table 10 :Earnings from Investment of Sonali Bank ltd.**

### 3.6 Growth of Income From Investment:

Particulars	2014	2015	2016	2017	2018
Growth of income %		15%	11%	8.80%	1.17%

**Table 11: Growth of Income Form Investment Of SBL**

### Graphical Presentation:



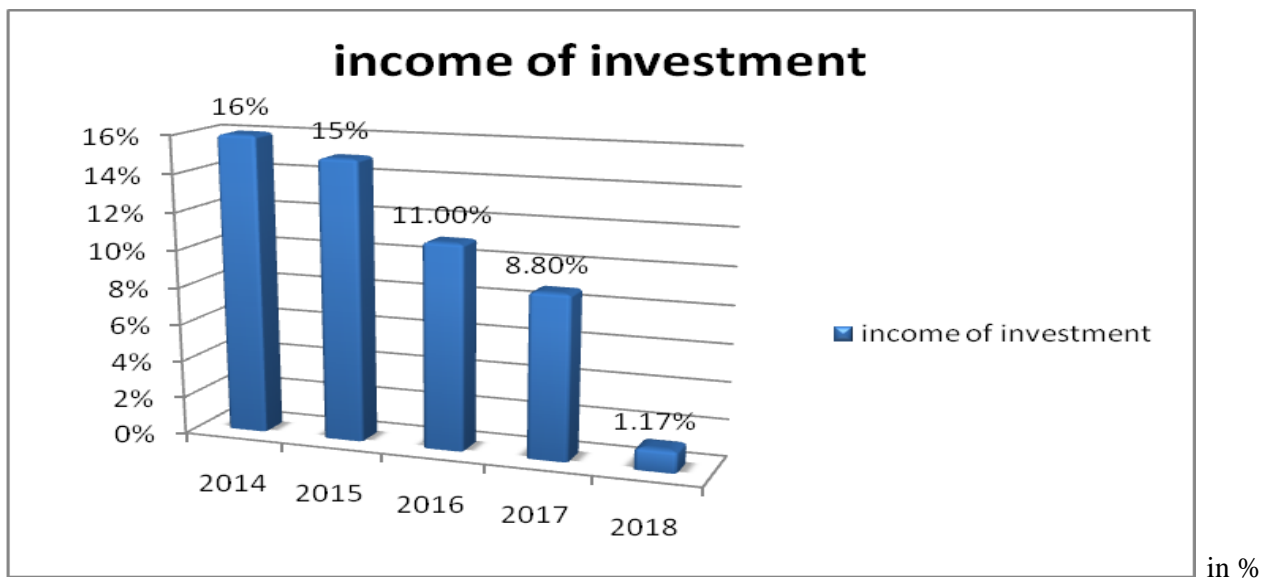


Figure 07: Growth of income Form Investment

### Intrepretation :

This graphical presentation show that how company falling down income in investment year to year . Ammount in TK.of income from the invstment is increasing but the percentage of increasing income from investment is decesing . so Company need to manage more effectively

### 3.8 Return on Investment (ROI)

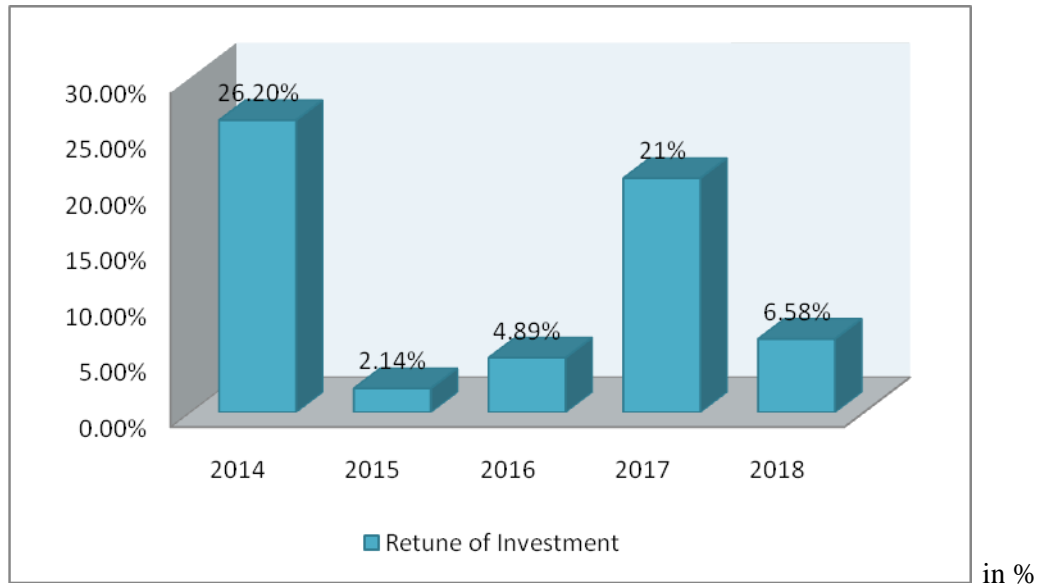
Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments.

Particulars	2014	2015	2016	2017	2018
Return on Investment(%)	26.2%	2.14%	4.89%	21%	6.58%

Table 12: Return on Investment of Sonali Bank Ltd.



### Graphical Presentation :



**Figure 08 : Return on Investment of SBL**

### **Interpretation:**

**Return on Investment** measures the gain or loss generated on an investment relative to the amount of money invested. ROI is usually expressed as a percentage. In this graph, the position of ROI of SBL is good in 2014 and 2017 that is 26.20% and 21%. Higher percentage of ROI is good sign for company. At present, 2018 the condition is not good in basis of ROI it is 6.58%.

### **3.8 Performance of Sonali Bank Ltd. at a Glance**

SONALI BANL LIMITED

BALANCE SHEET

© Daffodil International University



31 DECEMBER, 2018

<b>Particulars ( in Taka )</b>	<b>2017</b>	<b>2018</b>
<b>Property and assets</b>		
<b>Cash</b>	87,995,987,174	98,128,039,198
<b>Balance with other bank and Financial Institution</b>	68,872,230,477	107,792,446,613
<b>Money at call on Short notice</b>	22,564,800,000	19,723,200,000
<b>Investment</b>	<b>462,939,311,828</b>	<b>444,464,275,340</b>
<b>Loan and Advance</b>	425,491,805,397	466,319,944,186
<b>Fixed Assets</b>	33,310,453,736	33,380,013,461
<b>Other Assets</b>	156,390,979,250	137,946,812,451
<b>Total Assets</b>	<b>1,256,711,671,362</b>	<b>1,306,842,319,895</b>
<b>Liability and Capital liability</b>	714,241,872	659,172,428
<b>Deposit And other account</b>	1,064,311,082,539	1,093,866,187,769
<b>Other Liability</b>	125,598,823,345	142,180,088,518
<b>Total Liability</b>	<b>1,190,624,147,756</b>	<b>1,236,705,448,715</b>
<b>Shareholder Equity</b>	<b>66,087,469,606</b>	<b>70,136,871,180</b>
<b>Total liability and shareholder Equity</b>	<b>1,256,711,617,362</b>	<b>1,306,842,319,895</b>

### Interpretation :

Balance sheet mainly shows the amount of assets , Liability and owner's equity . so , this balance sheet says that the amount of total assets is increased in 2017 to 2018 , 1,256,711,671,262 to 1,306,842,319,895 and also with the assets liability and owner's equity is also increased .

SONALI BANK LIMITED

Profit and Loss Statement



At the end of Year December , 2018

Particulars ( in taka)	2017	2018
<b>Operating Income</b>		
<b>Interest Income</b>	27,674,490,306	32,708,304,286
<b>Interest paid on deposit</b>	-	-
	42,899,799,505	39,001,105,869
<b>Net interest Income</b>	-6,292,801,583	-
		15,225,309,199
<b>Interest</b>	46,678,520,452	45,613,183,634
<b>Total Operating income</b>	<b>31,453,211,253</b>	<b>39,320,382,051</b>
<b>Total Operating Expenses</b>	19,498,309,164	19,063,005,523
<b>Profit Before Provision , Amortization and Taxes</b>	<b>11,945,902,089</b>	<b>20,257,376,528</b>
<b>Total Provision</b>	2,380,973,446	14,006,020,447
<b>Total Profit</b>	9,574,028,643	6,251,356,081
<b>Provision for tax</b>	2,482,368,257	3,987,141,968
<b>Net profit</b>	<b>7,091,660,386</b>	<b>2,264,214,113</b>

### Interpretation :

Income statement or profit or loss statement refers the net income for specific period of time . This statement shows that the net profit of SBL is **deceased** form 2017 to 2018 in amount **7,091,660,386 to 2,264,214,113** . It means about tk. 4,827,446,000 is low then previous year.

### 3.8.1 Return on Asset :



Return on assets (ROA) is a measure of profit per taka of Assets. It can be defined several ways, but the most common is this:

$$\text{Return On Assets} = \text{Net income} / \text{Total Assets}$$

Particulars	2014	2015	2016	2017	2018
Return on Asset (%)	6.47%	5.71%	1.26%	5.46%	1.73%

Table 13 : Return on Assets of Sonali Bank Ltd.

### Graphical Presentation:

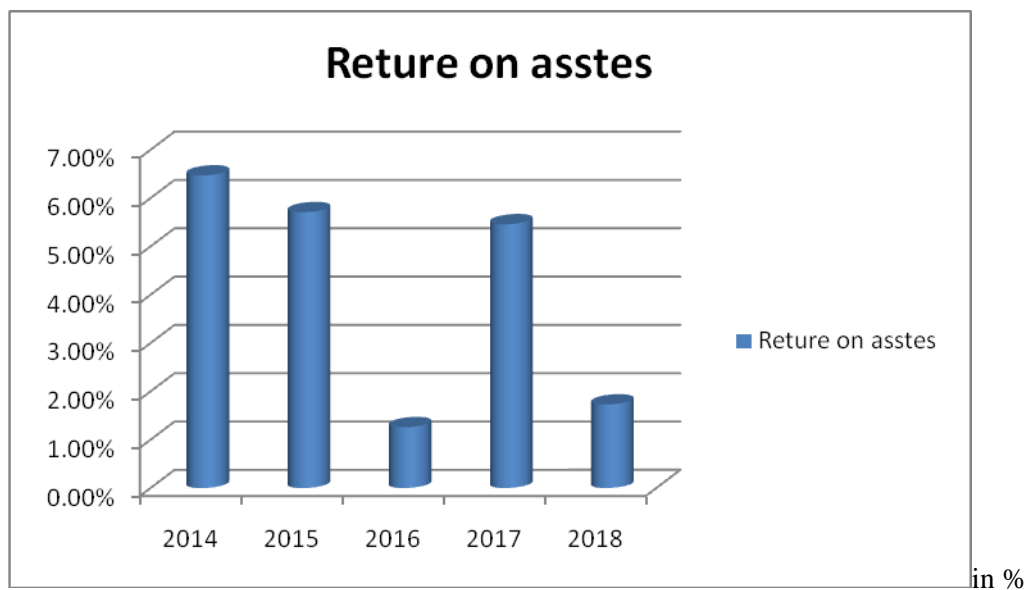


Figure 09 : Return on Assets of SBL

### Interpretation:

The ROA figure gives shows investors an idea of how effectively the company is converting the money it has to invest into net income. The bank return on assets is decreasing from 2014 to 2016, which is 6.47% to 1.26%, and it is not good for the organization. Then it increased to 5.46% in 2017, in 2017 performance was good for SBL because a higher percentage of ROA is a good sign; it means earn more.



money in low investment . In 2018, return on Assets was again decline to 1.73% . Afterwards SBL ROA fall down which not good sing for organization .

### **3.8.2 Return on Equity (ROE):**

Return on Equity is a measure of how the stock holder fared during the year . ROE usually measure by this :

$$\text{ROE} = \text{Net Profit} / \text{Total Equity}$$

Particulars	2014	2015	2016	2017	2018
<b>Return on Equity (%)</b>	.10%	0.01%	.022%	.10%	.032%

**Table 14 : Return on Equity of Sonali Bank Ltd.**

### **Graphical Presentation:**

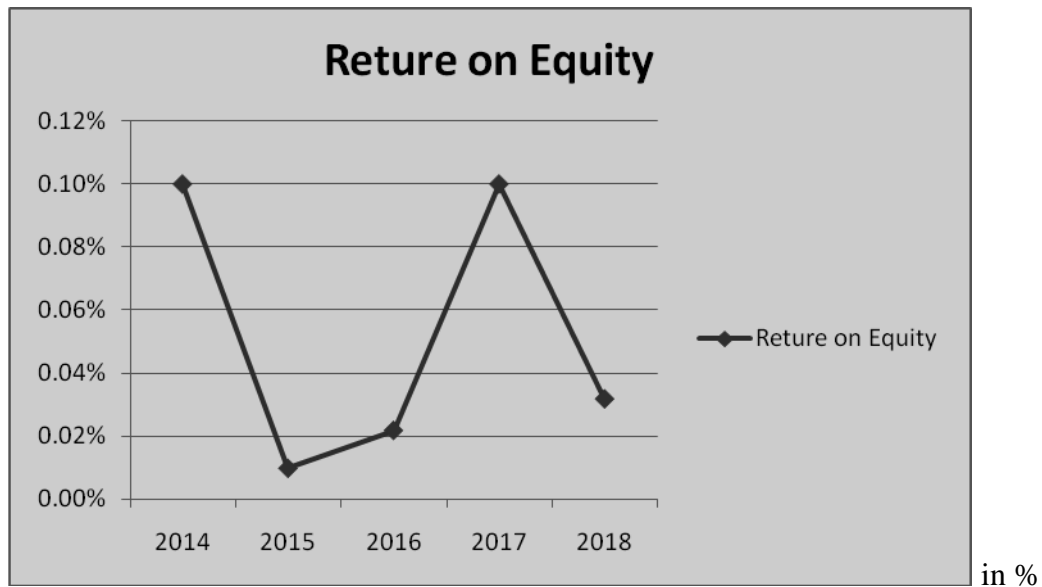


Figure 10 : Return of Equity Of SBL

### Interpretation :

Return on equity is an important measure of the profitability of a company . Higher values are generally favorable meaning that the company is efficient in generating income on new investment . It shows net income as percentage of shareholder equity . . The bank return on Equity is decreasing 2014 to 2015 which is .10% to 0.01% and it is not good for organization . . In 2016, Return on Equity was increased to .022% and then it increased by .10% in 2017 . In 2018, return on Equity was decline to 0.032% . This ratio says that the performance of Equity with net profit is not good in recent.

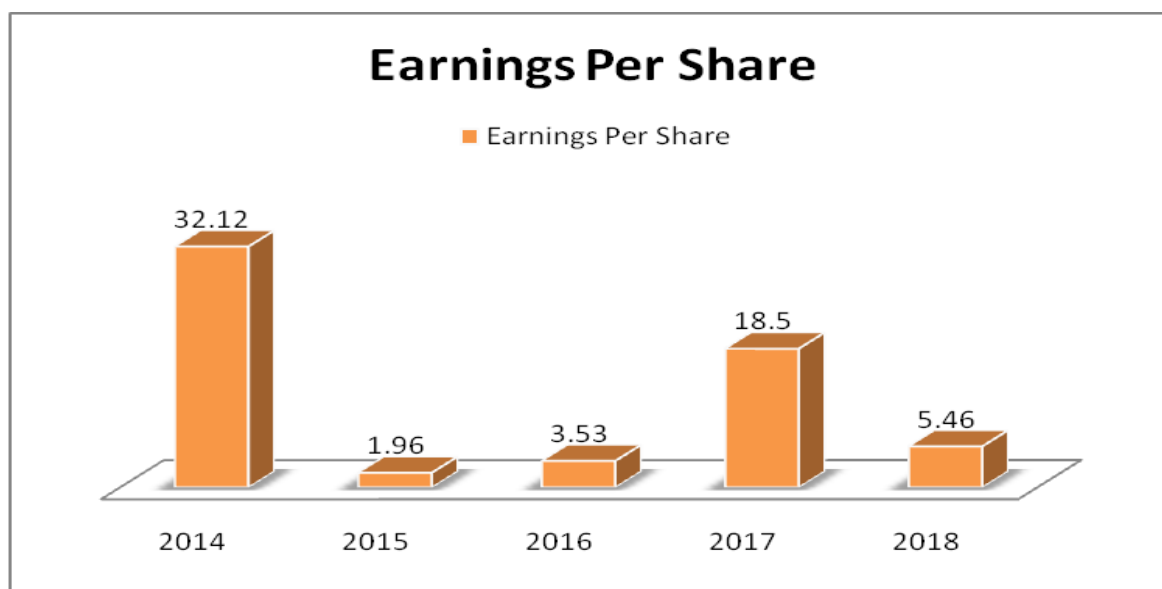
### 4.8.3 Earnings per Share

Particulars	2014	2015	2016	2017	2018
Earnings Per Share	32.12	1.53	3.96	18.50	5.47

Table 15 : Earnings Per Share of Sonali Bank Ltd.



### Graphical presentation :



**Figure 13: Earnings Per Share of SBL**

### Interpretation:

Earnings Per Share is a financial ratio, which is measured by net income with Outstanding share . EPS position of SBL is in fluctuating . Mostly position of EPS is not Good . in 2018 decreasing to 2017 and it is bad sing for SBL .

## 3.10 SWOT Analysis of Sonali Bank Ltd.

### **Strengths:**

Strengths of a company defines its core competencies, knowledge and skills and how powerful the resources than that of its competitors. During my internship period, I got an opportunity to observe





sonali bank ltd strengths in relative field practically. The strengths of sonali bank limited are given below-

- As the bank is largest bank in our country, it has total of 1211 branches. Thus it has advanced and vast network capability across the country.
- The bank has skilled and trained manpower
- As SBL is a Government bank, it gets support from government.
- All of the officials are very much cordial and friendly. They take challenges of providing outstanding and standard customer facility to the people.
- SBL maintains and believe in trained personnel. Sonali Bank Staff College is such an institution which provides training and mentoring each of the officials of the respective bank.

#### **Weaknesses:**

The inability or absence of sufficient resources is termed as weakness of a company which affects the overall growth of an organization. The weaknesses of the bank are-

- Sonali bank ltd lacks of using modern banking tools and technology.
- The bank does not use any IT applications.
- The bank has no established strategic plan for accomplishing its goal for long term.
- It needs to be fixed now in order to gain the competitive advantage than the other multinational bank.
- It's a reality that the service providing mentality of public banks of our country has not yet reached in a standard level. Sonali bank Ltd has to maintain the standard in order to provide better customer oriented service

#### **Opportunities:**

Opportunities are seen as the helping force of any company in order to compete with the challenges in the long term. If an organization gets a favorable support in competitive environment that is signified as future growth or opportunities of a company. The opportunities of Sonali Bank Ltd are given here

- Majority of our people is lower middle-class or lower class. Since the bank has broad image of rural people, retail lending can be useful for them. Sonali Bank has to develop and decorate their consumer finance schemes in a way so that it becomes easy for the bank to explore more markets in rural areas.
- SBL has a satisfactory result in remittance sector. The management can offer more customer oriented facilities because there has an increasing demand for that.



- There is a rising demand for SBL in financing at small enterprises.

**Threats:**

- The unprofessional practice of the borrowers.
- Improper interference of Govt.
- Less motivated workforce.
- SBL facing hard competition with multinational and private banks. The practice of online banking and mobile banking system



## **Chapter 4**

### **SUMMERY OF FINDINGS**

#### **4.1 Findings**

We come up with some finding after reviewing the entire report. Some of the Sonali Bank's activities are very conventional. We came to know about this when we contrasted them with other local banks. They make their work easier with the new computerised system than they do, Sonali Bank. Although SBL Bank has a computerised system, it still follows the same old process to manually save its maximum data where other banks do with their computer. Below are some observations



- **Awareness:** Branch Manager Aware of the goals and knows how to motivate employees and how to well represent the Bank in the local community.
- **Skills:** the bank's workers are young but not very inspired.
- **Professional analysts:** Financial analysts have a strong background in the study of financial statements, business and economics, as well as good negotiating skills. This reduces the likelihood of bad debt.
- **Document:** Account Opening in SBL is in troublesome as it required so many documents. Customer gets annoyed sometimes to bring so many documents those are troublesome to collect.
- **Investment position:** Investment of Sonali Bank is Fluctuating Position and Earnings from investments is not impressive.
- **ROI( Retune on investment) :** Form the analysis we have seen that ROI in fluctuating mode . ROI is not good of SBL .
- **Loan and Deposit:** Loans and deposits of this bank are rising at an impressive rate. Every kind of long term investment are an impressive position.
- **Company Performance:** In basis of ROA, ROE, EPs, last five years the condition of company is fluctuated day by day. . But in recent condition of Sonali Bank Ltd. is not in good Position.
- **Loan Sanction Process:** Loan sanctioning process is lengthy.
- **Online Services:** The bank provided online banking in all branches.
- **Procedure of Working:** They find the interest suspense account through their computer but manually they check those out.
- **Training Institution:** Sonali Bank has own training Institution ( Sonali Bank Staff Collage ) for its employees, so they don't require to train them in other training Institutions.
- **Working Environment:** The working environment of the office is very nice.
- **Services:** Poor service mentality and workforce are not highly motivated for attaining long term professional goals.

## 4.2 Recommendations & Conclusions



### 4.2.1 Recommendations

From 1972, Sonali Bank Ltd. have work on their success along with customer's benefits. Though they are very good with their schemes and process, here some recommendations which I feel can help for long run.

- **Government Securities:** Sonali Bank should invest more in government securities to increase their earnings from investments.
- **Investment Cost :** They should have more emphasis on investing in shares or other securities and try to minimize the investment cost by increasing their investment efficiency.
- **Loan Sanction Process :** The loan sanction procedure should be made quicker since competition is very hard today in the banking industry, it can be done through the creation of sub-department of credit department who will only be liable for sanctioning loans.
- **Credit Risk:** Sonali Bank Ltd. receives its main income on loans (investment) from benefit (interest income). In order to avoid credit risk the maximum amount possible by reducing adverse selection, before sanctioning any loan, bank officers need to determine whether all aspects of lending principles are filled out and whether or not other concerns such as credit quality, transparency, prepayment of loans, insurance and other required fields are protected.
- **Sector of Investment:** The bank received the largest amount of investment primarily in urban areas concentrating on commercial and industrial sectors. In order to support regional equity in the country's development and to take the bank as pleasant to the masses of people across the country, the bank should give greater importance to making its fund accessible to rural-based industries and organisations as functional alongside diversified industries that can operate as a result of the factors that mitigate the bank's investment risk.
- **Advertisement and Promotion :** Sonali Bank Ltd. should give more attention on advertisement and promotion of the bank for creating more attraction among its customers.



- **Computerize data** : Sonali Bank Ltd. should computerize all the manual data as they have faced problems to find data in many occasions.
- **Communication System** : Communication between the employees and management should be more developed.
- **Booth** : To keep pace with the other banks, they should open ATM booths to ensure better consumer satisfaction.

#### 4.2.2 Conclusions

The Sonali Bank Limited is one of the best Banks in respect of service, profitability and strength among the all commercial banks in our country and also to play a catalyst role in the formation of capital market. Sonali bank Limited bears a different history of its own.. Its various deposit and credit products have also attracted the clients-both corporate and individuals who feel comfort in doing business with the Bank.

In conclusion, the investment and credit policy of sonali Bank is not that much impressive but if they can try then they make profit by improving their policies regarding investment and credit management. Overall Sonali Bank is performing very good in the Banking sector for their attractive banking policies. Sonali Bank Ltd. Bank's recruitment and selection process, training programs and initiatives taken so as to enhance the standard of their employees and to make sure that they work to their fullest potential have generated good outcomes, which show that their investment in their employees is successful.



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- Sonali Bank Annual Report 2016
- Sonali Bank Annual Report 2015
- Sonali Bank Annual Report 2014

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- [www.sonalibank.com.bd](http://www.sonalibank.com.bd)
- [www.bb.org.bd](http://www.bb.org.bd)
- en.wikipedia.org/wiki
- some Book for Theoretical knowledge
  1. Investment ( Charles P. Jones )
  2. Essential of Investment
  3. Fundamental of corporate Finance ( Ross , Westerfield , Jordan)



## Appendix

### Equations:

$$1. \text{ Return on Assets (ROA)} = \frac{\text{Net Income}}{\text{Total Assets}}$$

$$2. \text{ Return on Equity (ROE)} = \frac{\text{Net Income}}{\text{Shareholders Equity}}$$

$$3. \text{ Return on Investment(ROI)} = \frac{\text{Net Income}}{\text{Total investment}}$$