

Internship Report

On

General Banking Activities of Sonali Bank Ltd. ,Jhikatala Branch.



Submitted To

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Dean

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DAFFODIL INTERNATIONAL UNIVERSITY (DIU)

Submitted By

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Date of Submission: 20th September, 2014

“Letter of Acceptance”

This is to certify that Dodul Kumar Sarkar is a student of MBA, ID # 122-14-822 has successfully completed his “**Internship Report**” entitled “**General Banking Activities of Sonali Bank Limited, Jhikatala Branch**”-a study on Jhikatala Branch, under my supervision as the partial fulfillment of MBA degree.

He worked under my supervision and guidance. he has tried his best to do this work. I think this program will help him in the future to build up his career. I wish him success and prosperity.

.....
Rafiqul Islam
Professor & Dean
Department of Business Administration
Faculty of Business & Economics
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Acknowledgement

In the name of Almighty God, the most Beneficent, the most merciful.

It is indeed a great pleasure and honor on my part to have the opportunity to submit internship report after three months practical orientation at Jhikatala Branch of Sonali Bank Limited. First of all thanks to almighty God for enabling me to complete internship report with good and sound health. I am pleased to express my gratitude to placement committee for arranging such a program from which I have carried a practical experience. Internship program is one of the important requirements for the completion of one years MBA program. I have completed my internship from Sonali Bank Limited. In this regard I would like to express my heartiest appreciation to my honorable supervisor Rafiqul Islam, Professor, Department of Business Administration, for his guidance and valuable suggestions to prepare this report.

I would also like to pay my gratitude to all of my faculty members for their constant guidance and cooperation. This study was carried out for developing “**General Banking Activities of SBL, Jhikatala Branch**”. I am indebted to those who have contributed their thoughts, time and efforts to make this project work a complete one and success. I would like to convey my gratitude to Mrs. Akhlakun Nahar , (Sr. Faculty Member of Sonali Bank Staff College) for giving me the opportunity to complete my internee successfully. I am very much grateful to Mr. Mohammed Yasin (Sr. Executive Officer & Branch Manager of Jhikatala Branch). I was directly under supervision of my honorable Sir Professor Rafiqul Islam. This report is being prepared with full Technical assistance and support from, Mrs. Gul Nahar (E.O), Mr. Nazrul Islam (E.O), Mrs. Mahbuba Hossain (Sr. Officer-IT; Computer In-Charge), Md. A.B.M. Saifur Raahman (Sr. Officer), Md. Jashim Uddin (Sr. Officer, Cash In charge), Mr. Md. Kader (Sr. officer), Mr. A.S.M. Sharif Uddin Bhuyan (Sr. Officer), Mr. Shafiq Ahmed (Officer-Cash), and all of the personnel of Sonali Bank Limited, Jhikatala Branch. I would like to thanks especially to Md. Nur alam (Officer), Mrs. Anowara Begum (Officer), Md. Shahjahan Kabir (Supporting Staff) Md. Mizanur Rahman (Officer Cash), Ms. Shamima yeasmin (Officer) for giving me support all the moment of my attachment time and also for make an attractive working environment which I have really enjoyed very much. At last I feel very pleased to thank all my fellow friends for their cordial cooperation in preparing this report.

DEDICATED
TO
My Beloved Parents
&
My Honorable Supervisor

PREFACE

Anyone can gather theoretical knowledge by learning. But practical knowledge and theoretical knowledge is fully different. Practical knowledge is required to be achieved to match theoretical knowledge. In order to gather practical knowledge, DIU has taken effective step such as internship program for the MBA students.

Internship program is one kind of experience. It is the combined arrangement between the educational institutions and business house operating in the practical field.

So the student of MBA should be pragmatic and should have a firsthand view of the real life business environment. The objective of the internship program is to produce the learners with practical organizational environment so that they can tune up themselves for the job in future and can get an opportunity to reconcile the theoretical knowledge with real life situation. For this reason, internship program is an indispensable for the MBA program. As a student of MBA of Daffodil International University, I was placed in Sonali Bank Limited, Jhikatala Branch, Dhaka for three months internship program. I work on an internship report on “**General Banking Activities of Sonali Bank Ltd. , Jhikatala Branch**”.

The best feature of my internship program was the access to a motivated and hard-working team of highly knowledgeable banking professionals. The most important skill that I learnt was the ability to work in a team. I have also picked up considerable skills in handing team communication and the ability to adapt to the ever changing banking scenario. In this report I am extremely grateful to my honorable supervisor Rafiqul Islam, Professor of Daffodil International University.

I have tried my best to make this report effective and realistic and my attempt will be fruitful at that time if anybody is benefited from this one.

Dodul Kumar Sarkar
MBA Program(Regular)
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LETTER OF TRANSMITTAL

20th September, 2014

Rafiqul Islam

Professor & Dean

Department of Business Administration

Faculty of Business & Economics

Daffodil International University (DIU)

Subject: **Submission of Internship Report.**

Dear Sir,

I am truly pleased to submit my internship report on the “General Banking Activities of Sonali Bank Ltd., Jhikatala Branch”. I have gathered what I consider to be the most complete information available. This report gave me the prospect to have a brief knowledge about the General Banking Activities of Sonali Bank Limited. It is a great achievement to work under your active supervision and guidance. I tried my best to incorporate all the information that I have collected during the internship period. I wish the report would fulfill your expectation and standard. I must mention here that, I am extremely grateful to you for your valuable supervision, tireless effort and continuous attention in preparing this report.

I, sincerely hope that you will be satisfied with this report. If you have any query, I will be pleased to answer that. I hope and pray that you would be gracious enough to accord approval to this report.

With best regards

Sincerely

Dodul Kumar Sarkar

MBA Program(Regular)

ID # 122-14-822

Major in Finance

Department of Business Administration

Daffodil International University (DIU)

Executive summary

The report is originated in result of my internship, which I have done, as a requirement of MBA program. This report is done based on my three months internship in Sonali Bank Limited.

During my stay at the office as an internee I never felt vague and ambiguous. The environment of the Sonali Bank Ltd. is well and friendly. The staffs are specialized in their respective fields. Each of them works on their own and there id supervised from the top management. The motivation of the staff, I believe comes from the very sense of responsibility.

Sonali Bank Ltd. is the largest state bank of Bangladesh . Sonali bank Ltd follows the rules and regulation prescribed by the Bangladesh bank. The function covered a wide range of banking and functional activities to individual, firms, corporate bodies, Multinational agencies and the rural area. To serve the nation Sonali bank performs some activities for their clients like: general banking operation as like all kinds of deposit like saving current, short time deposit, fixed deposit, different scheme cash Remittance etc, loan and advance, various types of ancillary services, Islamic banking window, capital market operation etc. Bank collects deposit from public and provide it's to other business or individual as loan. Bank pays interest to deposit holder and take interest from borrowers. Sonali bank measure all risk components before sanctioning a loan. When all the formalities completed then respective officer disburse the loan. After disburse the loan it is duty of bank to recover the disbursed loan. This report is based on actual information and working procedure practiced in SBL.

The first section of this report consists of an introductory part of this report, which has been developed for the proper execution of the entire report. In the second part, a brief description about the host organization of my internship, Sonali Bank Limited, has been given. In the third & fourth part of this report consist of the working experience of the internship at Sonali Bank Limited. The remaining part consist the analysis, findings, recommendations and conclusion. To prepare this report both primary and secondary sources of data have been used. From my part, I would like to suggest, Sonali Bank should strictly follow the principles of sound lending and they should make strong their credit monitoring department. Among the most important of these are honesty, reliability, thoroughness and willingness to always be open to new ideas and new ways of meeting customer needs. However, I've done lots of financial calculations, observed their financial reports & from my working experience I also gathered knowledge about their administrative process of managing different issues.

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Acronyms and Elaboration

Serial No. Acronyms Elaborations

01. CC: Cash credit/ Consumer Credit
- 02 .CRM: Credit Risk Management
- 03 .DD: Demand Draft
- 04 .EDS: Education deposit scheme
- 05 .MDS: Medical deposit scheme
- 06 .FO: Financial obligation
- 07 .FDR: Fixed deposit ratio
- 08 .IBC: Inter Branch Bill collection
- 09 .MSS: Monthly saving scheme
- 10 .LRA: Lending risk analysis
- 11 .L/C.: Letter of credit
- 12 .MT: Mail Transfer
- 13 .OD: Overdraft
- 14 .PO: Payment order
- 15 .SBL: Sonali Bank Limited
- 17 .CIB: Credit information bureau
- 18 .ICD: Industrial credit division
- 19 .SMA: Special mention account
- 20 .SS: Substandard
- 21 .DF: Doubtful
- 22 .BL: Bad loss
- 23 .MES: Monthly earning scheme
- 24 .Financing GAD: General advance division
- 25 .CF: Consumer

CHAPTER -1

1.1 Introduction

I think it is imperative to know the technical knowledge of banking, as a student of Finance discipline. Modern banking is so much sophisticated and full of competition. Since there is a wide discrepancy between theory and practice of banking, internship program is introduced for the student of MBA, Faculty of Business & Economics as candidate of the MBA 2013(Held in 2013) batch. We had to undergo an internship program. This is a 90-day program completed from 07/05/2014 - 07/08/2014. During the tenure of our internship program we got the opportunity to learn about banking which will help build our banking career. More over the observation, which I made during fortnight training, has widened my knowledge and creates an insight, which will help me on many ways in the days to come.

Nothing can run without objectives there are so many of each function. My selected topic is “General Banking Activities of Sonali Bank ltd., Jhikatala Branch”.

1.2 An Overview of the bank

(Organizational Profile of “The Sonali Bank Limited”)

- Beginning of Banking in Bangladesh
- History of Sonali Bank Limited
- Vision & Mission
- Corporate Profile
- Board of Directors
- Some notable feature of the Bank are as follows
- Ancillary Service
- Automation Statues
- Sonali Debit & Credit Card Facilities
- Sonali Prepaid Card & NBR related activities

Beginning of Banking in Bangladesh:

After independence the Government of People’s Republic of Bangladesh was formally to cover the charge of the administration of the territory now constitute Bangladesh. In an attempt to rehabilitate the war - devastated banking o Bangladesh, the government promulgated a law called Bangladesh Bank (temporary) Order, 1971 (Acting President’s order No.2 of 1971). By this Order, the state bank of Pakistan was declared to be deemed as Bangladesh Bank and offices, branches and assets of said State Bank was declared to be deemed as offices, branches and assets of Bangladesh Bank. On that date there existed 14 scheduled banks with about 3042 branches all over the country.

On the 16th December 1971, there existed the following 12 banks in Bangladesh, namely:

- | | |
|----------------------------------|--------------------------------------|
| 1. National Bank of Pakistan | 2. Bank Bahawalpur Ltd. |
| 3. Habib Bank Ltd. | 4. Premier Bank Ltd. |
| 5. Commerce Bank Ltd. | 6. United Bank Ltd. |
| 7. Union Bank Ltd. | 8. Muslim Commercial Bank Ltd. |
| 9. Standard Bank Ltd. | 10. Australasia Bank Ltd. |
| 11. Eastern Mercantile Bank Ltd. | 12. Eastern Banking Corporation Ltd. |

Nationalization of Banks in Bangladesh:

Immediately after the Government of Bangladesh Consolidated its authority, it decided to adopt socialist pattern of society as its goal. Hence in order to implement the above mentioned state policy; the Government of Bangladesh decides to nationalize all the banks of the country accordingly on the 26th March, 1972, Bangladesh Banks (Nationalization) Order , 1972 (President Order No.26 of 1972)was Promulgated.

Existing Banks	New Bank
<ul style="list-style-type: none"> • National Bank of Pakistan. • Bank Bahwalpur Ltd. • Premier Bank Ltd. 	Sonali Bank Ltd.
<ul style="list-style-type: none"> • Habib Bank Ltd. • Commerce Bank Ltd. 	Agrani Bank Ltd.
<ul style="list-style-type: none"> • United Bank Ltd. • Union Bank Ltd. 	Janata Bank Ltd.
<ul style="list-style-type: none"> • Muslim Commercial Bank Ltd. • Standard Bank Ltd. • Australasia Bank Ltd. 	Rupali Bank Ltd.
11. Eastern Mercantile Bank Ltd.	Pubali Bank Ltd.
12. Eastern Banking Corporation Ltd.	Uttara Bank Ltd.

◆ **Background of SBL:**

Sonali Bank Limited is the largest State-owned commercial bank in Bangladesh. It was established under Bangladesh Banks (Nationalization) Order-1972, President's Order No.26, 1972 consisting of National Bank of Pakistan, Bank of Bahawalpur Bank and Premier Bank. Sonali Bank Limited was registered as a Public Limited Company under Companies Act, 1994 on June 03, 2007 with the Joint Stock Companies and Firms for managerial efficiency and developing bank's service. Bangladesh Bank issued Banking License on June 5, 2007 under the Bank Company Act. 1991. Sonali Bank Limited took over the business of Sonali Bank on November 15. 2007 with all its assets, liabilities, benefits, rights, powers, authorities, privileges, borrowing and obligations as a growing concern under a Vendors Agreement signed between the Government of the People's Republic of Bangladesh and the Sonali Bank Limited.

◆ **Vision, Mission & Slogan of SBL:**

- **Vision:** Socially committed leading banking institution with global presence.
- **Mission:** Dedicated to extend a whole range of quality products that support divergent needs of people aiming at enriching their lives, creating value for the stakeholders and contributing towards socio-economic development of the country.
- **Slogan:** Your trusted partner in innovating banking.

Corporate Profile of SBL:

Name of the Company:	Sonali Bank Limited
Chairman:	Dr. AHM Habibur Rahman
CEO and Managing Director:	Pradip Kumar Dutta
Company Secretary:	A.K.M. Sajedur Rahman Khan
Legal Status:	Public Limited Company
Genesis:	Emerged as Nationalized Commercial Bank in 1972, following the Bangladesh Bank (Nationalization) order No. 1972(PO No.26 of 1972)
Date of Incorporation:	03 June, 2007 as Limited Company
Date of Vendor's Agreement:	15 November, 2007
Registered Office:	35-42, 44 Motijheel Commercial Area, Dhaka, Bangladesh
Authorized Capital:	Taka 2000.00 core
Paid-up Capital:	Taka 1125.00 core
Number of Employee:	21,839
Number of Branches:	1204
Phone-PABX:	9550426-31, 33, 34, 9552924
FAX:	88-02-9561410, 9552007
SWIFT:	BSONBDDH
Website:	www.sonalibank.com.bd
E-mail:	itd@sonalibank.net.bd

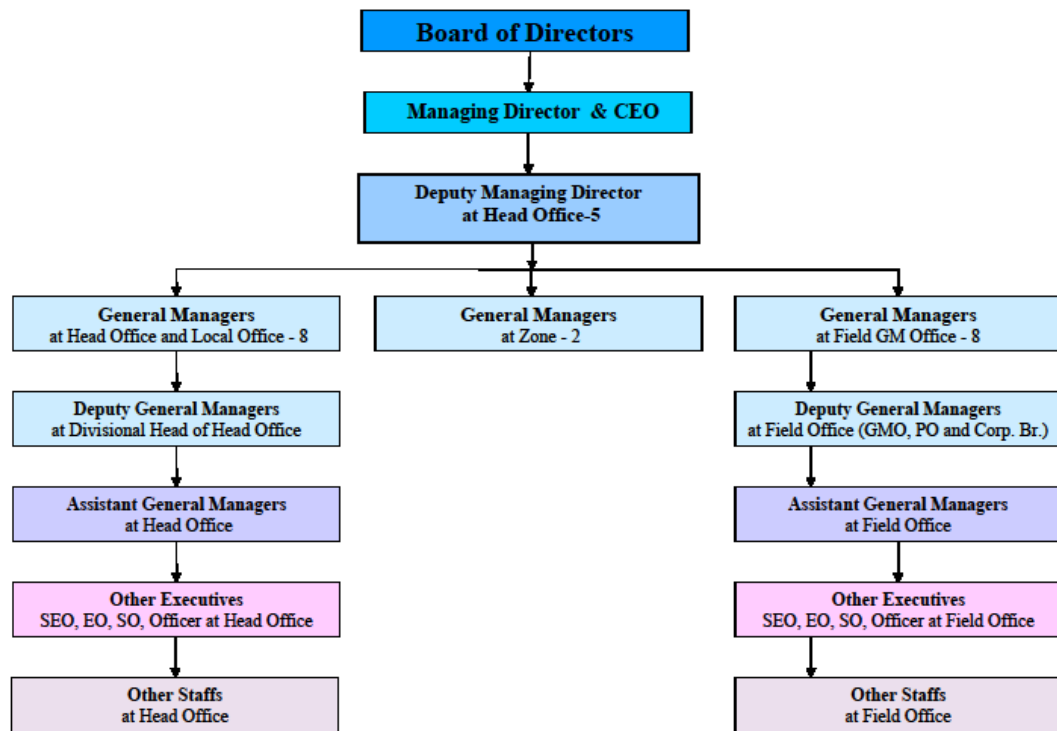


Figure: Organogram of Sonali Bank Ltd.

Some notable feature of the Bank is as follows: (As on 13-03-2014)

Capital Structure:

Authorized	Taka 2000.00 Core
Paid up	Taka 1124.00 Core

Branches, Subsidiaries & Associates:

• Total Number of branches	1204
• Number of overseas branches	02
• Number of local branches	1202
• Number of rural branches	806
• Number of urban branches	342
• Number of Regional Offices	19
• Number of Principal Offices	43
• Number of G.M. Offices	10

Subsidiaries:

- Sonali Exchange Company Incorporated (SECI) having 09 branches in USA.
- Sonali Investment Limited (Merchant Banking) having 04 branches at Motijheel, Paltan, Uttara and Mirpur in Dhaka, Bangladesh.

Associates:

- Sonali Bank (UK) Limited having 6 branches in UK 01

Representative Office:

01(one) in Jeddah, 01(one) in Riyadh, 01 (one) in Kuwait 03

Islami Banking Windows:

05

Correspondent:

- Bank 631
- Exchange House

Ancillary Services:

Sonali Bank Limited offers multiple special services with its network of branches through out the country in addition to its normal banking operations.

Collection:

- Gas bills,
- Telephone bills,
- Municipal holding Tax,
- Customs & Excise duties,
- Jakat fund,
- Land development tax.
- Electricity bills,
- Water/Sewerage bills,
- Passport fees, visa fees and Travel tax,
- Source tax and VAT,
- Hajj deposit,

Payment:

- Pension of employees of Government and other Corporate Bodies,
- Bangladesh Bank employees' pension,
- Army pension,
- British pension,
- Students' stipend/scholarship,
- Govt. & Non-Govt. Teachers' salary,
- Food procurement bill on behalf of the Govt.

Social Services:

- Old age allowances,
- Widows, divorcees and destitute women allowances,
- Freedom Fighters' allowances,
- Maternal allowances for poor women,
- Disability allowances.

Sale & Encashment/Purchase:

- Savings Certificates,
- ICB Unit Certificates,
- Prize Bonds,
- Wage Earner's Development Bonds,
- US Dollar Premium & Investment Bond,
- Lottery tickets of different Semi-Govt. and Autonomous Bodies,
- Sanchaypatra,
- Public Service Commission's application form,
- Judicial Service Commission's application form,
- Exchange of soiled / torn notes.

Misc. Services:

- Bank a/c information of tax payer client according to demand of NBR,
- Local Governance Support Project,
- Enlist of Non-Government Insurance Company.

Automation status:

Digitalization status of Sonali Bank Limited

1. Branch Computerization: 1148 branches are on live Operation. Out of 1194 branches at home, 1179 branches have already been entered in the automation network.

2. Foreign Remittance: Bank's own in-house software "Remittance Management System" (RMS+), having, among others, the feature of paying foreign remittance instantly over the counter is being implemented at all branches. This web based software provides digital services to the expatriates through its unique advantage of sending confirmation message to the mobile phone of the remitter/beneficiary.

3. ATM: Sonali Bank Limited is a member of Q-Cash ATM network. At present the bank has 53 ATM booths. Sonali Bank's ATM cardholders enjoy the access to the ATMs and POS of Dutch Bangla Bank Ltd. and Brac Bank Ltd. besides those of Q-Cash consortium. Sonali Bank recently launched Credit Card.

4. Online and SMS Banking: At present 109 branches of Sonali Banks are included in the Online Any Branch Banking (ABB) network. SMS Banking service is running in 73 branches. The bank is seriously working on connecting all branches in the Real-time Online Banking network gradually. Branches having ABB facility are also rendering SMS banking services.

Sonali Debit Card Facilities:

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

BRAC bank limited. Member Banks of Q-Cash Consortium:

- Sonali Bank Limited
- IFIC Bank Limited
- National Bank Limited
- Basic Bank Limited
- Jamuna Bank Limited
- Pubali Bank Limited

- Trust Bank Limited
- Social Islamic Bank Limited
- State Bank of India
- Jamuna Bank Limited
- NCC Bank Limited
- The City Bank Limited
- Uttara Bank Limited
- Mutual Trust Bank Limited
- ICB Islamic Bank Limited
- Bangladesh Commerce Bank Limited
- Eastern Bank Limited
- Markentile Bank Limited
- Shahjalal Islamic Bank Limited
- Standard Bank Limited
- Bank Asia Limited

1.3 Objectives of the study:

To evaluate the banking performance of Sonali Bank, Jhikatala branch, Dhaka, following steps are consider here-

- 1 Know the activities of the bank in daily transaction.
- 2 Find out the loan disbursement performance of the bank.
- 3 Know the loan recovery performance of the bank.
- 4 Understand the deposit mobilization performance of the bank.
- 5 Learn the profitability performance of the bank.
- 6 Identify the effective interest cost and effective administrative cost.
- 7 Learn the productivity performance.

1.4 Data and Methodology

Data Collection Methods:

There are two sources of data one is primary source other is secondary source of data.

A) Primary Data Collection Method:

Primary data was collected from Sonali Bank Ltd., Jhikatola, Dhaka. To prepare this report. I have collected data by following three types of Primary methods. These are described below:

1. Questionnaire Method:

To collect information for my Practical training. At first, I made a questionnaire . After preparing the questionnaire I collected data from . Personnel and other concerned people of my targeted bank.

2. Interview Method:

I have collected data through the interview. I have taken interview of the officers, executives and supervisors and they all responded all of questions friendly.

3. Observation method:

I was present physically in various department of Sonali Bank Ltd. Jhikatola Branch, Dhaka for the Purpose of our internship training. During 07/05/2014 - 07/08/2014 and I have observed all the functions of the Bank. From this observations and with the help of my practical knowledge, I have collected some data about the Bank.

B) Secondary Data Collection Method: Sources of secondary data are given below:

- 1 Some Published and unpublished research report.
- 2 Books, Magazines and Papers.
- 3 Business and Technical Journals.
- 4 Public records and statistics.
- 5 Documents
- 6 To evaluate the banking performance of the Sonali bank Ltd., I have used annual data from 2011-2013 various current financial position of the bank.

1.5 Limitations of Data Collection:

The Manager and Officers of Sonali Bank were on guided. So, they could not give me enough time for discussion about managerial problems of Sonali bank. I had to face some problems during collecting data, such as:

- 1 Some executives were not available to face them due to their business.
- 2 Time of Data collection was not sufficient.
- 3 Problem of lack of my knowledge about study work.

CHAPTER-2

GENERAL BANKING.

2.1 Types_ of various Account holders are given below

Table -1

Sonali Bank Ltd.

Jhikatola Branch, Dhaka.

Clients and customers.

Savings A/C	Current A./C	Fixed Deposit	STD A/C	SDPS A/C	DPS A/C	EDS A/C	MDS A/C	SDS A/C	MES A/C	DBS A/C	SBS A/C	RSS A/C	MSS A/C
8664	550	366	28	21	8	130	99	269	74	74	9	3	6

Source: Sonali Bank Ltd.(29 th may ,2014) Jhikatola Branch, Dhaka.

An important and interesting finding is that most of the DPS Account holder and SDPS account holders are housewife's.

We found the Manager and other officials of the bank very friendly and cordial. The briefed us the functions of the bank in a manner that has been very easy and comfortable to understand. What we understand from their speeches are represented in the Sections to follow.

2.2 Documents and rules of various account

Documents for opening individual account

- i. Account opening form
- ii. Citizenship certificate
- iii. Specimen signature card
- iv. Two copies of passport size photographs
- v. Cash money
 - a. Tk. 1000 for savings account
 - b. Tk. 1000 for current deposit account
- vi. Mandate form
- vii. Passport size photograph of nominee.

Various types of account holder need documents and maintain rules relating to open bank account.

i) Owner of personal A/C:

If any person opens accounts in his own name, he will be termed as the owner of personal A/C. The necessary documents required for opening personal A/C, has been discussed above. **i) Owner of joint A./C.:**

When two or more persons open an account jointly it is called a joint A/c and such account holders are termed as joint A/c. holder, which maintaining. The following rules and regulations are followed.

- 1 The joint account holders of any one of them authorized to operate to A/c may open .

- 2 The joint account holders are equally liable for repayment of debt, that taken from the bank.
- 3 After death of an owner, at least one of them is alive, then the money can be withdrawn from the A/c through cheque .
- 4 According to the rules of our country in case of joint A/c. opened by husband and wife, the husband is considered as the owner of the A/c.

iii) Joint stock company:

While opening an account in the name of company the banker must satisfy himself about the following:

- 1 The name of the company, the shareholders name and address.
- 2 The following document must be collected.
- 3 The signature of the shareholders in the application form.
- 4 A document containing the shares of shareholder, their responsibilities and duties.
- 5 Name of the person or persons who are authorized to operate the bank A/c. ,on behalf of the company.
- 6 If there is any change among the shareholders it must be informed to the bank authority.
- 7 All the shareholders are equally liable for the repayment of debt taken from the bank.

iv) Public Limited Company:

While open in an account in the name of public limited company the banker should take the following particulars:

- 1 The application for opening an account.
- 2 Naming the person who is authorized by the managing director or managing committee to operate the bank A/c.
- 3 Specimen signature of the customer.
- 4 Certified copy of constitution and memorandum of the company.
- 5 List of directors and their signature certified by chairman.
- 6 Scrutiny the financial condition, nature of business of the company.
- 7 The company is liable for the repayment of debt taken from the bank.

v) Non-trading organization:

Clubs, societies, charitable and religious institutions not engaged in trading activities can open their accounts in the bank. According to the constitution of the institution one or more employee authorized to operate the bank A/c. can operate the A/c. If the institutions are not registered bank account cannot be opened.

iv) Special types of Account holders:

A contractual relationship is created between the banker and customer by opening an account. Basically person where age is 18 years or more can be competent to open an account with the bank. But there are some special types of account holder specified below:

Minor:

According to the law of Bangladesh, a person who has not completed 18 years of age is a minor. A minor is not capable of entering into a valid contract. A minor can not open any account or operates it until he completes 21 years. The bank records the date of birth of the minor while opening an account.

Illiterate person:

Illiterate person can not signature names and hence the banker takes their thumb impression as a substitute for signature and also a copy of their recent photograph. An approved witness should attend the application form and the photograph.

Blind person:

A blind person can open account and the procedure would be the same as illiterate persons. In both cases the terms and conditions of opening account should have to be read in front of them and if they agree with it only then the account can be opened.

Deaf and Dumb:

Deaf and Dumb can open account but the respective banker should have to become careful about the background and character of the person.

Mad and Lunatic:

Mad and lunatic person can not open a bank account.

1 Closing of bank account:

The relationship between a banker and his customer is a contractual one and may be terminated by either of them by giving notice of his intention to the other person. The rights and obligation of a banker in this regard is as follows:

- 2 It directs the banker to close his account
- 3 On receipt of the notice of the death of customer
- 4 If a banker receives a notice regarding the identity of his customer
- 5 On receipt of a Garnishee order from the court
- 6 Fixed account is closed automatically after the specified date.

Rules of operation of individual account

- i. Nominee system
- ii. Account holder can authorize another person to operate the account in case of need.
- iii. The account is transferable.
- iv. In the event of death of the individual all operations must be stopped forthwith.
- v. Account order can cancel the mandate.
- vi. After death of account holder the account should be treated as “deceased account”.

Joint account

While opening an account in the joint name of two or more persons, the banker should get in writing instructions, signed by all the account holders regarding the names of the persons authorized to operate on the account and the extent of their authority.

Types of joint account

- i. Saving account
- ii. Fixed Deposit Account
- iii. Current account

Restrictions of joint account

- i. All the members of the account should be literate.
- ii. Clear and specific instruction should be obtained regarding operation of the account.
- iii. No illiterate person can open a joint account.

Rules of operation of joint account

- i. No operation shall be made after the death of member of joint account.
- ii. Separate application should be given jointly for account transfer.
- iii. Separate application should be given jointly for fund transfer.
- iv. No mandate can given to a third person.
- v. A member of a joint account can withdraw the power of a member of the joint account.
- vi. It necessary, a common address of the account holders may be obtained for correspondent purpose.
- vii. In case of mandate of one member of joint account holders all operations should be stopped.

Opening an account

To open an account, an individual has to carry out some formalities.

Once these formalities are carried out in appropriate manner, the applicant is issued a checkbook and considered as a valid account holder of the bank.

In case of joint accounts the applicant must furnish the following information:

- (i) Name of the parties who will operate the account and sign checks.
- (ii) At the event of death of either or any of the account holder how the balance will be paid and to whom the securities (if any) will be delivered. The documentary requirements are almost the same as individual accounts. Account opening form and the special instruction must be signed by all the joint account holders to signify their consent.
- (iii) If the client is a private or public limited company, the company has to give a description about the type of the account and the operation of the account. Specimen signature of the peoples who are authorized to open and operate the account and the source of their authority.

Closing an account:

In order to close an account the holder has to place written application. After getting application the bank will deduct service charge at an amount of 25 and 50 against savings and current deposit respectively as closing fee from the balance and the rest of the money is given to the customer.

The function of deposit mobilization

Deposit is the lifeblood of a commercial bank. Following demonstrates various deposits and savings schemes of the Sonali, Bank, Jhikatala Branch, Dhaka.

Demand Deposit

These are checkable deposit i.e. withdraw able without notice. Check can be drawn on these A/C i.e. current deposits. Savings deposits may be included in this group.

Current accounts

Current accounts are normally opened for businessman depositors can withdraw or deposit money as many times as they need. In Sonali Bank initial deposit is Tk. 1000 and balance must be maintained at least at this amount. No interest is paid on this account.

Money at call at short notice

This account is as like as current account but it is opened only for business organization. In this case, a notice has to be given prior to 7 days from withdrawing money, by the customer. The bank gives interest @ 2% per annum.

Fixed deposit

Fixed deposits are the deposits, which are accepted for a fixed period of time. This type of deposit is very popular to the fixed income earners. Bank maintains different term of this deposit and interest rate varies with the variation of term minimum term is 3 months.

Table -2

Duration	Interest
1-3 months	8%
3-6 months	8.5%
6-12 months	8.75%
1 year – 2 years	9%

Deposit pension scheme (DPS)

DPS is as like as fixed deposit but its term is 10 or 20 years. The service holders are the beneficiaries of this DPS. It is a Govt. program. The bank gives interest @ 15% per annum and money can be with drawn at a time or in installment after maturity. This program has been closed now. If any customer fails to deposit his installment through a year then the contract will be inviolate and he will get interest as like as savings A/C. It treated as high cost that why its tend to close.

Sonali Bank Deposit Pension Scheme (SDPS)

Since DPS program has been closed by the Govt. order bank arranges SDPS for facilitating the service holder's accumulation of savings. Its term is 5 and 10 year. The rate of interest for 5-year term is 10% and for 10 years is 12% money can be with drawn at a time or in installment after maturity. If any customer fails to deposit his installment through a year then the contract will be invalid and he will get interest as like as saving A/C.

Preparation of abstract

Once the banking hour is over, an abstract is prepared on 29thMay,2014 the picture of the abstract was as follows:

Sonali Bank Ltd.
Jhikatala Branch, Dhaka
Statement
As on 29th May 2014

Debit	Tk.	Credit	Tk.
Sonali Bank general account (Out side the clearing House)	1036490255.84	Main office account (Inside the clearing house)	370261288.00
Prize Bond	111900.00	FDR	489196877.96
Cash Credit	6005084.41	Short term deposit (STD)	35718771.37
Overdraft (Against DPS & SDPS)	5842621.48	DPS	1738167.83
Small Loan	179122.25	SDPS	29880422.50
House Building Loan General	120792.00	Saving bank deposit	100145209.87
House Building Loan Staff	44300076.63	Current Account	4259721.99
Staff Loan other then HB Loan	1471820.60	Call deposit	33934.95
Micro Credit		Drafts payable	715295.13
i. Small Farming	540991.00	Pay order account	1678380.00
ii. Rural Small trade	142047.00	FDR interest account (Provision)	23640022.00
iii. External norad credit	20443.35	Interest suspense account	150844
iv. Sonali Bank Industrial Credit Loan	47399.00	Interest suspense penal account	34875
v. Rural Credit	2255911.75	Interest suspense penal account commission	12983.86

Dead Stock	123451.92	Interest account	1248.00
Building construction Account	526303.33		
Stationary	108130.37		
Stationary G.M. Offices	24138.97		
Suspense Account	24604.72		
Suspense Account (G.M. Office)	10100.00		
Drafts Payable Ex-Advice account	1139188.60		
Demand bill Purchase account	739797.49		
Pension bill account	8112960.59		
Charges account	187264.00		
Charges account (G.M. Office)	351250.00		
Cash in hand	717815.04		
Total	1088322638.61		1088322638.61

Some observation

The check honoring process appeared to be very slow. By convention, a check is supposed to be honored by 10 minutes, but in practice it take no less than 20 minutes even at the late banking hours when the rush is thin. The process would be much faster if it were assisted by computers. In the world of the electronic checking facilities, the speed at which checks are honored here seemed no faster than a snail's pace.

In my opinion the following factors are responsible for the delay in cash delivery.

Savings accounts

In this account the depositors can deposit money in their account as many times they want but in a week they are allowed to withdraw only 25% of the balance or Tk. 20000 at a time. If any depositor wants to withdraw more than twice in a week or an amount more than 25% of the balance or more than Tk. 20000 at a time, in a week, the customer has to notice the bank at least, 7 days before; otherwise the customer will receive no interest for the month. Sonali Bank gives interest @ 3.5% per annum. The required initial deposit is Tk. 500 and this amount must be left in order to keep the account alive. It may be mentioned here that 15% of savings deposit is treated as demand deposit.

Time deposit

Time deposits are not repayable on demand. These are repayable after the expiry of certain period which ordinarily varies from 3 months - 5 years. The rate of interest on these deposits is usually high.

2.3 Customer services

Money Transfer (Remittance):

Remittance is two types such as (i) Inland remittance (ii) Foreign remittance. Sonali Bank earns a huge amount of money by selling several customer services. The branch of bank offers the following services:

Instruments of money transfer:

Demand Draft (DD)

DD is the most popular instrument of remitting fund. It is an order to pay money drawn by one branch of a bank upon another of the same bank

for a particular sum of money which is payable to order and demand. The commission for DD is Tk. 15 of Tk. 1000 to Tk. 10000 and additional Tk. 1.5 every thousand over Tk. 10000.

Mail Transfer (MT)

MT is another means of remitting fund and it is similar to DD except that in case of MT, the customer (who is sending the money) is not provided any papers but a receipt. The bank sends the MT papers under its own responsibility to the respective branch.

Payment Order (PO)

It is a written document. This PO can be encased on that branch from where it is issued. Several supplier organizations use this PO and here no account is needed to open with the bank. It is issued locally. This instrument is used generally by the contractors and suppliers.

Telegraphic Transfer (TT)

TT is the fastest means of money transfer between two branches of the same bank. The frequency of issuing the above-mentioned instruments is summarized in table 3.

Table 3

Sonali Bank Ltd., Jhikatola Branch, Dhaka.

Instrument of money transfer

Instrument	Commission charged (Tk.)	Average daily issue	Average daily commission earned
DD	Up to 10000 minimum charge is 10 plus 15% VAT on commission. But, for above 10000 Tk. 1 for every 1000 plus 15% VAT on commission.	10	450 Tk.
TT	Up to 10000 minimum charge is (Tk. 10+25 Tk. fixed charge)=35 Tk plus). But for above 10000 Tk 1 for every 1000 plus 25 Tk. fixed charge plus 15% VAT on commission.	5	500
MT	Up to 10000 minimum charge is (Tk. 10+25 Tk fixed charge) =20 Tk. plus 15% VAT on commission. But, for above 10000 Tk. for every 1000 plus 10 Tk. fixed change plus 15% VAT on commission.	4	100
PO	Same as DD	250	3500

Collection of customers' bills

Customer can liquidate a check drawn upon another bank. Commercial banks perform this function for customers without any charge.

Other customer services

Other customer services of this branch include. The branch does not receive any fees for these services.

- (a) Collection of electricity bills for PDB.
- (b) Collection of telephone bills for T & T.
- (c) Collection of water bills for the Dhaka South City Corporation.

Loan Functions

The Bank officials were very reluctant to speak of the loan functions especially of their performance in disbursement and recovery of loans and advances. In this regard, they narrated same papers, which we do not think are needed to be presented here since they are available in textbooks.

Interest rate of all type of loan and advances showing the following table:

Table -4

Name of loan and advances	Interest rate (%)
Overdraft:	
DPS	14%
FDR	08%
SDPS	10%
Cash credit:	13%
Small loan:	12%
HB loan:	12%
Staff	5%
General	10%

Agriculture loan:	8%
Industrial loan:	10%
Long term	5%

Special function assigned by the Government :

i) Payment of pension:

The retired pension draws their money from this branch. For this 1% commission or service charge is taken. Pension's money is supplied to this branch by government.

ii) Payment of allowance to the old:

Its money supplied to this branch government. Then the old draws their allowance money from this branch. 1% service charge is taken from government.

ii) Salary of school and college teachers:

This branch delivers salary of school and college teachers. This money is delivered to this branch by government. No service charge is taken. It is non-profit transaction.

CHAPTER-3

BANKING PERFORMANCE EVALUATION

3.1 Performance Evaluation of the daily transactions functions of the Sonali Bank Ltd., Jhikatala Branch, Dhaka.

Table-1 Number of accounts and amount of deposits as on May 29, 2014.

Name of account	Numbers of accounts	Total amounts of deposits(Tk.)
Savings	8664	353512698.76
Current	550	4259721.99
Fixed deposit	366	140259203
STD	28	1750000
SDPS	21	58132290.25
DPS	8	2241402
EDS	130	13666977
MDS	99	8348981.26
SDS	269	19256241.50
MES	74	80645777
DBS	74	41563542
SBS	9	19200
RSS	3	2528372
MSS	6	192125
Total	10301	745632773.222

Above table shows that Jhikatala Branch, Dhaka has an excellent performance in performing daily transaction. But this branch does not provide overdraft against current account, which is very much unpleasant. An interesting finding is that most of the account holders of DPS & SDPS are housewives. The following figure –1 indicates that most of the accounts of Jhikatala Branch, Dhaka are saving accounts.

FIGURE –1, Portion of various accounts

3.2 Interest paid for different deposit mobilization of the Sonali Bank Ltd.

The following table shows the picture of deposit position during 2011 - 2013 (Tk.).

Table 2: Year wise interest paid for different various deposit position

	2011	2012	2013
FDR	10,455,936,040	14556349 564	19755607536
STD	857,607,309	17451125 45	1992101030
DPS	180,588,311	19318966 7	182544803
SDPS	19,511,614	707,483,156	626,831,941
Savings	5,487,009,076	64660515 15	6887087855
Current	-	23355	27860
Call deposit	16,161,942	4,659,670	126,646
EDS	431,047,165	515,437,846	515,437,846
MDS	881,736,371	1,101,557,284	1,319,203,627
RDS	105,707,261	161,130,554	197,866,349
MES	375,145,757	785,340,974	2,016,681,788
SBS	177,367,511	8,248,747	2 7,579,067
DBS	634,604, 077	1,336,124,051	2,679,996,255
MSS	50,573,364	103,519,676	143,177,603

RSS	3,007,550	64,839,053	7 1,748,061
DPS	10,222,228	17,016,101	17,016,101
TBS	-	-	4 4,840,303
MDS	881,736,371	-	2 1,869,002
SRSS	-	62,035,681	220,741,157
Total	21,489,034,4 24	28,985,966,412	38,205,094,631

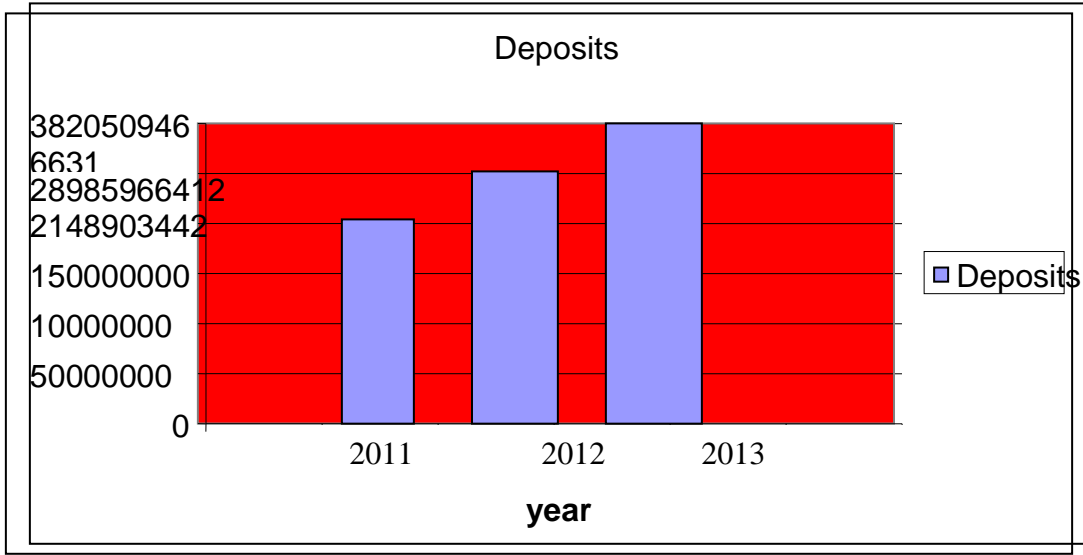
Source: Sonali Bank Ltd.-Financial & Audit Report-2012& 2013

Table 3 Growth rate of total deposit mobilization

Year	2011	2012	2013
Total Deposit (Tk.)	21,489,034,4 24	28,985,966,41 2	38,205,094,6 31
Growth rate of deposit (%)	-	34.88	31.81

The following figure –2 shows the trend of total deposit mobilization in recent years

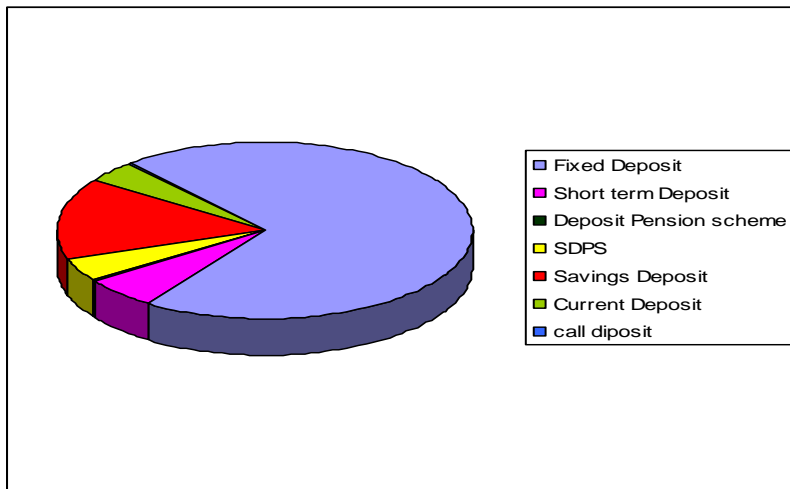
Figure -2



The above tables and figure indicate an increasing as consequently trend of total deposit collection for the year 2011 to 2013.

The following figure -3 indicate the portion of various types of deposits in 2013.

Figure -3



Above figure indicate that, FDR occupied major portion of the total deposit.

Above analysis suggest that Sonali Bank Ltd. has an excellent performance mobilizing deposit. The main causes behind this types of performance is that, Sonali Bank Ltd. is a Nationalized Commercial Bank and its has a greater safety than other privatized bank in returning the deposited fund to their depositors, that's why its gets a high amount of deposits conveniently.

3.3 Evaluation of the loan disbursement performance of the bank.

Since establishment when ever the branch was established different types of advances such as demand loan, over drafts, cash credit etc. The amount that is pay out by this branch in different forms is mentioned in the following table:

Table 4. Year wise interest paid on different loan of Sonali bank Ltd.,

Year	2011	2012	2013
Demand loan	3,027,587,757	2,903,491,924	,253,908,344
Small loan	536,822,767	386,028,048	311,152,329
House building loan	679,217,789	675,128,377	857,499,557
Staff House Building loan	23,739,175,891	2,358,849,593	2,469,860,679
Staff loan	3,024,307,371	2,358,849,593	2,469,860,679
Special small loan program	1,024,654,282	785,835,824	1,523,781,357
Loan under industrial	34,797,753,	,37,593,637,987	33,813,575,0

credit	278		82
Loan under External credit	137,735,553	327115,108	690,378,270
Working capital to Industries(Hypo)	33,206,696,837	41,294,322,353	t 24,160,261,777
Consumer loan	1,578,975,315	1,724,116,113	2,768,668,304
Small trading loan	842,774,252	749,584,170	771,750,706
Sonali credit	3,899,707	9,477,465	1 9,611,617
Agricultural loan	27,815,898,996	29,278,985,402	33,530,772,907
Micro credit	9,288,565,158	9,820,387,785	10,999,319,917
Loan for L/C	28,698,036	136,339	602,981
Bridge financing	257,822,031	255,938,597	2,457,248,287
Lease finance	196,036,083	202,320,452	113,785,684
Portfolio loan	-	255,938,597	2,457,248,287
Probasi karma sangsthan	22,605,198	4,819,277	1 ,410,565
Loan against trust receipt	45,495,553,719	54,415,410,102	48,530,300,167
Forced loan back to back	32,904,118,121	36,261,155,227	21,949,768,178
Term loan	-	36,970,048	4 0,540,608
Foreign Education Loan	-	5,548,323	485,040
SME Finance-Term loan service	536,172,906	2,894,460	2 0,042,043
Rural Small Trading	842,774,252	749,584,170	641,639,941
SME Finance-Term to	140,653,242	192,772,140	319,489,887

industries			
Education Loan	11,960,555	5,548,323	8,428,443,67 3
Total	250,379,1 14,166	288,140,132,05 3	268,833,531, 639

Sources: Sonali Bank Ltd.-Financial & Audit Report 2012& 2013

Table 5. Growth rate of total outstanding loan and advance. (Tk.)

<i>Year</i>	Total	Amount change	% of change
<i>2011</i>	250,379,114,166	-	-
<i>2012</i>	288,140,132,053	3776.10	+37.761
<i>2013</i>	268,833,531,639	1930.66	-19.3066

Sources: Sonali Bank Ltd.-Financial & Audit Report 2012& 2013

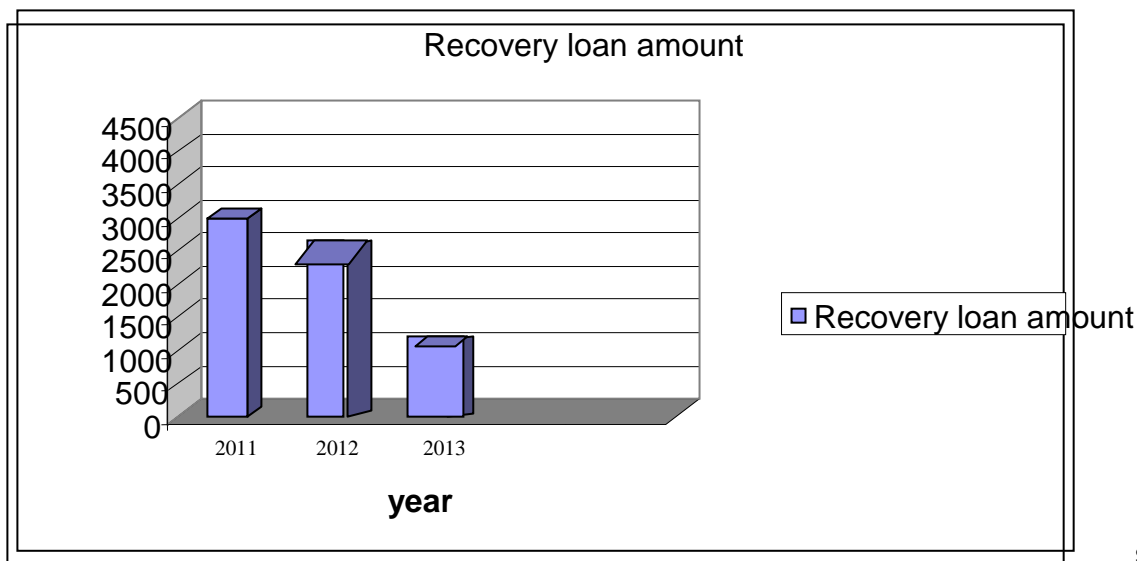
Table-4, Table-5 shows an upward trend in disbursement of loans and advances for the year 2011-2012. In the year 2012 and 2013 had a decrease trend in the percentage change of loans and advances than the previous year. But from 2011 to 2012 the percentage change in loans and advances is larger.

3.4 EVALUATION OF THE RECOVERY PERFORMANCE

Table -9, Year wise amount of recovery

Year	Recovery (crore Tk)	Growth rate of recovery in percentage)
2011	3800	-9.19
2012	2410	- 36.57
2013	920	- 62

Figure -6



s

Above table -8 and figure -6 shows that, the recovery performance of Sonali Bank is unstable and interesting finding is that, poor recovery performance encourages the bank managements to achieve high recovery performance and high recovery performance discourages the bank managements to maintain the current recovery performance.

Table-10, Year wise amount of recovery of various individual credit program

Particulars	2011	2012	2013
	Consumer credit	-	-
RCD	7.35	5.70	5.70
House building loan general (HBLG)	0.84	0.84	0.84
House building loan staff	14.51	14.95	15.31
SBICS	0.03	7.20	0.02
Small farming loan	-	-	0.56
Village Small farming loan	-	-	0.27
Total	22.73	28.69	25.31

Sources: Sonali Bank LTD.-Fin. & Audit Report-2012 & 2013

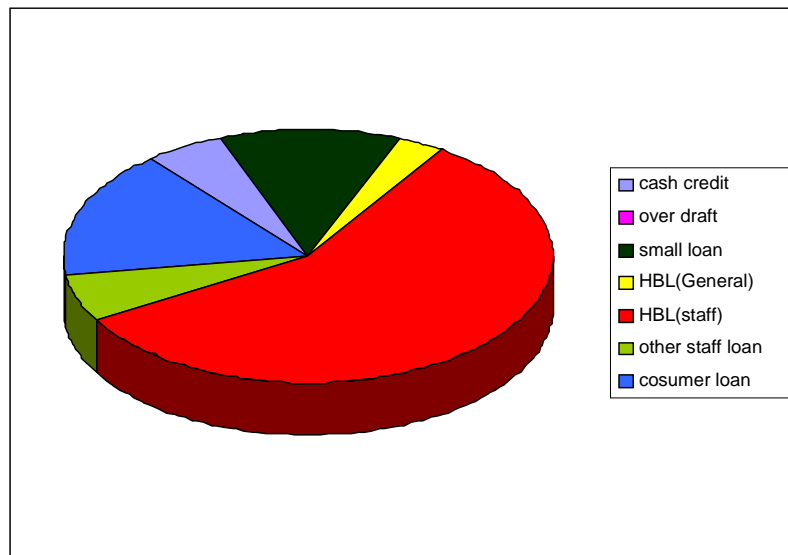


Figure -7, Recovery performance of various individual credit programmed for the year 2013

Above figure -7 indicate that, House building loan (staff) programmed has highest recovery performance than others loan programmed of this branch

Table -11 Year wise % change of recovery against total classified loan.

Year	Amount of classified loan (Tk.)	Recovery (Tk.)	% change against total classified loan
2011	-	-	-
2012	73,675,200,000	4 2,952,086	58.30
2013	70,054,500,000	165,926,569	23.68

Source: Statement of affairs Sonali Bank Ltd.

In the year 2013 bank recovery an amount of Tk. 16.59 crore which was the 23.68% of total classified loan. In 2012 bank recovered Tk.1.30 crore which were the 58.30% of total classified loan It shows that the loan recovery was not satisfactory. We hope that bank will recover more loans in future. The recovery rate ranges is 57 to 79 percent. According to bank official rate of recovery fluctuates year to year due to state of the economy of the country.

3.5 EVALUATION OF EFFICIENCY AND PROFITABILITY PERFORMANCE OF SONALI BANK LTD.

The notion of profitability analysis is related to performance of the management of an organization.

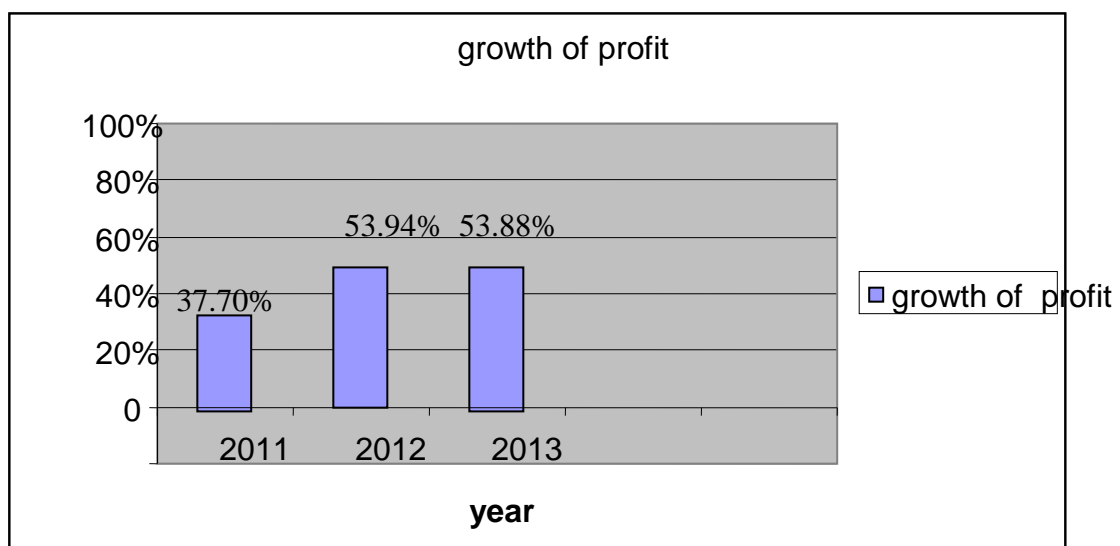
Technical Analysis:

Table –12, Growth rate of profit /loss. {Tk.}

Year	Income	Expenditure	Profit/Loss Before provision	Growth rate(%)
2011	18,038,697,443	11,237,253,965	12,477,730,054	37.70
2012	24,660,248,669	11,358,763,776	11,036,322,194	53.94
2013	25,916,908,947	11,950,969,961	2,971,200,579	53.88

(Source: Statement of affairs, Sonali Bank Ltd.,)

The following figure -8 shows the position of loss in the year 2011-2013



Above table and figure shows that there is an upward trend of profits in recent years. After years 2011 amount of profit of Sonali Bank Ltd., has been increasing. So no doubt that bank has shown a satisfactory profitability performance in recent years. It can be mentioned that before year 2007 expenses of the GM office, Sonali Bank Ltd., Dhaka was included in the profit and loss account but since year 2007 has not been including the GM office expenses in its profit and loss account. It may be one of the causes of reducing net losses of the Sonali Bank Ltd., According to the bank official adverse profitability is due to the high administrative cost and classified programmer especially. And another important cause of generating profit is that, its interest income is v higher than the interest expenses. Adding to it the profit has increased by 53.8% from 2011 to 2013. This is due to the extra social service done by Sonali bank Ltd.

3.6 RATIO ANALYSIS.

Interpreting Various Ratios

Return on assets(ROA): ROA is primarily an indicator as managerial efficiency, it indicate how capably the management of the bank has been converting the institutions assets into net earnings

$$\text{ROA} = \frac{\text{Net income after tax}}{\text{Total assets}}$$

NOM, NIM, NNIM:

The net operating margin, Net Interest Margin and Net Non Interest Margin are efficiency measures as well as profitability measures, indicating how well management and staff have been able to keep the growth of revenues (which came primarily from the banks loan, investments and service fees) ahead of rising costs (principally the interest on deposit and money market borrowing and employee salaries and benefits)

The net interest margin measures how large a spread between interest revenues and interest costs management has been able to achieve by close control over the banks earnings assets and the pursuit as the cheapest sources of funding.

The non interest margin, in contrast, measures the amount of non interest revenues stemming from deposits service charges and other service fees the bank has been able to collect (called fee income) relative to the amount of non interest cost incurred (including salaries, and wages, repair and maintenance costs on bank facilities and loan loss expenses).

For The Year 2013

$$\begin{aligned} \text{Net Operating Margin} &= \frac{\text{Total operating revenue} - \text{Total operating expenses}}{\text{Total assets}} \\ &= \frac{25916908947 - 11950969961}{852852201418} \\ &= .01637556\% \end{aligned}$$

$$\begin{aligned} \text{ROA} &= \frac{\text{Net income after tax}}{\text{Total assets}} \\ &= \frac{3,446,803,502}{852,8501,2,2418} \\ &= .40\% \end{aligned}$$

$$\begin{aligned} \text{Net interest margin} &= \frac{\text{Interest income from loan and security and investments} - \text{Interest expenses on deposits and on other debt issued}}{\text{Total assets}} \\ &= \frac{28,132,010,307 - 38,797,127,707}{852,8501,2,2418} \\ &= -.0125\% \end{aligned}$$

$$\begin{aligned}
 \text{Net non interest margin} &= \frac{\text{Non interest revenues} - \text{Non interest expenses}}{\text{Total assets}} \\
 &= \frac{899805 - 5060152}{852,8501,2,2418} \\
 &= - .3828\%
 \end{aligned}$$

Above the results of the ratio shows that ,the branch has a poor profitability and efficiency performance.

$$\begin{aligned}
 \text{Effective Interest Cost (\%)} &= \frac{\text{Interest expenses}}{\text{Deposit and borrowing}} \\
 &= \frac{32,920,321,923}{28,985,966,412 + 3,251,203,441} \\
 &= 1.02\%
 \end{aligned}$$

$$\begin{aligned}
 \text{Effective administrative cost (\%)} &= \frac{\text{Administrative expenses}}{\text{Loan and advances}} \\
 &= \frac{8,745,834,344}{29,357,383,765} \\
 &= 29.79\%
 \end{aligned}$$

Table –13, Year wise productivity of Sonali bank Ltd,

Year	2011	2012	2013
Productivity	.3705	.5290	.724

Figure –9, Showing productivity of Sonali bank Ltd.

Above figure -9 shows an increasing trend of productivity in recent years.

3.7 (“SWOT ANALYSIS”)

- **Strengths (S)**
- **Weakness (W)**
- **Opportunities (O)**
- **Threats (T)**

Strengths:

- Sonali Bank has 1204 branches it is a great opportunity to serve the customer.
- Very strong relation with Bangladesh bank.
- Corresponded relation with other bank: They have corresponded relationship with other bank.
- Interlink relationship between every team: They have strong relation between every team.
- Sonali Bank has large number of office staff.

Weakness:

- The services are very slow.
- The bank is slow in modernization.
- The banking system is not properly computerized.
- Now a day's online banking and E banking are popular and successful but sonali bank is not handling properly online & E banking.

Opportunities:

- Since the Somali bank has many branches so it is great opportunities to capture the banking sector.
- The bank offers the different type of loan than other bank in Bangladesh.
- Product based on need of NBR people live in abroad can avail the quick and safe remittance service Sonali bank limited under the NBR services so the bank increase these type of service.

Threats:

- Increased competition from other banks.
- Increasing use of online banking by other banks.
- Increasing competition for banking sector to client handling.

CHAPTER-4

FINDINGS

4.1 Findings of Sonali Bank Ltd., Jhikatala Branch Dhaka.

- 1 Service of this bank is not modernized.
- 2 Secondly, the branch needs to take some initiative so that higher authority allow them to sanction a certain limit of loan amount when clients require the loan within a short time and by doing this it can earn clients reliability and trust .In the future these loyal clients may do vast businesses with the bank.
- 3 Service of this branch is not attractive.
- 4 Lack of smooth coordination.
- 5 Influences of political leaders.
- 6 Increasing of higher interest rate.
- 7 Customers are do not find appropriate solution.
- 8 Employees are not efficient enough.
- 9 Decision making process is slow.
- 10 Clients feel harassment to get service.
- 11 Management information system is poor.

4.2 FINAL RECOMMENDATION

1. Bank must enrich it's services like private commercial bank most likely one stop service, ATM service, ready cash service etc.
2. The loan should be sanctioned within short period of time after full filling the required formality.
3. SBL management should always motivate their employees so that employees get motivated and work harder.
4. The communication skills of the bank officials need to be improved further ,so that they can create an excellent communication flow with the clients.
5. There should be maintain a standard rule to prevent from political influences.
6. Interest should be charged within an acceptable range, so that it does not create any burden on the borrower.
7. For improving customer Service Complaints cell should be formed in each branch.
8. In order to enlarge the Skill of bank employees, training program should be intensified.
9. Top management executives should make decision quickly.
10. At last the bank personal should be more cordial to their service.
11. Bank should follow lending risk analysis (LRA) to provide loan and advance.
12. MIS should be introduced in this Branch, because now a days it is an important part and parcel of an organization.

13. Smooth coordination is required.
14. Bank should improve its transaction process and customer services through introducing computerized banking system.
15. Bank's should arrange effective training program for officials.

4.3 CONCLUSION

The internship program gives us the opportunity to attain practical experience in various activities. My special topic was "Banking performance evaluation of Sonali bank Ltd., Jhikatala Branch Dhaka." The Performance of daily transaction, recovery of loan and advances and deposit mobilization is satisfactory but profitability and new loan disbursement performance is very poor. The main causes of this poor performance is greater interest expenses and lower interest Income Although Banking performance of a single branch does not indicate the overall performance of a bank, though, the long term poor profitability and efficiency performance reflects the real picture of the bank.. Our Question is that, why a bank operate at a loss for a long time? The answer of this question is well known to us that "Provide banking service to the people, whatever be the profit or loss". This types of sense is sufficient enough to generate moral hazard of the bank official and other parties who hampered the growth of NCB'S of our countries. Its ultimate effect is that a profit seeking organization has become a service-oriented organization. Finally, Bank official should remember that "A customer is not dependent on a bank rather the bank is dependent on the customers". At last, it may be concluded that, in a competitive banking industry any adverse mentality and attitude of bank employee will surely threaten the bank's survivable.

Appendices

Appendix-1 Questionnaire

Name:

Designation:

Address:

Mobile no:

What types account?

What are the rules for opening an account?

What documents are needed to open an account?

What are the interest rates of fixed deposit?

What are the instruments of money transfer?

What are the types of loans & advances?

What are special functions, assigned by govt.?

What are the numbers of accounts?

What are the growth rate of loans & advances?

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RATIO ANALYSIS:

What are ROA, NNIM, NIM, NOM, EIC?

What is the SWOT?

Appendix-2

Annual report.

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