



**DAFFODIL INTERNATIONAL UNIVERSITY (DIU)
DHAKA, BANGLADESH**

Internship report
On
“General Banking & Credit Management” of Southeast Bank Limited, Rajshahi
Branch, Rajshahi

Submitted To:

Professor M. Mokarrom Hossain
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Submitted by:

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Date of Submission: 04.09.2015

Preface

Internship program helps to acquire practical knowledge. The degree of MBA is a practical oriented degree of business field. Theoretical knowledge is not sufficient to acquire proper knowledge about business and commerce. There must need also practical knowledge. So there must be a combination between theoretical and practical knowledge and experience. For this reason internship program is require to complete MBA degree after completion of theoretical subjects.

Every person wants to know about unknown things. It is habitual tendency. Books are the hermitage of knowledge. But it is apparent that knowledge cannot be effective, productive and fulfilled without training. Training gives the opportunity to a person to prove the theory. In order words education is fulfilled by means of practical training. It is obvious that the economy of Bangladesh is bank based and competition and service in the banking business have been increased with global from the last decade of the preceding century. So the internship program is very much necessary to acquire practical knowledge about banking business. For the reason Daffodil International University has introduced an internship program as partial fulfillment of MBA. As a requirement for the degree of MBA in the department of Finance of Daffodil International University I have completed my internship program at Southeast Bank Limited, Rajshahi Branch, Rajshahi under the supervision of my respectable teacher **Professor M. Mokarrom Hossain**, Daffodil International University.

During the program, I was introduced to the practical world of banking. It was really interesting to see how all those things happen which I learned in the classroom. I learned that a student cannot be a skilled bank employee without proper practical knowledge. So the internship program was a great opportunity for me to gather practical knowledge.

To prepare this report I have tried all possible efforts and investigations for various subjects enlighten. I have not got enough time to prepare this report. So, there may be some errors in my report. Therefore, I humbly request to forgive my errors and limitations.

Acknowledgement

At first, I would like to express my gratitude to the almighty Allah for enabling me with strength and opportunity to complete my internship report within the schedule time under the supervision of my honorable advisor Professor M. Mokarrom Hossain.

I have faced various kinds of problems from starting to end. I could not solve all these problems without the most cordial supervisor; his art of advice and system is very much praiseworthy and simple.

I politely say that I would think myself successful if the work gets the satisfaction of my respectable teacher and supervisor **Professor M. Mokarrom Hossain** whose fine instruction and perfect supervision helped me to complete the report successfully, by overcoming various obstacles and this success will remain as an ever source of encouragement.

I am very much indebted to my all-respective teachers of the Department of Finance, who have been the real source of inspiration during the course of my study to the Daffodil International University.

I like to offer special thanks to Mr. A.M.M. Ariful Haque (EVP and Head of the Branch), Principal Officer, Executive Officer, Senior Officer, Officers of Southeast Bank Ltd., Rajshahi Branch, Rajshahi who supported me by providing necessary data and information.

Letter of Transmittal

03 September, 2015

To

Professor M. Mokarrom Hossain

Professor

Department of Business Administration

Faculty of Business & Economics

Daffodil International University

Dear Sir

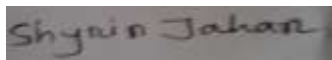
Subject: **Submission of Internship Report**

It gives me massive pleasure to submit the internship report of me on “*General Banking & Credit Management*” of *Southeast Bank Limited, Rajshahi Branch, Rajshahi*”. Actually the bank has a common general banking and credit management procedure that all the branches of the bank has to follow and must work in accordance with this.

Due to various constrains there may be some mistakes for which I beg for your kind apology.

Finally, I confirm this report is not a copy of another report & I shall be glad to answer you any kind of query relating to this report, if necessary.

Sincerely



.....

Shyrin Jahan

ID: 133-14-1280

MBA

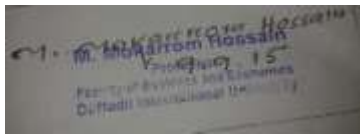
Major in Finance

Daffodil International University

Letter of Acceptance

This is to certify that this Internship Report on ***“General Banking & Credit Management” of Southeast Bank Limited, Rajshahi Branch, Rajshahi*** has prepared by Shyrin Jahan bearing **ID-: 133-14-1280, MBA, Major in Finance** as a partial requirement of Master of Business Administration (MBA) degree from Department of Business Administration, Daffodil International University. This is prepared under my supervision.

I wish him every success of her life



Professor M. Mocarrom Hossain
Professor
Department of Business Administration
Faculty of Business & Economics
Daffodil International University

Executive Summary

Southeast Bank Limited is a scheduled commercial bank in Bangladesh. It established in Bangladesh under the Banking Companies Act, 1991 and incorporated as public Limited Company on March 12, 1995 under the Companies Act, 1994. Its operation started on 25 May, 1995 with a vision to be a premier banking institution of Bangladesh and contribute significantly to the national economy.

Banking sector constitutes an important segment of the financial infrastructure of any country. Generally, Banking means deposits mobilization and deployment of those deposits into advances or investments in different sectors.

For completion of my internship as an integral part to fulfillment of MBA degree of Rajshahi University, I was placed in Southeast Bank Limited (SEBL), Rajshahi Branch, Rajshahi. After 03 (three) months practical orientation to the branch activities, I have prepared this report on “General Banking and Credit Management of Southeast Bank Limited” of Rajshahi Branch.

This report have six chapters, first chapter is introduction part, second chapter is about organizational overview, third chapter is about general banking activities, fourth chapter is credit management, fifth chapter findings, recommendations and conclusion and six chapter is bibliography.

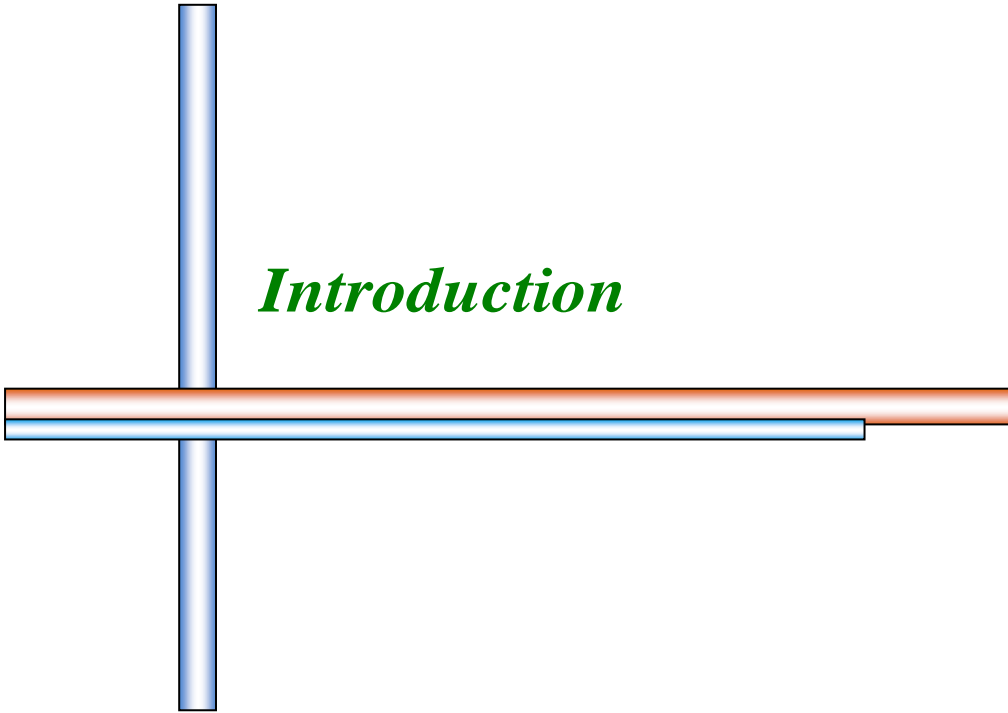
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Part: Two
Report Body

Chapter-One

Introduction



1.1 Introduction

Commercial banks are the primary contributors to the economy of our country. Commercial banks are profit making institutions that hold the deposits from one part of people and lend these funds to other part of people of the society. They collect deposit at the lowest possible cost and provide loans and advances at a rate which maximum rate settled by the central bank of Bangladesh. The differences between two are the profit for the bank. Banking sector in our country is increasing day by day with the needs of the economy. At present there are almost 56 private commercial banks in our country.

Goods and Services are produced for the purpose of using in daily life. Similarly, theoretical knowledge is acquired for the purpose of applying in the practical life. Internship is the judging of theoretical knowledge placing it closely to the authentic events, i.e.; internship means to acquire knowledge by involving directly with a certain organization. Green says, “Standard methods taken for searching knowledge are internship.”

Internship is a combined activity made by school or educational institution and business establishment. In this method, candidates get admitted to a schedule course. In this way they acquire theoretical or practical knowledge or they are deployed or appointed to on eligible part after completing their course.

Finance is a profession. The characteristics of any kind of profession is that there must be united of theoretical and practical knowledge. Internship is a process of acquiring practical knowledge or an assigned work performed usually at the end of a course curriculum. Its important aspect is to learn about practical happening. As a driving subject of modern economy, "Finance" needs pragmatic knowledge from real aspect. This is the reason of including internship as a part of fulfillment MBA program. So, internship is the process of applying bookish knowledge in practical field.

I have gathered real experience from internship training from Rajshahi branch of Southeast Bank Limited. I have tried to put the information that I have collected form my internship period.

1.2 Scope of the Study

The scope of the study is General Banking & Credit Management of Southeast Bank Limited, Rajshahi Branch, Rajshahi. This describes general banking procedure and credit management procedure of the branch as well as the bank. How different types of account open, operation and other activities of general banking and credit management procedure of the branch as well as the bank.

1.3 Objectives of the study

The objectives of the study are below:

1. To study the process of General Banking Activities of Southeast Bank Ltd., Rajshahi Branch
2. To study the process of Credit Management of Southeast Bank Ltd., Rajshahi Branch
3. To make some recommendations based on findings.

1.4 Methodology of the study

All the data of this report collected from primary and secondary sources

Primary sources are:

- Face to face conversations with the officers of Southeast Bank Ltd., Rajshahi Branch, Rajshahi

Secondary sources are:

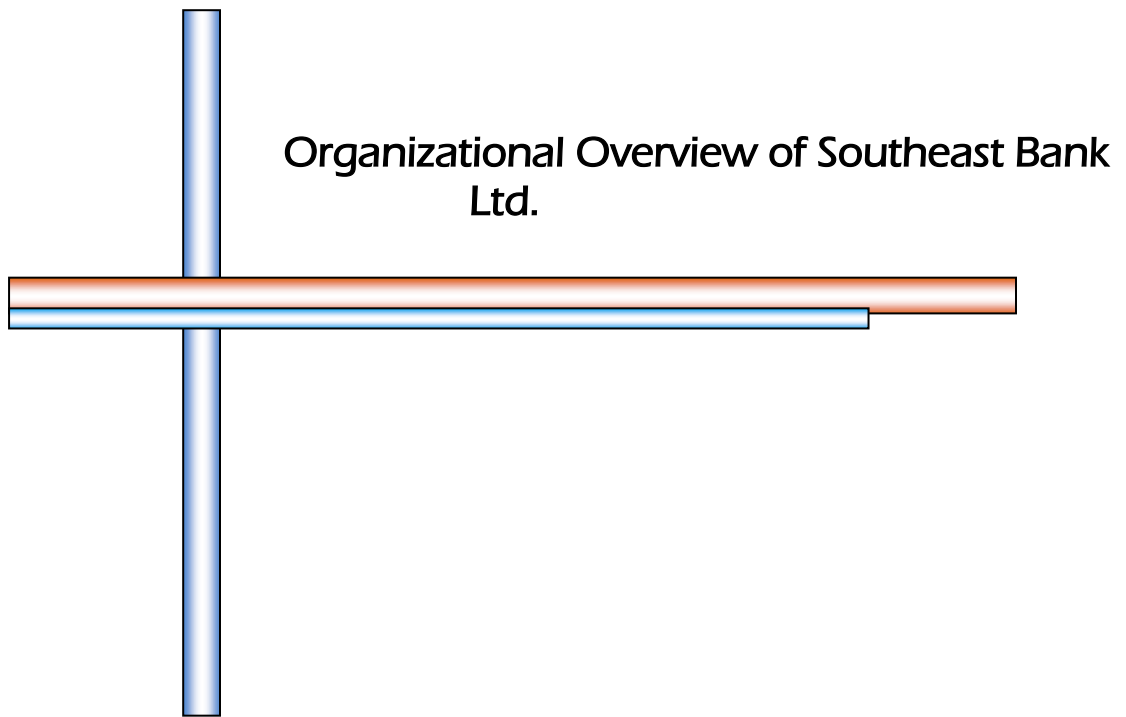
- Different books
- Journals
- Reports
- Bangladesh Bank Circulars
- Internet

1.5 Limitations of the study

The report is on General Banking & Credit Management of Southeast Bank Limited, Rajshahi Branch, Rajshahi. But there are some limitations of the report. Limitations are:

- This report describes only General Banking & Credit Management procedure of Southeast Bank Limited, Rajshahi Branch, Rajshahi.
- Limitations of time.
- Sensitivity of data.

Chapter-Two



2.1 Organizational Overview

Southeast Bank Limited was established in 1995 with a dream and a vision to become a pioneer banking institution of the country. The Bank was established by leading business personalities and eminent industrialists of the country with stakes in various segments of the national economy. The incumbent Chairman of the Bank is Mr. Alamgir Kabir, FCA, a professional Chartered Accountant. Mr. M. A. Kashem a member of the Board and Mr. Yussuf Abdullah Harun were past Presidents of the Federation of Bangladesh Chamber of Commerce and Industries (FBCCI).

Southeast Bank is run by a team of efficient professionals. They create and generate an environment of trust and discipline that encourages and motivates everyone in the Bank to work together for achieving the objectives of the Bank. The culture of maintaining congenial work - environment in the Bank has further enabled the staff to benchmark themselves better against management expectations. A commitment to quality and excellence in service is the hallmark of their identity.

Southeast Bank takes pride for bringing women into the banking profession in a significant number for gender equality. At present, 32% of SEBL's employees are women that will rise to 45% over the next five years.

Among the list Southeast Bank Limited (SEBL) is one of the prominent banks in the banking sector of Bangladesh. South East Bank Limited emerged as a new commercial bank to provide efficient banking service with a view to improving the socio-economic development of the country. The Bank encompass a wide range of service including accepting deposits, making loans, discounting bills, conducting money transfer and foreign transaction and performing other related services such as safe keeping, collections, issuing guarantees, acceptance and letter of credit.

2.1.1 Corporate Profile in brief



Name of the Company	: Southeast Bank Limited
Chairman	: Alamgir Kabir, FCA
Vice Chairman	: Ragib Ali
Managing Director	: Sahid Hossain
Company Secretary	: Muhammad Shahigahan
Legal Status	: Public Limited Company
Date of Incorporation	: March 12, 1995
Registered office	: Eunoos Trade Centre 52-53, Dilkusha C/A (level 2,3&16) Dhaka-1000
Line of Business	: Banking
Authorized Capital	: Tk. 10000.00 Million
Paid Up Capital	: 6,930.84 Million
Year of Initial Public Offer	: 1999
Stock Exchange Listing	: April 10, 2000 (DSE) And April 24, 2000 (CSE)
Phone	: 9571115, 7160866, 7173793, 9555466 & 9550081
Fax	: 9550086, 9550093 and 9563102
SWIFT	: SEBDBDDHXXX
E-mail	: info@southeastbank.com.bd
Website	: https://www.southeastbank.com.bd/owa
Name of the Bank's Subsidiary Company	: Southeast Bank Capital Services Limited

2.2 Vision of the Bank

"To be a premier banking institution in Bangladesh and contribute significantly to the national economy."

2.3 Missions of the Bank:

Mission is the prime purpose of a firm. It works goal more transparent to the people related to it and shows them path to reach to that destination. The mission of the bank is-

- High quality financial services with state of the art technology
- Fast customer service
- Sustainable growth strategy
- Follow ethical standards in business
- Steady return on shareholders' equity
- Innovative banking at a competitive price
- Attract and retain quality human resource
- Commitment to Corporate Social Responsibility

2.4 Value of SEBL

- Teamwork
- Customer Focus
- Integrity
- Quality
- Responsible Citizenship
Respect for the Individual

2.5 Organizational Structure of SEBL:

The organization structure and corporate government of Southeast Bank Limited strongly reflect its determination to establish, uphold and gain a strong footing as an organization which is customer oriented and transparent in its management.

Board of Directors:

The Board of Directors consists of 16 Directors including Managing Director, elected from the sponsors of the Bank. The Board of Director is the apex body of the Bank. The Board of Directors consists of eminent personalities from the realm of commerce and industries of the country.

Executive Committee:

All routine matters beyond delegated powers of management are decided upon by or routed through the Executive Committee, subject to ratification by the Board of Directors.

Policy Committee

All matters relating to the principals, policies, rules and regulation, ethics, etc. for operation and management of the bank are recommended by the committee to the Board of Directors.

Audit Committee

The Audit Committee is formed with 3 members of the Board of Directors. The Audit Committee of the Board conducted meetings to discuss relevant agenda.

Management Team

The Management Committee comprising of senior members of the management meets weekly to discuss relevant agenda. The Management of the bank is vastly on a Board of Directors. The power of general supervision and control of the affairs of the Bank is exercise by the President and Managing Director of the Bank who is the Chief Executive Officer.

Human Resources development

In today's competitive business environment, the quality of human resources makes the difference. The Bank's commitment to attract high quality persons to work for it is reflected in the effort of the Bank. In the face of today's verbalization, the Bank envisages to develop highly motivated workforce and equip them with latest skills and technologies. The Bank evolves human resources development strategy with a view to ensuring good working environment, a high level of loyalty and commitment, devotion and dedication on the part of the employees.

The Bank has set up Training Institute for providing training facilities to its executives. The training institute has already conducted a number of foundations and specialized training courses. A number of executives were sent to Bangladesh Institution of Bank Management (BIBM) and other training institutes at home and abroad for specialized training on various aspects of banking.

Management

The Board of Directors consists of eminent personalities from commerce and industry of the country. Mr. Alamgir Kabir (FCA) is the present chairman of the Board of Directors and the Vice Chairman is Mr. Ragib Ali. The Bank is manned and managed by highly qualified and efficient professionals. Mr. Mahbubul Alam is a Managing Director.

Research and Development: Investing into the Future

Excellence in banking operation depends largely on a well equipped and efficient Research and Development Division. Such activities require the investment of substantial resources and a set of qualified personnel with multidisciplinary background. SEBL has established a core Research and planning Division comprising skilled persons from the very inception of the Bank.

Information Technology

Banking operation of the branches has been computerized to minimize costs and risks and to optimize benefit and increase overall efficiency for improved services. The Bank generates the relevant financial statements at the end of the day. The Bank has hosted a web page of its own to take a place in the World Wide Web. On-line Banking has been introduced by the Bank to provide better services to the customers. The Bank has introduced ATM ' . The Bank has installed SWIFT to facilitate quick international trade and payments arrangements. The Bank has already introduced VISA debit and credit cards.

2.6 Southeast Bank LTD (Rajshahi Branch)

Southeast Bank Limited, Rajshahi Branch, Rajshahi has started its business from 15th October, 2009 as the 52th branch of the Bank. This branch has proven it as a consistent performer in the market of Rajshahi. Southeast Bank Limited has stepped its continuous success. The factors, which played a vital role behind this success, were modern & developed customer service and use of latest banking technology. It may be mentioned that Southeast Bank Limited has created a new dimension in the banking arena of Bangladesh through extensive use of On line Banking, Computer, Fax, SWIFT, ATM, CC TV along with other latest technologies and a team of expert bankers.

Registered Office :Mongol Bhaban (2nd Floor), Plot, Alupotti Mor, Ghoramara, Boalia, Rajshahi-6100, Bangladesh

Head of the Branch : A.M.M Ariful Haque (EVP)

Establishment : October 15th 2009

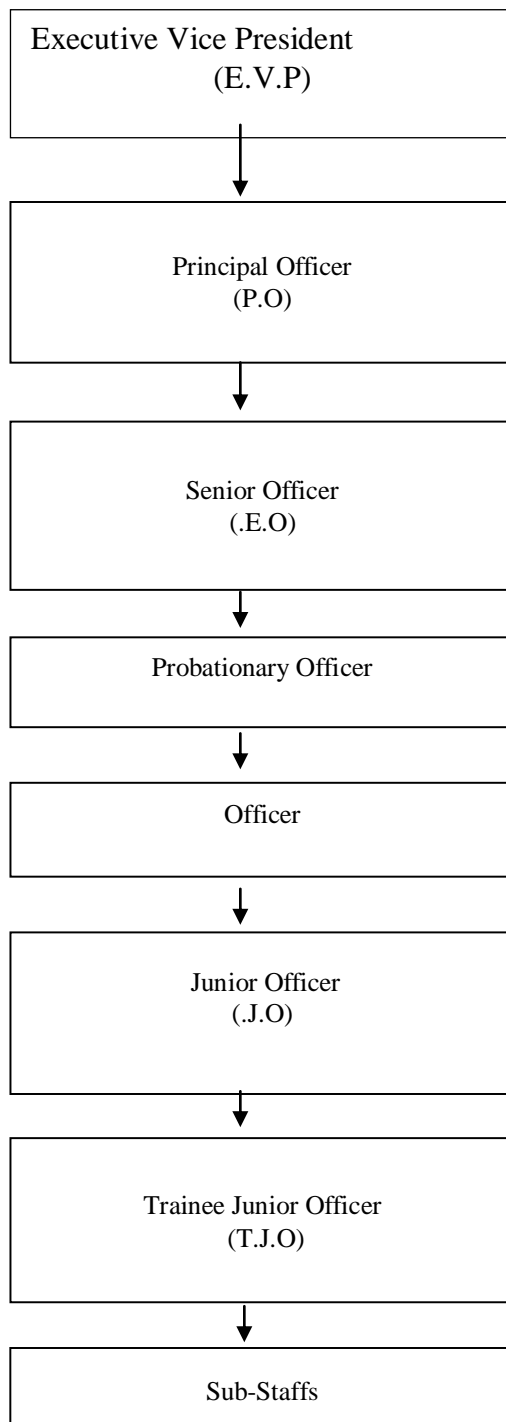
No. of Employees : 20

2.6.1 Organization Structure of SEBL (Rajshahi Branch):

There are 19 employees in the Rajshahi Branch. The Executive Vice President in the branch is responsible for all banking activities of this branch.

Southeast Bank Limited

Rajshahi Branch



2.6.2 Financial Performance of SEBL (Rajshahi Branch):

The Southeast Bank (Rajshahi Branch) is one of the most successful private commercial bank in our country. It has achieved the trust of the general people and made reasonable contribution to the economy of the country by helping the people investing allowing credit facility.

Deposit: (For 2015)

Total Deposit : TK. 50, 66, 14,000 (Up to July)

Target for Deposit: TK. 55, 00, 00,000 (Yearly)

Achievement : 93%

Credit: (For 2015)

Total Outstanding Loan: TK. 97, 37, 56,900 (Up to July)

Target for Loan : TK. 105, 00, 00,000 (Yearly)

Achievement : 103%

Profit: (For 2015)

Target for 2015: Tk. 4, 50, 00,000 (Yearly)

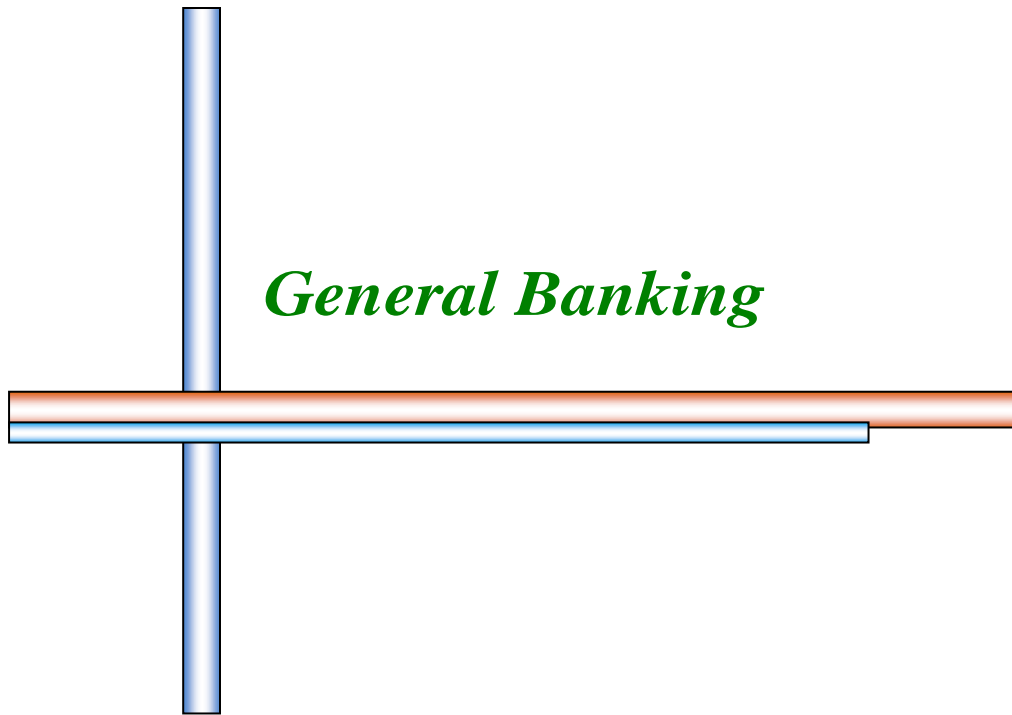
Profit up to : Tk. 2, 39, 22,000 (Up to July)

Achievement: 125%

Profit in 2014:

Total Income: Tk. 3, 91, 67,000

Chapter-Three



3.1 Different Types of Accounts and operations

3.1.1 Savings Account:

Normally Savings Account is used by individual or service oriented organization. In this account, a depositor can deposit money as many times he wants. But the account holder can not withdraw his deposited money frequently. In this case he has to follow some stipulated rules and regulations. Interest is paid twice in a year.

Features and Benefits:

- Bank pays attractive interest.
- Personalized MICR Cheque Book is available
- Nominal service charge.
- Any branch banking facility (Cash withdrawal and deposit from any branch).
- Bank accepts and supports Standing Instructions.
- Nomination facility is available to nominate beneficiary for account proceeds.
- Interest is payable on half yearly basis.
- Charge free statement of A/C, Balance Confirmation Certificate twice in a year on half yearly basis.
- Option is available to collect e - Statement on monthly basis.

Eligibility:

- Resident Bangladeshi National
- Age: 18 years or above
- Joint account can be opened.
- Minor account can be opened under the supervision of his / her / their guardian

Fees & Charges:

- Rate of Interest : 6.00%
- Cheque Book Issuance fee (10 leaves per book): Taka 43/-
- Standing Instruction charge TK. 100 for compliance of each Instruction
- Account closing charge Taka 250/-.
- Vat applicable for all fees & charges @15%.
- Online Transactions - free of service charge

3.1.2. Current Deposit (CD) Account:

Current Deposit Account is a transactional account where there is no restriction on number of transactions in the account. It is an easy - to - use cash account. No interest is given to these types of account holder. Customers can deposit and withdraw any amount and any time without specific prior notice.

Features and Benefits:

- Unlimited transactions are allowed.
- Personalized MICR Cheque Book is available.
- No withdrawal notification required.
- Nominal service charge.
- Any branch banking facility (Cash withdrawal and deposit from any branch)
- Bank accepts and supports Standing Instructions.
- Nomination facility is available to nominate beneficiary for account proceeds.
- Charge free statement of A/C, Balance Confirmation Certificate twice in a year on half yearly basis.
- Option is available to collect e - Statement on monthly basis.

Eligibility:

- CD Account can be opened both for Individual and Corporate bodies.
- CD Account can be opened both for resident and non - resident Bangladeshi Nationals.
- Age bar for Personal CD Account: 18 years or above.
- Joint account can be opened.
- Minor account can be opened under the supervision of his / her / their guardian.
- Account can be opened in the name of Trust / Club / Association / Societies / Non - Trading Concerns.

Fees & Charges:

- Rate of Interest : 0.00%
- Cheque Book Issuance fee
- Taka 150/- for cheque book of 20 leafs
- Taka 300/- for cheque book of 50 leafs

- Account Closing Charge Taka 350/-.
- VAT applicable for all fees & charges @15%.
- Half Yearly Service Charge
- Taka 1,000/- on each account of urban branches.
- Taka 500/- on each account of rural branches.
- Online Transactions - free of service charge.

3.1.3. Short Notice Deposit (SND) Account:

Short Notice Deposit (SND) is an interest bearing deposit where advance notice is required for withdrawal. This type of liability is payable by a special notice or after a specified period. Some of these types of deposit are of nature of time deposit.

Features and Benefits:

- Bank pays attractive interest.
- Personalized MICR Cheque Book is available.
- Nominal service charge.
- Any branch banking facility (Cash withdrawal and deposit from any branch)
- Bank accepts and supports Standing Instructions.
- Nomination facility is available to nominate beneficiary for account proceeds.
- Interest is payable on half yearly basis.
- Charge free statement of A/C, Balance Confirmation Certificate twice in a year on half yearly / yearly basis.
- Option is available to collect e - Statement on monthly basis.

Eligibility:

- SND Account can be opened both for Individual and Corporate bodies.
- SND Account can be opened both for resident and non - resident Bangladeshi Nationals.
- Age bar for Personal SND Account: 18 years or above.
- Joint account can be opened.
- Minor account can be opened under the supervision of his / her / their guardian.
- Account can be opened in the name of Trust / Club / Association / Societies / Non - Trading Concerns.

Fees & Charges:

- Interest 5%
- Corporate Premium Account (average balance Tk 100 crore & above): Will be fixed upon specific approval from Head Office on case to case basis.
- Mother Account (IPO): Will be fixed upon approval from Head Office on case to case basis.
- Cheque Book Issuance fee
 - Taka 150/- for cheque book of 20 leafs
 - Taka 300/- for cheque book of 50 leafs
- Standing Instruction charge TK 100 for compliance of each Instruction.
- Account Closing Charge Taka 350/-.
- VAT applicable for all fees & charges @15%.
- Half yearly Service Charge
 - Taka 1,000/- on each account of urban branches.
 - Taka 500/- on each account of rural branches.
- Online Transactions - free of service charge.

3.1.4. Fixed Deposit Receipt (FDR):

Fixed Deposit Receipt offers the customers the opportunity to invest an amount for a fixed period at a fixed rate of interest. The interest rate varies with variation of the time. A fixed deposit account holder has to deposit his money with the bank at a time and the amount of deposit is drawn at the maturity of the account. But in case of emergency a fixed deposit account holder can withdraw his money before maturity. Interest rate on this account varies according to the term of deposit of SEBL.

SEBL pays the following interest rate on FDR:

Duration	Rate of interest
1 month	06.00%
3 months	08.5%
6 Months	08.5%
1 year and above	08.5%

Though, at present their interest rate is same for all period but, generally it varies according to the duration of FDR Account.

Features & Benefits:

- Money can grow with attractive interest rate with flexible tenure.
- Automatic renewal facility at maturity.
- The customer may avail loan facilities against FDR as security
- Premature closure facility at savings rate.

Eligibility:

- FDR Account can be opened both for Individual and Corporate bodies.
- Only Resident Bangladeshi National is allowed to open Personal FDR Account.
- Age for opening of Personal FDR Account: 18 years or above.
- Joint account can be opened.
- Minor account can be opened under the supervision of his / her / their guardian.
- FDR can be issued for senior citizen with attractive rate.

Fees & Charges:

- No fees and charges except duplicate issuance of FDR. (i.e. Taka 100/- for FDR value up to 1 lac and Taka 300/- for FDR value above Taka 1 lac);
- VAT applicable for all fees & charges @15%.

3.2 Requirements for Opening an Account

For opening any account mentioned above, applicants must satisfy the some documentation requirements. These are-

Personal Banking:

- Photocopy of Citizenship Certificate / Passport / Voter I.D. Card / National I.D. Card / Driving License.
- Two copies of recent passport size photograph duly attested by the introducer.
- Certified document(s) for source of income.
- Tax Certificate.
- Proof of communication address: Photocopy of an Electricity Bill / Gas Bill / Wasa Bill / Telephone Bill.
- The account requires to be introduced by an existing and satisfactory account holder of Southeast Bank Limited.
- Initial deposit of Tk. 5,000/- for urban clients and Tk. 1,000/- for rural clients.
- Nominee form and photograph of nominee(s) (signature attested by the account holder). In case of minor nominee, copy of the birth certificate and photograph required;
- Personal Information Form.
- Transaction Profile.
- KYC Form.

If the applicant is not a resident of Bangladesh, he has to submit some documents. These are-

- Photocopy of passport with valid visa and work permit attested by their respective Embassy / Mission authority.
- Two copies of passport size photograph duly attested by their respective Embassy / Mission authority.
- Tax Certificate issued by foreign country.
- Form QA-22
- Proof of communication address: Photocopy of an Electricity Bill / Gas Bill / Wasa Bill / Telephone Bill.

Corporate banking:

Requirements for opening Corporate Account:

Sole Proprietorship Account:

- Copy of valid Trade License
- 02 (two) copies of recent passport size photograph of the signatory attested by the introducer
- National I.D. Card / Citizenship Certificate / Photocopy of Passport / Tax Certificate / Voter I.D. Card
- Transaction Profile
- KYC Form

Partnership Account:

- Copy of Partnership Deed of the Firm (Registered / At least notarized)
- Registration Certificate of the firm
- List of Partners with their addresses
- Copy of valid Trade License
- 02 (two) copies of recent passport size photograph of each signatory attested by the introducer
- National I.D. Card / Citizenship Certificate / Photocopy of Passport / Tax Certificate / Voter I.D. Card
- Resolution of the Partners of the Firm for opening the account and authorization for its operation duly certified by the Managing Partner of the Firm.
- Transaction Profile
- KYC Form

Public / Private / Limited Company:

- Certified true copy of Certificate of Incorporation
- Certified true copy of the Memorandum & Articles of Association of the Company
- Certified true copy of Certificate of Commencement (for public limited company)
- Certified true copy of Form XII of the company (where necessary)
- List of Directors with addresses
- Extract of Resolution of the Board Meeting of the Company for opening the account and authorization of the person(s) for its operation duly attested their signature by the Chairman / MD of the company.
- 02 (two) copies of recent passport size photograph of each signatory
- Copy of valid Trade License
- Transaction Profile
- KYC Form

Association/Club/Charity/Trust/Society etc:

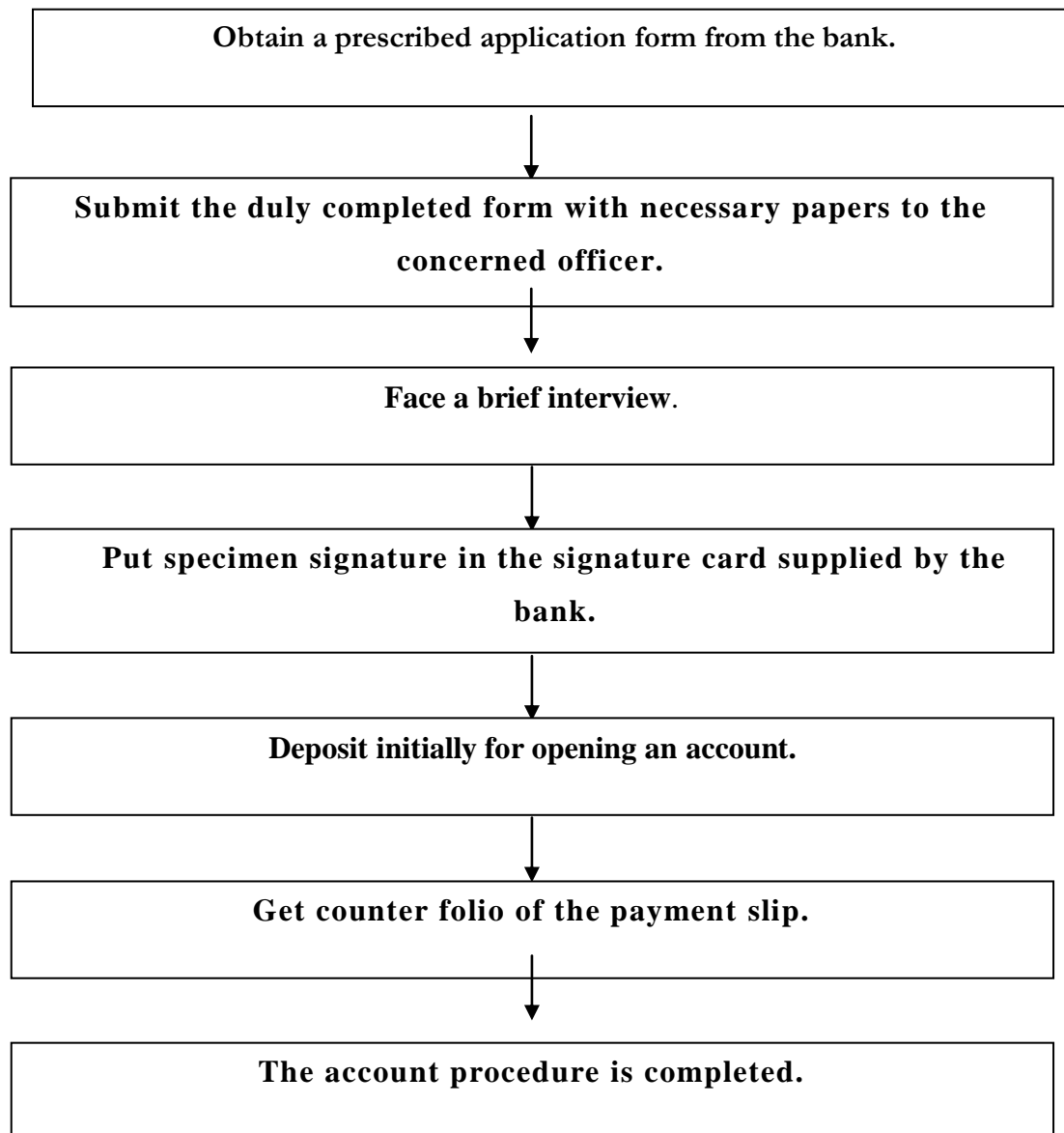
- Certified true copy of the constitution / By-Laws / Trust Deed / Memorandum and Articles of Association.
- Certificate of Registration of the Association / Club / Charity / Trust / Society for inspection and returns (along with a duly certified photocopy for Bank's records)
- List of members of the Governing Body / Executive Committee of the Association / Club / Charity / Trust / Society with their addresses
- Extract of Resolution of the Association / Club / Charity / Trust / Society for opening the account and authorization of its operation duly certified by the Chairman/ Secretary of the Association / Club / Charity / Trust / Society etc.
- 02 (two) copies of recent passport size photograph of signatories.
- Transaction Profile
- KYC Form

3.3 Procedure of Opening an Account

Opening of an account is the contract between a customer and the banker. Various types of bank account are opened with the SEBL, Rajshahi Branch. The common procedures to open an account with the Rajshahi Branch are as follows.

To open an account, applicants have to carry out the some formalities which are mentioned in next page.

To open an account an individual has to carry out the following formalities.



Once these formalities are carried out in appropriate manner, an account number is posted against the application. Then a cheque book is issued in favor of the applicant and he is considered a valid account holder of the bank.

3.4 Closing an Account

In order to close an account before maturity the holder has to place a written application to the bank. After receiving the application the bank will deduct service charge at an amount necessary for the respective account as closing fee from the balance and rest of the money is given to the account holder.

3.4.1 When Bank Closes an Account:

The relationship between bank and his customer is a contractual one and may be terminated by either of them. Bank closes an account in the following situations.

- If a customer places written application to the bank to close his account.
- If the customer does not properly follow the rules and regulations necessary to operate his account.
- If the bank is notified the message of death of a customer.
- If the bank receives a notice regarding the insanity of his customer.
- If the bank receives a garnishee order from court, etc.

3.5 Various Deposit Schemes

3.5.1. Millionaire Deposit Scheme (MDS):

Millionaire Deposit Scheme is a time specified monthly deposit scheme for clients where the deposited money will become millions on maturity.

Features and Benefits:

- It is possible to be a millionaire in 4 years.
- Tenor: 4, 5, 6, 7, 8, 9 and 10 years.
- Deposit on monthly installment basis.
- Monthly installment can be deposited in advance.
- A person can open more than one MDS Account in his/her name.
- Minimum installment is Tk. 4550/- and maximum installment is Tk. 168465/-
- An account can be transferred from one branch to another branch of the bank.
- If necessary, 80% of deposited amount may be granted for credit.

Eligibility:

- Any individual having a sound mind is eligible to open a MDS at any working day of a month.
- In case of minor's legal guardian can operate the account.
- Joint account can be opened.
- One of copy of passport size photograph of client and his nominee.

Fees and Charges:

- Account transfer fee is Tk. 500/-
- Penalty of Tk. 200/- for failure to pay monthly installment within the stipulated time.
- VAT applicable for all fees and charges @ 15%.

Term and Installment of MDS

Term of Investment	Monthly Installment (Tk.)	Amount at Maturity (Tk.)
4 years	16865	10 lac
5 years	12450	10 lac
6 years	9850	10 lac
7 years	7870	10 lac
8 years	6470	10 lac
9 years	5400	10 lac
10 years	4550	10 lac

If the account is closed before maturity, the client is paid according to the following table.

No. of Installment	Interest/Profit Rate
Less than 12 installment	No interest/Profit Existing
More than 12 but less than 60 installment	Existing savings interest rate
More than 60 but less than 120 installment	Existing savings interest rate +1%.

3.5.2. Double Benefit Scheme (DBS) Account



Double Benefit Scheme is a time specified deposit scheme for clients where the deposited money will be doubled on maturity.

Features & Benefits:

- Amount to be deposited TK 10,000 or its multiple;
- Deposited amount will be doubled in 7 years;
- Account can be opened at any working day of the month;

- Allowed to open more than one DBS Account at any branch of the Bank;
- Loan facility against lien of DBS Account;
- The Scheme is covered by Insurance and Insurance Premium is borne by the bank;
- Premature closure facility.

Eligibility:

- DBS Account can be opened both for Individual and Corporate bodies.
- Only Resident Bangladeshi National is allowed to open Personal DBS Account.
- Age bar for opening of Personal DBS Account: 18 years or above.
- Joint account can be opened.
- Minor account can be opened under the supervision of his / her / their guardian.

Fees & Charges:

- No fees and charges

3.5.3. Monthly Savings Scheme (MSS):



Under the monthly savings scheme a customer gets the principal amount with attractive profit at maturity by giving a specific monthly installment.

Features and Benefits:

- Amount to be deposited Tk. 500/- or it's multiple; maximum installment up to Tk. 25000/-.
- Tenor of the MSS may be 3, 4, 5, 6, 8, 10 years.
- In case of premature encashment interest will be paid at savings rate.
- If one failed to deposit consecutive 5 installments, the account will be closed. In this case interest will be paid at savings rate.
- One person can have any number of MSS accounts in his/her name.

- Any amount of installment can be deposited in advance.

Payment at Maturity:

Monthly Installment (Tk.)	Matured Amount			
	4 Years (Tk.)	6 years (Tk.)	8 years (Tk.)	10 years (Tk.)
500	30,500	52000	79000	1,14,500
1000	61,000	1,04,000	1,58,000	2,29,000
1500	91,500	1,56,000	2,37,000	3,43,500
2000	1,22,000	2,08,000	3,16,000	4,58,000
2500	1,52,500	2,60,000	3,95,000	5,72,500
3000	1,83,000	3,12,000	4,74,000	6,87,000
3500	2,13,500	3,64,000	5,53,000	8,01,500
4000	2,44,000	4,16,000	6,32,000	9,16,000
4500	2,74,500	4,68,000	7,11,000	10,30,500
5000	3,05,000	5,20,000	7,90,000	11,45,000
5500	3,35,500	5,72,000	8,69,000	12,59,500

3.5.4. Pension Savings Scheme (PSS):



The PSS from Southeast Bank Limited is an attractive savings scheme where you can gradually build your desired savings. The scheme also offers a person option to get monthly pension after maturity. It provides him with the benefits of attractive interest rates, convenience, flexibility and strong support for future planning and financial security.

Eligibility:

- Any individual having a sound mind is eligible to open a PSS at any working day of a month.
- In case of a minor, manors legal guardian can operate. The account.
- A person can open mare than one PSS account in his I her name.

Installment Size:

Tk. 500 or multiple up to Tk. 25000

(i. e; Tk. 500, Tk. 1000, Tk. 1500, etc.)

Tenor: 4 years; 6 years, 8 years and 10 years

Payment on Maturity:

Installment (Tk. 500 or multiple up to Tk. 25000)	Amount at Maturity			
	4 years (Tk.)	6 years (Tk.)	8 years (Tk.)	10 years (Tk.)
500	28900	47900	71400	100,100
1000	75800	95800	142800	200200
5000	289000	479000	714000	1001000
10000	578000	958000	1428000	2002000
25000	1445000	2395000	3570000	5005000

In case of necessity, a customer can avail a loan of maximum 80% against the lien of the PSS amount deposited.

Pension Option after Maturity:

Client can withdraw the matured amount after the maturity of his selected tenor or he can choose the option of receiving pension for the next 5 years. Monthly pension for different installments after maturity will be as follows.

Installment (Tk. 500 or multiple up to Tk. 25000)	Monthly Pension Amount for Next 5 Years After Maturity			
	on 4-yr Scheme (Tk.)	On 6-yr Scheme (Tk.)	On 8-yr Scheme (Tk.)	On 10-yr Scheme (Tk.)
500	560	920	1380	1940
1000	1120	1840	2760	3880
5000	5600	9200	13800	19400
10000	11200	18400	27600	38800
25000	28000	46000	69000	97000

Other Terms & Conditions:

- a) Customer needs to deposit monthly installment within the 10th of every month.
- b) Person can close your account before maturity.
- c) If the monthly installment remains unrealized for 4 consecutive months, the account will be automatically closed.
- d) In case of pre-mature & automatic closure of the account, the account will be settled as per the terms of Bank.

The terms are:

Installments	Rate of interest/Profit
Less than 12	No Interest
12 or more but less than 48	Prevailing Savings A/C rate
48 or more but less than 72	4 years matured amount + rest as per prevailing savings
72 or more but less than 96	6 years matured amount + rest as per prevailing savings rate
96 or more but less than 120	8 years matured amount + rest as per prevailing savings rate

Any deposit or benefit under the scheme will come under the purview of Income Tar/Excise

Duly, etc. or any other levy as decided by the Government of Bangladesh from time to time.

3.5.5. Monthly Income Scheme (MIS):



Under the monthly Income Scheme of SEBL an investor can get a opportunity of extra income by investing a specific amount of money for one year.

Features and Benefits:

- Advantageous term of extra monthly income for service holder and housewife.
- At the end of term initial deposit will be given back.
- In case of premature encashment interest will be given back.
- Loan can be sanctioned against this scheme up to maximum 80%. of account holders own deposit.

3.5.6. Millionaire Gold Deposit Scheme:

SEBL provides its customer a deposit scheme, called Millionaire Gold Deposit Scheme. After a specified time a person can get Tk. 50,00,000 by giving monthly installment. Under the scheme customer can earn Tk. 5000,000 after 10 years. A person can open more than one account in his/her name.

3.5.7. Wage Earner Pension Savings Scheme:

SEBL provides an attractive scheme for emigrant Bangladeshi, named Wage Earner Pension Savings Scheme. The tenor of the scheme may be 4, 6, 8 or 10 years. If the client deposits a specified monthly installment, at the end of term he will get deposited money with profit or, he can take pension option to get monthly pension after maturity.

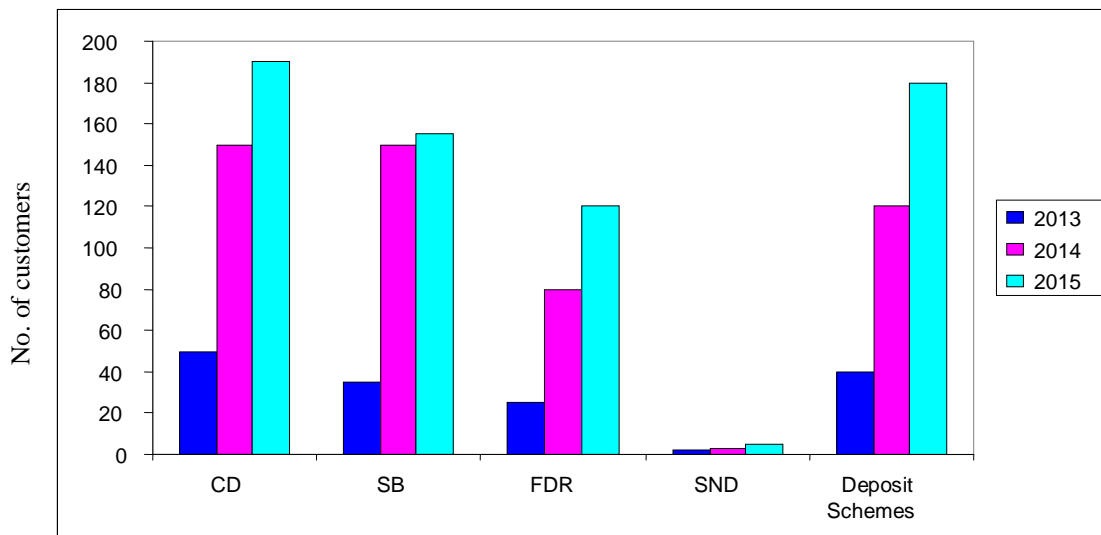
Features:

- The customer does not bear any Income Tax on earned interest.
- Monthly installment size is Tk. 1000 to Tk. 25,000.
- For opening the scheme, customer has to open a Non-resident Taka Account in any branch of the bank.

Profile of the Total Customers under Various Accounts and Schemes

Types of Services	No. of customers			Total
	2013	2014	2015 up to 16.08.15	
Current Account	376	483	647	
Savings Account	765	1,098	1,370	
Fixed Deposit Receipt	425	682	419	
Short Notice Deposit	9	15	17	
Different Deposit Schemes	495	725	529	2,982

Graphical Presentation:



3.6 Remittance



Remittance means transferring money from one place to another. The Southeast Bank limited Rajshahi Branch gives customers opportunities to different kinds of billing and remittance fund from one place to another. Even the people, who are not customers, can also enjoy these facilities. The instruments that are used to remit fund and billing are as follows.

3.6.1 Pay Order:

Pay order is a written document. The pay order can be drawn on that branch from where it is issued. Here it is not necessary to open an account. Several Supplier organizations use this pay order. Generally, the contractors and suppliers use this instrument locally.

Charge:

When pay order is drawn from loan account SEBL Rajshahi Branch does not take any commission.

When SEBL draws a pay order by cash, it takes commission Tk 20. Vat tk.3

3.6.2 Demand Draft (DD):

Demand Draft is also known as Bank draft. Bank draft is the most popular instrument of remitting fund. It is a written instrument issued by one branch of a bank upon another branch of the same bank to pay a certain sum of money which is payable to the under of a specified person on demand. Test numbers is placed on DD. If the number of issuer bank and reimburse bank becomes the same only then specified amount of money on DD is paid to the customer.

The Charge for DD of SEBL, Rajshahi Branch:

Up to Tk. 50,000 (Commission Tk. 58)

Above Tk. 50,000 (Commission 0.1% on the amount + VAT

15% on commission)

3.6.3 Telegraphic Transfer (TT):

Telegraphic transfer is the fastest means of money transfer between two branches of the same bank. In this procedure no instrument is sent to the paying branch. Only message is sent over telephone on telex and the paying branch makes payment after getting message. Here two branches examine a secret test numbers over telephone and payment is then to the specific person.

Southeast Bank Limited is an online bank, so there is no need to use telegraphic transfer. Rajshahi Branch receives message for TT payable. But it does not sent any TT.

3.6.4 Online Transaction:

It is the latest method of fund transfer. Any person from any branch can deposit fund to any account of any branch through online. Similarly, one person who has an account at any branch of SEBL can withdraw fund by cheque through online from any branch of SEBL. At present online service is available at every branch of SEBL. It is the most modern and preferable way of remittance. Here remittance can be made only within the branches through computer network.

SEBL does not take any commission for online transaction.

3.6.5 Foreign Remittance:

The procedure to transfer money from one country to another country through bank or other government authorized agencies is called foreign remittance. There is no money transferred to another country from Bangladesh through Southeast Bank Limited, Rajshahi Branch.

But Bangladeshi wage Earners abroad can now send their hard earned money through SEBL.

Emigrant Bangladeshi can send their money to their family members through SEBL, Rajshahi Branch by using following media.

- Trans Fast
- Athena Remittance Management System (ARMS)
- X- Press money
- Cash Express- Ali Ansari
- Royal Exchange
- Ria Financial Services
- Western Union Money Transfer
- Southeast Financial Services (UK) Limited.
- Southeast Financial Services (Australia) Limited.

The money transfer process through Southeast Bank Limited has never been so easy. It is a 3 step process.

Step-1: The sender will receive money receipt with Money Transfer Control Number (MTCN) from any of the Western Union agent location outside Bangladesh after depositing money.

Step-2: The sender will inform the money transfer detail (amount of money sent, sender's name, receiver's name, destination country, and MTCN) to the receiver.

Step-3: The receiver will receive the money from any of the 81 Branches of Southeast Bank Ltd. by showing a valid Identification and filling a form.

The Beneficiary does not pay any fee to receive the money transfer. Money transfers can be received from 10.00 A.M. to 4.00 PM.

For any further information, please contact:

Customer Service Centre

Southeast Bank Ltd., International Division

Eunoos Trade Center, 52 - 53, Dilkusha Commercial Area

Level - 2, 3 & 16, Dhaka-1000, Bangladesh

Phone: 88-02-9563490

PABX: 88-02-9571115, 7160866, 9555466

Fax: 88-02-9550093, 9563102

Email: **wucsc@sebankbd.com**

3.7 Cash

3.7.1 Cash receipt:

Customer's deposits are received in this section of bank. Then the amount received is credited to the customer's account in the ledger book. The formalities that are followed to receive a customer's deposit (cash) in the cash receipt section are stated below.

- Cash deposit section cheques the title of account, its number and amount in words and figures in the pay-in-slip or credit voucher.
- Cash receiving and cash giving records/ denomination of the currency of the back of the voucher shall enter the particulars of the voucher in the cash receiving book under progressive serial number & puts his signature putting the date stamp both and counter foil & pay-in-slip voucher.
- The officer will then detach pay-in-slip from the counter foil and return it to the receiving officer along with the register.
- The officer sends the pay-in-slips and credit vouchers to the respective section to which it relates.
- Cashier and call in-charge puts signature on the book at time of closing cash.

3.7.2 Cash Payments:

In this section, I gathered practical experience about how a cheque is honored and how cash is paid. The formalities involved in honoring a cheque and cash payment are given below.

- The instrument is chequed for any discrepancy, posting and cancellation.
- Specimen signature of cancellation officer should be available.
- Cash is counted and the denomination of notes is written on the reverse of the instrument.
- Cash paid to the bearer of the instrument.
- Particulars of the instruments are entered in paying cashbook.
- Paid instruments are kept with the paying officer.

At the close of business, the amounts entered in the paying cash book are totaled.

3.7.3 Posting of cheque:

At the time of posting of cheque, the cheque is examined carefully.

- Whether the account had desired amount of money or not.
- Perfect ness of serial number of the cheque.

After careful examination, the drawing amount of the cheque is posted in the ledger.

3.7.4 Cancellation of Cheque:

- The cancellation officer shall keep the entire specimen signature and under his personal custody.
- All specimen signature cards shall be kept in serial order.
- In case of difference of signature, cheque shall not be passed.

- Officer shall not pass any cheque unless it is posted against the account and initiated by the ledger keeper.
- The cancellation shall be made waving a red line across the signature of the drawer of the cheque. The cancellation officer shall sign in full, using red ink near the drawer's signature.

3.7.5 Cheque Dishonored by Bank:

The statutory duty of a bank is to honor its customer's cheque. But a bank can dishonor a cheque for various reasons. Some of the reasons for that a bank dishonors its customer's cheque are stated below.

- If the customer's account position is not satisfied, that is, if the amount of money mentioned in the cheque is greater than the customer's deposit.
- If the cheque is torn.
- If the cheque is post dated or a stolen cheque.
- If the customer's signature given on the cheque is a forged one or does not tally with his specimen signature kept in bank custody.
- If the cheque is not submitted to the customer within banking hour.
- If the duration of issuing the cheque is more than 6 months.

3.8 Other General Banking Activities

3.8.1 Clearing facilities:

Southeast Bank is a schedule Bank. According to the article 37(2) of the Bangladesh Bank order, 1972, the banks that are members of clearing house are called “Schedule Banks”. The schedules banks clear the cheque drawn open one another through the clearinghouse. This is an arrangement by Bangladesh Bank or Sonali Bank in the country. The clearinghouse sets two times in a working day. Every day the first house starts at 1 a.m. and return house depends on the amount of cheeks in first house. If collecting the small amount of cheques then is possible at 12:30 p.m.

This the important part of banking activities, because they are not receiving any type of commission.

At present clearing activities is done easily by using BACH (Bangladesh Automated Clearing House) online banking system.

3.8.2 Card Service (ATM/Debit Card):

With the help of technology, Bank can provide 24 hours service to its customers. SEBL, Rajshahi branch gives a option to use ATM/Debit card to its customers. At present Rajshahi Branch has four (04) ATM Booth.

ATM stands for Automated Teller Machine. The ATM was invented by Scot John Shepherd- Barron. It is a plastic card which debits the holder's account immediately. Using ATM Card, customer can withdraw his desired money from the booth. SEBL provides this facility by its own and rented booths.

Each ATM card has a personal Identification Number (PIN). This number is secret. To use ATM card, customer has to know his on PIN number, otherwise it is not possible to take this facility. Using Automated Teller Machine, customer has to put his pin Number and then the amount of money, he wants to withdraw.

Current Account and Savings Account holders are provided ATM card facility.

Charges:

SEBL Takes charge for using ATM card. Charges are-

For Savings Account-Tk. 15 per transaction

For Current Account-Tk.15 per transaction.

Card Features:

- Cash Withdrawals – up to Tk.1 Lac per day
- Utility payments – T&T, Mobile phones, DESA, etc.
- Multi-account access
- Fund Transfers
- Mini Statements
- PIN change

3.8.3 Internet Banking:

SEBL provides all kinds of modern internet banking facilities to its customers.

- a) Balance Investigation
- b) Account statement
- c) Stop payment
- d) Information related to account.

3.8.4 Locker Service:

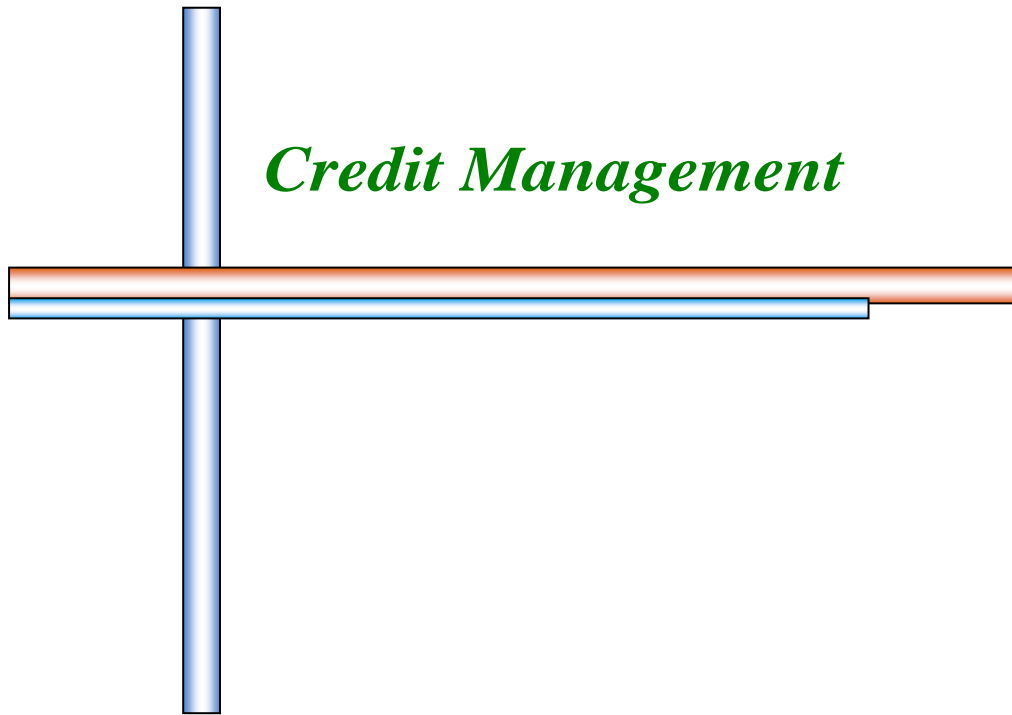
Giving locker facility, SEBL, Rajshahi Branch provides security to its customer's valuable things. A client must have a CD or SND or SB or any type of account in the respective branch where they want to avail the locker service.

Charges:

It depends on the locker size. The charges of SEBL, Rajshahi Branch are as follows.

Locker and Safe Custody	
Size	Charge (P.A.)
Small (18" × 6" × 5")	1,500.00
Medium (18" × 14" × 5")	2,500.00
Large (18" × 14" × 9")	4,000.00

Chapter-Four



According to Prof. J.L. Hanson, by the term “Bank’s Credit” we mean “Banks lend by granting loans or overdraft to customers or lend to the government by the purchase of government stocks is called bank credit”. Credit Department is one of the important departments of Southeast Bank Ltd. One of the primary functions of commercial banks is to create the claim against individual borrowers or real sector of the economy through purchasing the primary securities for the purpose of sanctioning credit. Banks grant loan in the form of different securities. By the primary we mean the financial claim of holder against the real sector of the economy. In banking the financial claim of a bank is against issuer i.e. investors, borrowers and deficit units. Bank credit is very important for bringing economic development in a country. Without adequate finance there can be no growth or maintenance of stable economy. Bank lending is important for the economy. It makes possible the financing of agriculture, commercial and industrial activities of a nation. At the same time, a bank will, therefore, distribute its funds among various sectors in a manner as to derive sufficient incomes.

4.1 Credit Policy of Southeast Bank Limited:

Southeast Bank has formulated and implemented a well devised lending policy in Accordance with the guidelines provided by Bangladesh Bank to minimize the risk of default. The policy broadly encompasses all the aspects of prudent lending procedure.

- The permissible and priority sectors
- The selection process
- The approval procedure
- Documentation
- Monitoring and Supervision

Additionally, the Bank also devised separate policy and guidelines to cover the business requirements of the specific sectors like consumers for household products, home loan, car loan, SME business, Agricultural credit, Leather sector in limited scale, etc.

4.2 Principles of Sound Lending

Southeast Bank Limited follows the following principles of sound lending.

1. Safety:

SEBL firstly considers the safety of the bank's money. In case of lending, the bank invests depositor's money, So, depositors' interest as well as bank's interest must be protected by making investment in such a way that can be safely returned both profit/interest and principal.

2. Security:

SEBL does not sanction any loan without taking appropriate security. Generally this branch gives loan taking two types of security. Such as-

- (i) Primary Security such as FDR, DPS, DDS, SDS, Merchandise Goods, etc.
- (ii) Secondary or Collateral Security such as Land & Building.

3. Liquidity:

SEBL provides loans and advances to selected borrowers taking into consideration the liquidity position of the bank. This bank maintains the liquidity requirements of Bangladesh Bank and its customers.

4. Profitability:

The main objective of SEBL as a private commercial bank is to earn profit and it is a business organization. So the bank gives loans and advances in profitable sectors not in charitable organizations.

5. Spread:

SEBL raises funds from the public at lower costs and invests the funds to the borrowers at a higher interest rate. The difference is the spread/margin/profit of the bank. SEBL considers profitability before making investment in a project.

6. National Interest:

Another important point of sound lending is to consider great national interest. This bank does not finance any project, which is engaged in anti-national activity.

4.3 Credit Principles of Southeast Bank Limited

Bank authority should be careful of the some Credit Principles, which must always guide our fair play, behavior, and support our banking decisions.

The Credit Principles:

- Behave ethically in all credit activities.
- Lend when the client has the capability and ability to repay.
- Assess the client's character for integrity and willingness to repay
- Extend Credit if we understand and managed risk
- Ensure independent Credit Participation in the approval process.
- Be proactive in identifying, managing and communicating credit risk.
- Plan for the possibility of default.
- Optimizing risk and reward.
- Build and maintain a diversified asset portfolio.

4.4 Various Types of Credit Provided by SEBL, Rajshahi Branch

The SEBL Rajshahi Branch offers different types of loan facilities: These are discussed here.

Continuous Loan:

These are those advances which do not have any set schedule for drawing or disbursement but usually have a terminal date of full adjustment or repayment.

Example: Cash credit (CC); over draft (OD)

Cash credit:

A cash credit (CC) is an arrangement by which the customer is allowed to borrow money up to a limit. This is a permanent arrangement and the customer need not draw the sanctioned amount at once, but he can draw the amount as and when required. He can put back any surplus amount, which they may find with them. Thus cash credit (CC) is an active and running account, which deposits and withdrawals may be affected frequently. Interest is charged only for the amount withdrawn and not for the whole amount charged. If the customer does not use the CC limit to the full extent, a commitment charge is made by the bank. This charge is imposed on the unutilized portion of cash credit.

In case of CC businessmen are got loan 50% against their business stock. They are to keep mortgage against loan.

Overdraft (OD):

Overdraft (OD) is an arrangement between a banker and its customer by which the latter is allowed to withdraw over his credit balance in the current account up to an agreed limit. This is only a temporary accommodation usually granted against securities. The borrower is permitted to draw and repay any number of times, provided the total amount overdrawn does not exceed the agreed limit. The interest is charged only for the amount drawn and not for the whole amount sanctioned.

A CC differs from an OD in one respect. A CC is used for long term by businessmen in doing regular business whereas OD is made occasionally and for short duration.

Demand Loan:

The loan which become payable after serving demand notice by the bank concerned are termed as Demand Loan.

Example: LIM, LTR, PAD, Loan against Packing credit, Loan against Investment, Earnest money financing, etc.

Term Loan:

These are loans which have a specific term for repayment as specified in the loan agreement. Example: Project loan, Personal Loan, House Building Loan, etc.

House Building Loan:

A large amount of money needed to construct a house or purchase an apartment. It is not possible to of all people to construct a house by only own income sources especially this problem largely faces by middle level and fined income people. To solve this problem, SEBL offers housing loan with easy repayment condition and less interest rate.

Purpose of Loan:

- To help service holders, self employed persons, businessmen, professionals and also those who have the capability to repay loan for purchase of flats/house/construct buildings and thereby improve their quality of life.
- To contribute to the reduction of acute housing problems of the country.
- To help the prospective clients get housing loans on easy terms and without any hardies.
- To contribute towards improvement of socio economic condition of the society.

Maximum size of loan:

Loan for amount exceeding Tk. 5.00 lac SS to the maximum of Tk. 50.00 lac may be considered under the Housing loan.

Repayment period:

The loan is to be repaid by monthly equal installments including interest within the period ranging from 5 years to 15 years on the size of loan, income generation from the flats / houses and other sources of income of the customers.

SOD/Loan Secured:

This type of loan is given against BBDS, MSS, MIS, FDR and other scheme for the term one year only. In such case, the amount of loan given by a branch is 80% of the above instrument.

In case of SOD loan, the branch can permit loan Amount up to Tk. 2500000. More than this amount, head office permission is needed. Interest rate of SOD loan is more than 3% of the interest rate is given to the respective deposit account.

Personal Loan:



Fixed income employees of various firms or companies need urgently financial assistance for the following purpose.

- Marriage purpose
- Education purpose
- Advance Against Salary
- Education Loan
- Travel Loan

Especially meet up this financing by own income source is very difficult for middle class people. To solving these problems SEBL introduce Personal Loan Scheme for salaried person.

Detail Information of Personal Loan:

Personal Loan is available for the following person.

1. Government
2. Semi Government
3. Corporation
4. Bank
5. Insurance Company
6. Teacher of school, college or university
7. Multinational Company
8. Any firm or company which is acceptable by bank.

Amount of Loan:

Minimum Tk. 25000/-

Maximum Tk. 5, 00,000/-

Interest:

10% annually

Mode of Repayment:

By monthly equal installment repayment of the installment will start from the 4th month of availing of the loan. Monthly installment has to be deposited by 10th of each following month. If any three installments are not paid, penal interest will be charged. The number of installment varies from 12 to 48 months.

Mode of Disbursement:

- The loan amount will be credited to the borrower's SB Account number which is maintained with the branch by debiting his loan account.
- Before disbursement the party shall have to pay an account as service charge and as risk fund which are not refundable.

Repayment of Loan:

Amount (Tk.)	Monthly Installment			
	12 (Tk.)	24 (Tk.)	36 (Tk.)	48 (Tk.)
25000	2,292	1,249		
50000	4,584	2,497		
75000	6,876	3,745		
1,00,000	9,168	4,993	3,616	
150000	13,752	7,489	8,423	
200000	18,336	9,985	7,231	
300000	27,504	14,978	10,846	
400000	36,672	19,9720	14,461	11,750
500000	45,840	24,963		

Project Loan:

SEBL gives the opportunity of taking project Loan. Project loan is huge investment and it completely depends on success of project for that reason bank always keeps eye some major factors before invest on project loan. Before invest on project loan bank always wants to know who is the people involves in the project security standard of the borrower. Then bank looks for the feasibility report of the project. Borrower has to completely show the feasibility report to the Head office. In the feasibility report borrower has to show them what the mission of the project, who are the target customers, comparative analysis of the project with other same project, how the project meets the demand of the target customer, for which purposes, the loan is asking for, detail information of the project operation, detail price list of the equipment, approximate repayment planning of the borrower. Branches do not have any authority to sanction any amount of loan for project loan. Branch can only assess the project feasibility, evaluate the client check, check the necessary papers and collect it from the client. After getting the entire necessary papers branch makes a proposal for the loan and send it to the head office. Head office then re-evaluates the proposal with necessary papers. Then Head office aging inspects the project. After getting all the evaluation head office sends the sanction letter to the branch. Then loan amount is disbursed from the branch. Branch has to do the regular monitoring until the whole amount is repaid.

Detail information of Project Loan:

- Name and address of the client
- Particulars of the directors
- Detail of the approved facility
- Nature of the facility- Term loan
- Amount of sanctioned loan
- Purpose of the loan
- Rate of interest:
For Agricultural project-13%
For Industrial project-17%
- Validity of the loan means how long it will take to repay the loan.
- Mode of adjustment- usually for project loan installment count quarterly, because of bulk installment.
- Security of the loan
- Personal guarantee of the directors of the company jointly and severally.

Small & Medium Enterprise (SME):

Bank provides credit facilities to the small and medium entrepreneurs to be more productive and stable.

Purpose:

- Working capital.
- Fixed assets.
- Delivery Van / Transport for business purpose.
- Renovation of shop / office / business premises.

Mode of Finance:

- Overdraft.
- Hire Purchase.
- Term Loan.

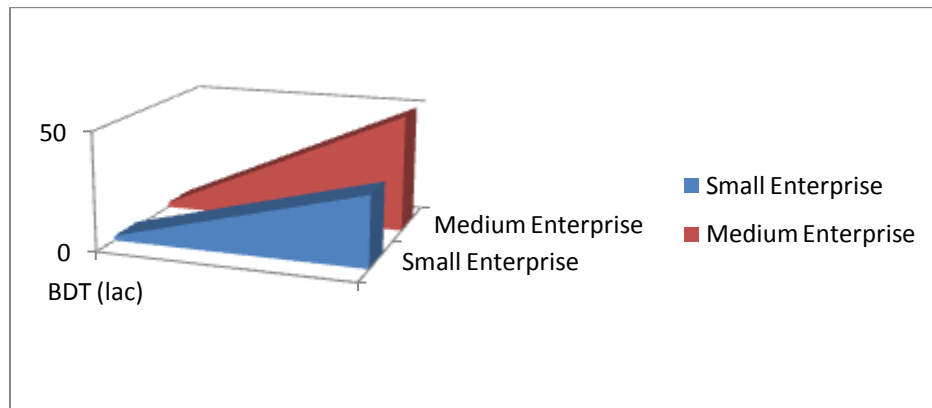
Period of Loan:

- Continuous Loan: 01 (one) year.
- Term Loan: Maximum 05 (five) years.

Eligibility:

- The entrepreneur should be skilled in managing his / her business and has experience of successfully managing the business for at least 2 (two) years.
- The literate entrepreneur is given preference.
- The age of the entrepreneur must be within the range of 20 to 50.
- The entrepreneur must be socially acceptable.
- A clear succession plan for the entrepreneur must be present.
- If the entrepreneur is an individual, he / she must be a national or permanent resident of Bangladesh. If the entrepreneur is a company / firm or other business entity, it must be registered in Bangladesh with majority shares owned by Bangladeshi and valid licenses for the business.
- The entrepreneur's principal place of business must be in Bangladesh.
- If the entrepreneur is a member of any social organization / association, he / she should arrange a corporate guarantee of the association / organization through formal regulation (if any).
- The business must be legally valid, i.e., have trade license, income tax or VAT registration certificate (wherever applicable).
- The business must have a defined market with clear growth potentials.
- Proper utilization and timely repayment of previous loan(s) will be considered as proven track record of the applicant for renewal & enhancement of credit facility.

Loan Ceiling:



- For small enterprise: Taka 2.00 lac to Taka 30.00 lac
- For medium enterprise: Taka 2.00 lac to Taka 50.00 lac

Consumer Credit Scheme:

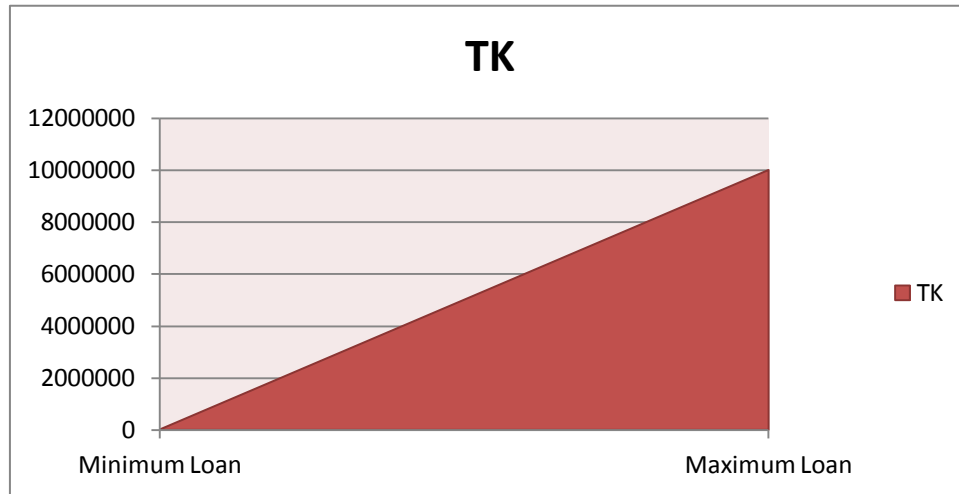


In our busy life it is necessary to purchase various items to make the life easy and comfortable. Southeast Bank's Consumer Credit Scheme will help a person by providing financial support to make his/her dreams & wants into reality. With the help of the scheme he/she can buy now and pay later and can build his/her assets gradually. It is straightforward, flexible, and easy to arrange. Its advantages are-

- Flexible loan amount
- Competitive interest rates
- Extended & flexible repayment period
- Early repayment facilities
- No cash securities
- Easy documentation
- Discounted processing fee
- Prompt loan processing

Eligibility:

- Age between 18-55 years
- Salaried person: Confirmed and 1 year continued service
- Self employed: Minimum 3 years continued business



Loan amount:

Minimum loan amount Tk. 20,000/- & maximum loan amount Tk. 10, 00,000/-.

Loan repayment period:

It can be made by equal monthly installment. Clients have the flexibility to choose the repayment period of 12, 24, 36, 48, or 60 installments.

Item to be purchased:

- Vehicles (Car, Motor cycle, Micro bus etc)
- Domestic Appliances (Refrigerator, Air- condition, Washing machine, Ceiling fan, Air-cooler, Bed, Almirah, Sofa set, Kitchen Cabinet, Oven, Home theatre, Television, DVD, Computer, Mobile Phone, Camera, Physical exercise machine etc)
- Professional Needs(Purchase of equipments, Furnishing chamber or office, Set up store)
- Intangibles(Traveling, Medical, Education etc)
- Any other items not specified above but required by the customers and considered essential and acceptable to the Bank.

Bank Guarantee:

Bank guarantee provided by SEBL is one kind of non-fund loan. It is an undertaking by a bank to make payments on behalf of a bank's customer to the creditor of customer, if the customer fails to meet the conditions of his creditor. Generally, bank issues such type of guarantee to the person who is more reliable. The customer may avail this facility against his FDR Account. Most of time SEBL, Rajshahi Branch gives guarantee in case of LGED Project.

Staff loan:

This type of loan is particularly for employee of the bank. This type of loan is given against provident fund. Amount of loan depends on deposited amount of provident fund. This type of loan is given for the purpose of buying bicycle, motorcycle, construction of houses, etc.

4.5 Selection of Borrower (Normal Practice):

SEBL does not give loans to every body without the appraisal of the borrower as well as the project. This bank selects borrower by considering the following points.

1. Capital:

This bank gives loans to the parties considering the equality participation of the loonies. There is no hard and fast rule about this. But SEBL ensures at least 20% equity participation.

2. Collateral:

This bank gives loans and advances taking at least two types of securities. These are

- a) Primary Security; and
- b) Collateral Security

3. National Interest:

Financing is provided to the parties evaluating the capacity of the parties to the use of loans.

4. Character:

Character of the parties is also considered. In this case, character means the willingness to pay the loans.

5. Condition:

This bank considers the overall business condition of the country. SEBL provides loans to the rising sectors. Now a day, it takes initiative to give loans to the information technology (IT) sectors.

4.6 Borrower Selection Process of SEBL, Rajshahi Branch:

Besides above norms of borrower selection SEBL, Rajshahi Branch follows some unique process. Such as-

- Proper Identification of borrower i.e. Business Address, Present Address, Permanent Address, Official Address, Phone No. & Mobile No. must be verified by the concerned officer.
- Physical verification by the loan officer/relationship manager/branch manager to judge the needs of the funds, business turnover, stock position, cross checking of information regarding character, integrity, social behavior, manner etc.
- Collecting information from the Credit Information Bureau (CIB) of Bangladesh Bank and local confidential opinion from different banks especially from dealing banks.
- If every thing is found correct, then the borrower is selected for further process.

4.7 Appraisal Process of Loan Proposal:

According to the nature of the loans prescribed form has to be used to incorporate relevant information of the borrower to satisfy the approving authority and branch also includes recommendation for approving the loan. At present branch has no authority to sanction loan except SOD (FO). But, branch can give approval for SOD Loan up to Tk. 25,00,000.

Branch has a credit committee comprising 3(Three) members including branch manager, Credit in charge and loan officer. Before sending credit proposal to Head Office, branch must review the proposal in the credit committee (CC).

4.8 Credit Risk Grading:

In case of loan amount 50.00(fifty) lac and above branch must prepare CRG. If CRG Score becomes 74+ i.e. Acceptable, Good, or Superior then the client will be eligible for availing credit facility.

4.9 Loan Sanctioning Authority of SEBL, Rajshahi Branch:

- Funded Facility such as Overdraft, Cash Credit etc. below Tk. 50.00 (Fifty) lac approved by SME Unit of Credit Division, Head Office, Southeast.
- Funded Facility such as Overdraft, Cash Credit etc. above Tk. 50.00 (Fifty) lac approved by Credit Division, Head Office, Southeast.
- Non-Funded Facility such as Bank Guarantee, Bid Bond etc. any amount approved by Credit Division, Head Office, Southeast.

4.10 Delegation of Business Power for approving credit facility:

MD Tk. 10.00 (Ten) lac to Tk. 15.00(Fifteen) lac.

DMD up to Tk. 10.00(Ten) lac.

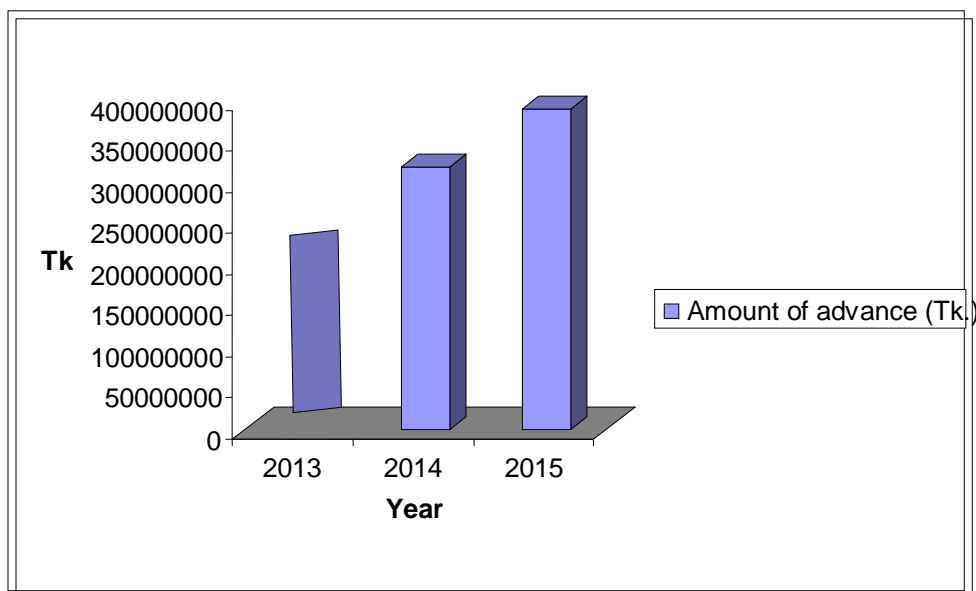
EC above Tk. 15.00 (Fifteen) lac.

4.11 Disbursement Procedure:

After getting approval from the Head Office, Branch disburses the facility in favor of the client after documentation and compiling the terms and conditions of the sanction advice.

4.12 Loan and Advance Performance of SEBL, Rajshahi Branch:

Year	Amount of Advance (Tk.)	Growth
2013	69,60,68,100	54.91%
2014	88,75,55,700	27.51%
2015 (up to July, 2015.)	97,37,56,900	103%



4.13 Sector Wise Loan Distribution:

Types of Loan	Interest Rate	No. of Creditor	Amount (in TK.)	% of Total Loan (Approx)
Continuous Loan				
Cash credit	15-16%	23	41,55,00,000	29.60
Over draft	12-13%	6	6,30,00,000	16.14
Demand Loan	12%	4	1,22,00,000	3.13
Term loan				
House Building Loan	15%	3	2,12,55,000	5.45
SOD/Loan Secured	14%	5	1,50,00,000	3.84
Personal Loan	10%	6	1,45,05,000	3.72

Project Loan				
Industry	17%	4	6,00,00,000	15.37
Agriculture	13%	5	3,00,00,000	7.69
SME	10%	3	9,50,00,000	5.51
Consumer Credit Scheme	5%	3	2,00,06,900	5.12
Bank Guarantee	11%	2	22,15,50,000	2.95
Staff Loan	5%	2	57,40,000	1.47
Total		66	97,37,56,900	100

Source: Loan and Advance Department, SEBL, Rajshahi Branch

4.14 Charging Over Securities:

The Manner by which some articles or commodities or properties are made available to a banker as security is known as charging of securities. The common methods of charging securities are:

- Lien
- Hypothecation
- Pledge
- Mortgage

Lien:

Lien is the right of one person to retain goods and securities in his possession belonging to another until certain legal debts due to the person retaining the goods are satisfied.

Hypothecation:

The mortgage of movable property is called hypothecation. But hypothecation differs from mortgage in two respects. Firstly, mortgage relates to immovable property whereas hypothecation relates to movable. Secondly, in a mortgage, there is transfer of interest in the property to the creditor but in hypothecation there is only obligation to repay money and no transfer of interest.

Mortgage:

Mortgage is another method of charging. This type of charging is done in case of immovable property. Immovable property includes land and things attached to the earth like trees, buildings and fixed machinery. Machinery which is not so installed and which can be shifted from one place to another is not considering immovable property. The mortgagee in the mortgage deed for the purpose of securing a debt must specify the property mortgaged or obligation i.e. the property must be capable of identification by description, such as, by location, area, boundaries etc.

Pledge:

It is created only for movable property like goods, document etc. In case of it, the ownership of goods remains with the banker but possession of goods rests with the loaner.

4.15 List of Charge Documents Used by SEBL, Rajshahi Branch:

- Letter of undertaking.
- Letter of revival.
- Demand Promissory note.
- Loan Application Form.
- Balance Confirmation Certificate.
- Personal Guarantor of the owner/mortgagor.
- Counter Guarantor of the Proprietor/Director.
- Letter of Hypothecation.
- Letter of Pledge.
- Stock Report.
- Statement of Book Debt.
- Letter of Authority.
- Letter of Lien & Authority.
- Deposited of Title Deed etc.

4.16 Interest Calculation:

- a) Interest is calculated on a daily product basis but charged and accounted for quarterly on accrual basis.
- b) Provision for loans and advances is made on the basis of year end review by the management and of instructions contained in Bangladesh Bank BCD Circular no. 34, dated November 16, 1989, BCD Circular no. 20, dated 27 December 1994, BCD Circular no. 12, dated September 4, 1995, BRPD Circular no. 16 dated December 6, 1998, BRPD Circular No. 09, dated May 14, 2001, BRPD Circular No. 02, dated February 15, 2005 and BRPD Circular No.09 dated 20 August 2005.

4.17 Loan Recovery:

When a bank or other financial institutions distribute a loan to other organization or people, then after regaining form borrowers is called loan recovery. However, loan recovers under the following two bases.

- a. Unclassified loan, and
- b. Classified loan.

a. Unclassified loan:

When half or more that half of the total loan is repaid within the due dates by the borrowers then that is called unclassified loan. The duration of time in which the loan will be treated as unclassified is less than 12 months from sanctioning loan.

b. Classified loan:

When more than half of the total loan or total is unpaid/due over the due date then that loan is called classified loan. Classified loans can be substandard, doubtful and bad.

Now the classification of classified loan and their basic criteria are enlightened here.

1. For Short-term loan:

Short-term loans are classified by SEBL in three ways

in) Cash credit and working capital:

From 6 months but less than 9 months- Substandard

From 9 months but less than 12 months- Doubtful

From 12 months above- Bad

ii) Demand Loan:

From 6 months but less than 9 months- Substandard

From 9 months but less than 12 months- Doubtful

From 12 months above- Bad

2. For Mid-term loan (Up to 5 Years):

From 0 months but less than 6 months-Substandard

From 6 months but less than 12 months- Doubtful

From 12 months but less than 18 months- Bad

3. For Long-term loan (Above 5 years):

From 0 months but less than 12 months- Substandard

From 12 months but less than 18 months-Doubtful

From 18 months but less than 24 months- Bad

Rules of Loan Recovery:

SEBL's loan recovery form lone in installment system are as follows.

- i) Weekly
- ii) Fortnightly
- iii) Monthly

Loan Recovery Target and Actual Recovery:

Now I tried to show loan recovery target and achievement with the help of table.

Table- : Total Loan Recovery Target and Achievement of Southeast Bank, Rajshahi Branch from 01.01.2015 to 30.07.2015

Recovery Position:

Year	Target (Tk.)	Achievement (Tk.)
2013	25,00,00,000	23,00,00,000
2014	32,00,00,000	27,50,00,000
2015	50,00,00,000	38,88,64,000

Graphical Presentation

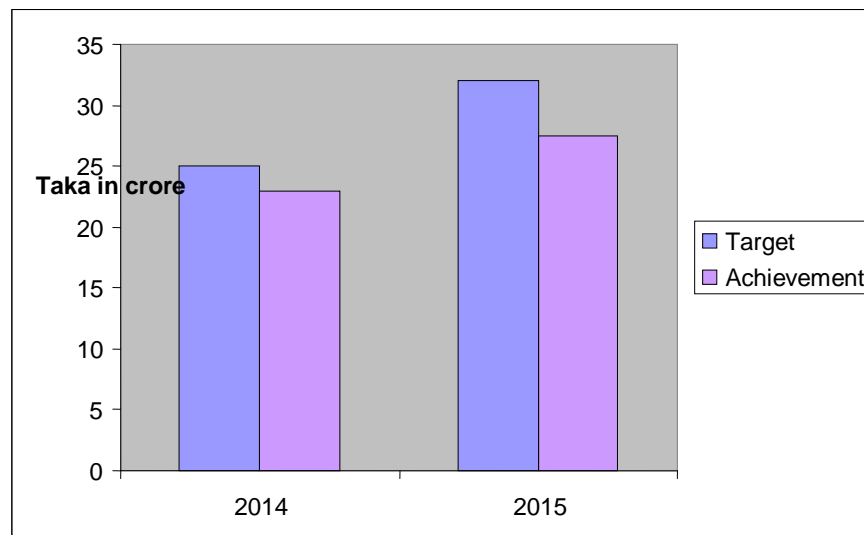
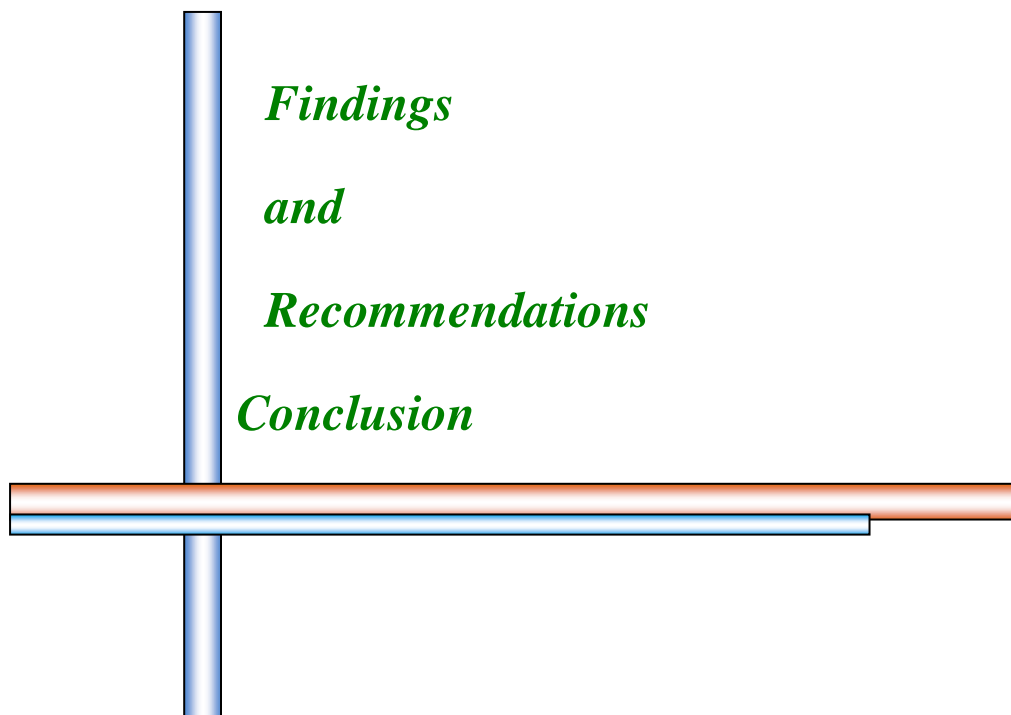


Figure: Trend of total loan recovery target and achievement of Southeast Bank Limited, Rajshahi Branch.

The common attitude of Bangladeshi clients is to make default loan. The performance of SEBL Rajshahi Branch is very good in case of avoiding default loan. Loan recovery position is very good. There is no default loaner in this branch. From the above table and figure it is

observed that this branch is almost successful in recovering loan.

Chapter-Five



5.1 Findings of the Study

Southeast Bank Ltd. is an authorized dealer branch. Though customers are satisfied but they are not highly satisfied with its services. Some problems are as given below.

- Customers are satisfied but they don't have proper knowledge about southeast bank.
- All kinds of transactions are occurred here, that provide by other bank that cause some time customer don't like to communicate to Southeast bank Rajshahi branch.
- Lack of team work is a major problem of the bank.
- In Advance Division, they face the various problems to recovery the loan installment. The loan installment does not realize in the proper time for that reason this branch may be assign as a problem bank.
- In Rajshahi Branch marketing system is very good to sell their products like- Loan. There are very much schemes are offered by SEBL.
- Sometimes the valuations of properties are calculated properly.
- Decisions are centralized.
- The loans and advance department takes a long time to process a loan because the process of sanctioning loan is done manually.
- Bankers face enormous problem to fill up loan related paper like parties loan application, stock report, Net worth valuation report, etc.
- The location of this branch is main constraint to give its customer proper and full service.

5.2 Recommendations

Southeast Bank Limited has been successful in all of its operation since its inception. It has outperformed all its peer and competitor and peer banks in virtually all area of its activities. Still there is scope for improvement for the bank and the any or all of the followings could be which Southeast Bank Limited can implement to better its performance:

- The bank would as soon as possible install highly automated banking software like Flex cube to add value to its service. This will not only allow faster service but also reduce the wok load.
- The bank may increase its retail credit loan by allowing credit to more customers. This can be possible through relaxation of credit norms like waiver of guarantee from third parties.
- For selling their products this branch need strong marketing to sell their products.
- Try to reduce communication gap into customer and SEBL.
- They don't have proper idea about their customer, For get idea they can arrange survey of customer behavior.
- Advertisement is the key factor for a business organization to up hold it in the market and for making market share and goodwill in future. That's why management should give priority on it.
- Bank should always adopt modern technology and facilities to keep itself in business and attract the customer.
- At last, the bank personal should have to more cordial to their service.

5.3 Conclusion

As I am an intern in the Southeast Bank Limited, Rajshahi Branch, Rajshahi for three months, I had the opportunity to work in almost all the desk of General banking and credit Division of the branch which help me a lot to make the report writing easier. Also, it helps me a lot to understand and face the real life problems regarding general banking and credit management activities, which is not possible to face and understand only with the help of academic knowledge. Southeast bank ltd. my university honorable teacher and people around me who help to complete my internship and open up a new world in front of me.

Part 03
Appended Part

Chapter-Six

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ACRONYMS & ELABORATIONS

<i>ALCO</i>	<i>Asset Liability Committee</i>
<i>ATM</i>	<i>Automated Teller Machine</i>
<i>BB</i>	<i>Bangladesh Bank</i>
<i>BCD</i>	<i>Business Credit Division</i>
<i>BDT</i>	<i>Bangladeshi Taka</i>
<i>BIL</i>	<i>Business Installment Loan</i>
<i>CDA</i>	<i>Call Deposit Account</i>
<i>CC</i>	<i>Cash Credit</i>
<i>CIB</i>	<i>Credit Information Bureau</i>
<i>DD</i>	<i>Demand Draft</i>
<i>DBR</i>	<i>Debt Burden Ratio</i>
<i>DP Note</i>	<i>Demand Promissory Note</i>
<i>EVA</i>	<i>Economic Value Added.</i>
<i>FCB</i>	<i>Foreign Commercial Bank</i>
<i>FCY</i>	<i>Foreign Currency</i>
<i>FDR</i>	<i>Fixed Deposit Receipt</i>
<i>FSRP</i>	<i>Financial Sector Reform Program</i>
<i>GB</i>	<i>General Banking</i>
<i>IBP</i>	<i>Inland Bill Purchase</i>
<i>IPO</i>	<i>Initial Public Offering</i>
<i>IRC</i>	<i>Import Registration Certificate</i>
<i>KYC</i>	<i>Know Your Customer.</i>
<i>LC</i>	<i>Letter of Credit</i>
<i>LTV</i>	<i>Loan of Total Value</i>
<i>LRA</i>	<i>Lending Risk Analysis</i>
<i>MFA</i>	<i>Multi Fiber Arrangement</i>
<i>NCB</i>	<i>Nationalized Commercial Bank</i>
<i>NGO</i>	<i>Non – Government Organization</i>
<i>NPL</i>	<i>Non Performing Loan.</i>
<i>NII</i>	<i>Net Interest Income</i>
<i>OD</i>	<i>Opening Date /Over Draft</i>
<i>OSA</i>	<i>Operating Savings Account</i>
<i>PCB</i>	<i>Private Commercial Bank</i>
<i>PDC</i>	<i>Post Dated Cheque</i>
<i>PIN</i>	<i>Personal Identification Number</i>

<i>PL</i>	<i>Personal Loan</i>
<i>PO</i>	<i>Pay Order</i>
<i>R&D</i>	<i>Research & Development</i>
<i>SME</i>	<i>Small & Medium Enterprise</i>
<i>SOD</i>	<i>Secured Over Draft</i>
<i>STD</i>	<i>Short Term Deposit</i>
<i>TIN</i>	<i>Telephone Identification Number, Tax Identification Number</i>