AN INTERNSHIP REPORT ON

GENERAL BANKING ACTIVITIES: A CASE OF SONALI BANK Ltd., CORPORATE BRANCH, RANGPUR

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HAJEE MOHAMMAD DANESH SCIENCE AND TECHNOLOGY UNIVERSITY, DINAJPUR

October, 2010

DEDICATED TO MY HUSBAND

Letter of Transmittal

Date:

To

Mohammad Zoynul Abedin

Lecturer

Department of Finance & Banking

Faculty of Business Studies

Hajee Mohammad Danesh Science and Technology University, Dinajpur

Subject: Submission of Internship Report

Dear Sir

With great pleasure I would like to inform you that, I have worked at Sonali Bank Limited, Rangpur Corporate Branch from Date: 23/03/10 to 22/06/10, in fully professional way and gathered practical knowledge on "General Banking Activities: A case of Sonali Bank Ltd. Corporate Branch, Rangpur" I am submitting this report on my studies.

Hope you and would be kind pleased to grant this report and enough kind to me.

Thanking You

Sincerely yours,

ASMA

Asma Zaman

Registration no: 0805035

MBA, Major in Finance

Department of Finance & Banking

Hajee Mohammad Danesh Science and Technology University, Dinajpur

Declaration

I do hereby declare that the internship report entitled to "General Banking Activities: A case of Sonali Bank, Corporate Branch, Rangpur", embodies the result of my own basic works, persuade under the supervision of. Mohammad Zoynul Abedin, Lecturer, Department of Finance and Banking, Hajee Mohammad Danesh Science and Technology University, Dinajpur

I further reaffirm that the information reported in the report is original one and it is my own basic work.

Certificate from Supervisor

This is to certify that Asma Zaman, student of MBA, session 2008.-2009 bearing ID No.0805035 under Faculty of Finance and Banking, University has completed the internship report on "General Banking Activities: A case of Sonali Bank, Corporate Branch, Rangpur" under my supervision.

I recommend the report for evaluation.

I wish her every success in life.

10/11/10

Mohammad Zoynul Abedin
Lecturer
Department of Finance and Banking
Faculty of Business Studies
Hajee Mohammad Danesh Science and Technology University, Dinajpur

Certificate of Internship

This is to certify that Asma Zaman Student of the Master of Business Administration (MBA) Program, major in Finance, Hajee Mohammad Danesh Science & Technology University, was allowed to undertake internship and was placed at Sonali bank Ltd, Rangpur Corporate Branch as an intern for a period three month effective from March23, 2010. She has successfully completed comprehensive internship program on June 22, 2010 and her performance is excellent. She has achieved the three month practical banking job experience.

I wish her every success in life.

25/10/10

Md. Jawadul Karim
Asstt. General Manager
Sonali Bank Limited
Corporate Branch, Rangpur

Assistant General Manager,
& Head of the Branch
Rangpur Corporate Branch.
Rangpur

ABSTRACT

Sonali Bank Limited was incorporated in Bangladesh on 03 June 2007 as a Public Limited Company under Companies Act, 1994 with its Head office at Dhaka and isgoverned by the Bank Companies Act, 1991. Subsequently on 15 November 2007 the bank took over the undertaking and business of Sonali Bank with all its assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations etc. as a going concern under a Vendor's Agreement signed between the Government of the People's Republic of Bangladesh and the Sonali Bank Ltd with a retrospective effect from 1st July 2007. It is now a fully state owned largest Commercial Bank in Bangladesh. The Bank has 1181 branches including two overseas branches at Kolkata and Siliguri in India as on 31 December 2008. During the year 1(one) branch was opened and 3 (three) branches were merged with two other branches. The corporate branch of Sonali bank, Rangpur branch performs activities as like to provide a comprehensive range of financial services, personal and commercial banking, trade and services, cash management; treasury; securities and custody services and perform Government treasury functions as an agent of the Bangladesh Bank.

ACKNOWLEDEMENTS

All praise is to the One to whom all dignity, honor and glory are due, the unique with perfect attributes, who begets not, nor is He begotten. He has not equaled, but He is almighty, omnipotent for preparing fruitfully this internship reports.

I am deeply grateful to Professor, Dr. Fhahima khanam, Honbl'e Chairman, Dept. of Finance and Banking for her excellent guidance to establish this report. I expressed my heartily and utmost gratitude and greatest indebtedness to my supervisor Mohammad Zoynul Abedin, Lecturer, Department of Finance and Banking, for his relentless efforts in carrying out my study. He has kept vigilance of all stages of my effort and has gone through all the written works with great patience. I can humbly tell that without his meticulous care, valuable suggestions and instructions it would not have been possible for me to complete the term paper.

I would like to express thanks to all of my ever-respected teachers and the department for sponsoring such an academic work.

I am also grateful to MD. Jawadul Karim, Assistant General Manager, Rangpur Corporate Branch, Sonali Bank Ltd, MD. Mosharraf Hossaim and all other Officials of Sonali Bank Ltd at Head Office and Rangpur Corporate Branch for providing me various necessary information and extended of their hands to me.

I lack the space here to acknowledge all of the other individuals whose special efforts went into this paper. I offer intend my sincere thanks, and the finished report that they helped guide to completion. Of course I have same full responsibility for errors or fact or emphasis.

Content

Table and Figure

Chapter1: Introduction

1. Origin of the Report:

This report is an outcome of three months Internship Program, a part of MBA program of Hajee Mohammad Danesh Science & Technology University. The topic of the report is "General Activities of Sonali BankLtd'A case on Corporate Branch of Rangpur" This report is prepared to fulfill the partial requirement of the MBA program.

2. Objectives of the Report:

The objective of the program is to have a practical knowledge of the professional life that links the several years' theoretical learning to practical issue. More importantly, it is required for the fulfillment of the MBA program along with achieving MBA Degree. Specially, the objectives are:

(i) To know the banking operation of Sonali bank.Ltd.

(ii) To know banking activity of corporate branch.

(iii) To know the IT division function of Sonali bankLtd.

3. Scope of the Report:

The report has been prepared based on using information taken from Sonali Banks Ltd, journal, magazine etc.

4. Methodology:

To prepare the report, both primary and secondary data are used. The primary data were collected from the officials of Prime Bank regarding the procedures of Credit transactions. Working with other departments as well as discussion with the staff of those departments provides a lot of primary information.

Secondary data were gathered from the annual reports, relevant published books. In specific sense, the sources of information:

(i) Primary Sources

- ⇨ Personal observation
- ⇨ Discussion with the employees
- ⇨ Work in different departments

(ii) Secondary Sources

- ⇨ Relevant Books, Newspapers, Journals etc.
- ⇨ Un-published financial report
- ⇨ Monthly Reports
- ⇨ Published Documents
- ⇨ Office Circular

5. Limitations of the report:

The report is not free from limitations. There are some limitations. Some of them are:

- ⇒ **Time :** The reporter gets a short period of time to prepare the report
- ⇒ **Secrecy:** There are a lot of secret matters in the organization. As an intern the reporter cannot reach to those secret topics.

Chapter 2: Overview of Sonali Bank Ltd.

1. History of Sonali Bank

Sonali Bank Ltd. the largest nationalised commercial bank of Bangladesh established under the Bangladesh Banks (Nationalisation) Order 1972 by taking over the branches of National Bank of Pakistan, Bank of Bhowalpur and Premier Bank that were functioning in East Pakistan until 1971. In 1972, the bank's paid up capital was Tk 30 million, which remained unchanged until 1990. In 2001, its authorised and paid up capital were Tk 10 billion and Tk 3.272 billion respectively. The bank's reserve funds were Tk 60 million in 1979 and Tk 2.050 billion on 30 June 2000.

Sonali Bank performs all traditional banking functions including deposit mobilisation and lending. The bank discharges the treasury functions as the agent of the BANGLADESH BANK. It collects tax, stamp duty and registration fees, operates special savings accounts, pays salaries to the teachers of schools, madrasahs, and colleges and pension to retired government employees. The bank provides funding to some income generating and economic development projects namely, Poverty Alleviation Credit Programme, Female Special Credit Programme, and Agro-based Industrial Credit Programme in the rural areas. It has a large participation in foreign exchange business and off-balance sheet activities. The total volume of foreign exchange business handled by the bank in 1979 was Tk 14.91 billion and in 2000, it was Tk 67.847 billion, 25.87% of which was related to exports, 32.2% to imports, and 41.93% to remittances. At present, the bank has correspondent relationships with 380 foreign banks/bank offices throughout the world.

On 30 June 2000, Sonali Bank Ltd. had 1,297 branches within the country and of them, 421 were in the urban areas and 876 were in rural areas. In the early 1990s, the bank had 8 overseas branches, 7 in UK and 1 in Calcutta. The branches in UK were recently closed. In 1994, the bank established in New York a full-fledged subsidiary company of the name the Sonali Exchange Company Inc. to expand its participation in international banking. Bangladeshis working in USA send remittances through this company, which operates with its main office at Manhattan, New

York and branches/booths at Brooklyn, Estoria, Jackson Height and Los Angeles. The management of Sonali Bank is vested in a 7-member board of directors appointed by the government. The managing director is the chief executive. He is assisted by a deputy managing director, six general managers, and other senior executives. The general managers are in charge of the bank's branches in the headquarters of the six administrative divisions of the country namely, Dhaka, Chittagong, Rajshahi, Khulna, Sylhet and Barisal. The bank has 32 departments at its head office including a training institute in Dhaka. On 30 June 2000, the total number of employees of the bank was 26,085. Deposits and advances of the bank totaled Tk 8.387 billion and Tk 6.76 billion in 1979 and these amounted at Tk 17.0261 billion and Tk 126.684 billion respectively in 2000. On 30 June 2000, the bank's total investment stood at Tk 41.028 billion and the whole amount was in approved securities. On the same date, the value of the bank's assets was Tk 205.122 billion and its reserve funds Tk 2.050 billion. The different types of deposits with the bank during 2000 were demand deposits Tk 46.126 billion, fixed deposits Tk 124.135 billion and time deposits Tk 88.510 billion. Of the total loans and advances of Tk 126.684 billion, Tk 57.910 billion (45.7%) were classified.On 30 June 2000, the credit-deposit ratio of the bank was 68.53%. The bank borrowed Tk 720 million from the inter-bank call market. The liquid assets of the bank were valued at Tk 65.430 billion. In September 1999, the interest rate offered by the bank on savings deposits in both rural and urban areas was 7%, while the average interest rate charged by it on different sectors was 13.96%. Up to that date, the bank's loans to the public sector was Tk 25.731 billion, 48.7% of which was classified. Public sectors' borrowing from the bank accounted for 19.33% of its total loans and advances. Up to June 2000, the bank disbursed a total of Tk 483 million as During 1999, the bank disbursed Tk 88.881 billion in loans and advances, while the total recovery in the year was Tk 85.041 billion. The recovery rate in terms of total loans outstanding was 68% in 1999 and 18% in 2000. The cumulative balance of outstanding loans and advances of the bank on 30 June 1999 and 2000 was Tk 123.620 billion and Tk 125.610 billion respectively. The amount of over due loans on the same dates were Tk 55.35 billion and Tk 57.91

billion. The ratio of total overdue to total outstanding loans was 44.77% and 46.10% on 30 June 1999 and 2000 respectively. The decline in the recovery and increase in the rate of overdue loans deteriorated the quality of its assets. On 30 June 2000, the total and net incomes of Sonali Bank were Tk 6.71 billion and Tk 20 million respectively. As compared to the previous year, the net profits decreased in 2000 mainly due to increase in interest paid and operating expenses incurred. However, there had been some increase in commission and exchange incomes of the bank in 2000. The broad economic areas in which the bank currently lends and the amount of advances to those areas up to 30 June 2000 were agriculture and fisheries -Tk 25.526 billion, industry (small and cottage, and large and medium)-Tk 43.563 billion, retail/wholesale trade, hotels and restaurants-Tk 10.75 billion, transport/communication and storage -Tk 175 million, special credit programmes including poverty alleviation - Tk 2.207 billion, insurance, real estate and trade services - Tk 3.3 billion and others - Tk 70.194 billion. Sonali Bank monitors its work through a performance budget. It has a marketing intelligence unit and conducts a programme of human resources development through training and motivation. It introduced the Lending Risk Analysis suggested by the Financial Sector Reform Programme. Business policies of the bank in the 1990s included fulfilling capital adequacy requirement, mobilising deposits in large amounts, and making investments in more profitable ways. The bank diversified its activities in off-balance sheet items to expand its area of operations and increase non-interest based incomes.

2. Vision & Mission

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.

3. Some notable features of the Bank are as follows:

Capital Structure:

Authorised Capital	:	Tk. 1000.00 Core.
Paid up Capital	:	Tk. 900.00 Core

Branches & Subsidiaries

Total Branches	:	1184
Branches in Urban areas	:	341
Branches in Rural areas	:	841
Overseas Branches	:	2
Subsidiaries	:	3 : 1. Sonali Bank UK Limited having 7 (seven) branches in UK. 2. Sonali Exchange Company Incorporated (SECI) having 8 (eight) branches in USA. 3. Sonali Investment Limited (Merchant Banking) having 1 (one) branch at Motijheel, Dhaka, Bangladesh.
Representative Office	:	3 : 1(one) in Jeddah, KSA, 1 (one) in Riyadh, KSA and 1 (one) in Kuwait.
Correspondent	:	581

4. Division List at Head Office

01. AGRO-BASED PROJECT FINANCING DIVISION (APFD)

02. BOARD DIVISION (BD)

03. CENTRAL ACCOUNTS DIVISION (CAD)

04. COMMON SERVICES DIVISION (CSD)

05. DISCIPLINARY & APPEAL DIVISION (DAD)

06. EMPLOYEES WELFARE & TRANSPORT DIVISION (EWTD)

07. ESTABLISHMENT & ENGINEERING DIVISION (EED)

08. FOREIGN REMITTANCE MANAGEMENT DIVISION (FRMD)

09. GENERAL ADVANCES DIVISION (GAD)

10. GOVT. ACCOUNTS & SERVICES DIVISION (GASD)

11. HUMAN RESOURCE DEVELOPMENT DIVISION (HRDD)

12. INDUSTRIAL PROJECT FINANCING DIVISION (IPFD)

13. INFORMATION TECHNOLOGY DIVISION (ITD)

14. INSPECTION & AUDIT DIVISION-1 (I&AD-1)

15. INSPECTION & AUDIT DIVISION-2 (I&AD-2)

16. INTERNATIONAL TRADE FINANCE DIVISION (ITFD)

17. LEGAL MATTERS DIVISION (LMD)

18. LOAN RECOVERY & CLASSIFICATION DIVISION (LRCD)

19. MANAGING DIRECTOR'S SECRETARIAT (MDS)

20. MARKETING & DEVELOPMENT DIVISION (MDD)

21. MICRO CREDIT DIVISION (MCD) 22.MIS & STATISTICS DIVISION (MSD)

23. MODERNIZATION & RESTRUCTURING DIVISION (MRD)

24. PERSONNEL MANAGEMENT DIVISION (PMD)

25. PROJECT MONITORING & REVIEW DIVISION (PMRD)

26. PUBLIC RELATIONS DIVISION (PRD)

27. RECONCILIATION DIVISION (RD)

28. RURAL CREDIT DIVISION (RCD)

29. SONALI BANK STAFF COLLEGE (SBSC)

30. TREASURY MANAGEMENT DIVISION (TMD)

31. VIGILANCE & CONTROL DIVISION (VCD)

32. SMALL AND MEDIUM ENTREPRENEURS DIVISION (SME)

33. CARD DIVISION

5. List of Treasury Branches

District : Bagerhat	
Branch Name	**Address**
Bagerhat br	Bagerhat
Chitolmari br.	Po & Ps: Chitolmari
Fakirhat br.	Po & Ps: Fakirhat
Kachua br	Kachua
Mollahat br.	Po & Ps: Mollahat
Mongla br.	Po & Ps: Mongla
Mongla Port br.	Po: Buridanga
Morelgonj br.	Po & Ps: Morelgonj
Rampal br.	Po & Ps: Rampal
Rayenda Bazar br.	Th: sharankhola

6. List of Authorised Dealer(AD) Branches

Branch Name	Address
Agrabad Corporate br.	Sheik Mujib Road
B.B. Ave. Corp.br.	Banga Bandu Ave.
B.Wapda Corp br.	Motijheel, Dhaka
Bahaddarhat br.	Chittagong
Bogra Corp. br.	Bogra
Chandpur br.	Chandpur
Chapainawabganj Br	Chapainawabganj
Chowk Bazar br.	Lalbagh, Dhaka.

Comilla Corporate br.	Kotoali
Dargagate Corp. br.	Sylhet
Daulatpur br.	Po & Th: Daulatpur
Dhaka Cant.Corp br.	Cantonment, Dhaka
Dilkusha Corporate br.	Dilkusha,Dhaka
Dinajpur corp. Br	Dinajpur
Foreign Exchange br.	Moulvibazar sadar
Foreign Exchange br.	61/1,BB Road N.gonj
Froeign Exchange Corp	Dilkusha,Dhaka
Green Road br.	Green road, Dhaka
Habigonj br.	Habigonj
Hotel Sheraton br.	Sheraton Hotel,Minto Road Dhaka
Jessore Corp. Br.	Jessore
Joypurhat	Arafat Super Market
Khatungonj br.	Po: Khatungonj
Khulna Corp. br.	Khulna
Kushtia br.	Kushtia
Laldighi Corp. br.	Chittagong
Lalmonirhat	Lalmonirhat
Local Office	35-44,Motijheel C/A Dhaka
Mymensingh	Kotoali
Narayangonj Corp. br.	Chashara, Narayangonj
Railway Building br.	Chittagong
Rajshahi Corp. Br.	Rajshahi

Ramna Corporate br.	Ramna,Dhaka
Rangpur Corp.Br	Rangpur
Sadarghat Corp br.	Sadarghat,Dhaka
Satkhira br.	Po & Ps:Satkhira
Shilpa Bhaban Corp br.	Dilkusha,Dhaka
Sirajgonj br.	Sirajgonj
Sunamgonj br.	Sunamgonj Sadar
Sylhet Corp. br.	Sylhet
Teknaf br.	Po & Th:Teknaf
Wage Earners br.	Th: Doublemooring
Wage Earners corp br.	62,Dilkusha,Dhaka

7. List of SWIFT Branch/Office

	Branch/Office	**SWIFT Code**
1.	Sonali Bank Limited, Head Office, Dhaka	BSONBDDH
2.	T. M. D (FCMD), H.O	BSONBDDHFCD
3.	Local Office Branch, Dhaka	BSONBDDHLOD
4.	Foreign Exchange Corporate Branch Dhaka.	BSONBDDHFEB
5.	Ramna Corporate Branch, Dhaka	BSONBDDHRAM
6.	B.B Avenue Corporate Branch, Dhaka	BSONBDDHBBA
7.	Wage Earner's Corporate Branch, Dhaka	BSONBDDHWEB
8.	Dhaka Cant. Corp. Br.	BSONBDDHCNT
9.	Sadarghat Corp. Br.	BSONBDDHSDR
10.	Shilpa Bhaban Corporate Branch, Dhaka	BSONBDDHSLP

11.	Dilkusha Corporate Branch, Dhaka	BSONBDDHDIL
12.	Narayangonj Corporate Branch, Narayangonj	BSONBDDHNAR
13.	Ladies Br. Narayangonj	BSONBDDHLAD
14.	K.C.Dey Road Corporate Branch, Chittagong	BSONBDDHCTG
15.	Agrabad Corporate Branch, Chittagong	BSONBDDHAGR
16.	Khatungonj Br. Chittagong	BSONBDDHKHA
17.	Khulna Corporate Branch, Khulna	BSONBDDHKHU
18.	Daulatpur Br. Khulna	BSONBDDHDAU
19.	Rajshahi Corp. Br.	BSONBDDHRAJ
20.	Bogra Corp. Br.	BSONBDDHBOG
21.	Rangpur Corp. Br.	BSONBDDHRNG
22.	Dargagate Corp. Br. Sylhet	BSONBDDHDGT
23.	Sonali Bank Limited, Kolkata Branch, Kolkata, India	BSONINCC

Table: Sonali Bank subsidiary in United Kingdom

Sonali Bank (UK) Ltd.

Subsidiary in United Kingdom

A subsidiary money remitting company under the name of "Sonali Trade and Finance (U.K.) Limited" was incorporated under the U.K. Companies Act 1985 on 30 June. 1999. Subsequently the company was allowed to start functioning as a Bank from 7 December, 2001 (the operational activities started on 10 December, 2001) by the Financial Services Authority (FSA) of U.K. changing its name as Sonali Bank (U.K.) Ltd. 51 percent share capital of the company is held by the People's Republic of Bangladesh and the remaining 49 percent by Sonali Bank Limited.

London

Sonali Bank (U.K) Ltd.

29-33 Osborn Street

London E1 6TD, U.K.

London

Sonali Bank (UK) Ltd.

London Main Branch

29-33 Osborn Street,

London E1 6TD, UK

Birmingham

Sonali Bank (UK) Ltd.

Birmingham Booth Office

380 Coventry Road

Small Health

Birmingham B 10 0UF, UK

Luton

Sonali Bank (UK) Ltd.

Luton Booth Office

30A King Street Luton

Beds LUI 2DP, UK

Bradford

Sonali Bank (UK) Ltd.

Bradford Booth Office

84, Manningham Lane

Bradford, West Yorkshire,

BDI, 3ES, UK

Manchester

Sonali Bank (UK) Ltd.

Manchester Booth Office

77 Mosley Street

Manchester M23 LQ, UK

Camden

Sonali Bank (UK) Ltd.

Camden Booth Office

98/100 Eversholt Street

Camden NWI 1BP, U.K

8. Organism of Sonali Bank

Board of Directors

- SME Finance
- Consumer Credit
- Trade Finance
- Loan Syndication
- Foreign Exchange Dealing
- Rural and Micro credit
- NGO-Linkage Loan
- Investment
- Government Treasury Function
- Money Market Operation
- Capital Market Operation
- Remittance

SONALI BANK LIMITED

CORE DATA OF SONALI BANK LIMITED FOR THE PERIOD FROM 2000 TO 2008

(TAKA IN MILLION)

Sl.No. Particular	2000	2001	2002	2003	2004	2005	2006	2007	2008
1 Total Assets	237,680	54,084	271,022	266,851	292,182	337,687	352,894	461,964	492,946
2 Total Employees	26,046	25,753	25,237	24,715	24,450	23,933	23,273	22,542	21,839
3 Total Deposits	202,495	215,541	222,222	230,339	252,234	277,079	302,303	328,997	364,386
4 Total Investments	44,225	33,405	43,867	45,490	58,896	43,636	39,978	88,891	95,093
5 Total Loans	133,281	141,993	156,113	155,197	168,283	227,010	241,029	206,348	31,166
6 Financial Equity Capital	5,642	5,706	5,856	5,956	6,106	6,306	(28,444)	21,742	244,718
7 Total Liabilities	232,038	248,377	265,166	260,895	286,075	331,381	381,338	440,223	468,528
8 Total Income	14871	15,883	16,628	16,145	15,758	19,864	23,131	25,710	26,621
9 Total Expense	14074	15,392	15,718	15,606	14,686	15,900	20,125	20,287	25,004
10 Tangible Assets	237,680	254,084	271,022	266,851	292,182	337,687	352,894	396,221	430,703
11 Intangible Assets	-	-	-	-	-	-	-	65,743	62,243
12 Non performing/	43,977	45,274	45,447	41,097	43,761	46,261	50,533	63,175	61,154
13 % of Classified Loans to Total Loans	38.65	38.31	33.46	32.00	28.32	22.52	24.44	44.59	31.44

Figure Five year annual report data of Sonali bank Ltd.

10. As usual banking operation of Sonali bankLtd.

- Personal Banking
- Rural Credit
- Micro Credit
- International Banking
- Industrial Financing
- Deposit & Credit Schemes
- SME Banking
- Foreign Currency a/c
- Bond

Chapter 3: The Role of Rangpur Corporate Branch in IT division

1. Existing IT Infrastructure of the Rangpur Corporate Branch

Currently, the bank is using different disintegrated branch banking software for branch banking operation. The Rangpur corporate branch is using the banking software to maintain the their banking transaction, that help to Physical, Electrical and Environmental infrastructure for Data Centre is ready & Disaster Recovery Site (DRS) at a 30 Km away from DC is under implementation, Highly secured & robust communication infrastructure (LAN & WAN) among Data Centre, DRS and 103 branches is ready and the entire operation is maintained through managed service. Formation of a Joint Venture IT Company with an internationally reputed Local/Foreign Core Banking Software Company or taking shares/stakes of an existing Joint Venture IT Company (having proven core banking solution) who will act as a technology partner for bank in order to supply, implement and maintain Core Banking and other solutions.To have a centralized & cohesive technology platform for supply & implementing a fully centralized real time on line core banking system with integration to 24 hours service delivery channels- ATM / POS, Kiosk, Internet Banking, SMS/Tele banking, Call Centre, Debit/Credit Card operation, BACH (Bangladesh Automated Clearing House) operation, Merchant Banking System, Islami Banking System, HR/Pay Roll Management System etc. in all branches of Sonali Bank andits subsidiaries/sister concerns and Joint Ventures around the globe in phases subject to successful implementation in Head Office & 20 branches under pilot phase within 6 months from the date of issue of the Work Order.

2. Scope of IT for this branch

The scope of the work pertaining to formation of a Joint Venture IT Company and supply, implement & maintain ORTB is as follows: A. Formation of a Joint Venture IT Company with an internationally reputed Local/Foreign Banking Software Company or taking shares/stakes of an existing Joint Venture IT Company who can act as a technology partner for bank in order to supply, implement & support ORTB and other solutions. Procurement, customization, delivery, installation, parameterization, implementation and maintenance of fully centralized real time on line banking system as well as migration of data and training to the bank's employees on ORTB in all branches of Sonali Bank and its subsidiaries/sister concerns & Joint Ventures around the globe in phases to successful implementation.. This includes integration to 24 hours service delivery channels- ATM / POS, Kiosk, Internet Banking, SMS/Tele banking, Call Centre, Debit/Card Card operation, BACH (Bangladesh Automated Clearing House) operation, Merchant Banking System, Islami Banking System, HR/Pay Roll Management System etc. Sonali Bank of this branch is trend to procure hardware and RDBMS (Relational Database Management System) separately from different vendors. The officials expert in the IT sector of this branch is responsible to work on the system. Information Technology (IT) Department of the Rangpur Corporate Branch perform the operation as on

- Software development and improvement having consistent with the system support and management.
- Cost estimation and offer to the account section.
- Control the Network management.
- Alternate idea of network management.
- Development of network.
- System analysis and configuration
- System management.
- System maintenance.
- Member banks reconciliation
- Data entry and processing
- Procurement of hardware of system.
- Back up file of system data.
- Budget for system.

3. Effect of IT for Rangpur Corporate Branch

- Enjoying customization as per local banking practices.
- Receiving and providing prompt services in terms of troubleshooting, customization, modification and enhancement.
- A well equipped technology partner can enhance the specialization of the IT wing of Rangpur corporate branch through technology transfer.
- Sharing control over the cost of the transaction.
- As enhancement, development, modification, introduction of innovative products and services are an integral part of such software and is being done on regular basis, so in the long run the corporate branch would benefit from such technological partner.
- The Senior Management of corporate branch will be able to concentrate more on growth and restructuring of the Bank and be able to make better usage of the available resources towards turning the Bank into a more client centric organization.

4. Qualification Criteria

The Rangpur branch by dint of Sonali bank determine the bidders' eligibility to compete through the following eligibility criteria before evaluating the technical and financial proposals from the bidder. The Bidder must agree to offer 49% of the stake to Sonali Bank Ltd. The maximum 2(Two) number of arbitration against the Bidder over a period of last two Years. The Bidder shall have a minimum of 5 years of Banking Software supply, installation, migration, customization, commissioning and training experience as distributor or developer, which shall be substantiated by submission of attested copies of Work order or Client Certificate for Baking Software business. This branch will contact any of the principal's mentioned to verify Bidder's claim of experience. Certificate of incorporation and years of business as required also, a declaration that none of the Bidder has been prohibited by Bangladeshi or international court(s) to enter into contracts should be furnished. The Bidder should have experience of and past performance on providing ORTB System in at least 3 (three) Centralized live sites and one live site in Bangladesh (with at least 1 (One) successfully completion of year ending Operation) will be preferred. The Bidder should be in a position to implement the proposed solution in all branches of Sonali Bank and its subsidiaries/sister concerns and Joint Ventures and around the globe as and when required in a phased manner. Customer satisfaction certificates of providing live operation of ORTB should be submitted. The proposed software must comply with the requirements of Sonali Bank Ltd.

5. Evaluation Methodology

The aim of the entire evaluation exercise is to arrive at the most suitable solution that meets the Bank's needs. The cycle will also allow the Bank to choose a suitable bidder with whom bank can form joint venture IT Company that can supply, implement and maintain the proposed solution in an effective and efficient manner and within the specified time frame, as well as offering comprehensive service and upgrades, when required. Only those bids, which have been determined to be substantially responsive and meet the eligibility criteria and are complete in all respects, will proceed to the stage of being fully evaluated and compared. The evaluation would cover all aspects of proposals in response to the bank's requirements. While evaluating the bid, major focus would be given to the Strength of the Bidder, budget & plan for Joint Venture Company & technical aspects.

6. General description of the software of Sonali bank

Supply, Customization/Enhancement, Installation/Migration, Training and Commissioning of core Online Real Time Banking Solution (ORTB) integrated with the modules –

a) HR & Payroll

b) Internet Banking

c) SMS & Tele Banking

d) Islamic Shariah Based Banking wing & any products of the Bank (existing or may launch) and interfaces for –

I. ATM/POS network for local as well as international Debit/Credit operation,

II. BACH operation/BEFTN

III. Merchant Banking

IV. other third party software etc. and related Training and Technical support from the Software

Company (proposed JVC) for Sonali Bank Ltd. in a phased manner.

The Bank has now 1184 branches including 2 overseas branches. The hardware, connectivity, operating software, database software required to run the software system will be procured later after selecting the Banking software. The bidder will supply environmental software and other support software if any with the Online Real Time Core Banking Solution. The intended banking application should be real time, fully centralized, integrated, parameterized, highly secured, robust, platform independent (Hardware, operating system and database) and multicurrency support flexible banking software which will be running in the corporate Intranet of Sonali Bank Limited using state of the art technology so that the customers can interact seamlessly with the Bank through all the modern electronic delivery channels like Internet, ATM/POS network, Credit Card/Debit Card, SMS/Tele Banking, Kiosk, BACH, BEFTN, E-payment gateway etc. for doing transactions and can do account queries without the physical visit to the branches. Standard web server/standard web browser/thin client should be used to run the software. Moreover, all the functional departments within the Bank and the branches should also exchange transactional information with each other as well as information for monitoring and data analysis. The software should be capable enough to scale both horizontally and vertically in order to grow with the increase of number of customers as well as with the addition of delivery channels. It should be highly parameterized so that all the banking terminology can easily be applied for different banking products and services. It should also possess the flexibility of modifying the screen and report content without modifying the source code. It should have in-built security features in multiple levels.

7: General and Technical Specification

General Technical Requirements

Modular based System

System must be highly modularised to accept add-on functional modules

System Architecture

It is Multi-Tier

Platform

Platform is independent i.e. Hardware, Operating System, Database etc.

Thin Client/Browser based

Support for thin-client deployment over WAN with VPN. Thin client deployment must be accomplished without the need to install special emulator or thin client software.

Bandwidth Support

Thin client must be able to support 4-6 users on a low bandwidth (64kbps) connection and latency of V-Sat communication for branches.

Database integrity and Backup

The system should validate:

(a) No part of the database has been lost

(b) Data within the system is consistent

(c) Information has been written to the database consistently

Documentation: Documentation is expected to be in multiple formats, such as printed, electronics and Web and includes the followings:

-Module wise User Manuals

-Security Manuals

-Customization Manuals

8. Security Management System

The Security Management System monitors all user activity associated with the software, ensuring that each user stays within designated bounds, providing a secure environment for the bank.

a. User Profile, Log-in Protection: the Security Management System checks each activity against the profile to determine validity; unacceptable actions are prevented and recorded.

b. Password Control: Each user signs on with a unique sign-on name and a password. The password must be changed at a frequency defined by the security officer.

c. Data Security: It is possible to make certain data inaccessible to specified users or user groups. Should have multiple levels of users with strong password management and capability/authorization list and conform Bangladesh Bank security guidelines.

9. Functional Specification

The vendors will respond to the required functional specification mentioned in the table of this section. A particular required functionality can be treated by the vendor's software as follows:

- Complying the requirement fully
- The requirement is the known variation of an existing functionality
- The functionality can be met through customization
- The functionality cannot be supported in the existing software

The vendors will respond by mentioning the above mentioned situations against the required functionality in the last column (response from the vendor) of the following table. The evaluators will evaluate the functionality by a walkthrough of the banking solution. The vendor will provide proper demonstration to justify their claim in their response. The vendors are requested to present a description to clarify a point regarding functional description if they want to do so.

Chapter 4: Loan of Sonali Bank, Rangpur Corporate Branch

1. Loan facility for Diagnostic Center

Sonali Bank Limited, unlike any other corporate branch , Rangpur branch has launched a new loan scheme for "Diagnostic Center" to promote medical facilities. The salient features of the scheme are as follows:

- Nature of loan: Cash Credit (Hypothecation).
- Debt-equity ratio: 60:40
- Interest rate (w.e.f: 01, September 2009):14.00%
- Primary Security: Stock of Chemicals, X-ray papers, Injection Syringe, Medicine etc.
- Collateral Security: Collateral security twice the value of the loan is required.
- Period of Loan: One Year.

2. Consumers' Credit

With the steady development of the industrial and the service sectors in Bangladesh, the level of personal consumption has recorded progressive growth. To cater to the growing demand for consumer durables, Sonali Bank Limited has launched the "Consumers' Credit Scheme", in all branches with the following features:

Eligibility: Permanent employees with 5 years service in Govt., Semi-Govt. organisation and Autonomous & recognised bodies.

Loan Limit: Maximum Tk. 1.00 lac.

Debt-equity ratio: 75:25

Interest rate (w.e.f. 01, September 2009):14.00%

Mode of repayment: Monthly installment.

Period of loan: Maximum 3 years.

Security :a) Hypothecation of consumer goods to be purchased.

b) Letter of guarantee from the employer

c) No objection certificate & salary certificate from employer

d) Lien on provident fund/gratuity. Designated Branches: All district branches and the corporate branches.

3. SME (Small & Medium Enterprise) Loan

Purpose of SME

1. To facilitate the small and medium enterprise to reduce the poverty
2. To earn the foreign currency to build up export and import oriented industry.
3. To help the women entrepreneur establish.
4. To make employment oriented industry.

Eligibility to get this loan

1. At least two year business experience.
2. Entrepreneur should be sound body and educated and age limit 18 year to 60 years.
3. Mental, bankrupt person is elisible to apply for loan.
4. Preference towards the women entrepreneur.
5. Entreprenuer should be the citizen of Bangladesh.

Nature of Business and project owner of SME loan

1. Propritorship
2. Pertnership
3. Limited company
4. Joint venture.

Redemption system

The loan should be paid on the instatement basis as per monthly or quarterly period.

4. Other Loan Facility provide by this branch

Sonali Bank Limited extends multiple credit facilities to boost up trade, commerce and industry.

The credit packages and interest rates are as under: Features

Table Project / program of loan

SL.	Project/Programs
1	Credit to Trade and Commerce
2	Overdraft
3	Housing Loan(urban residential)
4	Housing Loan(commercial)
5	Transport Loan
6	Loan against Brick field/Gold ornaments
7	Loan against Wes Earners Bond
8	Loan against Insurance Policy / DP Note / Share / Debenture
9	Loan against Work order
10	Loan against FDR
11	Loan against DPS
12	Loan against SDPS
13	Loan against SDS
14	Loan against EDS
15	Loan against MDS

Chapter 5 Significant Accounting Policies and Basis of Preparation of Financial Statements for Sonali Bank

1: Basis of Preparation of Financial Statements

The financial statements of the bank are prepared under the historical cost convention on going concern basis and in accordance with the First Schedule (Section-38) of the Bank Companies Act 1991, BRPD Circulars-14 (25 June 2003), other Bangladesh Bank Circulars, Bangladesh Accounting Standards (BAS), Companies Act 1994 and other Laws and Rules applicable in Bangladesh. All inter-branch account balances and transactions among the Head Office and the branches have been incorporated in financial statements. Investment in subsidiary companies, Sonali Exchange Co. Inc, USA has been presented under the heading of "Other Assets" as per directives of the Bank Companies Act. 1991.

a)Basis of Consolidation

A separate set of records for consolidation of the statement of affairs and income and expenditure of the branches are maintained at the Head Office of the Bank based on which these financial statements have been prepared. The consolidated financial statements comprise of the financial statements of Sonali Bank Ltd., including overseas branches Kolkata and Siliguri as at 31 December 2008. The financial statements of Sonali Exchange Co. Inc. (SECI), USA as at 31 December 2008 have not been consolidated. However, the financial statements of Sonali Exchange Co. Inc. (SECI) are presented separately.

b) Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting polices and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2 Foreign Currency Translation

a) Foreign Currencies Transactions

Foreign currency transactions are converted into equivalent Taka using the ruling exchange rates on the dates of respective transactions as per BAS-21: "The effective of changes in foreign exchange rates". Monetary assets and liabilities in foreign currencies are expressed in taka at the rates of exchange ruling on the balance sheet date. Forward foreign exchange contracts and foreign bills purchased are valued at forward rates applicable to their respective maturities.

b) Foreign Entities

The assets and liabilities of foreign entities are translated to Taka at exchange rates prevailing at the balance sheet date. The results of foreign entities are translated at the average rate of exchange for the year.

c) Commitments

Contingent liabilities /commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in taka terms at the rates of exchange ruling on the balance sheet date.

d) Translation Gains and Losses

The resulting exchange translation gains and losses are included in the profit and loss account, except those arising on the translation of net investment in foreign branches, subsidiaries and associates.

3 Cash Flow Statement

Cash Flow statement is prepared in accordance with BAS-7 "Cash Flow statement" has been presented under direct method as prescribed by the Bangladesh Bank in BRPD Circular No. 14 dated 25 June 2003.

4: Liquidity Statements

The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity.

5: Assets and Basis of their Valuation

a)Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value and are used by the bank management for its short term commitments.

b) Investment

All investment securities are initially recognized at cost, being fair value of the consideration given including acquisition charges associated with the investment. Premiums are amortized and discounts accredited, using the effective yield method and are taken to discount income. The valuation method of investments used are:

c) Held to Maturity

Investments which have fixed or determinable payments and are intended to be held to maturity other than those that meet the defined of held at amortized cost others are classified as held to maturity. These investments are subsequently measured at present value as per Bangladesh Bank Guideline. Investments in securities have been revalued as marking to market as at 31st December 2008, the gain of revaluation from the held to maturity securities has been shown in the statement in changes in equity of 31st December 2008. Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises.

Value of investment has been enumerated as follows:

6: Particulars ValuationMethod

Government Securities:

- Government Treasury Bills Present Value
- Prize Bonds Cost Price
- Bangladesh Bank Bills Cost Price
- Special Treasury Bonds Present Value
- Reverse Report Cost Price
- Debentures of Govt. Corporations Cost Price
- Other Investments Cost Price

Investment in Listed Securities (quoted)

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income. These are reported at cost. Unrealized gains or losses are not recognized in the profit and loss account.

Investment in Unlisted Securities (Un-quoted)

Investment in unlisted securities is reported at cost under cost.

Chapter 6 : Scheme provides to Customer of Sonali Bank in the Corporate Branch

1. Special Small Credit Scheme

The eligibility to get this.loan

1. Non government/autonomous/officer and of corporation/ and government and Non-government teacher of cllege/ school / Madrasha
2. The branch from which the salary is drawn, will be eligible to get loan only from that branch

Limit of Loan: 20,000- 1, 00,000

Margin: 20% of loan limit

Maturity: From 12 month – 36 months

Rate of interest: 12%

2. Sonali Deposit Scheme (SDS) continuity in Rangpur Branch

1. Name of the scheme: SDS
2. Limit 5 year.
3. Monthly installment: Tk 500-10000

Rate of interest: 8.5%

Table Deposit Scheme

Monthly instalment	the amount of Bonus	amount Interest- principa with bonus
500	1500	38,689
1000	2,000	76,378
2000	3,000	151,756
3000	4000	2,27,134
4000	5000	3,02512
5000	6000	377,891
6000	7000	453269
7000	8000	528647
8000	9000	604025
9000	10000	679404
10000	11000	754782

3. Other scheme of Sonali bank in Rangpur Branch

1. Education deposit scheme.
2. Medicare Deposit Scheme.
3. Monthly Earning Scheme
4. Marriage Savings Scheme.
5. Rural Deposit Scheme
6. Double Benifit Scheme
7. Credit Schemes.

4. Fixed Deposit Receipt (FDR) Interest Rates (with effect from : 01, September 2009)

3 Months or above but less than 6 months	7.25%
6 Months or above but less than 1 year	7.50%
1 Year or above but less than 2 years	8.00%
2 Years or above but maximum 3 years	8.25%

Sonali Bank Limited give prime interest rates for corporate clients. The FRDs are opened in the Rangpur Corporate Branch more widely.

5. Savings A/C

- Any Bangladeshi National residing home or abroad may open savings account with Sonali Bank Limited.
- The account may be opened in single/joint name.
- The account holder may nominate his nominee in this account.
- The nominee can get the balance amount after the death of account holder.

Features :

- Minimum amount : Taka 500.00
- Rate of Interest : 5.00% - 6.50% details
- Free Cheque-Book facility.
- Quick deposit foreign remittance.
- Transfer of fund from one branch to another branch.
- Transfer of fund on Standing Instruction Arrangement.
- Collection of cheques through Clearing House.

Require Documents :

- Account opening form as per format download above.
- The account opening form and signature card to be filled in and duly signed and verified by the Bangladesh Embassy.
- Two copies passport size photographs of the account holder and one copy Passport size photograph for each nominee.
- Photograph of nominee duly attested by the account holder.
- Photocopy of first 7 pages of the passport for non-resident Bangladeshi national attested by the Bangladesh Embassy abroad.
- Signature in the account opening form/card must be same with the signature of the passport.
- Birth/Citizenship Certificate.

Chapter 7: Asset composition of Sonali Bank

1. Loans & Advances

Loans and advances have been stated at gross value as per requirement of The Banking Companies Act, 1991. Provision for loans and advances are made on the basis of year-end review by the management following instructions contained in Bangladesh Bank, BCD Circular no. 34 dated 16 November 1989, BCD Circular no. 20 dated 27 December 1994, BCD

Circular no 12 dated 4 September 1995, BRPD Circular no, 16 dated 6 December 1998, BRPD circular no 9 dated 14 May 2001, BRPD circular no, 2 of February 2005, BRPD circular no, 09 of August 2005 and BRPD circular no 17 dated 06 December 2005. BRPD Circular No.-5 dated June 05, 2006 Circular No.-8 dated August 07, 2007 Circular No.-10 dated September 18, 2007. General Provision on Loans & Advances Other than short term Agricultural credit & Micro Credit, provision ratesare given below:

- General Provision on unclassified loans and advances (other than loans under Small Enterprise, Consumer Financing and Special Mention Account).1%
- General Provision on unclassified Small Enterprise Financing 2%
- General Provision on unclassified Consumer Financing for:

i) Housing - 2%

ii) Professionals -2%

iii) Other than Housing and Professionals 5%

- General Provision on unclassified Special Mention Account 5%
- Provision on sub-standard loans and advances 20%
- Provision on doubtful loans and advances 50%
- Provision on bad/loss loans and advances 100%
- General Provision on Off Balance Sheet Exposures 1%

b) The bills purchased and discounted have been analyzed in the form/terms as per the maturity grouping.

4. Property, Plant and Equipments

All Fixed Assets are stated at cost less accumulated depreciation as per BAS-16. Property, Plant & Equipment. The Cost of acquisition of assets comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. The bank recognizes in the carrying amount of an item of property plant and equipments the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the bank and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

5. Depreciation

Depreciation is charged to operating expenses at the following rates per annum on a reducing balance method on all fixed assets other than motor vehicles and computer/software on which straight-line depreciation method is followed (20% per annum) and no depreciation on land is charged:

- Building 2.5%
- Library books 7.0%
- Furniture and Fixture 10.0%
- Electrical Installations 20.0%
- Typewriters and calculating machines 20.0%
- Computer/Software 20.0%
- Motor car and other vehicles 20.0%

Depreciation on newly acquired assets is charged in full if the assets are acquired within 20 December and no depreciation is charged on assets acquired after 20 December. In case of assets disposed of, depreciation is charged up to the date of disposal of such assets.

6. Other Assets

Other assets comprise investment in Sonali Exchange Ltd. Inc USA, Prepaid Expenses, Branch adjustment and others as per Bangladesh Bank Circular.

7. Non-banking Assets

There are no assets acquired in exchange for loan during the period of financial statements.

8. Basis for Valuation of Liabilities and Provisions

a. Deposits and Other Accounts

Deposits and other accounts include bills payable and have been analyzed in terms of the maturity grouping showing separately other deposits and inter-bank deposits.

9. Provision for Taxation

Provision for current income tax has been made @ 45% as prescribed in the Finance Ordinance 2008 on the accounting profit made by the Bank.

10. Deferred Taxation

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per BAS-12: "Income Tax" As per Bangladesh Accounting Standard–12, Deferred Tax Assets calculated by the Bank.

11. Statutory Reserve

Bank Companies Act 1991 requires the Bank to transfer minimum 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

12. Other Reserve

Other Reserve comprises are Balance of reserve for unforeseen losses, Investment, Revaluation Reserve and Fixed Assets Revaluation Reserve as on 31st December 2008.

13.. Employees Benefits and Employees Retirement Benefits

Sonali Bank Limited was incorporated in Bangladesh on 03 June 2007 as a Public Limited Company and subsequently on 15 November 2007 the bank took over the undertaking and business of Sonali Bank with all its assets, benefits, rights, powers, authorities, privileges, liabilities, borrowings and obligations etc. as a going concern. The Bank will review the present Employees benefit and Employees Retirement Benefits schemes and define it as per BAS-19 Employees Benefits and BAS-26 Accounting and Reporting by Retirement Benefits Plans respectively. Provident fund benefits are given to the permanent employees' of the bank in accordance with Bank's Service Rules. The following are the Employees Retirement Benefits and Employees Benefit Schemes undertaken from the Sonali Bank:

i) Employees General Provident Fund:

Employees General Provident fund is operated from 13 September 1981 under which the concerned employees are required to contribute at least 10% and highest 30% (on declaration) of their basic salary with no matching contribution by the bank. This Fund relates to the employees who are availing Pension and Death-Cum-Retirement Benefit (PDCRB) Scheme.

ii) Contributory Provident Fund:

The bank operated a Provident Fund named as **Contributory Provident Fund** into which the bank contributed 10% of the basic salary of its eligible employees while the employees contributed an equal amount to the fund.

iii) Pension and Death-Cum-Retirement Benefit (PDCRB) Scheme:

The bank operated a Pension Fund named as Pension and Death-Cum-Retirement Benefit (PDCRB) Scheme for the employees of General Provident Fund into which the bank contributes 50% of the basic salary of its eligible employees. Payments out of this fund are made to the employees on their separation from bank's service.

iv) Gratuity:

The Bank introduced the Gratuity scheme for the member of the Employees of Contributory Provident Fund into which the Bank contributes 10% of the basic salary of its eligible employees. Payments out of this scheme are made to the members on their separation from bank's service.

v) Investment of the Pension/Gratuity Funds:

The balance of Pension/Gratuity funds are partly invested in approved securities with a view to increasing the Fund and remaining balance being utilized by the bank towards payment of retirement benefits to the employees.

vi) Administration of the Fund:

The Provident Fund, Pension Fund and Gratuity are being administered by two administrative committees each of which consists of 5 (five) members representing 3 (three) from Board of Directors, 1 (one) from officers and another from members of the staff.

vii) Benevolent Fund

This fund is mainly created for sanctioning scholarship to the meritorious students among the children of the Bank employees. The distressed employees and family member of deceased employees are also helped from this Fund.

14. Revenue Recognition

Interest income

In terms of the provisions of the BAS-18 "Revenue", the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.

i) Interest on unclassified loans and advances is calculated on daily product basis but charged and accounted for quarterly and in some cases yearly on accrual basis.

ii) No interest is recognized on loan classified as bad/loss.

iii) Interest is charged on classified loans and advances as per BRPD Circular No.05 dated 05 June 2006.

Chapter 8: Service of the Sonali Bank of The Corporate Branch of Rangpur

1.Digitalization status of Sonali Bank Limited

a. Branch Computerization : 267 branches are on live operation. Out of 1182 branches at home, 1169 branches have already been entered in the automation network.

b. **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. RMS+ Network

Currency rate of 2010

Currency Rates

Sell	**Currency**	**Buy**
70.20	USD	69.00
45.50	S-DOLLAR	43.00
88.55	EURO	84.55
18.10	M-RINGIT	17.10
18.20	UAE-DIR	17.30
106.25	GB-POUND	102.25
240.00	K-DINNER	230.00
70.20	USD.TC	69.00
105.90	GBP.TC	101.90
19.00	S-RIYAL	18.30

Figure: Currency rate

c. ATM : Sonali Bank Limited is a member of Q-Cash ATM network. At present the bank has 12 ATM booths. Establishment of 43 more ATM is on. 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. ATM Network

d. Online and SMS Banking : At present 34 branches of Sonali Banks are included in the Online Any Branch Banking (ABB) network. 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. Any Branch Banking Network

2. Ancillary Services

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

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

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.

3. Social Services:

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

4. 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.

5. Misc. Services:

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

6. Rural Credit

Rural Credit Bangladesh is Primarily an agricultural country. A major portion of her population (about 85%) live in the rural areas. About 75% of the active rural population depend on agriculture as the main source of their livelihood. Agriculture contribute about 22% to the GDP. Majority of the farmers are either small or marginal. So Credit plays a paramount role to augment the capital base to support agriculture production. With this end in view. Sonali Bank Limited the largest state owned commercial bank has been playing a vital role in the socio-economic development & poverty alleviation since 1973. Keeping in view that Credit is one of the many inputs that complete the cycle of agricultural production. Sonali Bank extending rural credit through 1182 branches over the country. Sonali Bank Limited introduced indirect rural credit in 1973 through the then IRDP (Now BRDB) there after continuing lending in the following programs:

01) Crop Loan(Special Agricultural Credit Program):

As per Government decision this program was introduced in 1977 to increase crop production (credit to subsistence and marginal farmers as well as share-croppers for raising seasonal crops). Now this program is continuing through 707 branches among the farmers of 1639 unions. Recently Sonali Bank Limited introduced Revolving Crop Credit Limit System from one branch of each district.

02) Special Investment Program:

This program was introduced in 1993 for creating self employment by establishing small & medium farms (Poultry, Dairy & Fishery) through bank finance. Under this program credit is extended through 236 selected branches over the country. Maximum ceiling of loan is Tk. 5.00 Lac.

03) Farming & off farming program: This program was introduced in 1994 to involve unemployed rural people in income generating activities (Poultry, Dairy, Fishery, Horticulture, Nursery, Beef fattening) by establishing small & medium farms through bank finance. Credit is extended through all branches over the country. Maximum ceiling of loan is Tk.15.00 Lac.

04) Krishi Khamar Rin Karmasuchi (Project):

This program was introduced is 1993 for creating new employment, increase national income & Socio economic development by establishing medium & big project (Poultry, Dairy & Fishery) through bank finance.

05) Pond Fisheries credit Program:

This program was designed to extend bank credit for pisciculture in derelict ponds/Tanks/water bodies in 1977 Credit is extended through 200 branches over the country. Maximum ceiling of loan is Tk.5.00 Lac.

06) Fertilizer Dealers Credit Program:

This program was introduced to extend bank credit among the approved fertilizer dealers operating at primary distribution point of BADC for lifting their quota of Fertilizer from BADc for ultimate distribution among the farmers in 1981.

07) Sugarcane production loan program in mill Zone area:

This program was introduced in 1975 to increase sugar production. Under this program credit is extended to 11 (eleven) sugar mills for ultimate disbursement among their affiliated farmers.

9. Micro credit

Poverty alleviation has appeared to be the focal point of all policy formulation and development issues of the nation. As such, it has been globally accepted as an effective strategy for poverty alleviation in one hand and generating employment opportunities on the other. In commitment to reduce poverty in urban, semi-urban and rural areas, Sonali Bank Limited has started functioning in Micro Credit through a full pledged micro credit division in its Head Office in the year 2003. Presently, 32 projects/programmes are being run under the control and supervision of this Division. Among all others programmes, Bank-NGO Linkage program and Credit for Urban Women Micro Enterprise Development (CUMED) in Dhaka City, Goat rearing, Lamb rearing, Fruit, Herbal, Medicinal and Nursery Project, Micro- enterprise program- 'Unmesh' in Moulavibazar district, MSFSCIP in Kurigram district, Loan for Disable Persons etc. deserve special mention for channelising the financial resources into the various potential avenues of microfinance. Sonali Bank Limited jointly with Swanirvar Bangladesh, BRDB and ADB has been providing huge investible funds into the different Upazillas within the country. 152 Upazillas have been covered by the Rural Livelihood Programme (RLP). Further, this Division has provided taka 179.09 crore to 68 NGO's under its widely accepted Bank-NGO Linkage Programme on whole sale basis and whose recovery rate is 100%. Specially, for the disable people Disable Loan Programme has been undertaken to bring the disable section of the people under the micro credit facilities. The Goat Rearing Programme undertaken by this Division has been running with a remarkable impact in reducing the rate of massive- scale rural poverty. Sonali Bank has already disbursed 46.47 crore up to 31 December, 2007. Further, in order to create employment opportunities and to generate income of the rural people two loan schemes under the name and style " Rural Small Farming Loans scheme " and "Rural Small business loan" scheme have been introduced in-2004 . In both the programs there is a provision of collateral free loan up to Tk. 50,000/- . In 2006 a new program has been introduced named " Daridra Bimochane Sahayta Karmasuchi"for the extremely 'Monga' affected rural people. Moreover, in 2007 a special program has been introduced for SIDR affected 12 areas in which there is a provision of collateral free loan up to TK.20,000/-. Up to December 2007, Tk. 3299.47 crore has been disbursed under various project/ programs of this Division where as this disbursement figure was Tk. 3056.63 crore up to December 2006. The key features of some running projects/Programs of Micro Credits given as follows:- Features :

Table Project/ program under micro finance

	Project/Programs	Target group	Loan size in Tk.
1	Swanirvar Credit Program	Poor Landless people	1,000-15,000
2	Crop Godown Credit Project	Small & Medium Farmers	Highest 10,000
3	Sonali Bank -BARD, Comilla Priogik Gabesana Rin Prokalpa	Bittahin rural male & female	Highest 10,000
4	Sonali Bank- RDA, Bogra Priogik Gabesana Rin Prokalpa	Bittahin rural male & female	Highest 10,000
5	Marginal and Small Farms System Crop Intensification program(MSFSCIP)	Marginal, Poor & Small Farmers	Highest 10,000
6	Herbal & Forestry, Medicinal Plant & Nursery Development Credit program	Bittahin, Poor Energetic Youth	5,000-25,000
7	Grameen Khudra Babsa Rin Karmasuchi	Poor People	Highest 50,000
8	Daridra Bimochane Sahayta Rin Karmasuchi	Hard Core Poor People	5,000-10,000
9	Loans to Disable People	Disabled People	25,000-50,000
10	Unmesh Credit Program	Micro Entrepreneurs	50,000-2,00,000

11	Goat Rearing Credit Program	Small &Medium Entrepreneurs	Highest 50,000
12	Credit for Urban Women Micro Enterprise Development (CUMED)	Urban Women Entrepreneurs	Highest 5,00,000
13	Bank-NGO linkage Credit Program	Poor People	Highest 5000-50,000(Loan Wholesaling to NGOs)
14	Khudra Khamar Rin Karmasuchi	Small Entrepreneurs	Highest 50,000
15	Salt Production Credit Program	Actual Salt Producer	5,000-12,500
16	Individual Irrigation / Agricultural Equipment Credit Program	Small, Marginal & Medium Farmers	10,000-16,500
17	BRDB Crop Credit Program	Small, Marginal & Medium Farmers	8,000-15,000
18	BRDB Integrated Rural Development Program	Co operative Poor Male & Female Member	1,500-20,000
19	BRDB Rural Livelihood Program	Small, Marginal & Medium Farmers	5,000-20,000
20	BRDB -Shrimp Culture Credit Program	Small, Marginal & Medium Farmers	2,333-28,000
21	Special Loan for SIDR affected Area	SIDR affected People	Highest 20,00

Chapter 9: Recommendation and Conclusion

Conclusion

The Sonali bank is the nationalized bank that performs like the others traditional banks. Sonali Bank's corporate branches perform all traditional banking functions including deposit mobilisation and lending. The bank discharges the treasury functions as the agent of the bangladesh bank. It collects tax, stamp duty and registration fees, operates special savings accounts, pays salaries to the teachers of schools, madrasahs, and colleges and pension to retired government employees. The bank provides funding to some income generating and economic development projects namely, Poverty Alleviation Credit Programme, Female Special Credit Programme, and Agro-based Industrial Credit Programme in the rural areas. It has a large participation in foreign exchange business and off-balance sheet activities.

Recommendations

- Meeting the transaction on IT based.
- Developing the network.
- Managing the fixed resources.
- Maintaining the optimal capital structure.
- Building the train up for the employees.
- Removing the liquidity crisis.
- Follow up the up to date business environment.

Reference

1. Annual report of Sonali bank

2. Journal, magazine of Sonali bank

3. Data taken from the Sonali bank officials.

4. Practical work observation of Rangpur corporate branch.