Internship Report

On

"Activities of General Banking: An Overview of Bank Asia Limited"

School of Business

Date of Submission: September06, 2020

LETTER OF TRANSMITTAL

06th September, 2020

Nighat Farjana
Senior Lecturer
Department of Business Administration
Uttara University
School of Business

Subject: Submission of report on **"Activities of General Banking: An Overview of Bank Asia Limited".**

Dear Sir,

Here is the report on "Activities of General Banking: An Overview of Bank Asia Limited". I have tried my best to prepare this report under your supervision. This report has given me a wider opportunity to work with the general banking operation of a leading bank in our country.

The paper is organized with different sections operating under general banking of Bank Asia Limited. I really enjoyed preparing this report because it provides me an opportunity to have a real life orientation of my academic knowledge so far I have learned during my One year and 8th monthsEMBA program. I believe that the knowledge and experience I gathered during the internship period, will be helpful in my future professional life.I gladly acknowledged the helps of all concerned people in preparing this report.

Sincerely yours,

Kaji Rawnok Jahan Rani
ID: 2191031008
EMBA (Regular) Program (48th Batch)

School of Business
Uttara University

ACKNOWLEDGEMENT

This report is an accumulation of many people's endeavor. But at the beginning I would like to convey my sincere appreciation to the Almighty Allah for giving me the strength and ability to finish the task within the scheduled time. Then I would like to express my sincere gratitude to everyone to help me to prepare and make the study successfully.

I would like to express my sincere and immense gratitude to my internship supervisor honorable teacher NighatFarjana, Senior Lecturer, Department of Business Administration, Uttara University. I am deeply indebted to her whole hearted supervision to me while preparing this report. Her valuable suggestions and guidelines helped me a lot to prepare the report in a well-organized manner.

I would also like to thank the officials of Bank Asia Limited. All the officials of the institution helped me cordially for collecting necessary information and data. The patience that they have shown to me during my frequent interruption of their office time for collection of data is well appreciated and special thanks to Mr. Md. Zaki Mahmud, Assistant Vice President & GB In-charge, Bank Asia Limited.

I am grateful to all of them who gave their precious time and provided me important information without which this paper would not have been possible.

CERTIFICATE OF SUPERVISOR

This is to certify that the internship report on "Activities of General Banking: An Overview of Bank Asia Limited" has been prepared for the degree Masters of Business Administration (MBA), Department of Business Administration, Uttara University carried out by KajiRawnokJahan Rani, ID: 2191031008 under my supervision.

She is permitted to submit the internship report &I wish her every success in life.

Nighat Farjana

Senior Lecturer

School of Business

Uttara University

DECLARATION

I am KajiRawnokJahan Rani, student of EMBA (Regular) program, Department of School of Business,Uttara University, do hereby declare that the internship report on "Activities of General Banking: An Overview of Bank Asia Limited" is an original and authentic work done by me for fulfillment of Masters of Business Administration (MBA) degree, as a part of academic curriculum.

I assure that this report has not been submitted by me earlier for any other degree.

Sincerely yours,

Kaji Rawnok Jahan Rani

ID: 2191031008

EMBA (Regular) Program (48th Batch)

School of Business

Uttara University

Executive Summary

The aim of this paper is to evaluate the general banking activities performed by the private commercial banks of Bangladesh with a study on Bank Asia Limited, Uttara Branch. The study has been done on the basis of both primary and secondary data. The primary data has been collected by practical observation &taking interview of respective officials and from the relevant file study provided by the officers concerned.

Bank Asia Limited is a leading private commercial bank launched by a group of successful entrepreneurs. It set milestone by acquiring the business operations of the Bank of Nova Scotia in Dhaka & Muslim Commercial Bank (MCB), first in the banking history of Bangladesh. Being parallel to the cutting edge technology the Bank is offering online banking with added delivery channels like ATM, Tele-banking, SMS and Net Banking.
Presently BAL has 128 branches across the country to conduct its business. It received the Certificate of Incorporation on September 28, 1999 and came to operation on November 27, 1999. Now after 20 faithful years of dedicated and reliable services, BALhas created an envious position for itself among the leading banks of the country with an Asset base of TK. 320 billion, Deposit of TK 250 Billion and 128 outlets all over the country.

This study is concerned mainly with the key business operations of general banking division of Bank Asia Limited.First chapter of the report focuses on background, origin, Scope, objective, limitation & the methodology of the study etc. Second chapter focuses on overview of the overall banking activities of Bangladesh. Third chapter focuses on overview of BAL contains history, vision, mission, objective, product and services of BAL and so on. The fourthchapter focuses the project part which called General Banking Activities of Bank Asia ltd. The fifth chapter is the analysis part containing the SWOT & financial performance of BAL, Uttara Branch. Last one focuses my internship experience which I learned from BAL Uttara Branch as well as the some sort of problems which I have found from my observation. In this part I have also tried to recommend some solutions to solve these problem and conclusion based on my study.

Through the report I have mainly tried to critically review the General Banking Activities of Bank Asia Limited, Uttara Branch.

Introductory Part

Chapter -1: Introduction

1.1 Origin of the Study

In the competitive global era, classroom education only serves to boost a graduate into a professional by conferring a degree but internship program makes the theories and learned examples concrete by placing the student in a real life work situation performing actual professional tasks, which the job encompasses. For this, internship report has been made compulsory for all Business students of UttaraUniversity. As a part of the MBA program, all the students of this university have to experience an internship program with a purpose of gaining practical understanding about modern business world. The program covers a period of three months of organizational attachment. After the completion of internship program, each student has to submit an internship report mentioning the activities performed and learned during the internship period.

1.2 Objective of the Study

The core objectives of this study are to gain realistic and practical understanding about banking structure and activities. Specific objectives of the study are given below:

- To understand and analyze the overall activities of Bank Asia Limited.
- To evaluate the existing activities and techniques of Bank Asia Limited.
- To understand the general banking Activities of Bank Asia Limited.
- To study the operational efficiency of Bank Asia Limited.
- To suggest the way and means for improvement on policy and techniques.
- To relate the theoretical learning with the real life situation.
- To gain knowledge about the activities and functions of General Banking: account opening, accounts section, cash handling & clearing.
- To formulate SWOT analysis of BAL.

1.3 Scope of the Study

Banking sector plays a crucial role in the economic advancement of a country. Bank Asia Limited is one of the most promising banks in Bangladesh. So far researchers have a very specific scope to overview the whole system. As I am working as Assistant Officer at General Banking Department of Bank Asia Limited, Uttara Branch, the report covers the background, functions and mostly the General Banking part of Bank Asia Limited. The preparation of this report offers a great opportunity to have an in-depth knowledge of banking activities practiced by the branch. This report has been made based on the experience gathered duringmy previous three years job & the period of 3 months' internship. It was a huge opportunity for me to practically learn and execute the entire process of General Banking activities.

1.4 Methodology

This part of the report contains which data sources I have used to gather all the related information about Bank Asia Limited and its activities. The report is mainly based on Qualitative analysis. The data sources according to their types are given below,

Primary Data Sources:

- Direct involvement in the General banking activities of the bank
- Discussion with other officials of Bank Asia Limited
- Informal interview and individual conversation with employees
- Personal observation on the procedure of banking activities

Secondary Data Sources:

- Annual report of Bank Asia Limited of 2015 to 2019
- Brochures, Manuals and publications of Bank Asia Limited.
- Online data from official website of Bank Asia Limited
- Relevant Journals and research papers
- Relevant file study as provided by the concerned officers.

1.5 Limitations of the Study

To provide recent information and to make this report read worthy, support from various sources is essential. In spite of having my wholehearted effort, there may have some lapses of information required at the time of the study. Therefore, this study is not free form limitations. Some limitations and problems have encountered which are as follows;

- Inadequacy of some preceding and latest data.
- At times the concerned personnel did not provide enough time due to rush banking hours. So, I faced some problems to understand few points of specific tasks.
- As a matter of fact three months is too short to study all the banking activities.
- There were some technical problems like data interpretation, transmission and data reservation.

Chapter -2: Overview of Banking System

A bank is a financial institution that accepts deposits from customers and extends credit to the customer. Banks borrow money accepting funds on current accounts, term deposits and lend money by making advances to customers on current accounts, by making loans and by investing in marketable debt securities and other forms of money lending. There are different types of banks in Bangladesh such as Commercial bank, specialized bank, Investment bank, etc. Here we are discussing about private commercial bank only.

2.1 Functions of Banks

The common functions of commercial banks are briefly highlighted in following Diagram.

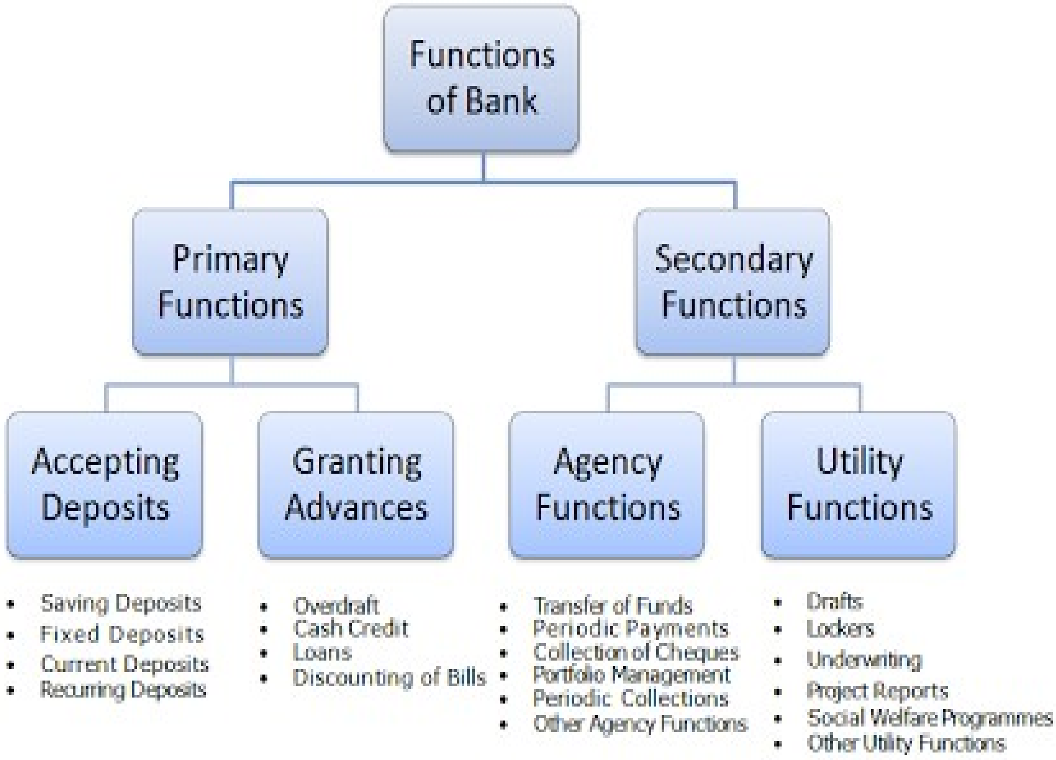

Figure1.1: Function of Bank

2.2 Common Departmental Structure of Private Banks in Bangladesh

All branches of Private Banks in Bangladesh are divided into three departments. Those are defining below with their activities and procedure.

General Banking Department:

General banking department is one of the most important departments of all private Banks. Basically banks provide the main services to the customer through this department. In general this section has some common services for customers that are given below.

- Account Opening
- Issuance of Cheque
- Issuing PO (Pay-Order), DD (Demand Draft) etc.
- Fund Transfer.
- Accounts maintenance.
- Clearing of cheques.
- Prevention of money laundering.

Investment Department:

Banking business consists of borrowing and lending. Bank acts as an intermediary between surplus and deficit economic units in the society. Thus a banker is a dealer in money and credit. Banks accept deposit from large number of customers and then lend a major portion of the accumulated money to those who need to borrow. In this process banks secure reasonable return to the depositors, make funds available to the borrowers at a cost and earn a profit from the differences of the prices. For maintaining this mechanism, they do some activities those are given in below.

- Prepare the application form to provide loan.
- Preparing Refund Statements
- Preparing Investment Proposal and Statement
- Disbursing the loans

Foreign Exchange Department:

In this department the foreign exchange transactions are done. This department is responsible for dealing foreign trade of the customers.The foreign exchange department usually doesthefollowingactivities.

- Opening Letter of Credit.
- Receiving & Advising of L/C.
- Receiving & Payment of Foreign remittance
- Submitting proper returns

2.3Risk Management in Banks

Risk management is the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Risks may arise from various sources including uncertainty in financial markets, threats from project failures, legal liabilities, credit risk, accidents, natural disasters deliberate or attack from an adversary.

Managing threats typically include avoiding the threat, reducing the probability of the threat, transferring all or part of the threat to another party, and even retaining some or all of the potential or actual consequences of a particular threat.

Why is Risk Management Important?

The future of banking will undoubtedly depend on effective risk management. Only those banks that will be able to introduce an efficient risk management system will survive in the long run. The effective management of credit risk is a critical component of comprehensive risk management which is essential for long-term success of a banking institution. Although capital serves the purpose of meeting unexpected losses, capital is not a substitute for inadequate risk management systems.

Mainly risk management is important:

- To avoid failure is a principal reason for managing risk.
- To ensure the quality of assets.
- To make sure that the assets and liabilities of a bank is properly matched.
- To safeguard the value of assets in response to interest rate movement.
- To protect banks from the crisis of liquidity.

- To ensure that a bank has enough capital to offset a sudden decline in the value of its assets.
- To be sure to certain extent that the banks are making profit.

Risk Management Process

The main steps in risk management are

1. Identification
2. Measurement
3. Treatment
    - Risk avoidance
    - Risk reduction
    - Risk acceptance
    - Risk transfer
4. Implementation
5. Evaluation

Organization Part

Chapter -3: Overview of Bank Asia

3.1 The Company

Bank Asia commenced operation on November 27, 1999 by a group of successful entrepreneurs with recognized standing in the society. The management of the Bank consists of a team led by senior bankers with decades of experiencein national and international markets. The senior management team is ably supported by groupof professionals many of whom have exposure in the international market.

It set milestone by acquiring the business operations of the Bank of Nova Scotia in Dhaka, first in the banking history of Bangladesh. It again repeated the performance by acquiring the Bangladesh operations of Muslim Commercial Bank Ltd. (MCB), a Pakistani bank. In the year 2003 the Bank again came to the limelight with oversubscription of the Initial Public Offering of the shares of the Bank, which was a record (55 times) in our capital market's history and its shares commands respectable premium.

The asset and liability growth has been remarkable. Bank Asia has been actively participating in the local money market as well as foreign currency market without exposing the Bank to vulnerable positions. The Bank's investment in Treasury Bills and other securities went up noticeably opening up opportunities for enhancing income in the context of a regime of gradual interest rate decline.

Bank Asia Limited started its service with a vision to serve people with modern and innovative banking products and services at affordable charge. Being parallel to the cutting edge technology the Bank is offering online banking with added delivery channels like ATM, Tele-banking, SMS and Net Banking. And as part of the bank's commitment to provide all modern and value added banking service in keeping with the very best standard in a globalize world.

3.2 Vision

Bank Asia's vision is to have a poverty free Bangladesh in course of a generation in the new millennium, reflecting the national dream. Our vision is to build a society where human dignity and human rights receive the highest consideration along with reduction of poverty.

3.3 Mission

Missions of BAL are-

- To assist in bringing high quality service to our customers and to participate in the growth and expansion of our national economy.
- To set high standards of integrity and bring total satisfaction to our clients, shareholders and employees.
- To become the most sought after bank in the country, rendering technology driven innovative services by our dedicated team of professionals.

3.4 Core Values

Core values of BAL are-

- Place customer interest and satisfaction as first priority and provide customized banking products and services
- Value addition to the stakeholders through attaining excellence in banking operations
- Maintain high ethical standard and transparency in dealings
- Be a compliant institution through adhering to all regulatory requirements
- Contribute significantly for the betterment of the society
- Ensure higher degree of motivation and dignified working environment for our human capital and respect optimal work-life balance
- Committed to protect the environment and go green

3.5 Company Profile

The head office of BAL is situated in RangsTower(2nd to 6th Floor) 68, PuranaPaltan,Dhaka-1000. Presently BAL has 128 branches across the country to conduct its business. BAL is a third generation public limited commercial bank. It received the Certificate of Incorporation on September 28, 1999 and came to operation on November 27, 1999. Now after 20 faithful years of dedicated and reliable services, BALhas created an envious position for itself among the leading banks of the country with an Asset base of TK. 320 billion, Deposit of TK 250 Billion and 128outlets all over the country. The slogan of BAL is-

"FOR A BETTER TOMORROW"

3.6 Overview of Uttara Branch

To adapt the business sector to its quality administration and to achieve the doorstep of the general population of the nation, Bank AsiaLtd includes new branches in urban and in addition country regions consistently. According to its plan of expedition BAL inaugurated its 15thbranch at Uttara on 25thOctober, 2003. From the induction these branch concentrates on the corporate & general customers and perform extremely well. Furthermore, the administration underlines to enhance benefit procuring limit with soundness and supportability. Furthermore branch administration concentrate on the minimization of expense to augment the benefit and the branch makes profits from its operations as a continuous assessment of performance.

At present this branchhas twenty eight employeesleaded by Md. Amanullah(SVP & HOB) and being operated as an AD branch.

Project Part

Chapter -4: General Banking

General Banking is the heart of all banking activities. It is the introductory department of the bank to its customers. Since this is a banking organization, this organization earns profit through selling services to its customers. This department assists in taking deposits and simultaneously provides some necessary services.The skilled people of BAL are allocated for providing such services and for the purpose of deposit mobilization. The general banking department of BAL consists of following activities departments:

- Customer Services Department
- Cash management Department
- Clearing Department
- Financial & Accounts Department (FAD)
- Anti-money Laundering Department (AMLD)

4.1 Customer ServicesDepartment

The Customer Services Department of BAL does the following tasks regularly:

- Account Opening
- Remittance Payment
- Issuing Cheque Books
- Fund Transfer
- Issuing Pay-Order
- Stop payment of cheques.
- SAFE DEPOSIT LOCKERS

Account Opening

Account opening is the very important part of general banking. BALoffers different types of account to their customers: Current Deposits, Savings Bank Deposits, Fixed Deposits, Short Term Deposits, Monthly Term Deposits, and Any other deposits as may be approved / advised by Head Office.

General Instructions for account opening

- Firstly the customers have to collect the account opening form from their convenient branch prescribed by BAL
- Account opening officer will be equipped with Transaction profile (TP) form; Customers risk assessment form, Specimen signature card, Requisition for issuance of Cheque book, Money laundering form and guideline for account opening.
- The officer will interview the prospective customer politely and in a decent manner regarding his opening a bank account. The officer will verify the customers by using this method. If the customer resides at distant location but deserves to open an account with the branch, then reason shall be asked and in no circumstances provide him/her any account opening form until fully satisfied. What type of account he/she wants to maintain
- Account opening officer will take personal information form the prospective customer to fill up the KYC (know your customer) and TP form
- The customers are required to provide 2 copies of PP size photographs of the applicants attested by the introducer and 1 copy of passport size photograph of the nominee attested by the applicant.
- The customers are asked to provide the photocopy of their Passport/ National ID card/ Voter ID card/ Union Perished Certificate, etc.
- In case of, Joint Account, operational instructions should be confirmed with the signature of applicants jointly.

Different types of accounts:

BAL is a Private commercial bank of Bangladesh. It is resolved to give adaptable administrations to its clients for their most extreme advantage and higher contentment. Step by step BAL builds its item list for the significant clients which are mentioned onward a few offerings and plans been stated underneath

- Savings account
- Current account

- SND- Short Notice Deposit
- FDR
- DPS- Deposit Pension Scheme
- Double Benefit Plus (DB+)
- TRIPLE Benefit PLUS (TB+)
- Monthly Benefit Plus (MB+)
- Sonchoy-e-Kotipoti (SKP)
- Bank Asia Sonchoy Plus

The detailed features of the above deposit products are shown bellow:

Saving Account

Customer Benefit

- Cheque-book facility
- Locker facility
- Collect foreign remittance
- Any branch transfer of fund
- Transfer of funds on Standing Instruction Arrangement
- Collection ofcheques through Clearing
- Online Banking service
- SMS Banking& Internet Banking
- Bank Asia ATM Card Service

Documents Required

- Completed account opening form
- Passport size photograph of account holder(s) and nominee(s)
- Proof of identification such as national/Voter's ID, Passport or Driving License, etc.
- Taxpayer’s Identification Number (TIN)

Current Account

Customer Benefits

- Cheque-book facility
- Opportunity to apply for - safe deposit locker facility
- Collection of foreign remittance
- Any branch transfer of fund
- Transfer of fund through Standing Instruction Arrangements
- Collection of cheques through Clearing House
- Online Banking services
- SMS Banking
- ATM Card Service

Documents Required:

- Completed account opening form
- Passport size photograph for each account holder and nominee
- National/Voter's ID, Passport or Driving License
- Taxpayer’s Identification No (TIN)
- Trade License
- RJSC registration certificate for Limited company
- Commencement certificate in case of Public Limited company
- Partnership registration and/or deed for partnership firm
- Proof of address – copy of utility bills of residence

Fixed Term Deposit

Features:

- Term deposit account, guarantees interest on deposit
- Flexible tenor: 1month, 2 months, 3 months, 6 months, 1 year & 2 years
- Amount Taka 10,000 or above
- Up to 90% loan facilities

Documents required

- Completed account opening form
- Passport size photograph for each account holder and nominee(s)
- National ID, Passport or Driving Licenseetc.
- Taxpayer’s Identification No (TIN)

Bank Asia Shanchay Plus (Term Deposit)

Benefits

- Flexible deposit tenures: 12 months, 24 months &36 months
- No hidden charges are imposed
- Freedom of encashment at three mentioned points of time with interests
- SOD loan facilities are available

Other Issues:

- Maximum deposit tenure is 3 years
- Deposit amount is Tk. 100,000 or its multiple
- Maximum deposit amount under single name is Tk. 4,000,000.00
- Maximum deposit amount under joint name is Tk. 6,000,000.00

Terms & Conditions:

- Only individual persons can open this account
- No interest in case of encashment before one year

Bank Asia Deposit Pension Scheme Plus(DPS+)

Benefits

- Attractive and reasonable interest rates
- No hidden charges are imposed
- Tax benefits as investment rebate
- SOD loan facilities are available
- Monthly deposit is free of online charges
- Customer will enjoy charge free Savings Account as DPS link account

Other Issues:

- Tenure: 3, 5, 7, 10 and 12 years
- Deposit amount- Tk. 500 to Tk. 10,000 monthly

Terms & Conditions:

- Only individual persons can open this account
- In case of early encashment, customer maybe given the maturity amount of previous tenure if that is completed by the time of encashment. Then for remaining period, existing saving rate willbe applied.

Return Schedule					
Monthly Saving	3 years	5 years	7 years	10 years	12 years
500	19,500	34,500	51,500	86,250	1,17,500
1,000	39,000	69,000	1,03,000	172,500	2,35,000
2,000	78,000	1,38,000	2,06,000	3,45,000	4,70,000
3,000	1,17,000	2,07,000	3,09,000	5,17,500	7,05,000
4,000	1,56,000	2,76,000	4,12,000	6,90,000	9,40,000
5,000	1,95,000	3,45,000	5,15,000	8,62,500	11,75,000
8,000	3,12,000	5,52,000	8,24,000	13,80,000	18,80,000
10,000	3,90,000	6,90,000	10,30,000	17,25,000	23,50,000

Bank Asia Monthly Benefit plus (Term Deposit)

Benefits:

- Monthly return up to 450 Taka for every one Lac Taka Deposit
- No hidden charges are imposed
- SOD loan facilities are available

Other Issues

- Deposit tenure: 3 and 5 years
- Deposit amount starts with Tk. 1000,000 or its multiple
- Maximum deposit amount under single name Tk. 4,000,000
- Maximum deposit amount under joint name is Tk. 6,000,000

Terms & Conditions:

- Only individual persons can open this account
- Customer must maintain link account(SB) with Bank Asia
- No interest in case of encashment before one year

Bank Asia Double Benefit Plus (Term Deposit)

Benefits:

- Attractive and competitive interest rates are offered
- Double the amount in just 11 years
- No hidden charges
- SOD loan facilities can be availed

Other Issues

- Deposit amount- Tk. 50,000 or its multiple
- Maximum deposit amount under single name Tk. 4,000,000
- Maximum deposit amount under joint name is Tk. 6,000,000

Terms & Conditions:

- Only individual persons can open this account
- Simple interest rate at existing savings deposit will be applied in case of early encashment.

Bank Asia Triplee Benefit Plus (Term Deposit)

Benefits:

- Attractive and competitive interest rates
- Double the amount in just 15 years
- No hidden charges will be imposed.
- SOD loan facilities are available.

Other Issues

- Deposit amount starts from Tk. 50,000 or its multiple
- Maximum deposit amount under single name is Tk. 4,000,000
- Maximum deposit amount under joint name is Tk. 6,000,000

Terms & Conditions:

- Only individuals can open this account
- In case of early encashment, simple interest rate at existing savings deposit will be applied.

Bank Asia Shonchoy E KotiPoti (DPS Product)

Benefits

- Attractive and competitive interest rates are offered.
- No hidden charges are imposed.

- Tax benefits as investment rebate
- SOD loan facilities can be availed
- No online charges for monthly installment deposit
- Customer will enjoy charge free Savings Account as link account.

Other Issues

- Deposit tenure: 5, 7, 10, 12 and 15 years
- Deposit amount starts from Tk. 3,000 monthly
- Maximum 4 (four) person can open the account jointly.

Terms & Conditions

- Only individual persons can open this account.

Premature encashment

- No interest will be provided within in 1 year.
- Beyond 1 year applicable savings rate will be applied

Monthly Installment Schedule						
Tenor	10 Lac	50 Lac	1 Crore	2 Crore	3 Crore	4 Crore
Monthly Saving in 15 Years	3,220	16,100	32,200	64,400	96,600	128,800
Monthly Saving in 12 Years	4,600	23,000	46,000	92,000	1,38,000	-
Monthly Saving in 10 Years	6,000	30,000	60,000	120,000	-	-
Monthly Saving in 7 Years	9,520	47,600	95,200	-	-	-
Monthly Saving in 5 Years	14,550	72,750	145,500	-	-	-

Remittance Payment

Bank Asia Ltd has introduced Foreign Remittance in September 2003. BAL has Agency Arrangement with 34 Exchange houses in various countries around the world like UK, USA, Canada, UAE, Kuwait, Mauritius, Oman & Malaysia. Renowned Global brands like Western Union, Xpress Money, Placid NK Corporation, IME, Merchantrade, Choice Money Transfer and Instant Cash Worldwide are also been served by Bank Asia Ltd. Bank Asia is proud to be an active participant in the economic growth.

Bank Asia Limited helps the nation by providing foreign remittances to the customers. A customer at first collect system made payment slip from customer service department providing PIN number and then collect cash from cash counters.

MICR PRINTED CHEQUE BOOKS

Under the MICR cheque system, the cheques are designed with name, account number, name of the branch printed on each cheque leaf.

At the first of opening an account, the first cheque book should be issued to an account holder on the basis of first requisition slip signed by him, obtaining authorization from the HOB/ MOB as applicable. The cheque books are to be obtained from the Payment Service Department(PSD) of the corporate office as per the system of MICR cheque book issue.

PAY ORDER

A pay order is a written order, issued by a Branch of a Bank, to pay certain sum of money to a specified person or a Bank. It may be said to be Banker's cheque as it is supplied by a Bank drawn upon and payable by itself.

A pay order is divided into three parts:

- The actual pay order.
- The second counterfoil to be retained by the payee.
- The first counterfoil to be retained by the issuing Branch as record.

ISSUANCE OF PAY ORDER

- Block series number of PO must be booked into the system by the Remittance Officer before issuance of the PO.
- The pre-printed PO serial number has to be posted in the system and no controlling number is required to be entered in the system.
- Instrument has to be signed by two authorized signatories with PA number.
- Amount, Beneficiary, Currency, Name of issuing Branch is to be entered in the respective field in STELAR system on instrument tally.
- Particulars of the instrument matches with those entered into the system

Applicant of the PO may be existing customer or walk-in-customer of the branch. Issuance of PO should be debiting customer account in case of account holder and against cash in case of walk-in- customers.

PAYMENT OF PO

- Payment will be made to Beneficiary's account.
- Payment may be made to purchaser's account only when beneficiary will release the PO.
- Collecting Bank's endorsement required in case of clearing payment.
- Cash payment against PO can only be made by PO issuing Branch observing necessary formalities

DEMAND DRAFT

It's an important instrument for remittance of funds payable on demand drawn by one branch to another branch of the same bank. In online banking environment of BAL, for remitting fund issuance of DD is not at all required. Parties of the DD

- Purchaser
- Drawer
- Drawee
- Payee

ISSUANCE OF DD

- Application in prescribed form.
- Cash deposit or cheque
- Writing DD without alteration
- Entry of DD in STELAR
- Write printed and serial no of DD on the application
- Write amount of DD with protectograph machine
- Handover to customer after duly signed with acknowledgement
- Apply accurate test key
- Checked and signed by two authorized officer

PAYMENT OF DD

- Confirm test key and advice
- Communicate with drawer branch if needed
- Make payment when IBCA is received
- Preservation of draft advice
- Check the DD and signature
- Check signature number

Stop Payment Order

- Bank stops the payment of any cheque issued by the drawer immediately after getting such an instruction from the customer.

- Instruction for stopping payment of any cheque shall be obtained from the account holder in writing.
- If stop payment instructions are received over telephone or Telex a provisional note in respect thereof shall be kept with cancellation officer, pending receipt of written instructions from the account holder.
- Meanwhile if the cheque is already paid the account holder shall be informed immediately.
- The stop payment letters received from the party shall be filed in the "Stop Payment File".

SAFE DEPOSIT LOCKERS

Safe deposit locker facility is one of the subsidiary services provided by the Bank for keeping the valuable in the safe deposit locker. This provides safety to the belongings of the customers against theft. Bank provides specially designed lockers kept at specially built strong rooms for keeping the valuables of the hirer purchased from reputed manufacturers.

- The clients have the ownership of the lockers. She/he can use it as per condition of the deed. The client cannot handover or sublet the locker.
- The Bank has the right to close the Locker section for a certain period or forever if considered risky without serving any notice to the locker holder(s).
- If the locker holder does not serve notice for termination of the deed, this will be treated as renewed for the next year.
- Any change of the address of the hirer must be immediately notified to the bank.
- In any case loss of key by the hirer, the lock of the locker would be replaced by the bank.
- Bank is not responsible for any kind or damage or loss of the things kept in the lockers.
- Locker can be surrendered by the hirers at any time during the contact period.

4.2 CASH MANAGEMENT AND TELLER OPERATION

A teller is one who is the most important representative of the Bank who should build good relationship with the customers. S/he has a direct personal role to play in handling deposits of the customers. A major portion of a Teller's work day is spent in receiving deposits, encashment of cheques, drafts, pay orders etc. The majority of the customers come in contact solely with the tellers. This presents a special challenge to the Teller, for it s/he has to maintain a good customer relationship through personal contact daily with the customer.

Receipt of cash

A teller follows the steps and check points in receiving cash:

- The deposit slip shall be filled in and signed by the client for depositing cash to the cash counter. The officers count then by cash counting machine & later manually the notes/coins
- The cash receiving Officer shall count the cash and compare total with amount shown in the deposit slip both words and figures
- If the amount still differs return the cash to the depositor for him to recount and correct the amount in the Deposit slip
- The officer writes the amount with red ink on the face of the deposit slip
- The cash receiving officer must be confirmed about the account number deposited the amount and the name of the account holder. The cash receiving officer shall sign and affix a "Cash Received" seal on the deposit slip and on the carbon copy after confirming name and account number
- Teller shall pass the entry into iStelar Module and affix "Posted" seal along with transaction number
- Then the clients get the deposit slip signed by the cash-in-charge
- In case of beyond teller limit slip should be sent to authorizer and authorizer shall sign on the deposit slip as well as authorized the transaction
- In case of cash receipt in credit vouchers originated from the department, the same shall be signed by two authorized officers before depositing the same with the cash receiving counter
- Cash teller can balance his/her physical cash position with system drawer's position at free time of the day. At the end of the day teller must generate batch journal report and cross cheque with cash receiving vouchers

Payment of cash

A person wishing to withdraw funds from his/her account must use printed cheques supplied to him by the Bank. The cheques may be printed, written or typed. Cheques are of two types:

I. *Order Cheques*

II. *Bearer Cheques*

If the words "OR BEARER" appear after the name of the payee, it is called bearercheque. If the words "OR BEARER" do not appear after the name of the payee, it is called order cheque. A bearer cheque can be converted into order cheque by striking the word "BEARER". No authentication of the drawer is necessary for such cutting. If an Order cheque is to be converted into Bearer cheque, then the word "BEARER" is to be written. In this case, cutting must be authenticated by the drawer with his/her signature. Both the bearer & order cheques can be paid over the counter but in case of order cheque the payee must be identified properly.

There are some characteristics of a cheque

- It must be signed by the drawer
- The Payee must be specified
- The amount must be written in figures and words
- The Drawee bank must be designated
- Specific Date of the cheque
- Cheque series numbers

Cash Payment against Remittance

- Teller can't directly process any remittance transaction.
- The remittance officer will complete all the formalities for remittance and prepare a voucher for cash payment duly signed by the authorized persons of the Branch and handover the voucher to the teller for payment.

Balancing and checking

At the close of the Banking hour the individual Receiving and Paying Cash Officers shall total their respective teller's Cash Proof sheet and tally the same with their respective balance held by the cash Officer. The total figure of all cash receiving and Payment Registers shall enter into the Cash Balance Book. The closing balance of individual book shall be written in both in figure and words. The Register shall be signed by the Cash-in-charge and manager operations of the branch. The cash balance book is checked with the closing figures of the preceding day of the book and closing figures of Teller Cash Proof. The Cash Position memo would be sent to the Accounts department. The accounts department will acknowledge receipts of the same on the duplicate copy of the memo and keep in the "Cash Position Memo" file. The vault Register shall be maintained properly.

4.3 CLEARING

Introduction of BACH

BACH (Bangladesh Automated Clearing House) is a new height in Banking that has changed clearing operations in banking system to redesign in digital form. It has increased bankers' service capacity to customers. BACH started commercially on 7th October, 2010 from Dhaka and step by step captured all traditional clearing houses over the country (86 houses). Bank Asia Limited is recorded as core partner of implementation in all stages of the project very successfully.

INWARD & OUTWARD CLEARING

Inward clearing: This is handled by the Central Clearing Unit (CCU). Branch gets the report of inward cheque details and ensures positive pay confirmationtoCCUby contacting the respective customers.

Outward clearing: Bank Asia follows decentralized module for outward clearing where branch under checker system scan the cheque, put amount and beneficiary name and a/c number & maker confirms the entry and saves.

OUTWARD CLEARING PROCESS

- Bank ensures the use of UV detector in cheques at receiving counters for detecting alteration of any MICR feature.
- They remove pin, scotch tape, deposit slip counterpart and any other particles attached with the cheque.
- Make bunches of 50 cheques.
- All the chques are crossed specially by the name of collecting bank.

- Required endorsements are done on the back part of the cheques.
- Then the cheques are inserted into the scanner machine.
- They carefully do the amount entry to ensure the correctness.
- Finally the cheques are posted & saved for the use of CCU.

4.4 Finance& Accounts Department (FAD)

Accounts department is called as the nerve center of the bank. In banking business, many transactions are done every day and these transactions are to be recorded properly and analytically as the banks deal with the depositors' money. Any deviation in proper recording may hamper acquiring public confidence and the bank has to suffer a lot. Improper recording of transactions will lead to the mismatch in the overall financial position of the bank. To avoid these mismatches, the bank provides a separate department; whose function is to check the mistakes in assign vouchers or wrong entries or fraud or forgery. This department is Accounts Department.

Besides, the bank has to prepare some in-house statements as well as some statutory statements to be submitted to the central bank. Accounts Department prepares these statements also. The department has to submit some statements to the head office, which is also consolidated by the head office later on. The tasks of the department may be seen in two different angles.

Daily Tasks

The routine daily tasks of the account department are as follows:

- Posting the transactions in the cashbook.
- Properly party account interest checking and follow up.
- Preparing the daily position of the branch comparing of the deposits and advances.
- Preparing the daily statement of affairs showing all the assets and liability of the branch as per.
- Making payment of all the expenses of the branch.
- Maintaining General ledger and subsidiary ledger separately.

- Ensuring daily voucher properly recorded, maintained, checking and also recorded in registers.
- Different deposit account interest, payment account, closing account charges realize and interest calculation etc.
- Recording inter-branch fund transfer and providing accounting treatment in this regard.
- Preparation of weekly financial statement.
- Bank Asia general account calculation.

Periodical Tasks

The routine periodical tasks performed by the department are as follows-

- Preparing bill of month house rent, electric bill, telephone bill, interior decorator bill and security guard bill etc.
- Monthly profit & loss account prepare.
- Preparing the monthly salary statements for the employees.
- Publishing the basic data of the branch.
- Monthly SBS-1 (Schedule Bank Statistics) and quarterly SBS-2 statement prepare.
- Maintaining & booking of fixed assets.
- Calculating depreciation for all fixes assets of the branch.
- Making the year closing entries to reconcile all accounts.
- Maintaining yearly records of financial issues.

4.5 ANTI-MONEY LAUNDERING DEPARTMENT(AMLD):

Bangladesh Financial Intelligence Unit (BFIU) is the mainbody of Bangladesh which was introduced for analyzing Suspicious Transaction Reports (STRs), Cash Transaction Reports (CTRs) & information related to money laundering (ML) &financing of terrorism (TF) received from banks & other related reporting agencies like NBFI, Insurance companies, exchange houses, etc. The main objective of the BFIU is to establish an effective structure for prevention of money laundering, combating financing on terrorism.

BFIU was established in June 2002named as 'Anti Money Laundering Department' and has been transformed as the Bangladesh Financial Intelligence Unit (BFIU) in 25 January, 2012 circulating the Money Laundering Prevention Act, 2012.

Under the provision of the BFIU Circular-10, BAL Uttara branch has an anti-money laundering department comprising of two members;

1. Branch Anti Money Laundering Compliance Officer (BAMLCO)
2. Branch Anti Money Laundering Officer (BAMLO)

Functions of Branch Anti Money Laundering Department:

1. Arranging quarterly AML meeting.
2. Ensuring KYC.
3. Monitoring transactions.
4. Ensuring Suspicious Transactions Reporting (STR) & monitoring.
5. Keeping records.
6. Arranging training for officers.

Chapter -5: Analysis

5.2SWOT ANALYSIS OF BANK ASIA LIMITED

In general, SWOT is referred to as the analysis of strengths, weaknesses, opportunities and threats of an organization and its surrounding environment. The core purpose of the SWOT analysis is to identify strategies that are appropriate for a company's resources and capabilities. During my internship period, I have found some aspects which are related to Bank's strengths, weakness, opportunities and threats, which are affecting The Bank's overall performance. The SWOT analysis of Bank Asia Limited is given below.

Strengths:

- Stable sources of funds
- Largest portfolio among private commercial banks.
- Strong liquidity position
- Skilled and dedicated workforce under a group of dynamic and knowledgeable leaders.
- Strong integration/bondage among the employees. Best Health, Safety and Working Environment for Human Capital.
- Good corporate image as reflected by trustworthiness in the market.
- Own core banking solution. Customization and scaling through our associate software development company.
- Strong presence in trade finance, export and import.
- Strong foreign correspondents in international trade. Relationship with hundreds of financial institutions worldwide.
- Strong asset and capital base.
- Financial inclusion through Agent Banking and Remote Banking (EBEK).
- 24 hours real time online banking &payment processing through EFTN.

❖ One of the best Shariah compliant Islamic banking service providers in Bangladesh. Bank Asia has developed and implemented a module for profit distribution among the Mudaraba depositors based on unique Income Sharing Ratio (ISR), the first of its kind in Bangladesh.

Weakness:

❖ Lack of strong initiative to explore investment opportunity through Research and Developme nt (R&D).
❖ Shortage of adequate manpower in corporate office as well as at branches.
❖ Comparatively weak IT & E-Banking system.
❖ Branch network is mainly urban base. Small numbers of branches in rural area.

Opportunities:

❖ Scope of whole sale banking with NBFIs.
❖ Increasing consumer awareness of bankingsystem.
❖ Have opportunity of expanding the credit card business.
❖ Have capacity of increasing branch network through agent banking.

Threats:

❖ Very low interest rate for depositors which may lead to a extreme shortage of funds in future.
❖ Increased competition in the market for quality assets.
❖ Lack of investment opportunity in the overall economy.
❖ Unhealthy competition in the market which may lead to selection of wrong borrower.
❖ Supply gap of foreign currency.
❖ Maintenance of Non-Performing Loans (NPL).
❖ Increasing frauds & forgery in the industry.
❖ Money-Laundering is a big threat for financial system.
❖ Increasing cybercrime worldwide.

5.3CRITICAL ANALYSIS OF GENERAL BANKING DEPARTMENT:

The general banking department of Bank Asia follows some strategies to increase business of the bank which are:

- Taping different government agencies e.g. Foreign missions, Roads and Highways, LGED, Bangladesh Bridge authorities etc. and also other different corporate houses and maintaining regular intense social interaction.
- Cross selling of different products including retail to corporate customers.
- Offering cash management services e.g. collection of institutional accounts and effective use of EFTN service to secure and fast cash service.
- Collection of utility bills & tuition fees of different educational institutions.

Throughout my internship program, I have observed some aspects of this branch. Those are given below:

- Bank employees were very much co-operative and friendly to their colleagues & also to customers.
- The authority of Bank Asia Limited is very strict about punctuality. Each day a prayer is performed before starting the regular banking hour and it is mandatory for all the staffs to attend the prayer on time.
- Every Sunday there is a weekly meeting at sharp 9 A.M. On that day, men have to wear suit &women have to wear Sarees and it is mandatory for all.
- The manager of this branch is a man of very good communication skill. He knows how to retain their valued clients. This branch sends cakes and greetings to their every valued client on any occasion. They also maintain the festive culture on every occasion.

Concluding Part

Chapter -6: Findings& Recommendation

6.1 Findings

While preparing the report and analyzing the data, I have identified some major findings of problems. I have only worked at Uttara Branchof Bank Asia Limited. Therefore, if the practices and the corporate cultures of Bank Asia as a whole are believed to be the same as all branches.

Despite all the positive responses the followings are the findings of problems of my report:

- Lack of manpower: The workload of the branch is very high compared to other branches of Bank Asia. But they do not have enough workforces to manage the work pressures. If one employee is absent or on a leave, another employee from same department has to look after the responsibilities of two people. This can cause lack of motivation. Moreover, sometimes they do not get the time to satisfy all the customers and customers have to wait a long time and lost their patience.
- Shortage of availability of machineries: The branch needs more printers and photocopy machines. Employee's activities are hampered most of the time for maintaining serial as well as it creates gathering on their short space.
- Lack of effective advertising and promotion: Advertising and promotion is one of the weak points of Bank Asia Limited. They do not have enough promotional activities.
- Congested office area: Due to congested area, most of the customers do not get seats on the pick hours.
- Unsatisfactory software performance: Bank Asia uses iSTELAR software to perform their tasks. But sometimes the server becomes very slow and the software does not work properly which hampers the customer service.

- There is a visible shortage in work force of General Banking department. Consequently, the workload is extremely high which leads to accumulation of work that the employees must complete within the deadline.
- Bank Asia Limited provides wide ranging facilities to its employees to develop their skills and knowledge about the entire banking system. However, with the existing workforce shortage, an employee is sent to training without any replacement. This increases the work pressures for other employees and lads to customer disappointment due to delay of work.
- The internet facility of Bank Asia is extremely poor. Due to slow internet connections, it becomes difficult for the employees to input the information online. This also adds to customer dissatisfaction.
- Sometimes due to poor internet server, employees cannot serve the customers as their requirements. This also leads to customer dissatisfaction.
- The employees of most departments are not satisfied with the management regarding the amount of work they have to do. Moreover they have to put up with a lot of difficulty to apply any leave.
- There is lack of promotional strategies undertaken by Bank Asia Limited. This causes substantial unfamiliarity of the bank among the rural people. It may hinder its long term strategies in terms of reaching large number of customers

After finishing my internship from this bank, I have realized that the problems mentioned above can create obstacles for future prospect. Therefore, the management should be little more careful about these things.

6.2 RECOMMENDATION

Here in this part, I came up with the following recommendations through which Bank Asia Limited can move forward towards progress:

- ✓ **Frequent market research**

The management of Bank Asia Limited can regularly conduct research activities every three months through organized questionnaire or through personal interview, in order to keep regular track of satisfaction levels of customers. Regular research may also be steered to find out customer satisfaction about various service aspects.

- ✓ **Establishment of more ATM booths**

Sufficient number of ATM booths might be established in different locations to reach out the customers by satisfying their demand.

- ✓ **Improved Customer service**

Improvement in customer service is very much vital. To contest with other banks, customer service should be improved as online service, internet service, 24 hours customer service etc. New technologies should be taken for active services.

- ✓ **Handle complaints effectively**

BA may give greater importance to manage the complaints of various customers and to inspire customers to give feedback about the services.

- ✓ **Improvement of online banking**

Many major problems lied within the online service are preventing BA from getting more positive response from its customers. Thus, BA IT division still has several areas having some scopes for further enhancement.

- ✓ **Recruitment of more employees**

I have found that bank should increase their number of employees. Sometimes employees cannot give proper devotion to their clients because of increasing work pressures. Bank can appoint more employees and divide their work equally.

- ✓ **Pursue an attractive advertisement campaign**

BA should focus on promoting campaigns in order to build up a strong image and reputation among potential customers. TV advertisements maybe aired to reach a wider array of customers.

- ✓ **Training program**

Bank can arrange different training programs on different banking rules and regulations set by Bangladesh Bank which will heighten the efficiency of employees.

- ✓ **Bigger office space**

The bank authority should rent bigger office space in order to reduce the storing problem if required and comfortable movement of customers & employees.

CONCLUSION

The roles of financial institutions have become remarkable byfundamental with the increase in the economic development in Bangladesh. Bank Asia Limited is one of the third generation banks that also contribute to the socioeconomic development of the country. Although Bank Asia Limited has some issues that are needed to be resolved, nevertheless it is progressing and has a greater prospect to develop.

Internship program is very important for every business student as we only have acquired academic knowledge. This program gives us the view to have the practical knowledge so that we can relate the theories to the reality. I am fortunate enough to complete my internship program at Bank Asia Limited, Uttara branch. Moreover, I got the chance to work in the General Banking department.

Bank Asia Limited is working enormously to become one of the leading in banking. The management is well organized and about time the bank achieves the goals. However, the bank must launch cutting-edge technologies and software to provide firmest service to its customers. If they can ensure their customers a better the service quality, it will give them the opportunity to draw new and bigger clients & become the leader in the financial industry.