



## **A report on Standard Bank Ltd. of Bangladesh**

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### **Abstract**

General Banking provides the foundation of banker-customer relationship. This is an era of keen competition among Banks. It is the most important and preliminary work of a bank. The regular service given to customers such as Depositing or drawing money, selling of instruments to them for remittance purpose, collection of instruments, providing other ancillary services to keep customer section busy. Personnel of this section should possess the required behavior for regular satisfaction of the customers.

**Keywords:** general banking, banker-customer relationship, Bangladesh

### **1. Introduction**

This report focuses three months working experience at Ashkona Branch of Standard Bank Ltd. As a part of satisfying their objectives through their customer, Standard Bank Ltd. Offers the following accounts: Current Deposits, Savings Deposits, Fixed Deposits, Short Term Deposits and Any other deposits as may be approved or advised by Head office.

The branches of the bank operate as independent accounting unit. The system of transaction of the bank is essentially double entry system of book keeping. The golden principle of debiting or crediting is the same as those of double entry system. In the bank, instead of recording transaction in a journal initially, these are directly recorded and posted in the ledger (computer) separating the debits and credits by slips or voucher system.

Standard Bank limited has provided its Banking service with a top leadership and management strategy. After doing this internship report I have found that most of the customers are provided with better service from the employees of the bank. Thus, it is expected that the service quality of Standard Bank Limited will be increased day by day and it will achieve more popularity among the target clients in future.

#### **1.1 Rationale**

As a part of my BBA degree requirement, I am currently working as an Intern in the Standard Bank Limited, Ashkona branch. Internship is one of the best scopes for gaining practical ideas, knowledge and experiences about the real life corporate issues and culture and working with the Standard Bank's officers and other team members, every day I am learning something new. For preparing my internship report, I have chosen General Banking as my specific areas of discussion.

### **1.2 Objectives of the Report**

There are some specific objectives also. Those are given below-

As a part of the BBA program:

- To provide an overview about the Standard bank Ltd.
- To describe the work related and organization related activities.
- To learn how to deal with Customer or client.
- To identify the challenges and constraints related to Standard bank Ltd.
- To describe the lessons learned during the internship period.
- To provide some recommendations to cope up with the challenges and constraints identified.

### **1.3 Background of the standard bank limited**

#### **1.3.1 History**

Standard Bank limited a private sector commercial bank. It started operations on 3 June 1999 with an authorized capital of Tk 750 million and paid up capital of Tk 200 million. The capitals were divided into ordinary shares of Tk 100 each. The 50% of paid up capital was paid by entrepreneurs directors designated as Group-A shareholders and the remaining 50% was paid by members of the general public designated as Group-B shareholders. The bank was incorporated as a public limited company under companies act 1994.

The bank offers commercial banking services including deposit, providing loans and advances, export and import financing, inland and international remittance facilities and other ancillary customer services to banking and finance. Since its inception, the bank conducts foreign exchange business. It has correspondent relationships with 22 foreign banks and financial institutions. The bank plays an important role to explore the domestic economy through

those foreign banks and financial institutions. Moreover, the bank with the view of helping of migrated workers opened an exchange house named with Standard Exchange Company Limited in the UK. So they can send remittance easily and swiftly. Standard Bank already has introduced on-line banking, ATM and Debit Card facilities.

The bank has started 6 SME Service Centres in different regions of country for stretching small and medium size industry, providing assistance to less income people and poverty alleviation. Besides this, the bank is lending money for rural development and irrigation in easy terms. Furthermore, the bank is catering the investors of the capital market through merchant banking service facilities. Besides, the conventional banking system, the bank established two Islami Wing to introduce islami banking services.

The management and approval of policies of the bank is vested in a 17-member board of directors. The managing director is the chief executive of the bank. At present (2010), the bank has 58 branches and 821 employees in different levels. [S M Mahfuzur Rahman]

### 1.3.2 Vision of standard bank ltd

To be a modern Bank having the object of building a sound national economy and to contribute significantly to the Public Exchequer.

### 1.3.3 Mission of the standard bank ltd

To be the best private commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability.

### 1.3.4 Core Values of Standard Bank ltd:

- **Our Shareholders:** By ensuring fair return on their investment through generating stable profit.
- **Our customer:** To become most caring bank by providing the most courteous and efficient service in every area of our business.
- **Our employee:** By promoting the well-being of the members of the staff.
- **Community:** Assuring our socially responsible corporate entity in a tangible manner through close adherence to national policies and objectives.

### 1.3.5 Strategic priority of standard bank ltd:

- To strive for sustainable business growth by ensuring customer satisfaction through quality and timely services.
- To ensure capital stewardship by Preservation and enlargement of multiple forms of capital; like intellectual, natural, financial, organizational, social; all of which contribute to long term value creation.
- To give strong focus on extremely cost-efficient and green services through Internet banking, electronic fund transfer, automated cheques clearing, e-bank statement,

SMS alert etc.

- To ensure effective and efficient risk management for sustainable business growth.
- To ensure well diversified loan portfolio through structured finance and expansion of Corporate, SME, Agriculture and Retail businesses.
- To mount state-of-the-art technologies and adopt innovative ideas for financial inclusion.
- To endeavor synergies between new knowledge and human capital for sustainable economic growth.
- To increase brand visibility by creating positive image of the Bank.
- To be a trend-setter in serving the society and remain responsive to the environment.
- To ensure sound corporate governance.
- To accelerate progress towards financial inclusion with technology by up-gradation of internet, Mobile banking and Agent banking.
- To add value for all stakeholders.

### 1.3.6 Target Customers of Standard Bank Ltd:

The bank has a clear idea about the customers it wants to serve. Without fulfil their needs the bank has no functions. So to collect the target customer's banks can run properly.

#### ▪ Market Segmentation

This is a process of SBL is dividing a market into distinct groups of buyers with different need, characteristics or behavior. It consists of a group of customers whose requirements for satisfaction are similar. The relevant market comprises four market segments. These segments combine needs/end benefits, purchase behavior, lifestyles and classifying characteristics.

#### ▪ Target marketing

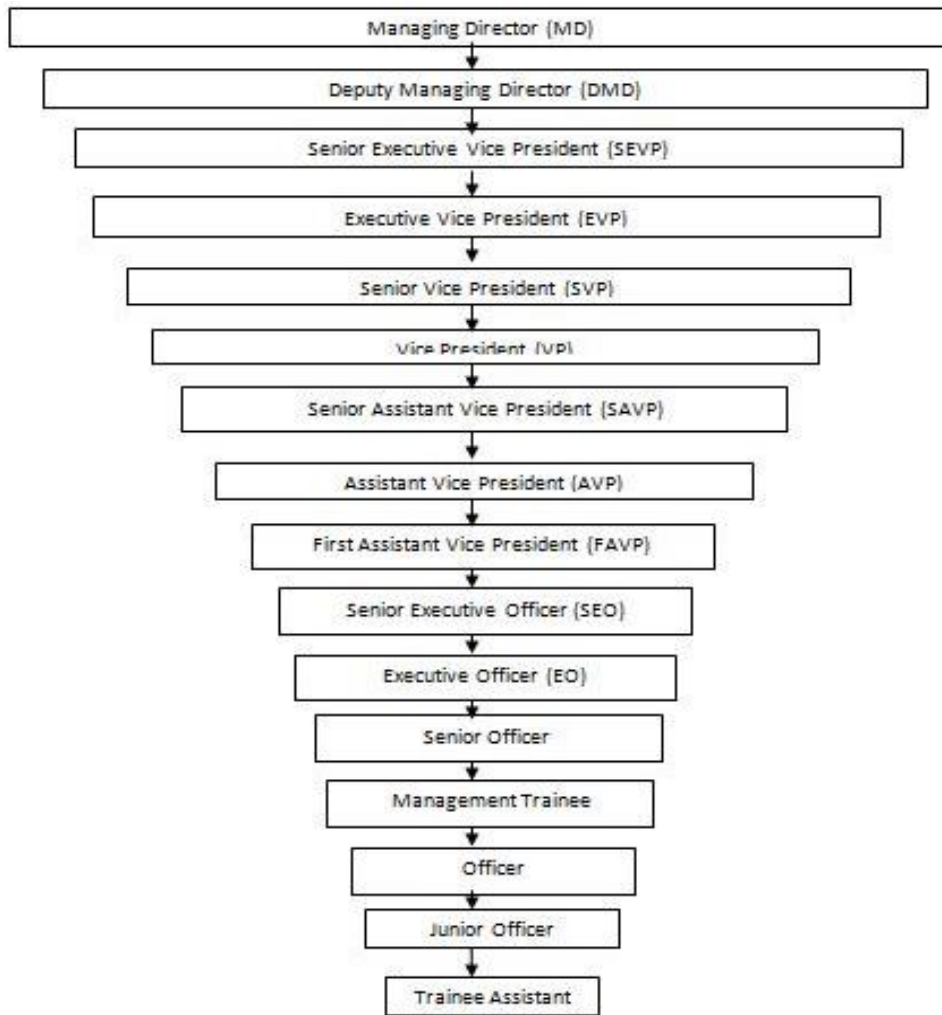
The process of SBL is evaluating each market segments, attractiveness and selecting one or more segments to enter. But target Consumers who have income sources are the buyers for the company. Those who have idle money, even though they are not the earning person, is also would be considered as the target consumer.

1. Officers or Executives of different private/multinational Companies, Corporations, banks, Insurance companies.
2. Officers or Executives of different Government or semi-Government or Autonomous Bodies, NGOS, International Aid Agencies and UN Bodies.
3. Teachers of Educational Institution.

#### ▪ Market positioning

An effort to influence market positioning of SBL is competing brands or products. Its objective is to occupy a clear, unique, and advantageous position in the consumer's mind.

**1.3.7 Organizational structure of standard bank limited**



**Fig 1**

**1.3.8 Product offered by SBL**

Standard bank ltd is a rapid growing commercial bank in the country. It's competing in the market with wide range of

product and commercial and service that plays a vital role in its attainment. The SBL concentrates the following categories of banking services-

**Table 1**

Deposit Products	Loan Product	International Banking	E-Banking	Cards	Islami Banking	Treasury
Current Deposit Account	Corporate Banking	Exchange Rates	Internet Banking	VISA Credit Cards	Deposits & Investment Products	
Savings Deposit Account	Retail Banking	Foreign Currency Account	SMS Banking	SBL Debit Cards	Mudaraba Deposits	
Fixed Deposit Account	SME Banking	Correspondents Banking	ATM Banking	VISA Prepaid Card	Mudaraba Deposit Schemes	
SBL Regular Income Program	Agri Banking	SBL Correspondent List	ATM Locations	Fees and Charges	Weightage of Mudaraba Deposit	
SBL 1.5 Times Income Program	Green Banking	SBL Swift BIC Code	NPS connectivity	Zero Pay	Rate of Profit of Investment	
SBL Regular Deposit Program	Social and Environmental Infrastructure Finance	SBL Off-shore Banking	Branch POS	Alliance Partners	Contact Persons	
Short Term Deposit Account		Nostro Accounts	Express Booth	EMI Partners		
School Banking		Standard Settlement Instructions	Mobile Banking			
SBL-Garments Workers SHOFOL		SBLAD Branches				
SBL-Leather & Footwear SHEBA						
SBL 10 Taka Account						

**2.1 Work-Related activities**

Standard Bank Ltd. Ashkona branch works with mostly all banking operations, which are normally performed by every commercial bank. It has basically following departments under which it operates all functions of bank diligently. These are mainly:

- Account opening department
- Clearing department
- Accounts department
- Cash department

**2.1.1 Account opening department**

This department is responsible for the opening and closing of accounts. In consideration of Standard Bank Ltd. Ashkona Branch opening and continuing to maintain any account, the Account Holder/ Depositor or Investor would be bound by the terms and conditions written on the account opening form.

The first part establishes the preference regarding the type of account to be maintained. The various choices offered in this regard are:

- **Current Accounts:** The Ashkona branch of Standard Bank facilitates customers with different types of current account. There are current accounts for individuals, partnership firms, Joint Stock Company, school, college, association, and N.G.O. Account opening form for these categories are different.
- **Savings Account:** This deposit is primarily for small-scale savers. There are certain limitations in Savings Account. For saving account interest rate is 6%, Minimum Tk. 1000/= balance must always maintain all the time.
- **FDR Account:** Fixed Deposit is the amount deposited by the customer for a fixed period of time. It offers comparatively higher rate of interest. For 1 month interest rate is 9%, for 3 months interest rate is 11%, for 6 months interest rate is 11.5% and for 1 year interest rate is 12%.
- **Short Term Deposit (STD):** Short Term Deposit or STD account opening procedure is similar to that of the saving account. The difference is the interest rate.

**Table 2**

Amount	Interest Rate
Below 5 Core	4%
5-10 core	5.5%
Over 10 core	6.5%

At first, I observed the customer care officers for a couple of days and learnt what are the important documents needed to open an account. Then I started dealing with few customers under the supervision of the customer care associates. I have learnt about the important documents needed for this. I was involved in opening of current, saving, fixed account, and the detail procedure is given below,

**For current Accounts**

- Trade license
- Tin no
- Seal of their company
- Two passport size photo of account holder
- One passport size photo of nominee,

- Original and photo copy of NID both account holder and nominee
- Introducer’s sign

**For savings Accounts**

- Two passport size photo of account holder
- One passport size photo of nominee,
- Original and photo copy of NID both account holder and nominee
- Introducer’s sign

I helped customer to fill up all their documents and used to take them in the authorized officers. Then bank’s officer provides an account number and customer ID and I fill the rest of the documents.

**2.1.2 Account closing**

In account closing customer has to fill-up a form where customer write account number and account holder name. I collect the signature of account holder and unused page of the cheque book provided by bank. After that I have submitted the application form and the account opening form to the authorize officer. If the signature is match the authorize officer close the account. On closure of the account, the bank will pay the credit balance (if any) of the account and any profit due to the customer(s).

**2.1.3 ATM card issue**

Standard bank issues debit card for current and savings account holder. Sometimes customer asks for ATM cards. When card are ready a message will be send to the customer phone number for take their cards from the branch. Then customer came to the branch and sign a received from and received their cards.

**2.1.4 Cheque book issue**

Cheque book issue against customer accounts. Current and savings accounts have separate cheque books. Saving accounts have 10 pages and current accounts have 25 pages. And per page charge 3 BDT only.

**2.1.5 Clearing cheque**

I used to receive several cheques from the customers. Then I used to check the account number, account name, amount and amount in word and attach seal in the cheque. In clearing cheque it is mandatory to check that customer give the proper date, because cheques with future dates are not allowed. Then I used to give the cheque to the officer. There are two types of clearing Cheque:

- **Outward Clearing:** When the Branches of a Bank receive cheque from its customers drawn on the other Banks within the local clearing zone for collection through Clearing House, it is Outward Clearing.
- **Inward Clearing:** When the Banks receive cheque drawn on them from other Banks in the Clearing House, it is Inward Clearing.

**2.1.6 Payment order**

I also gathered some knowledge about payment order. There are five kinds of techniques for remitting money from one place to another place. The procedures for issuing a Payment Order (PO) are as follows:

**Table 3**

<b>Step-01</b>	The Customer submits the application to the officer along with money.
<b>Step-02</b>	Entry in the bills payable register where payees name, date, PO-no etc are mentioned.
<b>Step-03</b>	Prepared the instrument.
<b>Step-04</b>	After approved the instruments by authority, it is delivered to the customer.
<b>Step-05</b>	Signature of the customer is taken by the counterparty.

Customer can do pay order in our bank when they have account in our bank. Otherwise they can't do pay order. There is some exception if there is Govt. purpose, Tax paying purpose, School or university fees payment purpose they can do pay order even though they don't have any account in our bank.

**3.1 Identified/observed in the organization**

I faced newer experienced while doing internship in Standard Bank Limited. This acted as a barrier to conduct the program those were:

- I have to open accounts and update previous accounts. If 2 or 3 clients come at the same time than it makes difficult to handle them. Some clients are illiterate so make them understand the banking policy is very difficult and my supervisors are giving me pressure to handle them according to their need. So I have to attend them for their benefit.
- Standard Bank has only 113 branches for serve the people. So they need to establish their branches in various locations. Because now a day's people are more dependable to the bank and standard bank should increase their branch to serve the increasing number of people.
- Standard Bank does not fix any task for their internee. As a result they do not get any chance to learn proper banking activities by doing practical task.
- Standard Bank Ltd. has very few number of ATM Booth and those booths are in commercial areas only. For this reasons customers have to face problem in their ATM banking system. For ATM service customers have to use others bank ATM booths and it's also cost transaction fee for customer. So this is a major problem for banking service.
- Standard bank is a famous bank in Commercial banking sector but the bank also does not use marketing strategy like advertisement or any kind of promotional activities to attract deposit or increase export-import business of the bank. The bank is concentrating on serving the clients rather than undertaking any promotional activity to create new clients.

**3.1 Recapitulation /Summary**

Banking sector in Bangladesh is very much competitive. Along with local banks there are many foreign banks also operating in Bangladesh. The Standard Bank is one of the top Banks among the oldest private Commercial Banks operating in Bangladesh.

- The Standard Bank Limited always focuses on providing various types of features and unique products offering for their valuable customer.
- The Customer Service team at Standard Bank Ltd. always tries to satisfy their customer. And they always try to provide superior service to their customers.

- The Standard Bank Limited has some limitations. The Printer does not work properly and no. of service executives are not good enough to provide quick service. These are creating dissatisfaction.

Within this short Internship Period, it was not possible for me to learn everything of a banking system. But I tried my level best to learn. In this limited period of time I tried to find out problems, give possible solution, which is not up to the expectation of the authority. I apologize for making errors in the report.

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