

Theory & practice of banking

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What is meant by “Bank”

- A bank is a financial institution which deals with deposit and advances and other related service .It receives money from those who want to save in the form of deposits and it lends money to those who need it. Different authors and Economists have given some structural and functional definitions on bank from different angles

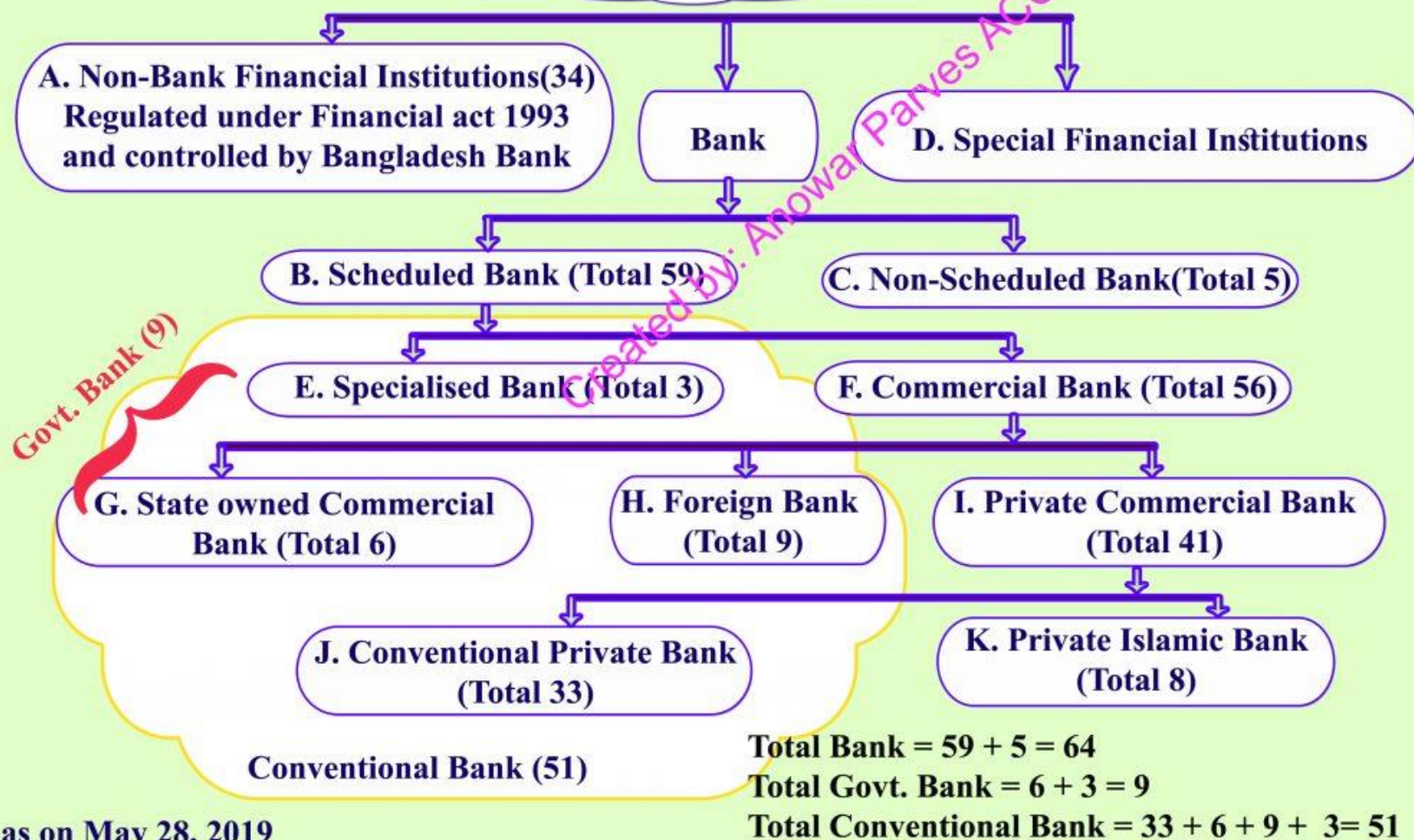
Oxford Dictionary defines a bank as an establishment for custody of money which it pays out on customers order.

According to peter Rose ,Bank is a financial intermediary accepting deposits and granting loans.

Finally ,we can say that bank is an organization where people and business can invest or borrow money .Change it to foreign money , etc . or building where these services are offered.

Types of Banks in Bangladesh

Financial Institutions



Like all other organisations, banks also follow organogram. Jobs are classified with different designations. Full name sof present ladders of major banks are as follows:

SL No	Notes/Detail Name of Ladder	SL No	Notes/Detail Name of Ladder
01	TAO = Trainee Assistant Officer	17	SPO = Senior Principal Officer
02	AO = Assistant Officer	18	JAVP = Junior Assistant Vice President
03	AO = Associate Officer	19	AGM = Assistant General Manager
04	SAO = Senior Assistant Officer	20	DGM = Deputy General Manager
05	AOG = Assistant Officer Grade	21	GM = General Manager
06	COG = Cash Officer Grade	22	AVP = Assistant Vice President
07	JO = Junior Officer	23	FAVP = First Assistant Vice President
08	OG = Officer Grade	24	SAVP = Senior Assistant Vice President
09	Officer	25	VP = Vice President
10	JEO = Junior Executive Officer	26	FVP = First Vice President
11	AEO = Assistant Executive Officer	27	SVP = Senior Vice President
12	FEO = First Executive Officer	28	EVP = Executive Vice President
13	SO = Senior Officer	29	SEVP = Senior Executive Vice President
14	PO = Principal Officer	30	DMD = Deputy Managing Director
15	EO = Executive Officer	31	AMD = Additional Managing Director
16	SEO = Senior Executive Officer	32	MD = Managing Director / COO= Chief Operating Officer / CM = Country Manager

Describe the Types of Banks

- 1. Commercial Banks
- 2. Industrial Banks
- 3. Exchange Banks
- 4. Land Mortgage or Development Banks
- 5. Co-Operative Banks.
- 6. Central Banks
- 7. Consumers Banks.

- **Commercial Banks:** Commercial banks are those banks which accept deposits from the public and grant short term loan and advances to its customer .The finance the internal trade of the country through nearly 66000 offices.

- Industrial Banks : Industrial banks are those banks which deal in long term loans .They finance industries either by granting long term loans or by subscribing share , debenture etc. issued by industrial concerns .The lay a vital role in the industrial progress of the country.