

# INTERNSHIP REPORT ON PERFORMANCE EVALUATION OF PREMIER BANK LIMITED:

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The Premier Bank Limited

**Premier Bank**  
*s e r v i c e f i r s t*



## **SUBMITTED TO:**

**Prof<sup>r</sup> Tanbir Ahmed Chowdhury**

**Dean, FBE And Chairperson**

**Department of Business Administration**

**East West University**

## **Submitted By:**

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**Major: Finance**

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## **Letter Of Transmittal:**

4, August, 2014

Professor Tanbir Ahmed Chowdhury

Dean, FBE and Chairperson

Department of Business Administration

East West University

**Subject : Submission of Internship report**

Dear Sir,

It is a pleasure for me to inform you that I have done my internship successfully, which was a partial fulfillment of the requirement for the Bachelor of Business Administration program.

The topic of my internship report was " Performance Evaluation of Premier Bank Limited". It was a worthwhile experience for me to work in a challenging environment of a leading private commercial Bank. I am undeniably to you and my department for giving me the opportunity to obtain practical skill.

I also want to thank the HR manager of Premier Bank Limited and the manager of Shymoli Branch for giving me the opportunity to assign me as an intern but also cooperate me for completing my internship report successfully.

Finally I assure you that I have tried my best to make a systematic and informative summary based on my practical work.

Yours Sincerely

Sarzina Hassan

SARZINA HASSAN

ID- 2010-3-10-061

Major in Finance

Department of Business Administration

## Acknowledgement:

First of all I would like to thank to all mighty Allah for giving me the patience and proper time to complete my internship study successfully. It is a pleasure to take this occasion to thank a few people who have, assisted, encouraged, directed and supported throughout the internship program.

On the other hand, it will be unfair if I omit some names that helped me during my internship program in accomplishment of the report. Without their help I could not furnish a proper shape of my report. I am really grateful from my deep heart to Md. Tipu Sultan, Manager of Shymoli Branch, Premier Bank Limited, Dhaka. Other employees of the branch also helped me a lot, A. B. M Fazle Rabbi, Deputy manager of PBL, Ms. Rifat Rizwana who is the supervisor of general banking, Ms Farzana Sultana, junior officer and Md. Ahasan Ullah who is the officer in charge of foreign exchange for providing me the guidance and counseling during my entire project program. Their continuous and well thought feedback enabled me to make this report a comprehensive one.

Finally, special thanks to the Academic Supervisor Tanbir Ahmed Chowdhury (**Dean, FBE and Chairperson, East-West-University, Bangladesh**) for his enormous help throughout this internship program, especially his guideline through the period of preparing the report.

I am really grateful to them as all of them share their valuable knowledge and time with us. I tried my best to make this report more educational and more effective. I hope this Internship report will meet the expectation of my honorable program supervisor.

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## Executive Summary:

I have prepared the following report on the profile of Premier Bank Limited which is one of the well known commercial bank in Bangladesh.

The following report have been divided into six parts. The first part includes Introduction where I have described about the background of the study, objectives of the study, literature review, scope and methodology and also some limitations of the study.

In chapter 2 I have described a brief profile of premier bank limited .I have also described about the vision, mission ,objectives, their core values and services they provide, hierarchy system, organ gram department and different branches of premier bank limited.

This chapter also includes an overview of principal activities of premier bank and pricipal function of the branches/departments and etc.

The third chapter which is the most important part of the study shows the performance evaluation of the last 5 years of premier Bank Limited.Here I am going to discuss some major issues like the capital structure, Deposits, loans and advances of premier Bank Limited, wheather or not there have been any major changes during the years.

The fourth part discusses about the major problems of Premier Bank Limited that includes both the financial and customer satisfaction problem.

The fifth part discusses about the consumer survey where a set of questionnaire relating to premier bank limited is given.

The sixth part discusses about the suggestion, recomendation and conclusion.

The very last part of the page includes the Bibliography or in other words reference.

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## Chapter-1

### Introduction

# Background Of The Study:

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The premier Bank Limited has started its journey in our country as a public Limited Company on 10 June 1999, under Company's Act 1994. On 17th June Bangladesh Bank issued their licence under Banking Company's Act 1991. Now it has 44 branches all over the country. Among them some of the branches are authorized and some are Non-Authorized. Also it has 8 SME branches and 6 Brokerage houses operating in our country.

The Board of PBL consist of 14 honorable and significant members of the society among them one is from Taiwan. They try their best to maintain Corporate Governance in Organization. Also they try to improve the performance of the bank through their important decision and intelligence. They disclose authentic and important information to shareholders. Also they formulate strategies, policies, procedures for the welfare of the company as well as customers of PBL.

The Premier Bank Limited has continued to practice on good corporate governance at all levels since its inception. It enables the Bank to establish professionalism together with trust and confidence among the interested parties, builds capacity to operate business efficiently and creates a congenial working environment inevitable to meet the challenges of the present competitive business arena. Bank has drawn clear border line function for each to ensure corporate governance.

From the beginning PBL has tried to provide the best quality service to the customers that is why they started their operation in 1999 with a popular motto stating, "Service First". To accomplish this they have introduced various product and services one after another. On 3<sup>rd</sup> August 2003 PBL started its real time online banking so that customers can take service from any branches if they are premier bank customer. Premier bank is among the first to start 50+ and Genius Account for students. PBL is the first local bank that receives the principal membership of Visa International to issue and acquire Visa Debit and Credit Card. Also they introduced platinum dual currency Master Card. Premier Premier Bank has its own software name "Druti" which was introduced in 2008 and it also has remittance deal with Grameen Phone. PBL is also providing ATM service and very recently they are going to inaugurate 50 ATM booths in whole Bangladesh.



## Introduction:

Bank is a financial institution that deals with money. Throughout the last few years, Bangladesh have been experiencing a rapid and significant change in the Banking Sector. This change has significantly affected the banking industry in our country. The Premier Bank Limited is one of the leading commercial bank in Bangladesh having a huge branch of operation.

In order to fulfill my academic requirement I have done my internship program at Premier Bank Limited at Shymoli Branch, Dhaka. The topic of this study is " Performance Evaluation of Premier Bank Limited" for the last five years by analyzing the Capital Structure, Deposits, loans and advance , ROA, ROE, PER, DPS, NAV and by analyzing the level of risk exposure on the basis of popular risk management ratios. I also interpret the findings from my theoretical foundation of my BBA courses.

Premier Bank Limited has already made significant progress within a very short period of time of it's existence. The bank has already occupied an enviable position among it's competitors.

Premier Bank offers all kinds of Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by the central bank.

As banking industry is expanding day by day it's processes and services are also becoming faster. As the demand for better services are increasing day by day, Premier Bank Limited is coming with innovative ideas and products for ex- 50+ account and others. Therefore in order to survive in this competitive world Premier Bank always tries to give the best quality service to their customer all the time. Their tagline reads Premier Bank "Service First".

Therefore Premier Bank is a bank of choice if anyone is looking for a modern bank with it's best quality service.

## OVERVIEW OF PREMIER BANK LIMITED:

The Premier Bank limited is a scheduled commercial Bank in the Private sector that have been established under the Company's Act 1991 and incorporated in Bangladesh as a public limited company to carry out the banking business in Bangladesh.

Premier Bank Limited is a private commercial bank in our country that have been established on April 17 and it is incorporated in Bangladesh as a banking company on June 10, 1999 under company's act 1994. Since inception in 1999 Premier Bank limited crossed many significant milestone that stand testimony to innovation and excellence in creating and a new paradigm in banking industry.

Their wings of operation have widened up to SME potentials, agricultural products and retail business opportunities. Premier Bank limited has cut all sorts of borders to go for global service for wage earners remittance, it has established full owned subsidiary companies in several countries around the world.

This bank runs both the conventional and Islamic Banking operation. Technology based service product like debit and credit card have already occupied a position in the core business operation in the bank.

This Bank also provides brokerage service and margin loan facilities in the capital market.

Premier Bank therefore offers all kinds of commercial and personal banking services covering all segments of the society. Diversification of product and service include Corporate Banking, Retail Banking and Consumer Banking right from industry to agriculture and real estate to software.

## VISION OF PREMIER BANK LIMITED:

The Bank has a clear vision towards it's ultimate destiny-to be the best amongst the financial institutions.

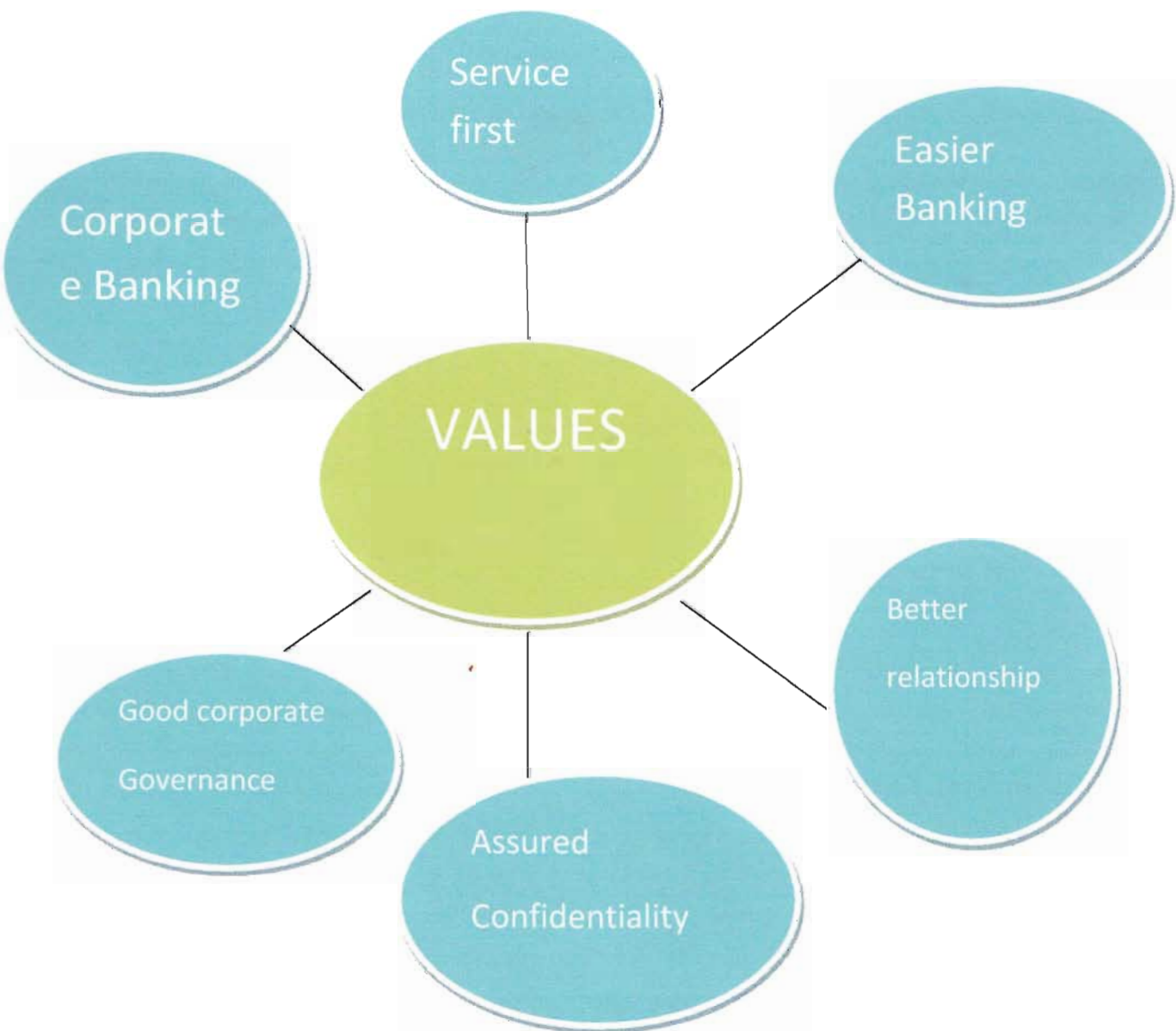
- To be the leading Banking Institution by playing a significant role in the development of the country.
- Enhance customer trust and wealth, quality investment, employees values and rapid growth in stakeholders equity.
- To provide quality service to customers.

## MISSION OF PREMIER BANK LIMITED:

The mission of the Bank is -

- 1) To be the most caring and customer friendly provider of financial services, creating opportunities for more people in more places.
- 2) To ensure stability and sound growth whilst enhancing the value of shareholders investments.
- 3) To aggressively adopt technology at all levels of operations and to improve efficiency and reduce cost per transaction.
- 4) To ensure a high level of transparency and ethical standards in all business transacted by the bank.
- 5) To provide congenial atmosphere which will attract competent work force who will be proud and eager to work for the Bank.
- 6) To be socially responsible and strive to uplift the quality of life by making effective contribution

#### VALUES OF PREMIER BANK LIMITED:



## Objectives of Premier Bank Limited:

### Objectives of Premier Bank Limited:

The Objectives of Premier Bank limited is specific and targeted to it's vision and to position itself in the mindsets of the people as "a bank with a difference" where the core concept is to provide high quality service to it's customer which would ultimately make them loyal towards the bank.

### The objectives of Premier bank limited is as follows:

- To establish relationship banking and improve service quality through development of strategic management plans.
- To introduce fully automated system through integration of information technology.
- To establish, maintain carry on all kinds of investment and financial business including underwriting ,managing, and distributing the issues of stocks,debentures and other securities.
- To carry the foreign exchange business, including buying and selling of foreign currency, traveler's cheque issuing, international credit card issuing etc.
- To finance the international trade in order to flourish both in terms of import and export of goods and services.
- To encourage the new entrepreneur for investment and thus develop the industrial organization and contributes to the economy of the country which will make Bangladesh as viable country in true economic sense.

### Strategies of Premier Bank Limited:

- 1) To strive for providing the best quality service to customer inorder to earn consumer confidence.
- 2) To indentify customer needs and monitor their participation towards meeting those needs.

3) To review and update policies, practice, procedure and to enhance the ability to extend better service to customers.

4) To train all employees, and to provide them all facilities that is why they focus more on customers needs and wants.

5) To promote organizational efficiency by communicating company plan, policies, and procedures openly to employees in a timely fashion.

6) By cultivating a friendly and congenial working environment.

#### Management of the Bank:

Board of directors are the sole authority to take decision about the affairs of business. Now there are 13 directors in the management of the bank. All of the directors have good academic background and have huge experience in business.

#### Executive Committee:

The Executive committee consist of the members of the Board of Directors. This committee exercise the power as delegated by the board from time to time and approve all matters beyond the delegation of management.

#### Management Committee:

The management committee consist of the managing directors and Head office Executives. They discuss about the progress of portfolio function. Different ideas and decisions, guidelines regarding deposit, lending and management of Human and Material resources are the main concern of this committee. Infact management committee cares about all the regular management issues of it's several branches.

#### **The Responsibilities of Board Of Directors:**

- The board determine the objectives and goals and chalk out strategies and work-plans on annualbasis.
- The board have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and apprise the shareholders of its opinions/recommendations on future plans and strategies.
  - The board also set out the key performance indicator for the managing director and other senior executives of the bank and review them on a regular basis.

## The Tagline of Premier Bank Limited is "service First"

### ➤ **Service First:**

This word is not just an abstraction. It holds a prime and central focus in their operation. They believe, discharge of quick and quality service is the hallmark for banking standard.

### ➤ **Easier Banking:**

They have made day to day banking easier than ever through state of art facilities. They tend to create a congenial atmosphere for customer to feel free and go easy with banking. They divide their client as individual to impart the best situation.

### ➤ **Better Relationship:**

As they form bondage with their valued client, so they develop into a sustainable end. A good understanding with their valued clients helps them to perceive their goal and enable them to respond pro-activity to financial needs.

### ➤ **Assured Confidentiality:**

When they deal in business in the form of financial loss or gain their promise remains intact with the interest of customer so much. So all transactions are done in a confidential and professional manner.

### ➤ **Good corporate governance:**

The dynamics Board of Directors of the Premier Bank Limited hails from a different discipline of business and industry at home and abroad. The bank is equipped with highly component management team who have long experience in domestic and international banking. The bank strictly abides by the regulatory supervision of Bangladesh Bank.



## Origin of the report:

As an indispensable part of BBA, Department of Business Administration, East West University, all students have to undergo an internship program of 3 months duration in any organizations with a view to acquiring practical knowledge. Our internship program was mainly launched to bridge this gap. Under this program students are required to write a report based on observation and experiences during the course of the work. I was assigned to do my internship at Premier Bank Limited at Shymoli Branch to complete the program.

My assigned topic is, "Performance Evaluation of Premier Bank Limited". The reason behind choosing this topic is to evaluate the market condition, market growth, stability and customer service quality by analyzing the capital structure, deposit, ratios of PBL like ROA and ROE and others during the 5 year period in order to analyze any major changes that took place during these period.

## Scope of the Study:

The area of operation that has been covered means the total possible coverage is the scope. The report provides the scope of gathering data from different sources. This report usually covers the performance evaluation of Premier Bank Limited in Bangladesh. It also covers the organizational structure and core values and the strategies applied for meeting up their performance during the 5 year period. The scope of the report is limited to the overall description of the company, personal asset product, organizational setup, and its position in the industry and its marketing strategies.

## Methodology of The Study:

In this report I have mainly used the annual data of Premier Bank Limited for measuring the performance of Premier Bank limited for the last 5 years. I have given some questionionerie in which sample was collected from the personal account holder and corporate clients of Premier Bank Limited.

Data Collection Method:

### **Primary Data:**

- Primary data has been collected from the customers by providing questionnaire to them and instructing them to answer based on their perception of various provided by the Premier Bank Limited.
- Observation of the operations of the various departments and customers response to them.
- Direct conversation with the employees of the bank working in various departments.

**Secondary Data:**

- Various records of the organization.
- Different types of report generated from the automated system.
- Reports from the auditors and other assigned officials.
- Website of the Premier Bank Limited.
- Several training materials.
- Brochures and other promotional tools that represent the premier Bank Limited.
- Statistical and analytical tools used.

**Objective of the Study:**

The primary objectives:

The objectives of the report is to observe the performance related activities for the Management and other related departments of Premier Bank Limited:

- To present an overview of premier Bank Limited.
- To appraise the financial Performance of premier Bank Limited.
- To present the principal activities of Premier Bank Limited.
- To identify the problems of Premier Bank Limited.
- To suggest the remedial measures for the development of Premier Bank Limited.



## Limitations of the Report:

The limitations of the study is defined by the expensiveness of the facts covered by the study and to those that are left out. It is observable that almost all studies have some limitations.

During the performance of my work I faced many limitations. These are as follows:

- Privacy of Information-Companies do not want to share all of their information to everyone. Sometimes they also use false or modify their financial statement in order to attract the investors. For this reason proper analysis was not possible without having direct contact with the top management.
- Time Limitations- I have been given a very limited time. Within this short period of time it very difficult to cover up all the things.
- Data Collection-Annual report of any organization is the main source of data for any study. But annual report does not show the true picture of the financial condition of an organizations. As some of the fields are still not covered by the academic courses, there was difficulty in understanding some activities.
- Financial limitations-Prepare a proper report is not possible in a very limited amount of money. Because a huge amount of data and face to face contact with the people of organization is needed to make the report more reliable. But I did not have that much fun to collect information from various range of sources.

# CHAPTER- 2

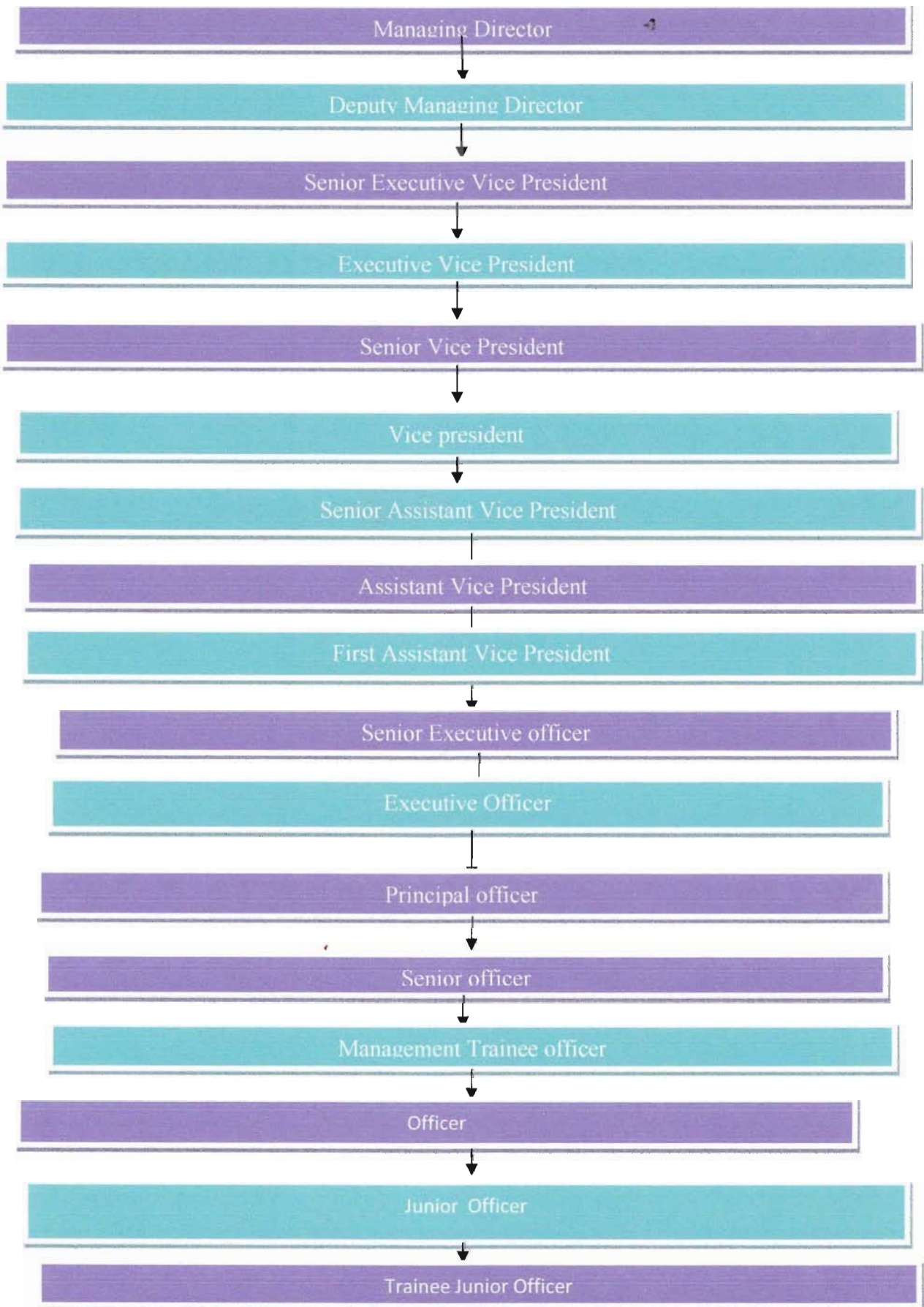
## OVERALL AND PRINCIPAL ACTIVITIES OF PREMIER BANK LIMITED:

The Premier Bank Limited

**Premier Bank**  
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## MANAGEMENT HIERRARCHY OF PREMIER BANK LIMITED:



# Department OF Premier Bank Limited:

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The Department Based Approach is similar to that of the branch based approach, where each department operate as a separate unit but sometimes collaborates in order operate more efficiently or to solve a common problem. Such departments are also treated as a separate entity but are much more specialized in one particular area of business unlike a branch, which has to be involved in a multiple task. Examples of departments of premier Bank Limited is as Follows:

- Human Resource Division
- Financial and Administration Department
- General Banking Department
  - Account Opening Section
  - Cash Section
  - Remittance section
  - Bill and Clearing Section
  - Accounts Section
- Foreign Exchange Department
  - Import Section
  - Export Section
  - Foreign Remittance Section
- Marketing
- Personal Relation Department
- Merchant Banking and Invest Banking
- Treasury Division
- International Division
- Computer and Information Technology Department
- Credit Division
- Corporate Affairs Division
- Card Division
- Board Audit Cell
- Monitoring and inspection Division

# Branches Of Premier Bank Limited:

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## **BRANCHES OF PREMIER BANK LIMITED:**

The branches of Premier Bank Limited are as follows:

1) Branches In Dhaka City Includes:

- Askona Branch
- Banani Branch
- Shymoli Branch
- Gulshan Branch
- Rokeya Sarani Branch
- Kawran Bazar Branch
- Bashundhara Branch
- Dhanmondi branch
- Panthapath Branch
- Imamgonj Branch
- Rampura Branch
- Mirpur Branch
- Dilkusha Branch
- Kakrail Branch
- Uttara Branch
- Motijheel Branch
- Mohakhali Branch
- Matuail Branch
- Satarkul Branch
- Nawabpur Road Branch
- Elephant Road Branch
- Dhaka New Market Branch
- Bangshal Branch
- Nawabpur Road Branch
- Dhanmondi Satmasjid Road Branch
- Kalabagan Branch

Outside of Dhaka City branches include:

- Ashulia Branch
- Agrabad Branch
- Ashugonj Branch

- **Ambarkhana Branch**
- **Bhulta Branch**
- **Bhaluka Branch**
- **Bogra Branch**
- **Board Bazar Branch**
- **Barisal Branch**
- **Bhairab Bazar Branch**
- **Chittagong EPZ Branch**
- **Comilla Branch**
- **Danga Branch**
- **Elenga Branch**
- **Feni Branch**
- **Joydebpur Branch**
- **Jubilee Road Branch**
- **Jessore Branch**
- **Kalibari Bazar Branch**
- **Khatungonj Branch**
- **Khulna Branch**
- **Konabari Branch**
- **Kodomtoli Branch**
- **Madanpur Branch**
- **Madhabdi Branch**
- **Meghnaghat Branch**
- **Moulovi Bazar Branch**
- **Munshigonj Branch**
- **Mymensingh Branch**
- **Naogaon Branch**
- **Narayangonj Branch**
- **Narsingdi Branch**
- **Nazirhat Branch**
- **Rajshahi Branch**
- **Rangpur Branch**
- **Pagla Branch**
- **Savar Branch**
- **Shyamgonj Bazar Branch, Mymensingh**
- **Sylhet Branch**
- **Tongi Branch**
- **Tangail Branch**
- **Zinzira Branch**

**SME/Agriculture Branches**

- **Banani SME Service Centre**
- **Bangla Bazar SME Service Centre**
- **Borogola SME/Agriculture Branch**
- **Brahmanbaria SME/Agriculture Branch**
- **Chowmuhuni SME/Agriculture Branch**
- **Cox's Bazar SME/Agricultural Branch**
- **Donia SME/Agriculture Branch**
- **Kawran Bazar SME Service Centre**
- **Keranigonj SME/Agriculture Branch**
- **Mouchak SME Service Centre**
- **Mohammadpur SME Service Centre**
- **Sirajgonj SME/Agriculture Branch**

**Brokerage Houses:**

- **Banani Brokerage House**
- **Kalabagan Brokerage House**
- **Kawran Bazar Brokerage House**
- **Kakrail Brokerage House**
- **Motijheel Brokerage House**
- **Extended Head Office Gulshan**
- **O.R. Nizam Road Brokerage House**

## **Objectives of Premier Bank Limited:**

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# Risk Management OF Premier Bank Limited:

Over a decade of banking operations in the country, Premier Bank has restructured risk management into core competence and positioned itself well to meet challenges. The Bank evaluates risk with regard to the impact on income and asset values. The Bank also takes into account potential impact on its business on account of changes in political, economic and market conditions and in the creditworthiness of its clients. Risk management at Premier Bank has always remained conservative and proactive with a goal to achieve a balanced relation between risk appetite and expected returns.

Risk usually stems from various lending and investment activities as carried out by Bank's various units. Corporate Banking extends lending to large corporate entities in Bangladesh. Trade Finance is responsible for identifying and financing trade flows between the country and the rest of the world. SME Finance provides the borrowing requirements of the small to medium-sized companies/enterprises rooted inside the country. Our Retail Banking is entrusted with the lending portfolio to individuals and other retail services. Treasury and investment upgrades the Bank capacity to meet up all possible exigencies, opportunity to maximize wealth and mechanism to minimize risk.

The Board of Directors of the Bank is vested with the overall authority for risk management. The Board mandates appropriate credit and market risk policies as well as necessary operational guidelines based on the recommendation of management. Approval authorities are delegated to different functionaries in the hierarchy depending on the amount, type of risk and collateral security. The Bank has formed a number of committees that decide on all risk issues and authorities are properly structured.

## ROLE OF PREMIER BANK LIMITED IN CORPORATE GOVERNANCE:

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Corporate Governance refers to the structure and process for the direction and control of the companies. This is the framework of rules and practices by which a Board of Directors ensures accountability, fairness, and transparency in the Institution's relationship with its all stakeholders (financiers, customers, management, employees, government, and the community). In essence, the exact structure of the corporate governance will determine what rights, responsibilities, and privileges to be extended to each of the corporate participants, and to what extent each participant may enjoy those rights. The Premier Bank Limited has continued to practice on good corporate governance at all levels since its inception. It enables the Bank to establish professionalism together with trust and confidence among the interested parties, builds capacity to operate business efficiently and creates a congenial working environment inevitable to meet

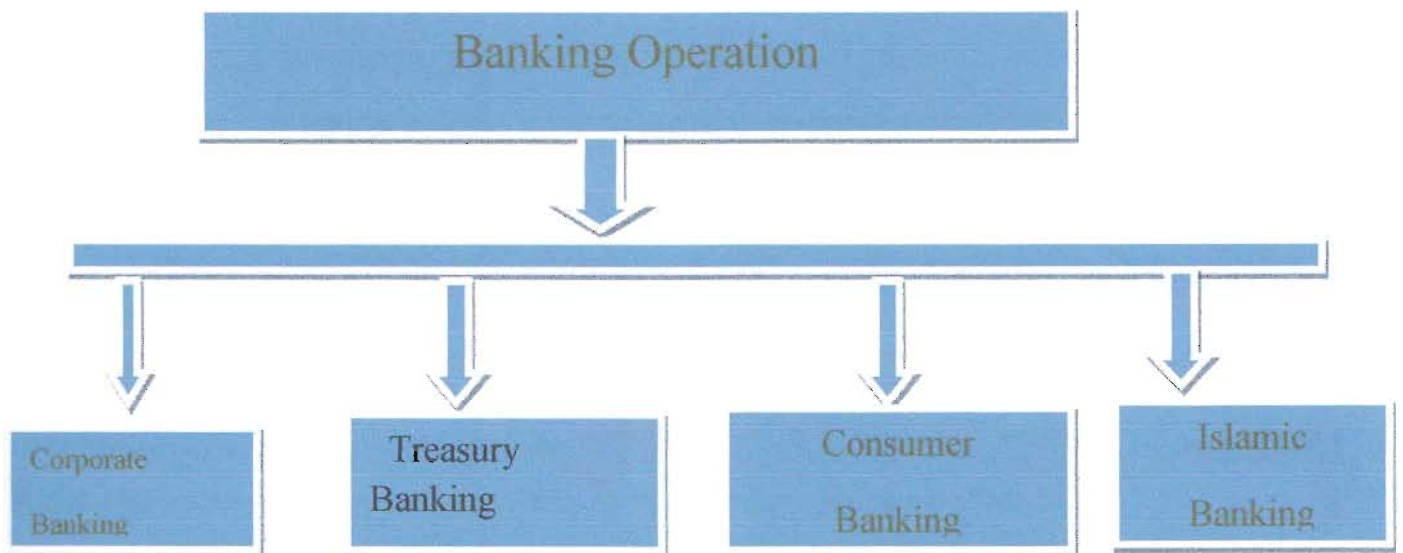
the challenges of the present competitive business arena. Bank has drawn clear border line function for each to ensure corporate governance

### **Banks Activities towards Corporate Governance:**

The Bank conducts its business within a well-framed control supported by a bundle of policy statements, written procedures and control manuals. An all-inclusive code of conduct is adopted by the Board to provide a standard framework for directors and members of the Bank Management on integrated ethical conduct at office. As is often known as primary governing body, the Board of Directors always attaches great significance to constant improvement of Bank's strong corporate governance practices. The business performance of the Bank has been made a practice for regular reporting to the Board of Directors. The Board keeps an eye on performance trends and performance change against budget as closely as possible. It is the Bank's convincing belief that high standards of corporate governance are an effective contribution to the upgrading shareholders' value over the long-term. A high degree of confidence in our institution is now perceived by our customers, counterparts, shareholders, regulators, employees and rating agencies. More to our credit are appropriate balance between long term growth and short- term objectives, sound portfolio of assets, stable customer base, income diversity and the wherewithal to counter economic cycles and uncertainties. In deference to the best corporate practices, the Board exercises a high degree of intolerance to any instances of malpractice, misconduct, fraud and unethical behavior with a clear adherence to laws, rules and regulations.

## Overview of Principal Activities of Premier Bank Limited:

The Premier Bank Ltd. is one of the leading banks in our country . The principal activities of the bank are as follows. The range of banking activities comprises of deposits mobilization, extending credit facilities to corporate and retail businesses, small and medium enterprises, foreign trade business, trade financing, project financing, lease and hire purchase financing, issuance of local and international credit card, remittance service and so forth. Our Bank has both conventional and Islamic Banking in its mode of operation.



### ❖ Corporate Banking:

The Premier Bank Ltd. is recognized as the leading financial institution is in corporate finances services in Bangladesh. This section provides the clients with a wide range of financial services like- project financing and investment consultancy, syndicated debt and equity , bond and guarantees, local and international treasury products.

- ❖ **Industrial Financing:** The bank offers term loans, working capital, import financing for capital machinery, raw material and other receivable financing, leasing and so forth under segment of financing.
- ❖ **Project Financing:** Our project finance activities evaluate technical, environmental, socio economic and financial validity of projects during the pre-booking stage. Potential projects are explored and planned in such a way that an ultimate win-win stand satisfies both the bank and the clients. Our project finance team is highly efficient and worthy of repute in the industry due to professional commitment.



start up their own business. Our SME finance are basically Project Finance, Working Capital Finance, Lease Finance/Hire Purchase, Work Order Finance ,etc.

**Visa Credit Card-** Our Visa international Credit Card is accepted globally and Visa Local Credit Card is accepted at more than 3500 outlet across the country. You will get free credit card facility up to 45 days without any interest. You can draw cash up to 50% of the credit limit of local Visa Card. You can also pay only 5% of your billing amount every month.

## **SERVICES:**

**Islamic Banking Services-** PBL is also providing Islamic Banking service by upholding all rules and regulation of Sunnah and Sariah because now a days Islamic Banking is widely accepted. PBL is operating Islamic Banking through two branches and they are -

1. Islamic Banking Branch, Mohakhali, Dhaka
2. Islamic Banking Branch, Laldighirpur, Shylet.

**Remittance Service -** PBL is providing remittance service to ease customer's problem to bring money in their own country from foreign country. Remittance procedure is very secured, reliable and fast. PBL has long term arrangement with different well recognized remittance Transfer Company and they are Money Gram, Dolex, Xpress Money Services and Western Union. Also PBL has agreement with GrameenPhone so that by using mobile technology and distribution outlet it can provide quality and quick service to their customer.

**Premier SMS Banking -** SMS banking has given a opportunity to customers to know about balance statement sitting at home or while roaming around. Also customers can stop cheque payment through SMS banking. Also customer can go through of last three transactions through this facility.

**PBL Brokerage Service -** It is providing various facilities for those investors who want to invest in share market. Facilities provided by Brokerage service

- Share Trading
- BO account Opening

Margin Loan facilities

time period.

7. **Premier Genius Account-** This is basically designed for students who want to save money for their future. Students need and preferences are different than adults so they want some extra benefit like higher interest rate and lower monthly installment.
8. **Premier 50+ account-** This account is applicable for those individual whose age is 50 or more than 50. When our age crosses 50 we want some extra benefit than other accounts and PBL has started providing those facilities to our senior citizen, keeping those needs or wants in mind.
9. **Premier Esteem Savers-** Premier esteem savers is a savings account that will offer attractive benefits, flexibility and other values to the top income level customers than any other savings account offered by PBL.
10. **Premier Excel Savers-** It is a type of savings account that will offer that would offer the second most attractive benefits, flexibilities and other values to the upper mid top income level customer than any other savings account expect, " Premier Excel Savers" offered by the PBL.

#### **Loan Products:**

**Consumer Credit Scheme:** We have introduced Consumer Credit Scheme to extend credit facilities to limited and fixed income group to improve their standard of living. The loan is repayable in easy and equal monthly installments (EMI) stretching from 12 to 60 installments.

**Personal Loan:** Our Personal Loan is any purpose loan for you. The purpose could be anything valid from buying household appliances to emergency medical needs. Some of these could be: Purchase of Electronic goods, House/Office Renovation, Marriages in the family, Advance Rent Payments, Travel Expenses and Payment of Taxes etc.

**Lease Finance:** We offer Lease Finance to facilitate your funding requirement for the procurement of assets in order to grow your business. Meet up financial need without outflowing own fund. You can acquire the lease assets keeping your capital intact. Thus, leasing helps to build up your fundraising capacity.

**SME Finance-**In our country there are so many people who cannot afford to start their own business due to lack of capital even though they have the potential to be a successful entrepreneur. Our Premier Bank Limited really wants to help those who have this potential to

go in the future. For example- Top Management new idea, policies yet works as potential product for PBL.

**PRODUCTS AND SERVICES:** Premier Bank Limited always thinks about their customer so they offer a wide range of goods and services to the customers considering their needs and wants. Not only PBL knows that customer taste and preference changes with time so every time they try to introduce new product for it's valued customers. Product and services that are available are given below:

**A) Deposit Products:**

1. **Current Account-**Current account is non-interest bearing account but a customer can issue cheque as much as they want. Actually it helps customer from carrying money around. It is helpful for those businessman who withdraw and deposit money several times a day.
2. **Savings Account-** Like other banks Premier Bank also maintain it's savings account for the profitability of the bank. This is because it is a low cost bearing account. In case of savings account PBL is offering 4% interest rate.
3. **Fixed Deposit-** If someone wants to deposit money for a fixed period of then FDR is one of the best option for his/her. But if someone wants to withdraw money in between time period then can do that but interest rate would be low.
4. **Special notice deposit account-** This account can be opened individually or corporate body but 7 days notice is required before withdrawing money. In case of SND a customer can not issue cheque as many as possible because limitation remains in issuing cheque.
5. **Double Benefit Scheme-** If someone wants to double investment in 6 years then he/she should go for double benefit scheme. It's a great to utilize idle money that PBL is offering to customers.
6. **Monthly Saving Scheme-** This account is basically for fixed income people who does not have the capability to deposit big amount every month. So by depositing a small amount every month they can get a fixed amount of money after a fixed



Economics at the Training Institute of the Bank or outside at home and abroad. Islamic Banking has gathered strong momentum with rebounded growth potentials against the turmoil of global economic crisis. Islamic Banking Institutions could largely evade the global meltdown by virtue of low exposure to toxic assets and business strategies based on 'Shariah' principles. The Bank is valuing the latest development as a decisive factor in formulating business policies. We are planning to shift a sizeable part of our business resources to Islamic Banking with spacious opportunities for our clients.

**Consumer Banking-** Consumer Banking provides credit cards, personal loan, mortgages, deposit taking and wealth management services to individual and small medium sized business. PBL offers premium retail banking services to individual customers with a large variety of deposit and loan products. Its consumer banking business continuously meets the challenges of developing new products and services to match the specific requirements of customer. In Bangladesh Premier Bank Limited offers Visa Credit card local and international both. The aim is to provide wide new range of services to customer on a new era of globalization.

## **5 Product level of PBL:**

1. **CORE BENEFIT-** Core Benefit is the most fundamental requirement that a customer desire from a product and service. In case of " Premier Bank", Limited ", money transaction is the core benefit that a customer perceives from this bank.
2. **BASIC PRODUCT-** At the second level the marketer has to turn the core benefit into basic product. In case of Premier Bank Limited the banks internal environment, air condition, decoration ,etc as a basic product.
3. **EXPECTED PRODUCT-** At the third level, the marketer prepares an expected product, a set of attributes and condition buyer normally expect when they purchase the product. If we consider PBL then I can say that Security of money ,correct transaction, smiling face and marketer's behavior from Banks staffs act as expected product.
4. **AUGMENTED PRODUCT-** Augmented Product is the product that can differentiate one bank from other many banks. At the fourth level, the marketer prepares an augmented product that exceeds customers expectations. For example-the way the bankers addresses customers, offer tea or coffee, wish good luck to customers act as augmented product for PBL.
5. **POTENTIAL: PRODUCT-** At the fifth level stands the potential product which encompasses all the possible augmentation and transformations the product might under

**Syndication Financing:** Premier Bank remains vibrant in the syndication market. The collaborate finance on large scale in participation of a group of banking institutions is getting wider day by day. The bank has a good record in syndication financing over its decade of operation both as member bank and as lead arranger. Bank's concentration in syndication finance has been diversified within change in economic indicators and activities. The areas connected with bank's syndication are textiles, pharmaceuticals, chemical, cement, ceramic, steel, tourism sector, power, food and allied infrastructure.

**Treasury Banking:** The core point of treasury operations is fund management. Treasury helps the Bank to build up capacity to cope with all possible exigencies to maximize return on investment and minimize risk. Besides, treasury is obliged by law to comply with Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR) set by Central Bank. Treasury actively participates in money market operation and deftly manages investment, cash balances along with money at call and short notice. Also treasury monitors price movement of foreign exchange with various measures to minimize risk factors.

In keeping with global system Premier Bank Treasury is well-equipped with up to date facilities. They have independent dealing room equipped with SWIFT, On-line dealing system, Internet, Television with reputed financial channels, Voice Recorder, Digital World Time Display and so on. Under the apt guidance of Management our treasury is playing a vital role in the inter-bank money and foreign exchange market. In addition to regulatory compulsion treasury personnel maintain the best investment portfolio in Treasury Bills, Treasury Bonds, Repo, Reverse Repo, Call and Term, etc. Treasury operations are also considered as a key source of income generation. Our Treasury Division has efficiently and prudently managed our liquidity to earn a lot even during turmoil in money market in recent years. In 2013, Treasury played a major role in raising the bank's income and recorded an income of Taka 1,568.88 million from Money Market and Foreign Exchange Operation. A centralized treasury operation enhanced by on-line connectivity has endowed our customers with fast and finest service. Dealers quote very competitive cross currency spot, forward and swap rates to the clients while complying with Bangladesh Bank's Foreign Exchange Risk Management Guidelines. They have separate Front Office and Back Office with different reporting lines as per international best practices of treasury management. Front Office is responsible for dealing activities while Back Office is for settlement of transaction. We have signed an agreement with Mashreq Bank psc (Dubai) and Bank of Nova Scotia (Hong Kong) for online foreign exchange dealing.

**Islamic Banking-**The Bank is maintaining a separate accounting system for Islamic Banking branches which is completely different from Conventional Banking to conform to the standard adopted by Financial Accounting and Auditing Organization for Islamic Financial Institutions. At present, the Bank has 2(two) Islamic Banking Branches under its banking network: one at Mohakhali, Dhaka and another at Laldighirpar, Sylhet. The branches are performing well with increasing growth of business since inception. To stimulate knowledge and expertise on Shariah based banking the Bank undertakes regular training and workshops for its employees on Shariah Principles, Investment and Foreign Exchange Operation under Islamic Banking and

## **Department Activities of Premier Bank Limited:**

The Premier Bank at Shymoli Branch has three departments

- General Banking
- Foreign Exchange
- Credit

### **GENERAL BANKING:**

*General Banking-* General Banking is the starting point of Banking operation. It is the department that provides day to day services to the customers .Everyday it receives deposit from the customers and meets their demand for cash by honoring cheque .It opens new account for customers ,remit funds, issue bank draft and pay orders .Since bank is confined to provide service everyday ,general banking is also known as retail banking.

Generally banking basically covers the following sections:

- Account opening section
- Remittance Section
- Cheque Clearing section
- Cash Section

#### **Procedure for opening of Account:**

##### **A. Individual/joint**

1. Three copies of the photograph of the account holder/persons who will operate the account .Account Holders photograph shall be attested by introducer.
2. National ID(Photocopy)/ first 7 pages of valid passport (Photocopy)/Birth registration certificates(photocopy)/Commisioner Certificate photocopy .In case of Commissioner Certificate the photograph of the account holder should be attested by the commissioner.
3. Photograph of the nominee. Photograph of the nominee shall be attested by the Account Holder.

4. *Valid Tin Certificate if any.*

- **PAY ORDER-** *Pay order is a secured means of remitting payment from one location to another within the clearing zone area of Bangladesh Bank. This is also called the 'managers' cheque because the bank is bound to pay the amount of pay order bearer as it is placed.*
- *Pay Order can be issued in favour of the payee with commissions paid. The pay order can be made either from the account of the issuer or by giving the amount to the Premier Bank Limited, if the issuer has no account with the bank.*

**Demand Draft-** *This is another means of remittance which possesses almost the similar attributes of the Pay Order. Demand Draft can be issued outside the clearing zone that is not possible if the payment is made by Pay Order. It is usually used to facilitate the inter district remittance function.*

- **Remittance Services-** *Premier Bank Limited provides remittance services by facilitating remittance transfer from and outside Bangladesh. Through the local remittance services the Bank facilitates remittance payment from one location to another within the clearing zone of Bangladesh Bank. On the other hand in case of foreign remittance the bank facilitates the remittance transfer from outside Bangladesh.*

### **Clearing Service-**

1. **Inward Clearing-** *The instrument of the Bank include cheque, Pay Order, Demand draft etc. The Bank collects it's own instruments from other banks through clearing House as the clients with no charges or commoission required to perform this service submit them in different location.*
  - *In Premier Bank Limited there are two types of inward clearing:*
    - a. **High Value-** *The value exceeding the amount of 5 lac or up is known as high value inward clearing.*
    - b. **Low Value-** *The value ranging between or lower that 5 lac is known as lower value inward clearing.*
  
2. **Outward Clearing-** *The Bank provides the instrument to other banks through Clearing House, which have been collected from different clients. It performs this kind of services for it's clients without requiring any charges or commission.*
  - *Similar to inward clearing outward clearing are also of two types:*
    - a. **High Value-** *The value exceeding the amount or is higher than 5 lac is called outward high value.*
    - b. **Low value-** *The value ranging between or lower than 5 lac is called outward low value.*

### **CASH DEPOSIT AND DISBURSEMENT SERVICE:**

*Through the cash counter, the bank provides these services to customers.*

*Through the cash counter, the customers can deposit or withdraw money from*

*their various kinds of saving and current deposits accounts. The loan amount are also collected and paid through the cash counter. Transactions for foreign or local trade are also performing through the cash counters .*

## **FOREIGN EXCHANGE:**

*Foreign Exchange Department is an international department of the bank. It deals globally. It facilitates international trade through its various modes of services. It bridges between importers and exporters. If the branch is authorized dealer in foreign exchange market, it can remit foreign exchange from local country to foreign country. This department mainly deals in foreign currency. This is why this department is called foreign exchange department.*

## **Functions OF Foreign Exchange Department**

*Foreign exchange department performs many functions to facilitate the foreign exchange transactions. These areas -*

- *Facilitate Import Trade*
- *Facilitate Export Trade*
- *Providing funded and non-funded credit facility*
- *Provide Non Commercial Remittance.*
- *Maintaining Foreign Currency Accounts*
- *Selling of Foreign Currency Bond*
- *Preparation and Submission of statements.*

*The above function are mainly performed by the Premier Bank Limited which has two sections:*



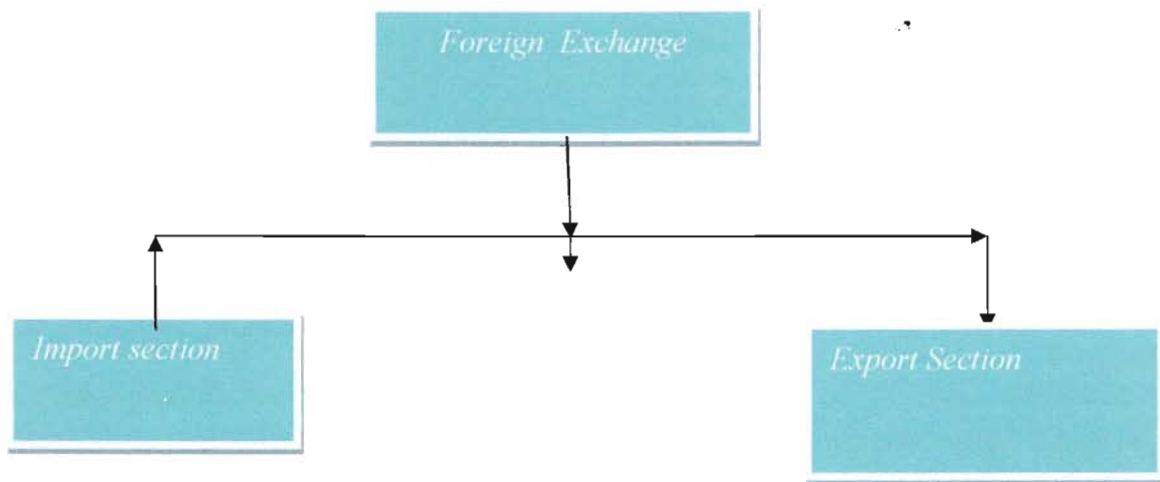
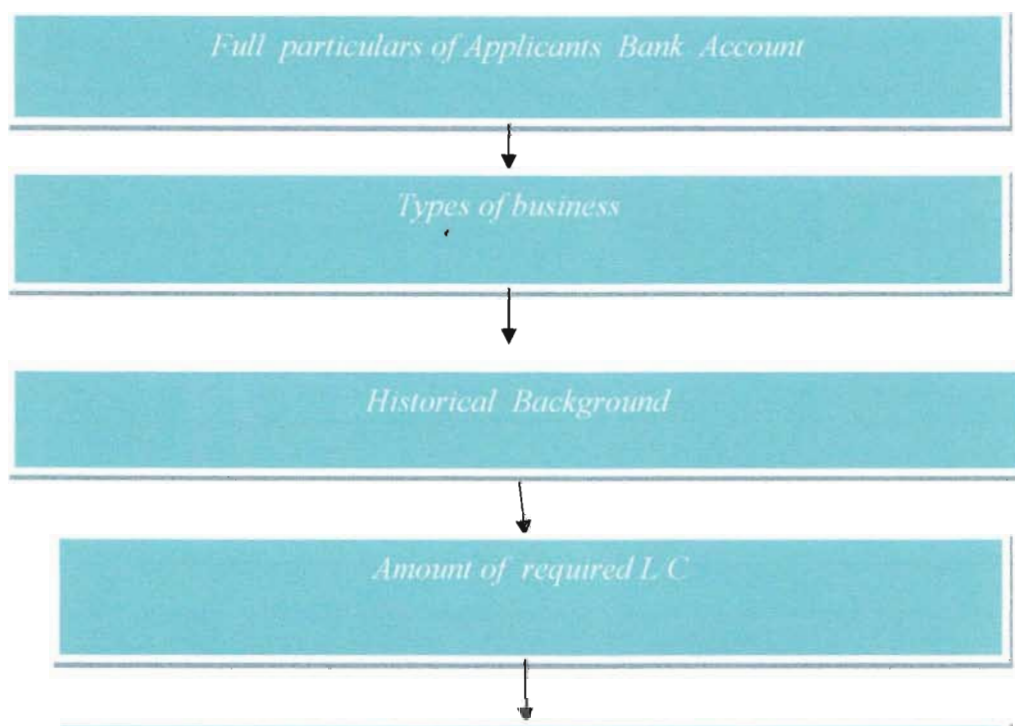


Fig- Foreign Exchange

**Import Section-** The import section of the premier bank limited tries to manage the flow of fund of goods and services purchased by the economic agent staying in the country from economic agent staying abroad. We can simplify import as a means of purchase of goods and services from the foreign countries into Bangladesh. Normally consumers, firms and goverment of Bangladesh import foreign goods to meet their various necessities. Import section helps business and other people to import goods. In the international environment ,buyer and seller are unknown to each other. So the seller seeks guarantee called Letter of Credit. Thus the contract between buyer and seller is shaped by letter of credit.

**Procedure for opening L/C:**



### **Export Section:**

*Export constitute an important element in our country's gross domestic product as Bangladesh economy move towards increasing openness. In this view exports are seen as the prime mover to increase productivity and creation of employment opportunity, generate employment opportunity and saving and investment.*

*Unfortunately our export trade is dominated by a few commodities in a narrow market .Such dependence on at limit number of export items targeting a limited market is fought with great risk. Otherwise stagnancy will set in quickly.*

*It is important that our export trade must keep pace with projected GDB growth and make due contribution through export earnings. In this exercise it is imperative to identify new trust sector, increased export of higher value added items ,diversify products wise ,ensure product quality, improve packaging ,attain effective productivity. We should aim at marketing quality products at competitive price at correct time.*

### **Documents of Export:**

*The export L/C requires submission of various documents by the exporter for payment/negotiation .The following documents are necessary:*

- ✓ L/C Copy
- ✓ EXP form
- ✓ Packing list
- ✓ Bill of lading
- ✓ Bill of Exchange
- ✓ Certificate of Origin
- ✓ Commercial Invoice
- ✓ Photocopies of ERC



## CREDIT DEPARTMENT:

The credit department mainly deals with loans and advances and premier Bank Limited has different types of loan like:

- A. **Continuous Loan**-The main characteristics of loan are that the borrower can deposit and withdraw money continuously from loan account. The expiration of loan is usually one year which is renewable. There is no repayment schedule. The borrower has specific limit and operation takes place within that limit. The borrower can withdraw and deposit money as many times as they need. The interest is charged on the withdrawn amount and the time the borrower holds the money. Usually the continuous loan is given to the traders as working capital to operate their business. Clients with good credit rating and collateral kept in the bank are entitled to get continuous loan. The overdraft amount is repaid by the client along with interest at 17% per annum which varies with the customer status and amount.
- B. **Term Loan**- Term loan are offered to facilitate larger project whose financing requirement cannot be satisfied by continuous loan. It is offered in three categories against sufficient collateral. Loan sanctioned for 1 to 2 years and 2 to 5 years are known as short and mid loan respectively. However loans for more than 5 years are categorized as long term loan. Types of term loan are:

- Project loan
- Transport loan
- House Building loan
- Lease Finance

The main characteristics of auto loan are:

- At a time disbursement
  - Fixed term of payment
  - There is repayment schedule
  - The loan is paid back by monthly installment
- 
- **Demand Loan**- Demand loan is on demand payable. Demand loan is given for trade finance purpose. The maturity of demand loan is less than one

*year .Usually 0-6 months is the maturity. The disbursement takes place at a time .Whenever the bank asks the borrower, he is bound to pay back the loan .Clients with good credit rating and colleteral kept in the bank are entitled to get these services:*

- *Loan General*
- *Payment against Documents*
- *Loan against imported Merchandise*
- *Loan against trust receipt*
- *Forced loan*
- *Packing Credit*
- *Secured Overdraft Against Cash Incentive*
- *Foreign Documentry Bill Purchased*
- *Local Documentry Bill Purchased*
- *Inland Bill Purchased*
- *Foreign Bill purchased*

*Loan Under SME:*

- *Small business loan*
- *Consumer Finance Scheme*
- *Lease Finance*
- *Personal loan*
- *House Repairing and Renovating Loan*
- *Working Capital Loan*
- *Festival Business Loan*

# CHAPTER-3

## PERFORMANCE EVALUATION OF PREMIER BANK Limited

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The Premier Bank Limited

**Premier Bank**  
*s e r v i c e f i r s t*



## Performance Evaluation of Premier Bank Limited:

Capital Structure:

Table 3.1) Authorized Capital:

Year	Amount	Percentage change
2009	6000	Nil
2010	6000	Nil
2011	6000	Nil
2012	6000	Nil
2013	6000	Nil

Source: Annual Report , Premier Bank Limited

Comment:

The maximum value of securities that the company can legally issue.

The Authorized Capital in year 2009 was 6000 and following the period of five years it has remained the same.

As a result of which there has been no percentage growth during the past five years.

Table 3.2) Paid-Up- Capital:

Year	Amount	Percentage Growth
2009	2242.28	
2010	2914.97	30%
2011	3818.61	31%
2012	4658.71	22%
2013	5124.58	10%

Source- Annual report, Premier Bank Limited

Comment:

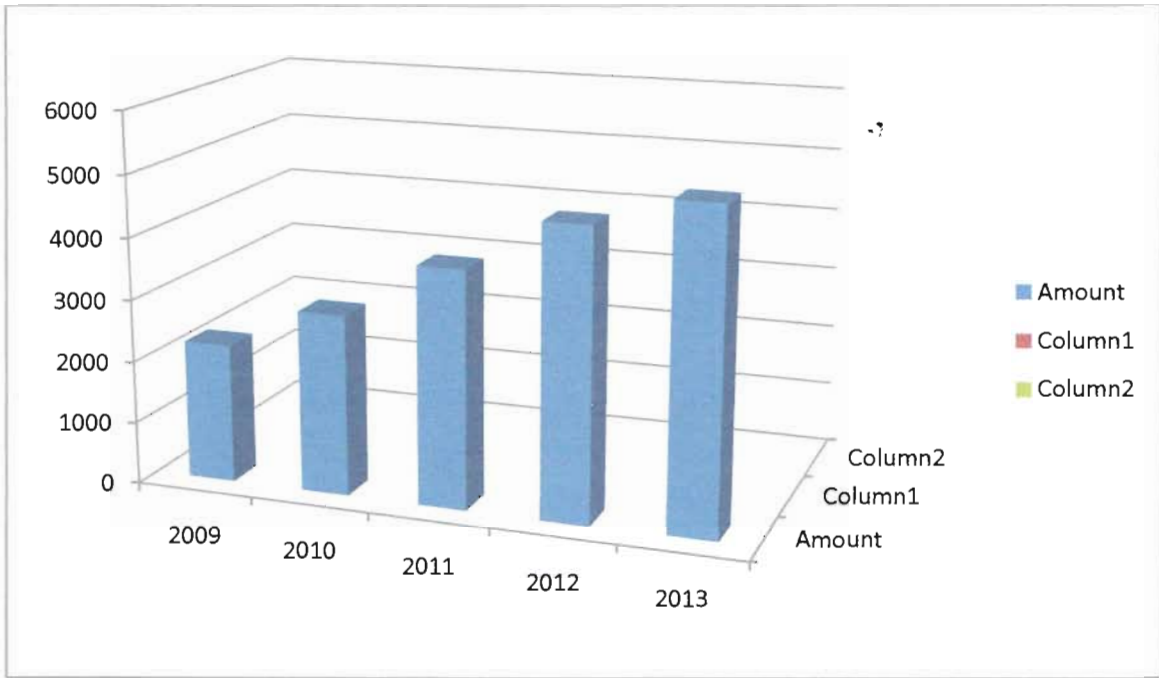
Paid-Up-Capital means the amount of money received from shareholders in exchange for shares.

From the above table we can see that the highest percentage growth was in the year of 2010 which was 30%.

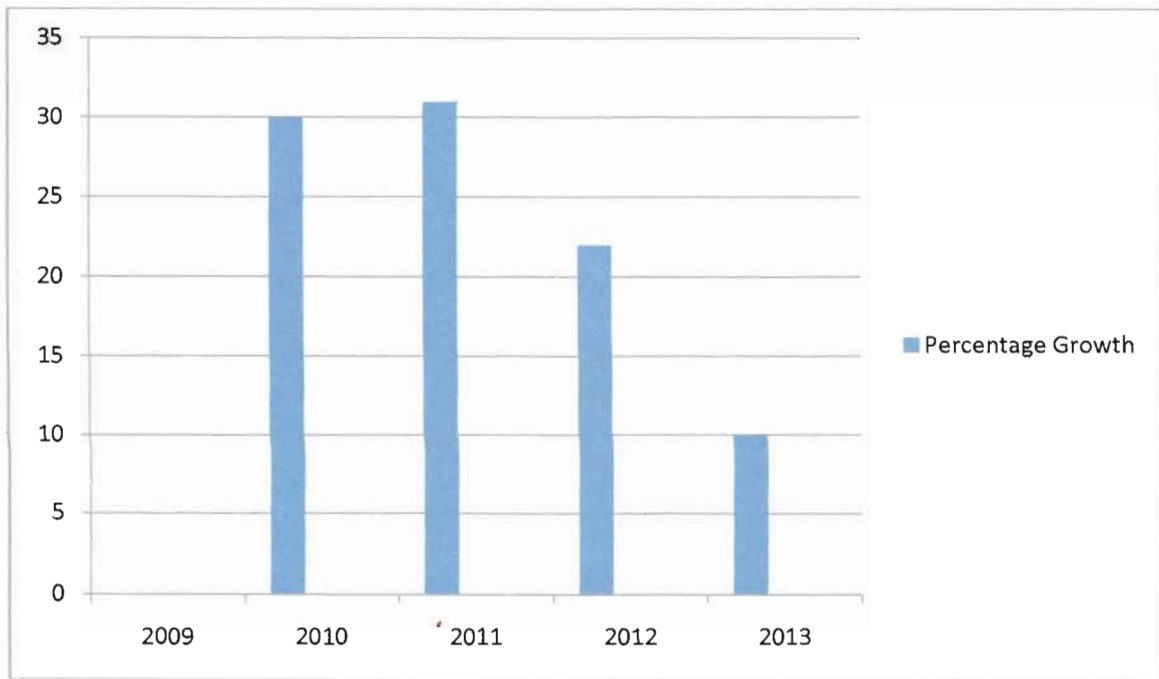
The lowest percentage growth was in the year of 2013 which was 10%.

The average trend of Paid-Up- Capital shows that the percentage growth have been decreasing over the period of five years from 30% upto the year of 2013 which was only 10%. The average value of Paid-Up-Capital is 23.25.

The overall picture of paid-up-capital shows that it that the percentage growth of paid-up-capital have decreased constantly. But as the average value of paid-up-capital is positive so there is a chance that the banks paid-up-capital may increase in the future.



Graph-3.2 Paid-Up-Capital Structure



Graph 3.2-Percentage Growth of Paid-Up-Capital Structure

Table 3.3) Deposit of PBL:

Year	Amount	Growth Percentage
2009	37381.96	
2010	54691.47	46%
2011	60692.97	11%
2012	67058.19	11%
2013	74469.91	11%

Source: Annual Report of PBL, 2013

Comments:

Deposits are the foundation of operating leverage of a bank. They are recognized as the blood of the financial institution and gives strength to run the business activities.

In pursuit of deposit mobilization the bank has continued to succeed during 2012 with a deposit balance of Tk.67129.52 million from TK.60692.97 in the year of 2011 manifesting a growth of 11%.

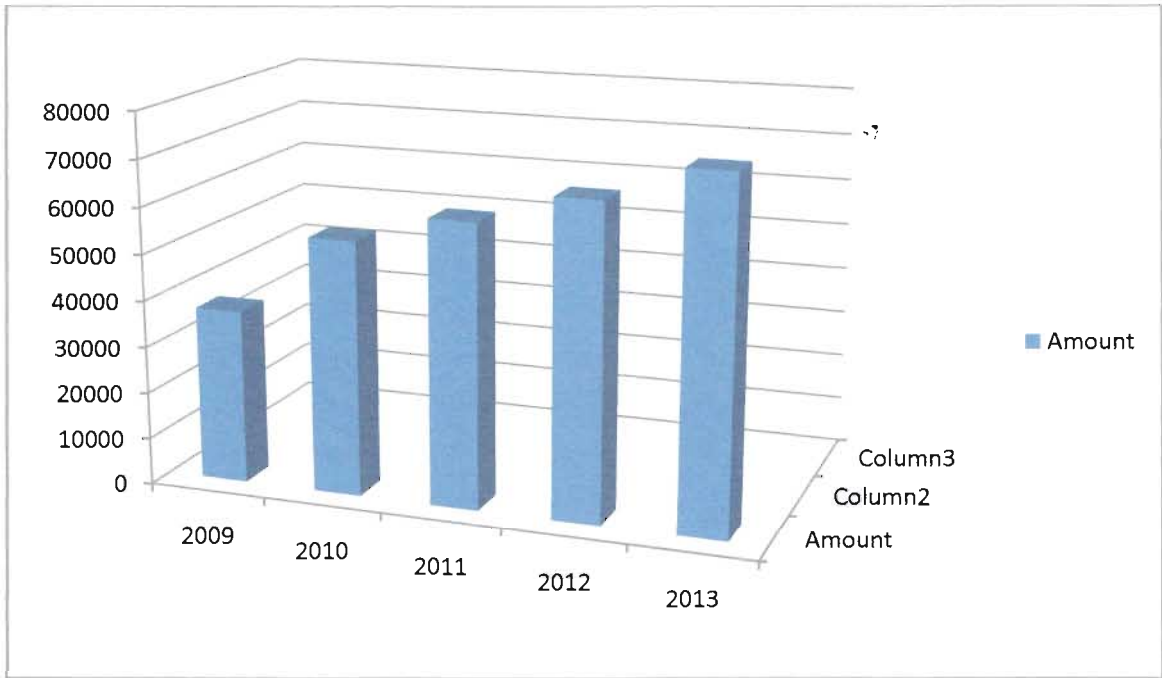
From the above table we can see that the highest percentage growth of deposit have been in the year of 2010 which was 46%.

The lowest percentage growth have been in the year of 2011-2013 at a steady rate of 11%.

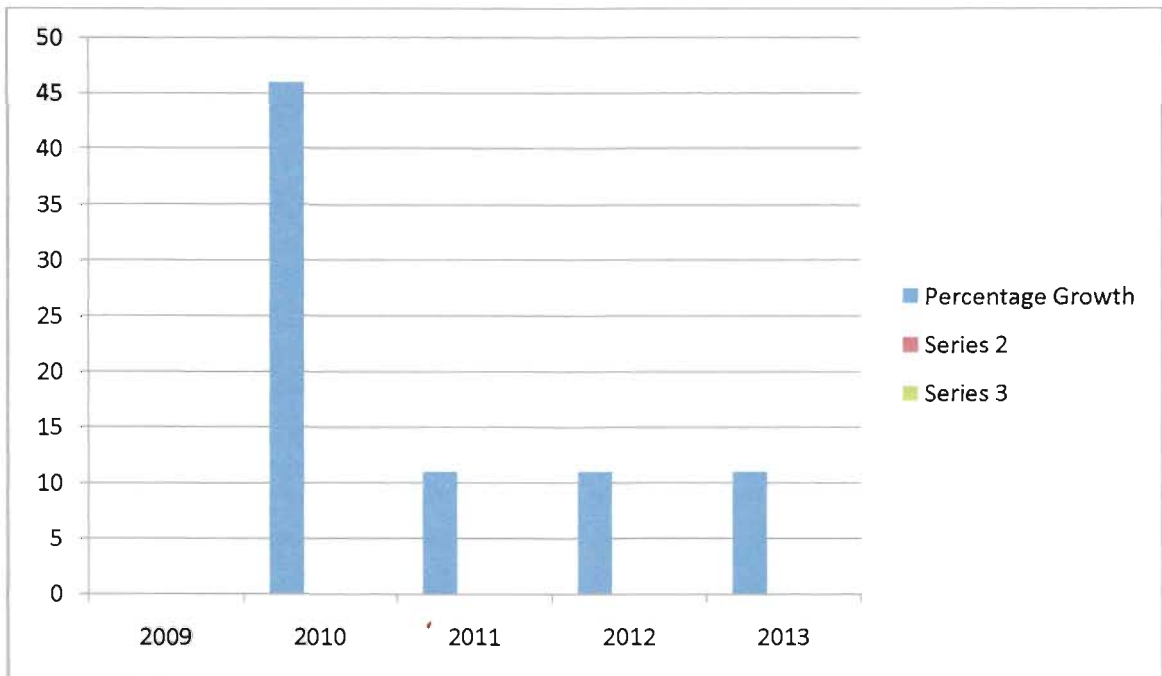
The average trend of deposit of PBL shows a constant percentage growth of 11% after the period of 2010. The average value of deposit is 19.75.

The overall picture of deposit shows that deposit growth has substantially declined beyond 2010 and never regained nor fell further.





Graph-3.3 Deposit structure of PBL



Graph 3.3-Percentage growth of deposit structure at PBL

Table 3.4) Loans and Advances:

<b>Year</b>	<b>Amount</b>	<b>Growth Percentage</b>
<b>2009</b>	33664.59	
<b>2010</b>	46400.57	37%
<b>2011</b>	49774.91	7%
<b>2012</b>	52210.16	5%
<b>2013</b>	52697.14	1%

Source-Annual Report, PBL

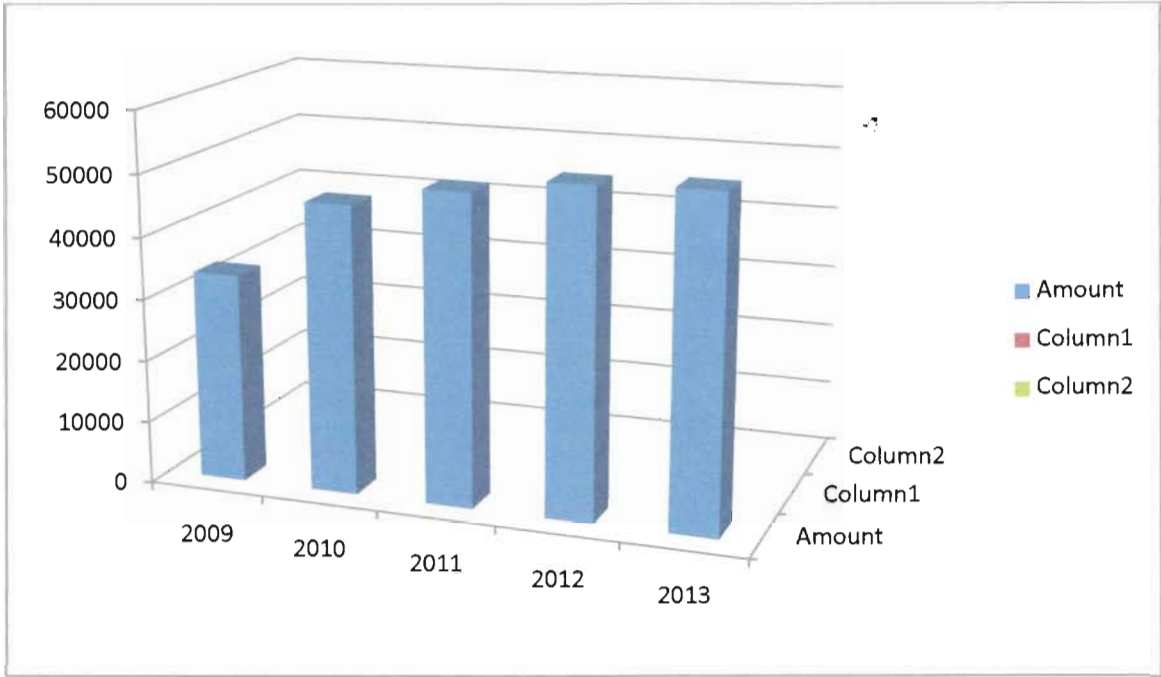
Comment:

Loans and Advances are the main sources of asset for any bank.

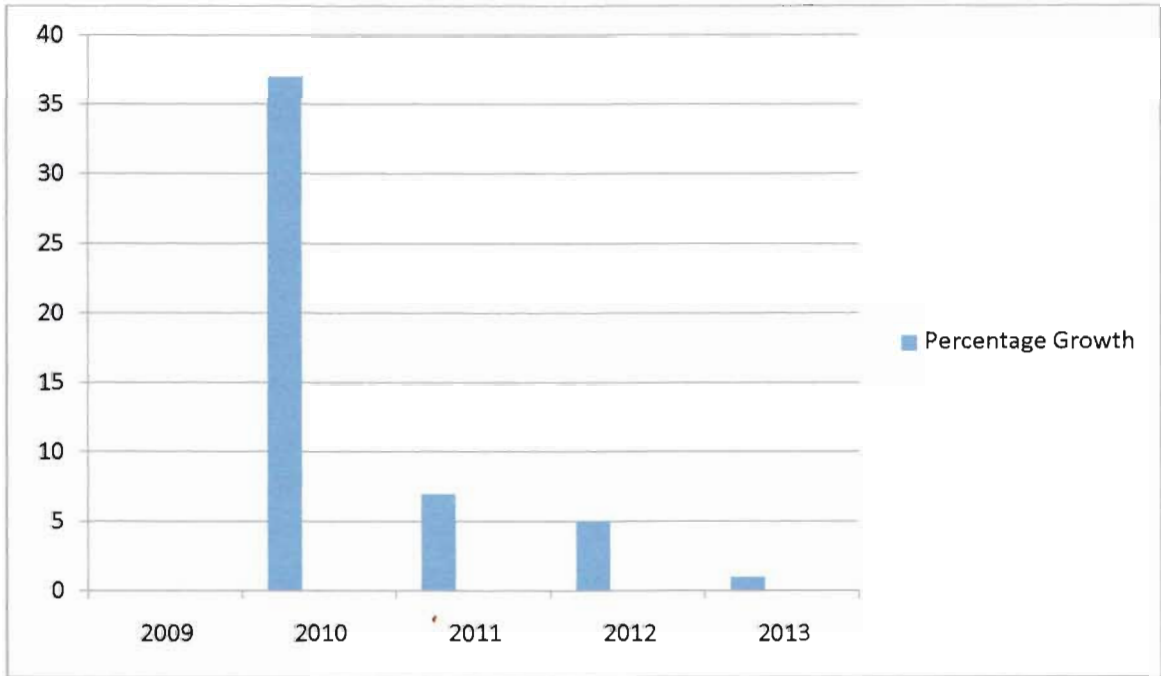
But from the above table we can see that the highest percentage growth was in 2010 at 37% and the lowest percentage growth was in the year of 2013 which is 1% only.

Therefore the average trend shows that the percentage growth of loans and advances have declined over the period of five years. The average value of loans and advances is 12.5.

The overall picture shows that the amount of loans and advances have decreased following the period of 2012-2013 from 5% to mere 1% which is not a good sign for the bank.



Graph-3.4 Loans and Advances of PBL



Graph-3.4 Percentage Growth of loans and advances of PBL

Table 3.5) Loan to Deposit Ratio:

Year	Amount	Percentage Growth
2009	0.9006	
2010	0.8484	(6%)
2011	0.8201	(4%)
2012	0.7778	(5%)
2013	0.7076	(9%)

Source-Annual report ,PBL

Comment:

The loan to deposit ratio indicate the amount of deposit the bank is collecting against how much they are giving out loan to their customers.

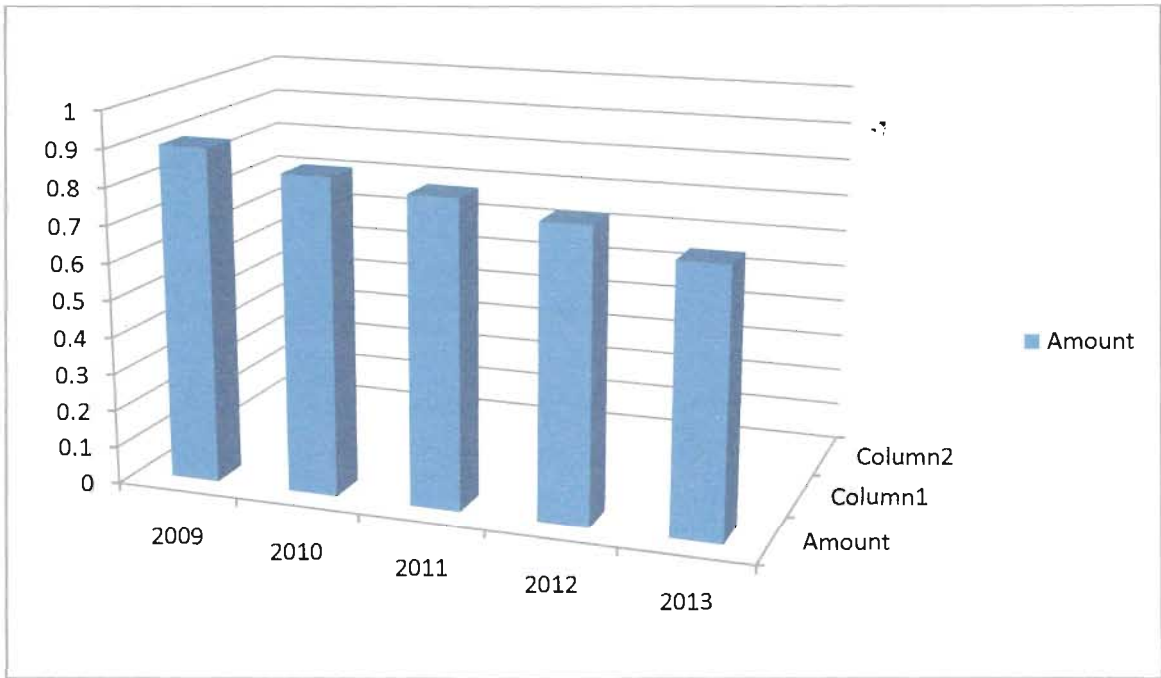
The loan to deposit ratio indicates a negative percentage growth from the year of 2010-2013.

The highest negative percentage growth have been the year of 2011 which is 4%

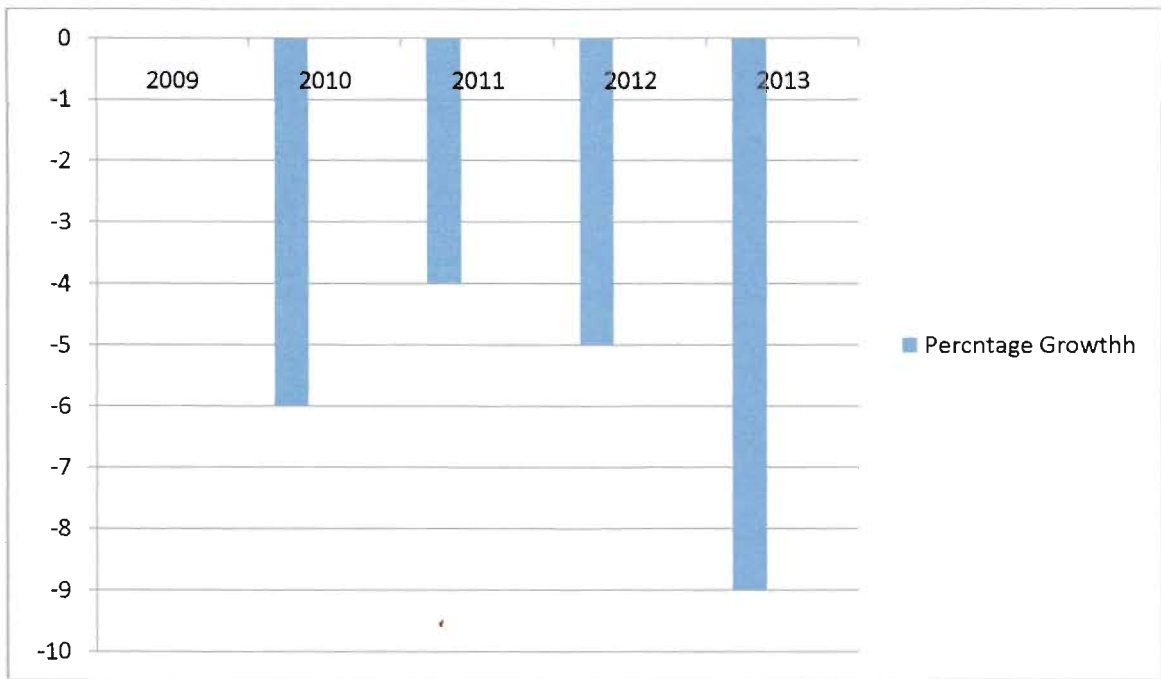
The lowest negative percentage growth has been in the year of 2013 which is 9%.

The average trend shows that the loan to deposit ratio have decreased over the years. The average value of loan to deposit ratio is -5.75.

The overall trend indicates that as the loan to deposit ratio have decreased there is a possibility that the bank might incur a loss in the upcoming future.



Graph 3.5 Loans And Advances of PBL



Graph-3.5 Percentage Growth of loans and advances of PBL

Table 3.6) Investment:

Year	Amount	Percentage Growth
2009	6513.01	
2010	10195.00	56%
2011	11968.61	17%
2012	12614.02	5%
2013	20033.11	59%

Source-Annual Report, PBL

Comment:

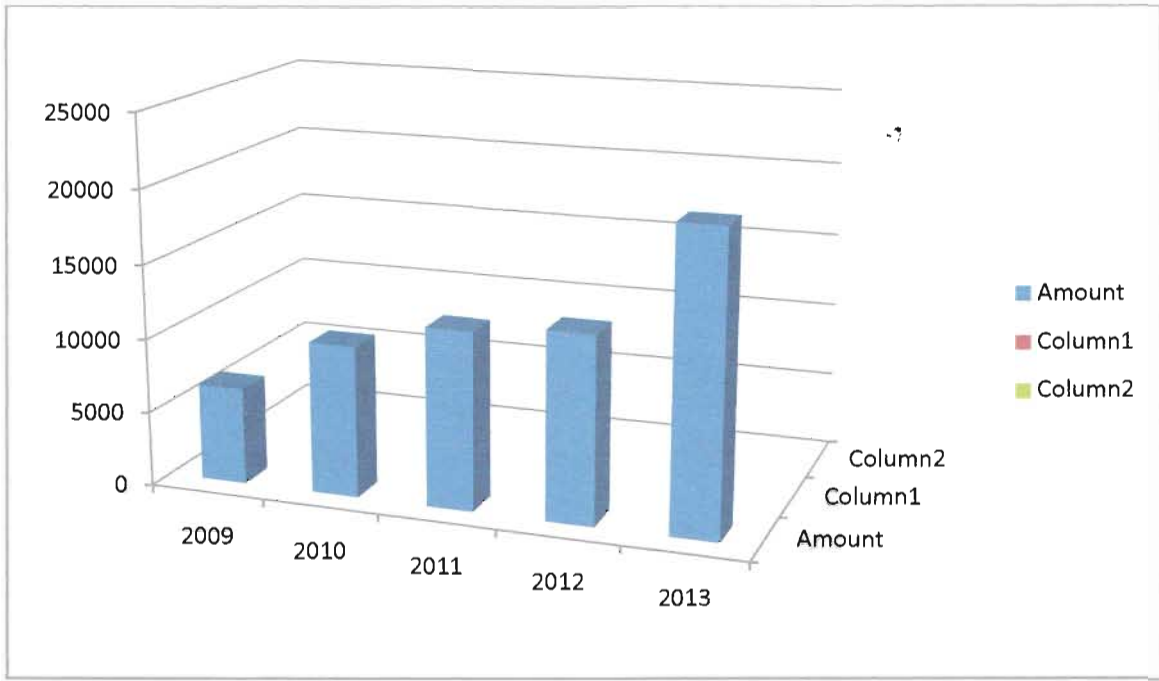
Banks collect deposits from customer through which they make investment in the profitable sectors or area in order to earn interest income.

From the above table we can see that the highest percentage growth of investment was in the period of 2013 which was 59%.

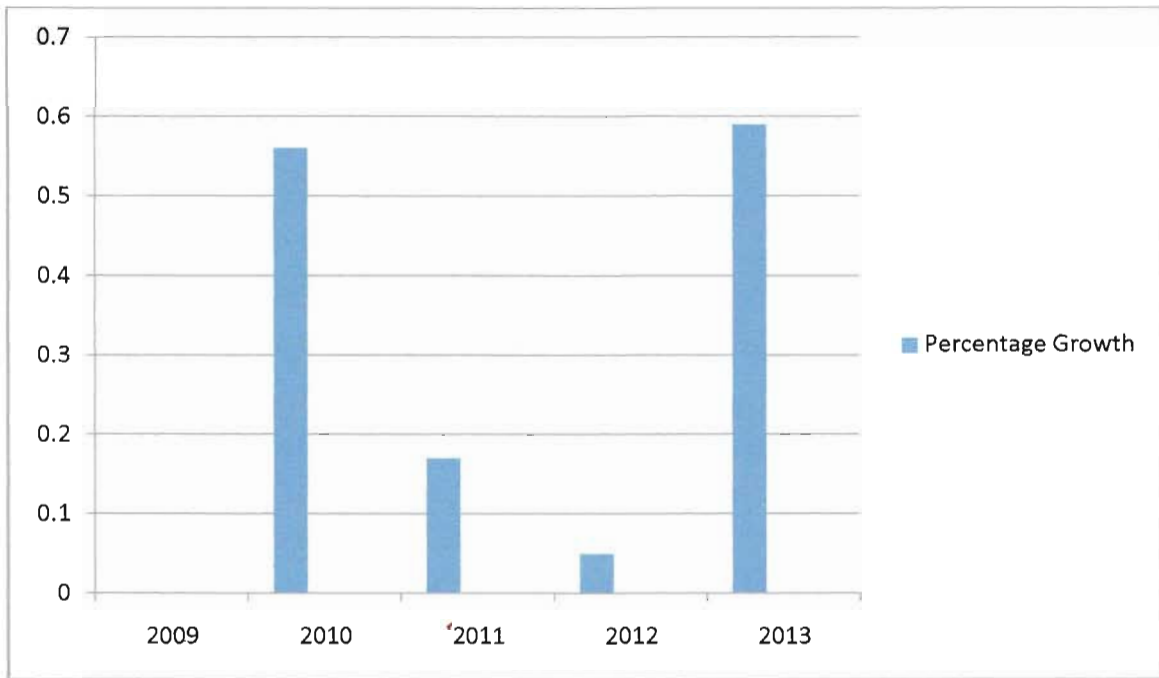
The lowest percentage growth of investment was in the period of 2012 which was 5%.

The average trend of investment shows that the percentage growth of investment have been increasing but at a decreasing rate. The average value of investment is 34.25.

The overall picture of investment shows that although the percentage growth of investment have declined during the period of 2011-2012 but it again it increased sharply in the year of 2013 to 59%, which indicates a higher profitability for the bank in the year of 2013.



Graph-3.6 Investment of PBL



Graph-3.6 Percentage Growth of Investment of PBL



Table 3.7) Total Asset:

Year	Amount	Percentage growth
2009	47343.24	
2010	68240.35	44%
2011	74951.11	10%
2012	81733.71	9%
2013	89912.80	10%

Source-Annual report ,PBL

Comments:

A banks total assets include both the Current and Fixed asset combinedly.

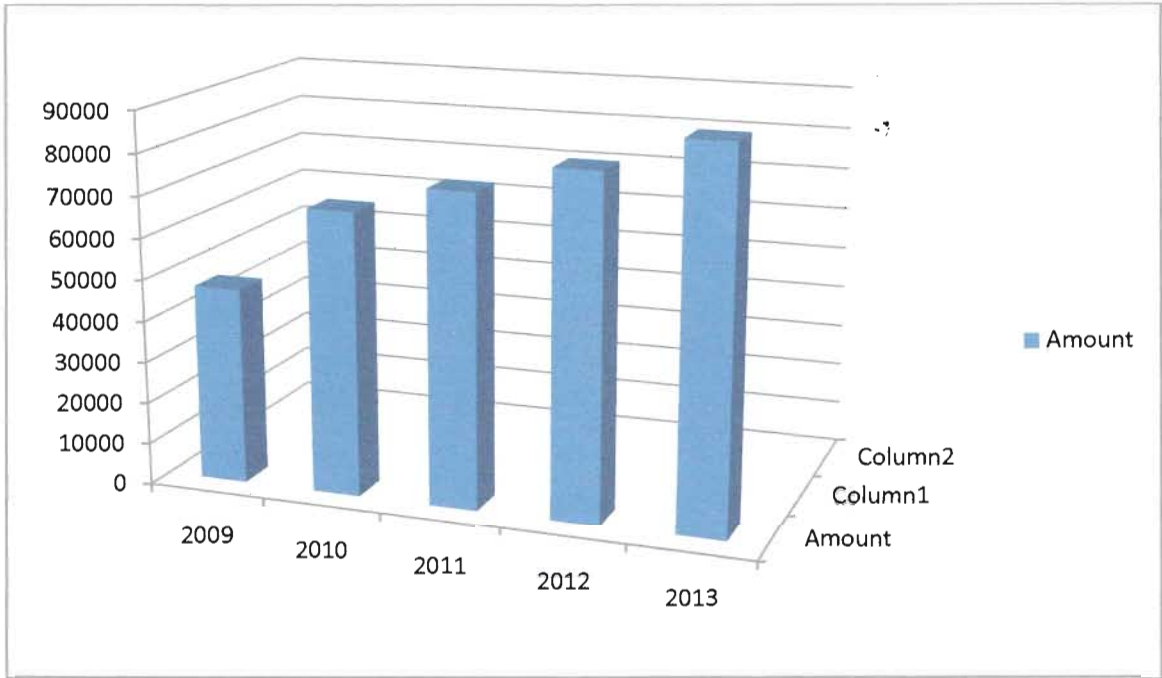
From the above table it can be seen that banks total asset stood at Tk.89912.80 million in 2013 compared to the previous years which was TK.81733.71 in 2012.

The highest percentage growth have been in the year of 2010 which is 44%.

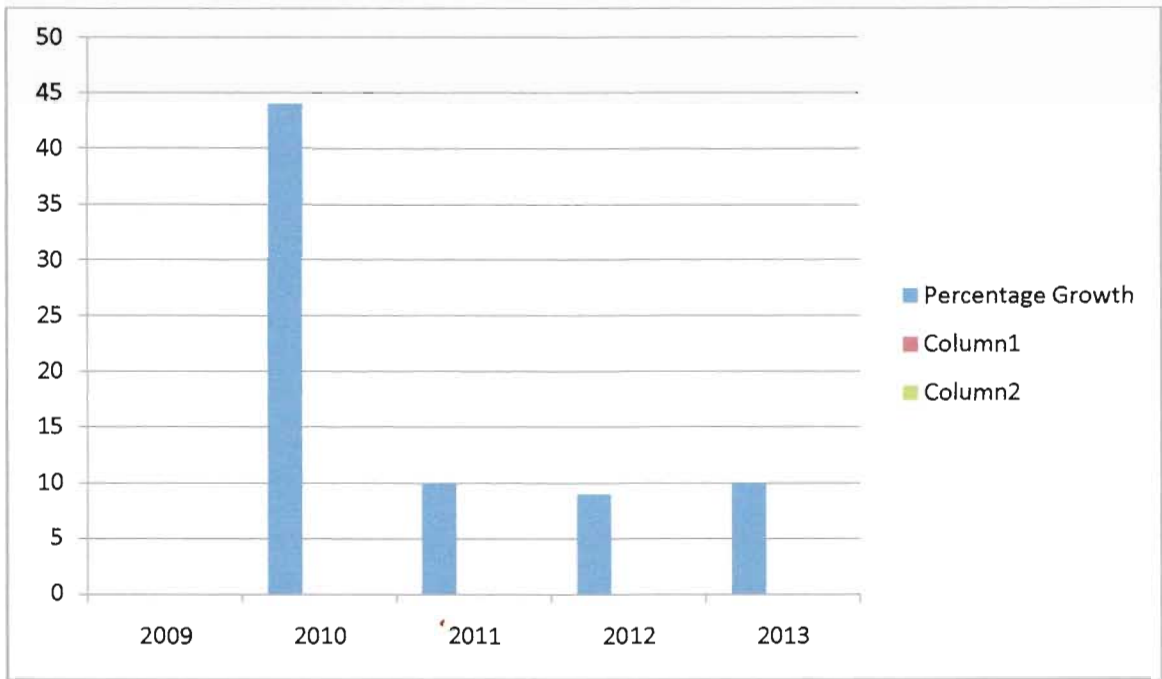
The lowest percentage growth have been in the year of 2012 which is 9%.

Therefore the average trend of total asset shows that the percentage growth of total asset are increasing but at a decreasing rate. The average value of total asset is 18.25.

The overall picture of total asset shows that it has been increasing although the percentage growth have decreased during the period of 20011-2012 from 10% to 9% but again it recovered back to 10% indicating that in the upcoming years there is still a chance of gaining a higher percentage growth in the total asset figures.



Graph-3.7 Total Asset of PBL



Graph-3.7 Percentage Growth of Total Asset

Table 3.8) Total Liabilities:

Year	Amount	Percentage Growth
2009	4371.06	
2010	5390.79	23%
2011	9186.38	70%
2012	9676.56	5%
2013	9627.41	(1%)

Source-Annual report ,PBL

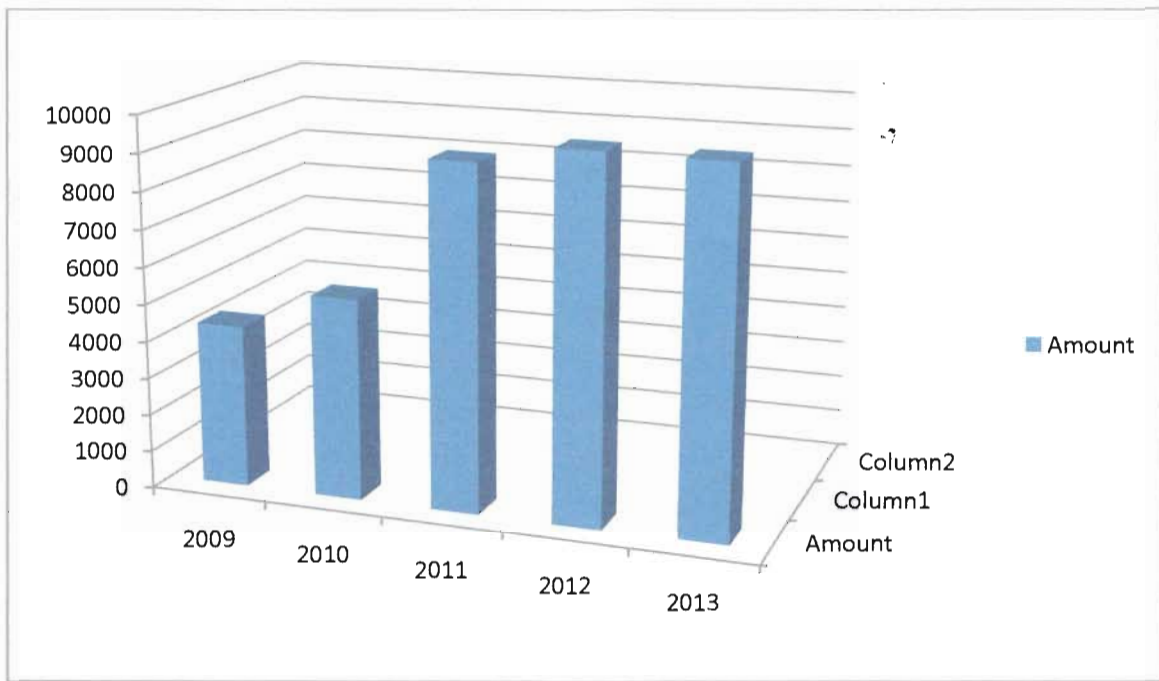
A banks total liability includes both the current and long term liability combinedly.

The highest percentage growth of total liability was in the year of 2011 which was 70%.

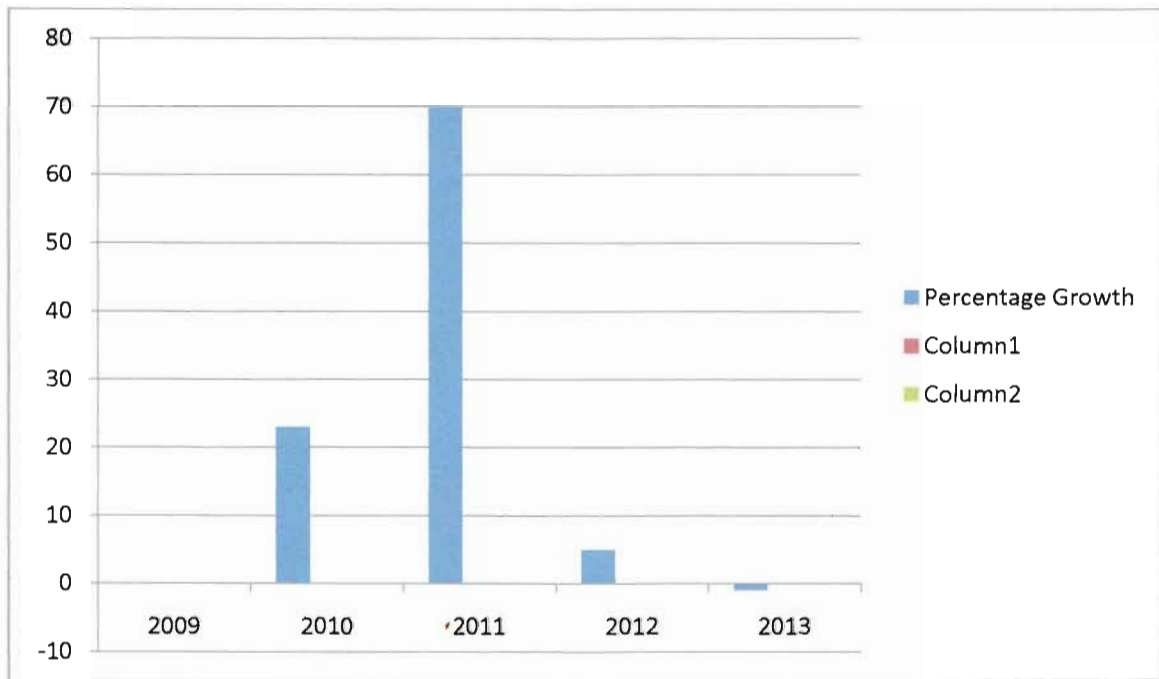
The lowest percentage growth of total liability was in the year of 2013 which was negative -1%.

The average trend shows that the total liabilities have been increasing at first but later on decreased at a negative 1% growth rate. The average value of total liability is 24.25.

The overall picture of total liability shows that although the banks total liability was the highest in the year of 2011 which was 70% but gradually through the upcoming years it decreased to a negative percentage growth rate of 1%, meaning that the bank has been able to decrease it's liability after the year of 2011 and in the year of 2013 it fell to negative 1%.



Graph-3.8 Total Liabilities of PBL



Graph-3.8 Percentage Growth of Total liabilities of PBL

**Table 3.9) Foreign Trade: Import and Export:**

Year	Amount	Percentage growth
2009	56470.93	
2010	79381.60	40%
2011	76287.53	-4%
2012	65649.40	-14%
2013	5880.58	-91%

**Source-Annual Report ,PBL**

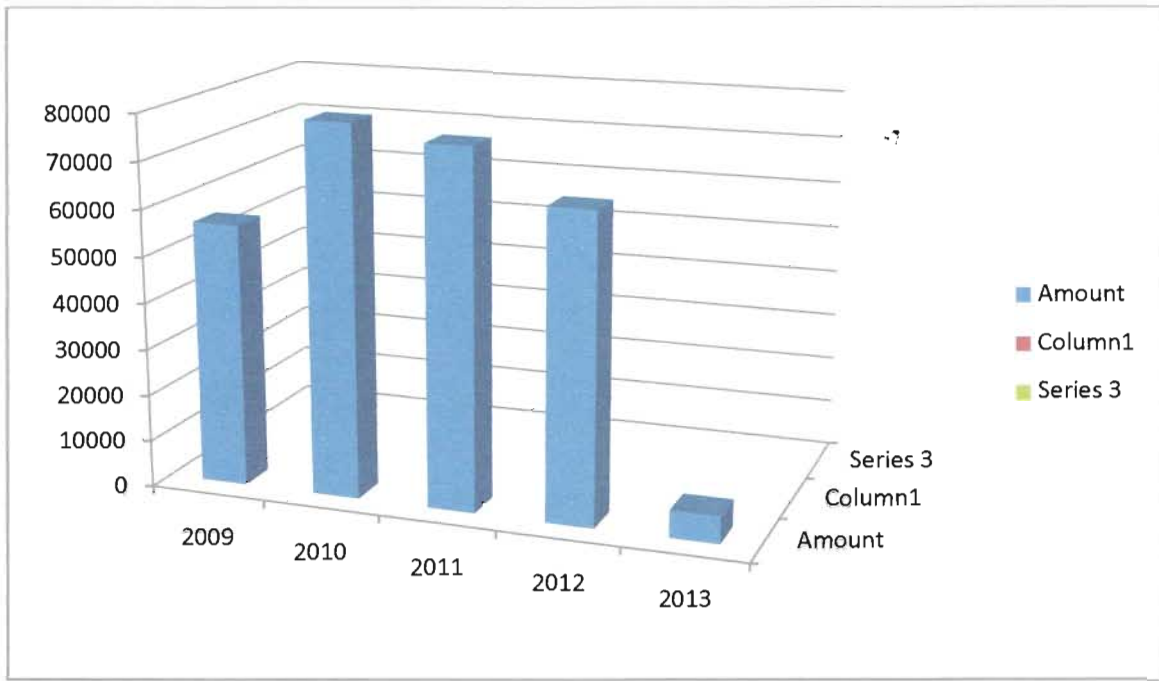
Foreign Trade includes the amount of import and export meaning the amount of goods coming and going out of the country over the years.

The highest percentage growth of foreign trade was in the year of 2010 which was 40%.

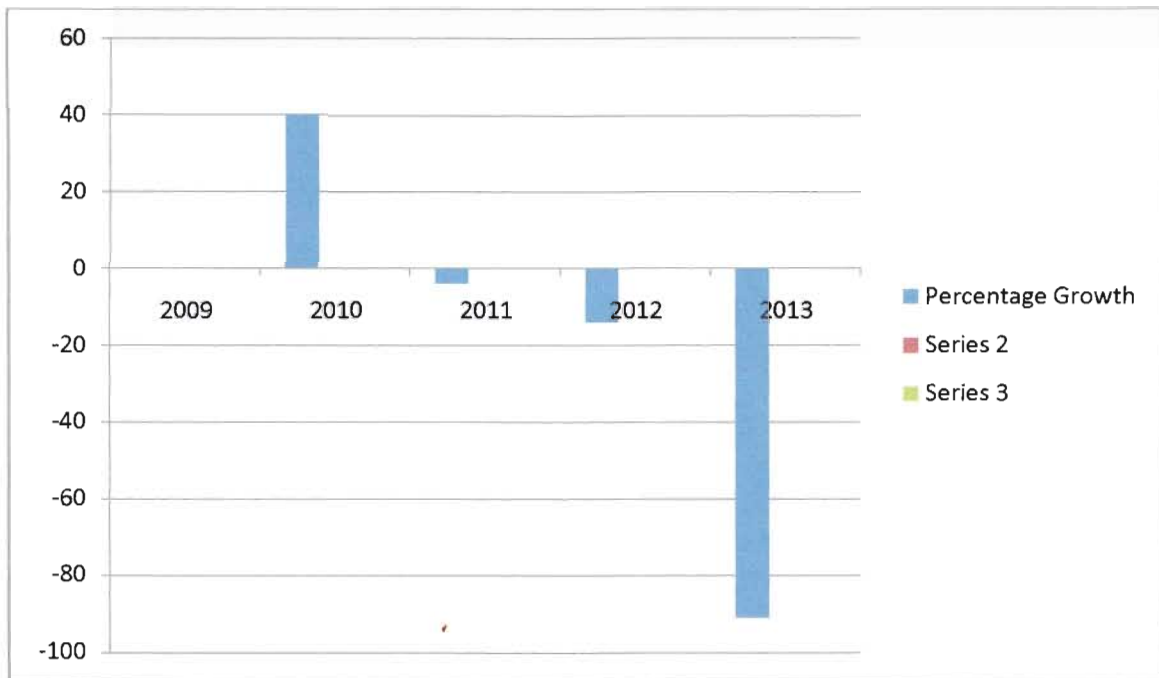
The lowest percentage growth of foreign trade was in the year of 2013 which was -91%.

The average trend of foreign trade shows a sharp decline in percentage growth from Year 2011 to Year 2013. The average value of foreign trade is -17.25%.

The overall picture is gloomy except the 2010, when it was a very satisfactory positive 40%. During all other years it shows a negative result due to the fall of foreign trade.



Graph-3.9 Foreign Trade of PBL



Graph-3.9 Percentage Growth of Foreign Trade of PBL

**Table 3.10) Amount Of Classified Loans And Advance:**

<b>Year</b>	<b>Amount</b>	<b>Percentage Growth</b>
<b>2009</b>	1.83%	
<b>2010</b>	4.66%	155%
<b>2011</b>	4.28%	-9%
<b>2012</b>	5.39%	26%
<b>2013</b>	5.73%	6%

Source-Annual Report,PBL,2013

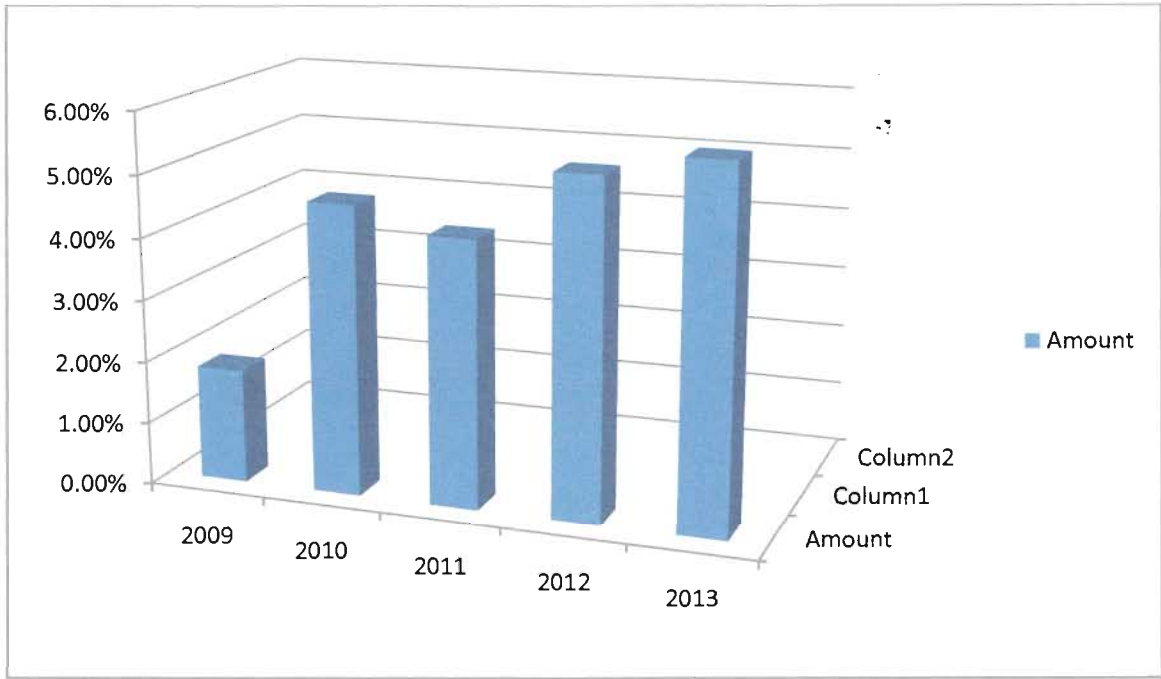
The percentage growth of classified loans and advances was highest in the year of 2010 which was 155%.

The lowest percentage growth of classified loans was in the year 2011 which was -9%.

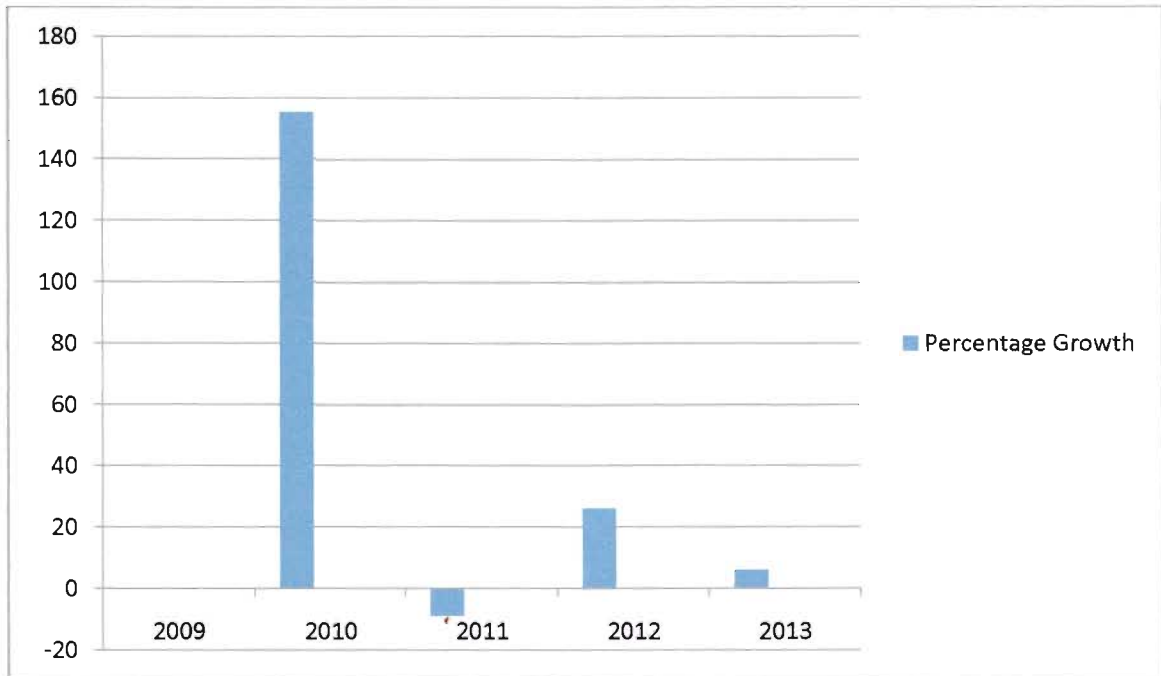
The average trend of classified loans and advances shows that it has decreased over the period of five years. The average value of classified loans and advances is 44.5

The overall picture shows that as the bank have been able to reduce it's classified loan during the period of five years so in the upcoming years there would be less chance that the percentage growth might rise and the bank might therefore incur a loss.





Graph-3.10 Amount of Classified Loans and Advances of PBL



Graph-3.10 Percentage Growth of Classified Loans and Advances of PBL

**Table 3.11) Net Income:**

<b>Year</b>	<b>Amount</b>	<b>Percentage growth</b>
<b>2009</b>	1088.32	
<b>2010</b>	1772.02	63%
<b>2011</b>	510.90	-71%
<b>2012</b>	603.41	18%
<b>2013</b>	785.75	30%

Source-Annual Report ,PBL

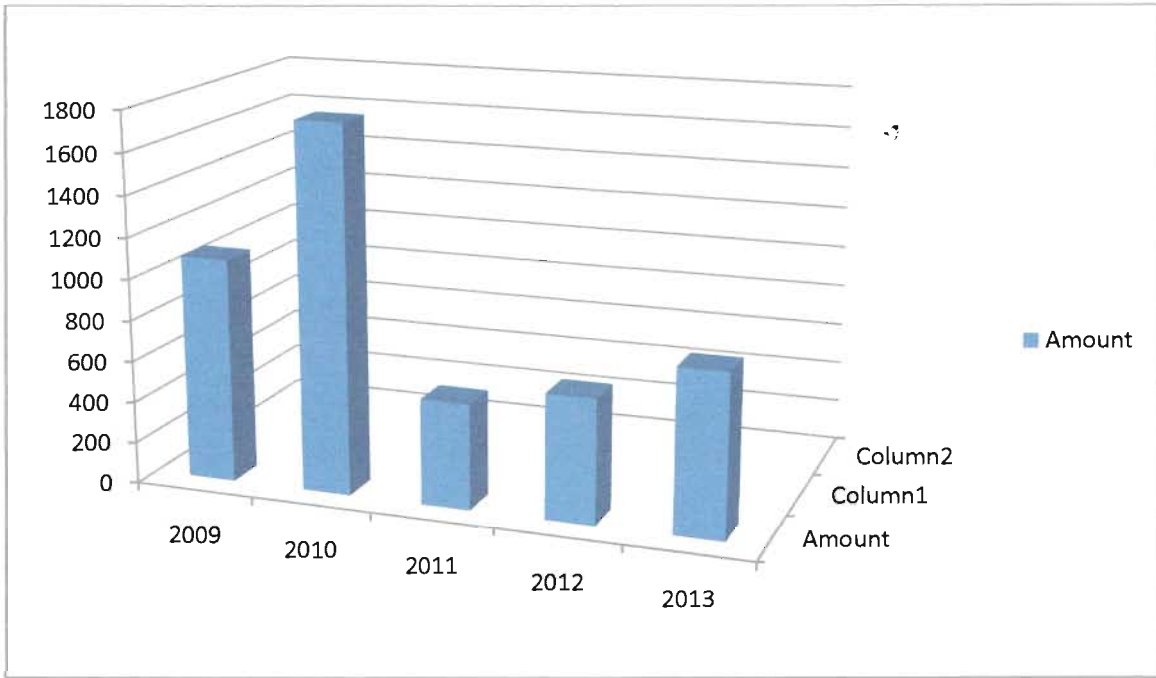
Net income is the amount that is left after subtracting all expenses from gross income.

From the above table we can see that the highest percentage growth of net income was in the year of 2010 which is 63%.

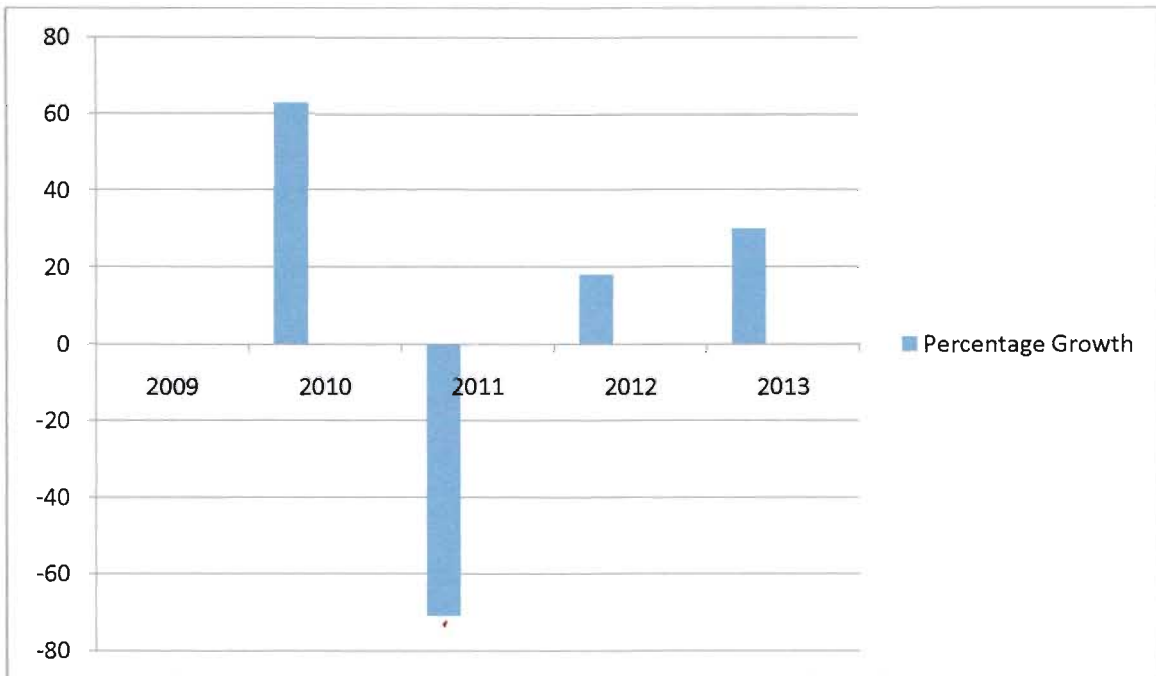
The lowest percentage growth of net income was in the year of 2012 which was 18%, although in the year of 2011 there was a net loss of -71% meaning in that year total income of the bank has been lower than that of expenses.

The average trend of net income shows decline at the beginning and rise in the end. For the five years considered above the average return is 21.4%. The low average is due to a high fall during 2011.

The overall trend shows that the net income has been decreasing in the year of 2010-2011 until in the year of 2011 there has been a net loss of -71% but later on after the year of 2011 there has been an again increase of net income from 18% to 30% in the year of 2012-2013.



**Graph-3.11 Net Income of PBL**



**Graph 3.11 Percentage Growth of Net Income of PBL**

**Table 3.12) Earnings Per Share:**

<b>Year</b>	<b>Amount</b>	<b>Percentage Growth</b>
<b>2009</b>	4.85	
<b>2010</b>	6.08	25%
<b>2011</b>	1.34	(77%)
<b>2012</b>	1.30	(3%)
<b>2013</b>	1.53	17%

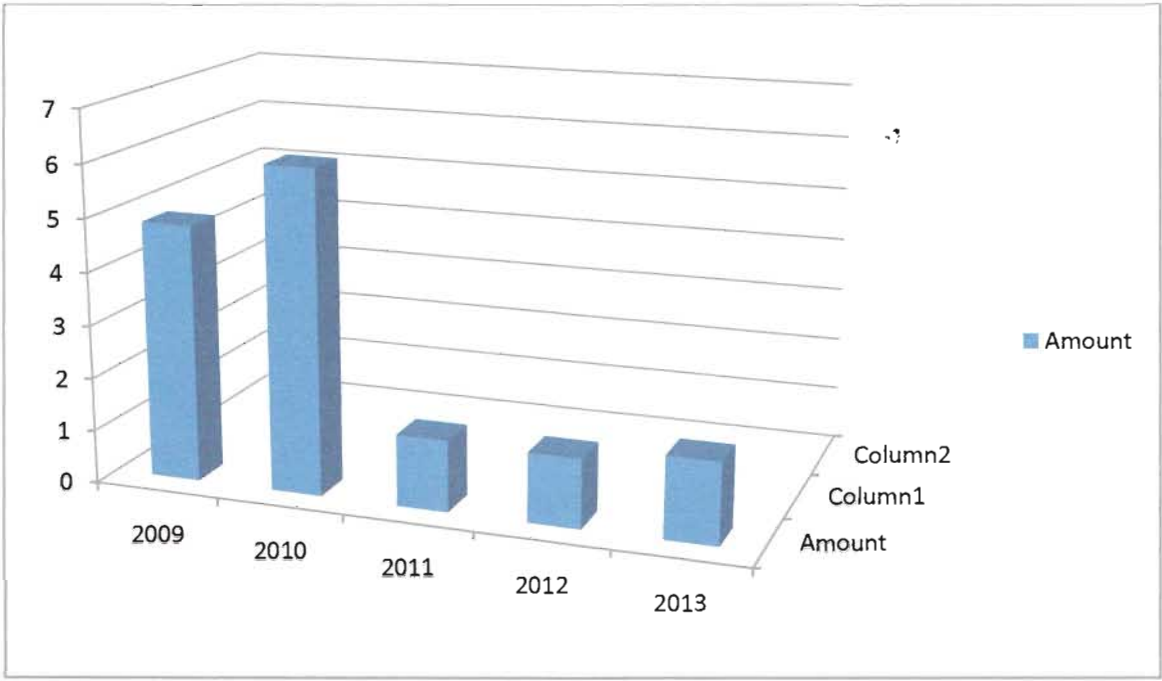
Source-Annual Report ,PBL

From the above table we can see that the highest percentage growth of earning per share was in the year of 2010 which was 25%.

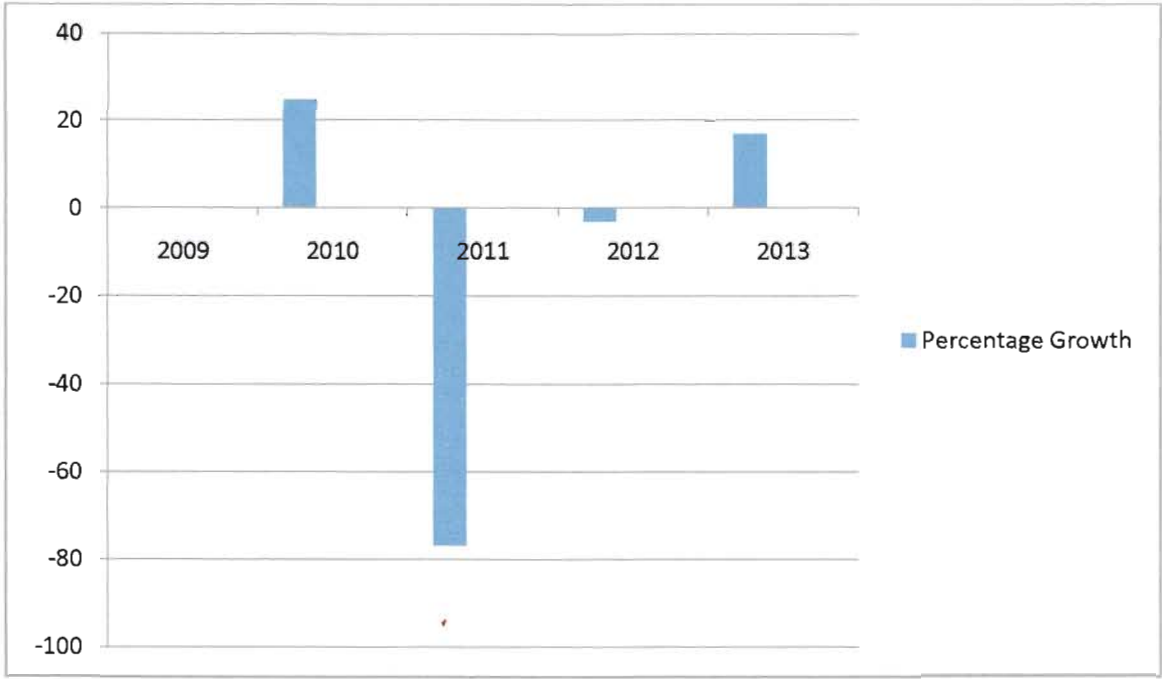
The lowest percentage growth rate was in the year of 2011 which was -77%.

The average trend of earning per share shows a decline in the initial years and a slow recovery towards the end. Because of ups and downs in the EPS, the average value is low (5.8%)

The overall picture of earning per share shows that it has been decreasing gradually from positive to negative until in the year of 2013 when it again revived back to positive result of 17%.



Graph-3.12 Earning Per Share of PBL



Graph 3.12 Percentage Growth of Earning Per Share of PBL

**Table 3.13) Dividend Per Share:**

<b>Year</b>	<b>Amount</b>	<b>Percentage</b>
<b>2009</b>	30.00%	
<b>2010</b>	31.00%	3%
<b>2011</b>	22%	-29%
<b>2012</b>	10%	-54%
<b>2013</b>	10%	0%

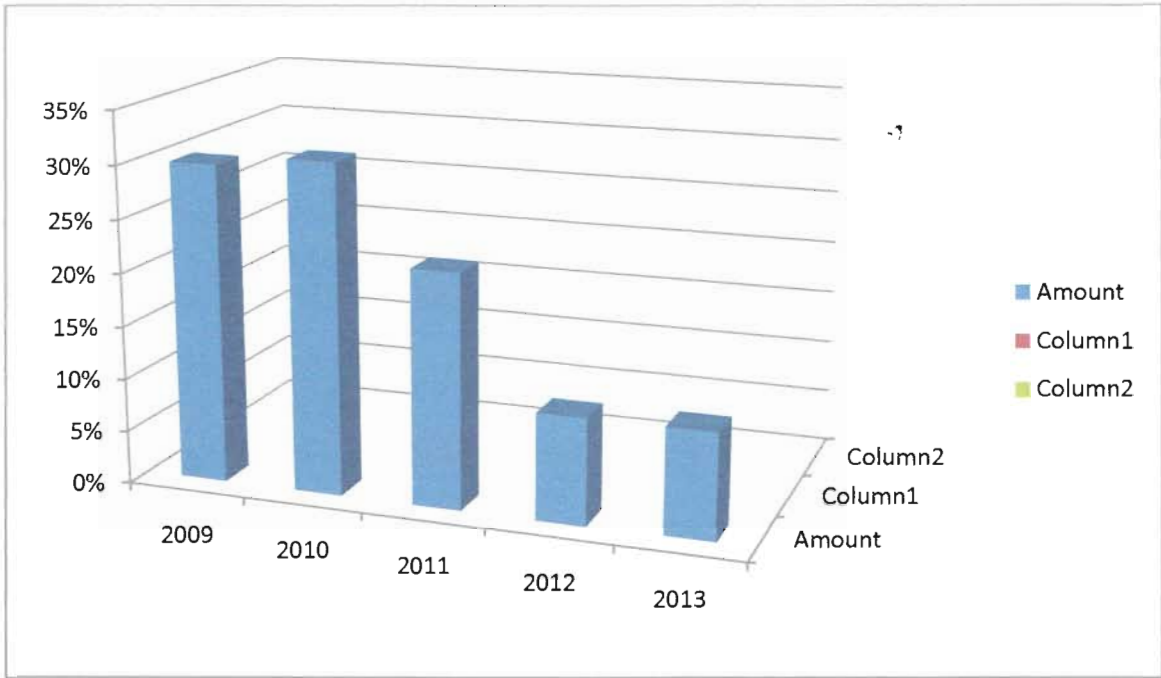
Source-Annual Report, PBL

From the above table we can see that the highest percentage growth rate was in the year of 2010 which was 3%.

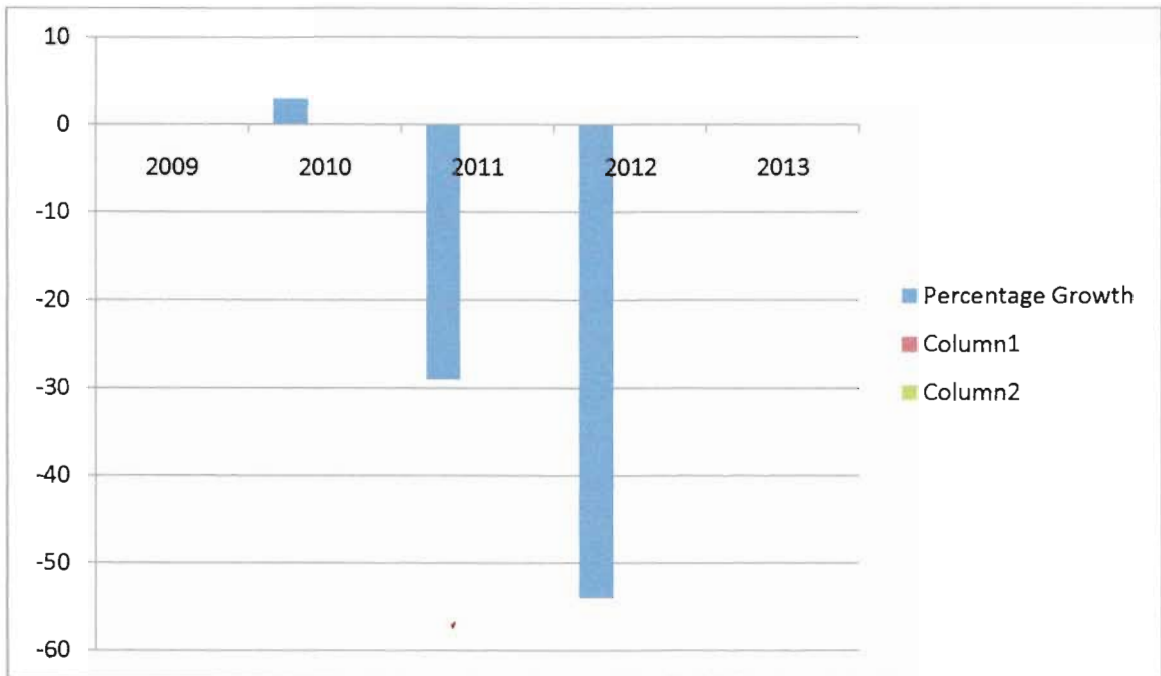
The lowest percentage growth rate was in the year of 2012 which was -54%.

The average trend shows that the dividend per share have been decreasing over the years until in the year of 2013 it had risen from a high negative value to 0%. The average value of Dividend Per Share is -11%, which is not satisfactory.

The overall picture of dividend per share shows that the dividend has decreased over the years from positive to negative until in the year of 2013 the percentage growth of dividend per share was 0% . The overall picture is gloomy.



Graph 3.13 Dividend Per Share of PBL



Graph 3.13 Percentage Growth of Earning Per Share of PBL

**Table 3.14) Price Earning Ratio:**

<b>Year</b>	<b>Amount</b>	<b>Percentage Growth</b>
<b>2009</b>	6.80	
<b>2010</b>	10.59	56%
<b>2011</b>	22.98	116%
<b>2012</b>	12.23	-47%
<b>2013</b>	7.12	-42%

Source-Annual Report, PBL

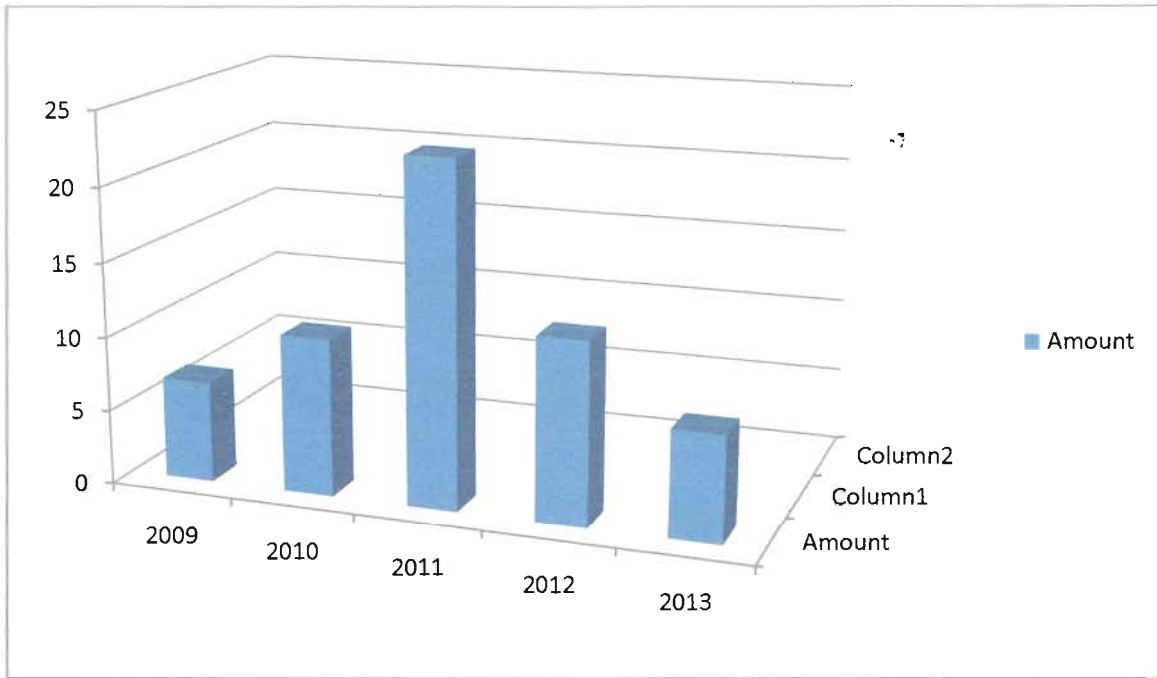
From the above table we can see that that the highest percentage growth rate of price earning ratio was in the year of 2011 which was 116%.

The lowest percentage growth of price earning ratio was in the year of 2012 which was -47%.

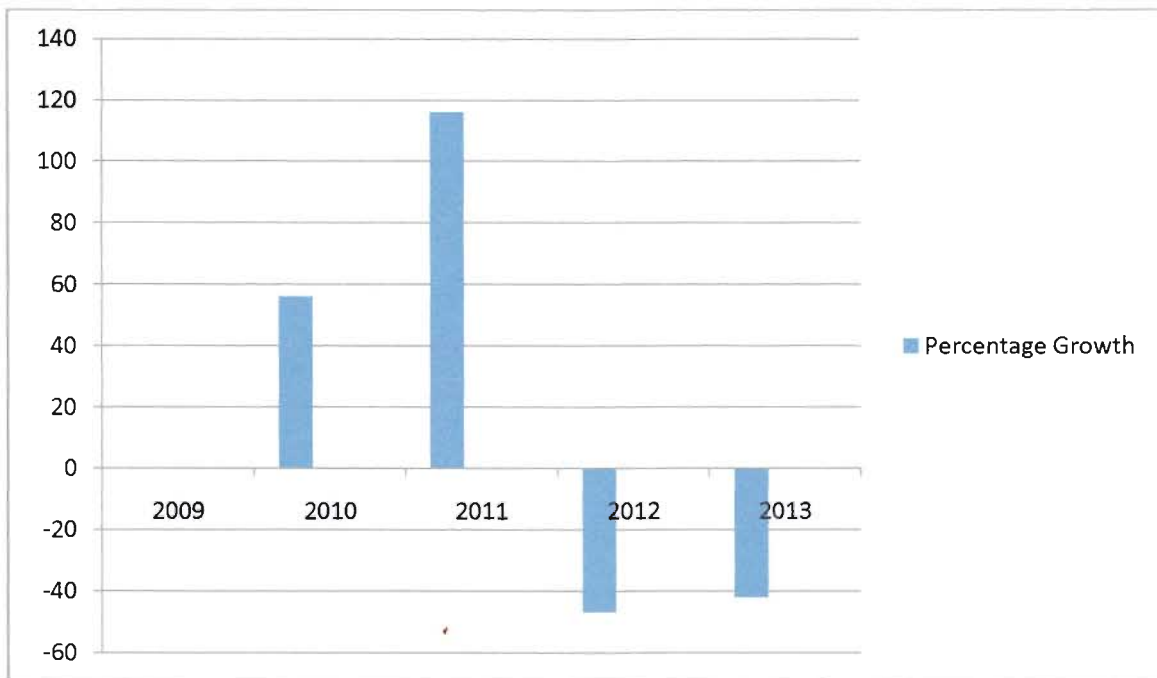
The average trend of price earning ratio shows rise in the first three years and sharp decline in the last two years. The average value is 22.8%

The overall picture of price earning ratio shows that during the past two years of 2010-2011 the percentage growth have been increasing from a modest 56% to a high 116% until in the year of 2012-2013 the percentage growth of price earning ratio have fallen sharply from 116% to -47%.





Graph-3.14 Price Earning Ratio of PBL



Graph 3.14 Percentage Growth of Price Earning Ratio of PBL

**Table 3.15) Net Asset Value:**

<b>Year</b>	<b>Amount</b>	<b>Percentage growth</b>
<b>2009</b>	18.75	
<b>2010</b>	20.50	9%
<b>2011</b>	17.48	-15%
<b>2012</b>	15.34	-12%
<b>2013</b>	15.59	1.6%

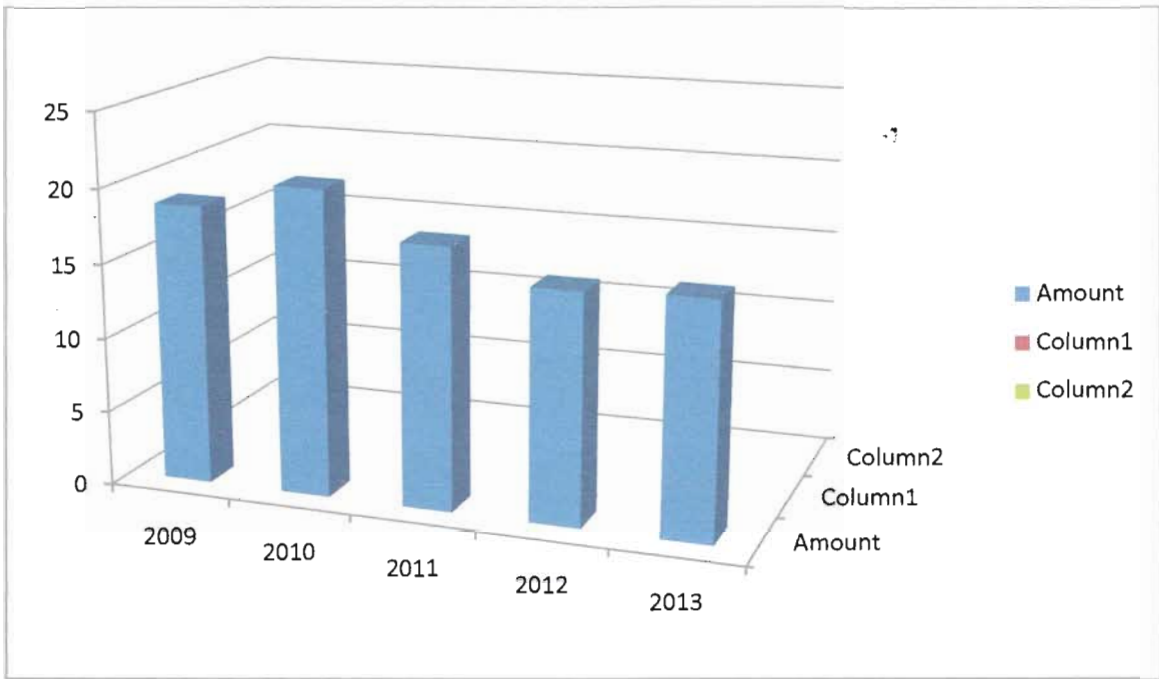
Source-Annual Report, PBL

From the above table we can see that the highest percentage growth of net asset value was 9% in the Year 2010.

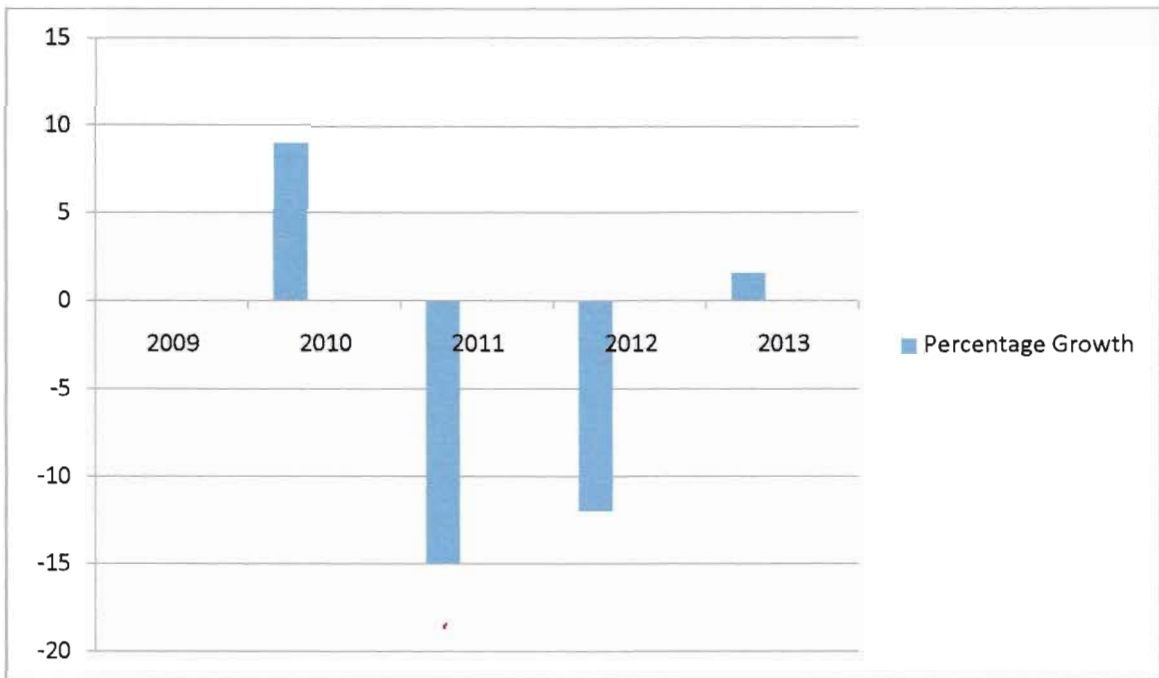
The lowest percentage growth rate of net asset value was in the year of 2011 which was -15%.

The average trend of net asset value shows a decreasing trend especially in the years of 2011 and 2012 when it had a negative percentage growth rate of -15% and -12% respectively. Due to rise and fall of net asset value during the 5 years period, the average value is -0.48%, indicating no positive growth.

The overall picture shows that as the net asset value is decreasing, so there is a possibility that in the future the bank might need to procure more asset for smooth running of its operations.



Graph 3.15 Net Asset Value



Graph 3.15 Percentage Growth of Net Asset Value

**Table 3.16) Return On Equity:**

<b>Year</b>	<b>Amount</b>	<b>Percentage Growth</b>
<b>2009</b>	23.47%	
<b>2010</b>	28.23%	21%
<b>2011</b>	7.66%	-73%
<b>2012</b>	8.44%	11%
<b>2013</b>	9.84%	17%

Source-Annual Report ,PBL

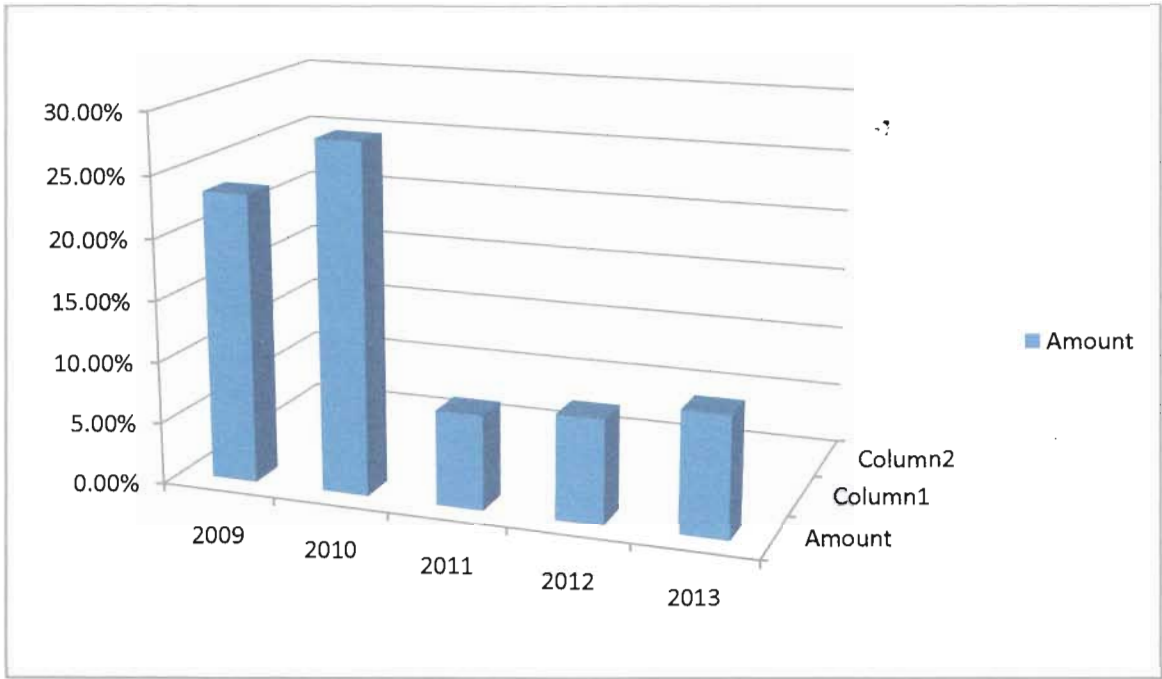
Return On Equity is a profitability ratio which indicates Net Income as a percentage of a Bank's Owner's Equity. Higher the return on equity higher is the profitability.

The highest percentage growth rate of return on equity was in the year of 2010 which was 21%.

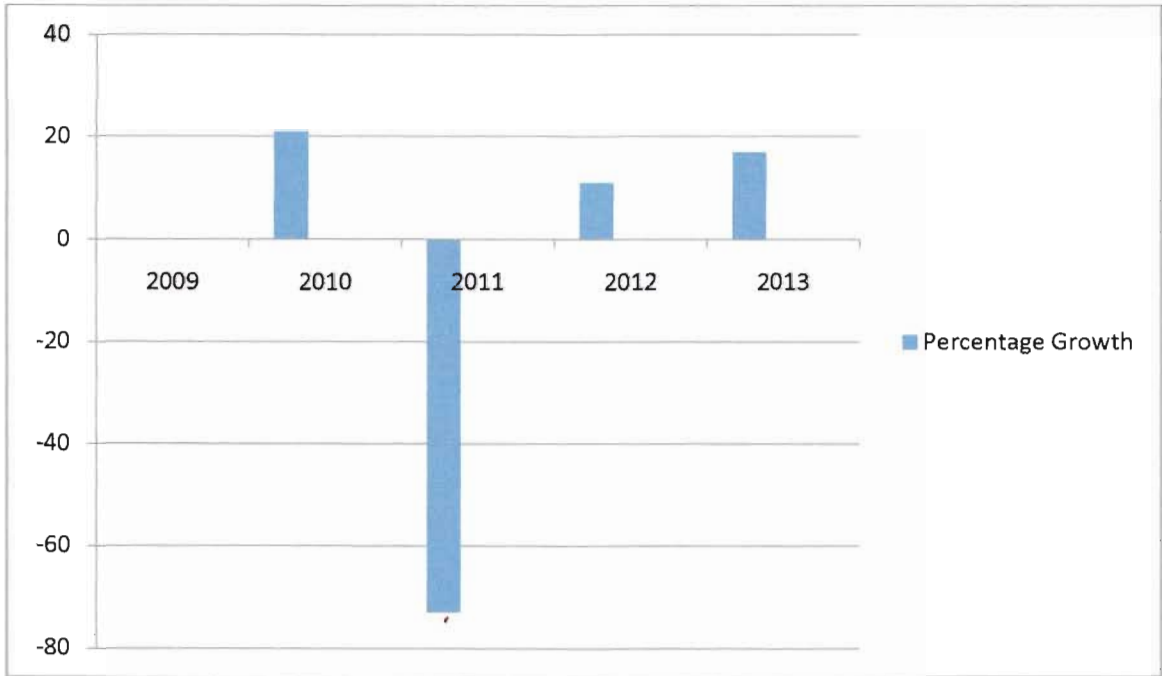
The lowest percentage growth was in the year of 2011 which was -73%.

The average trend of return on equity shows mixed result with ups and downs in consecutive years. The average value is -1.8% indicating that the Bank could not achieve a positive ROE from its operation during 2009-2013.

The overall picture of return of equity shows a gloomy picture with a negative average value and no steady growth. It showed rise and fall in two successive years.



Graph 3.16) Return On Equity



Graph 3.16) Percentage Growth of Return On Equity

Table 3.17) Return On Asset:

Year	Amount	Percentage Growth
2009	2.30%	
2010	2.60%	13%
2011	0.68%	-74%
2012	0.74%	9%
2013	0.87%	18%

Source-Annual report ,PBL

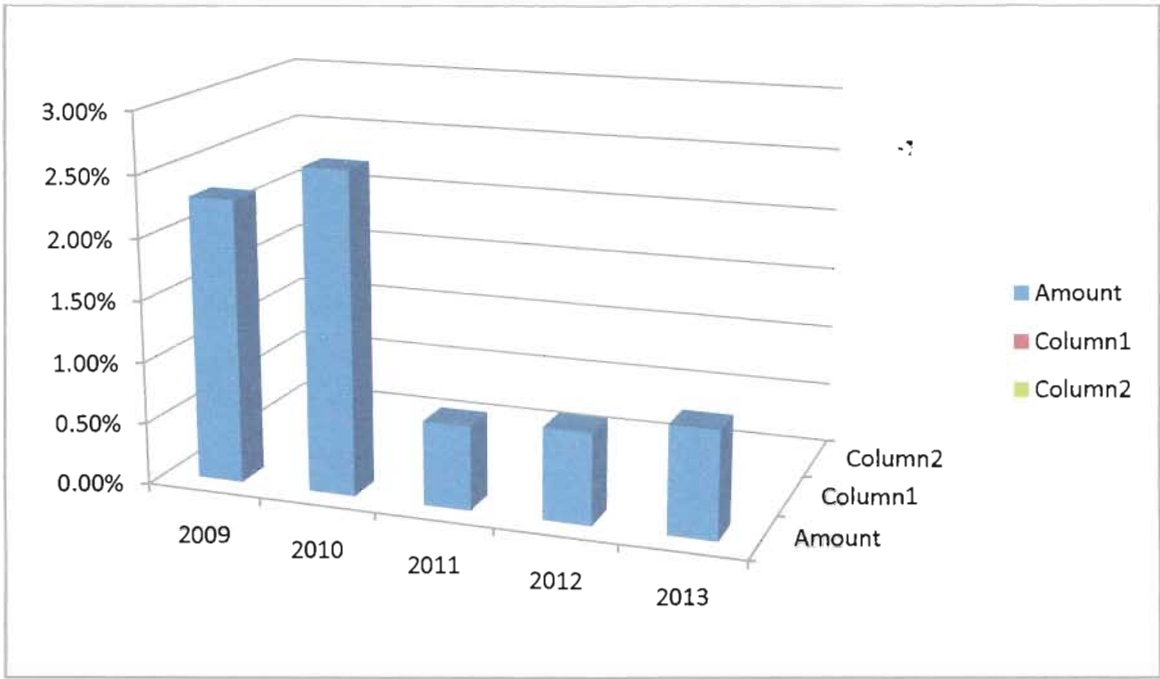
Return on Asset is also a kind of profitability ratio which indicates net income as a bank's Total Asset. Higher the return on asset higher is the profitability.

From the above table we can see that the highest percentage growth of return on asset was in the year of 2013 which was 18%.

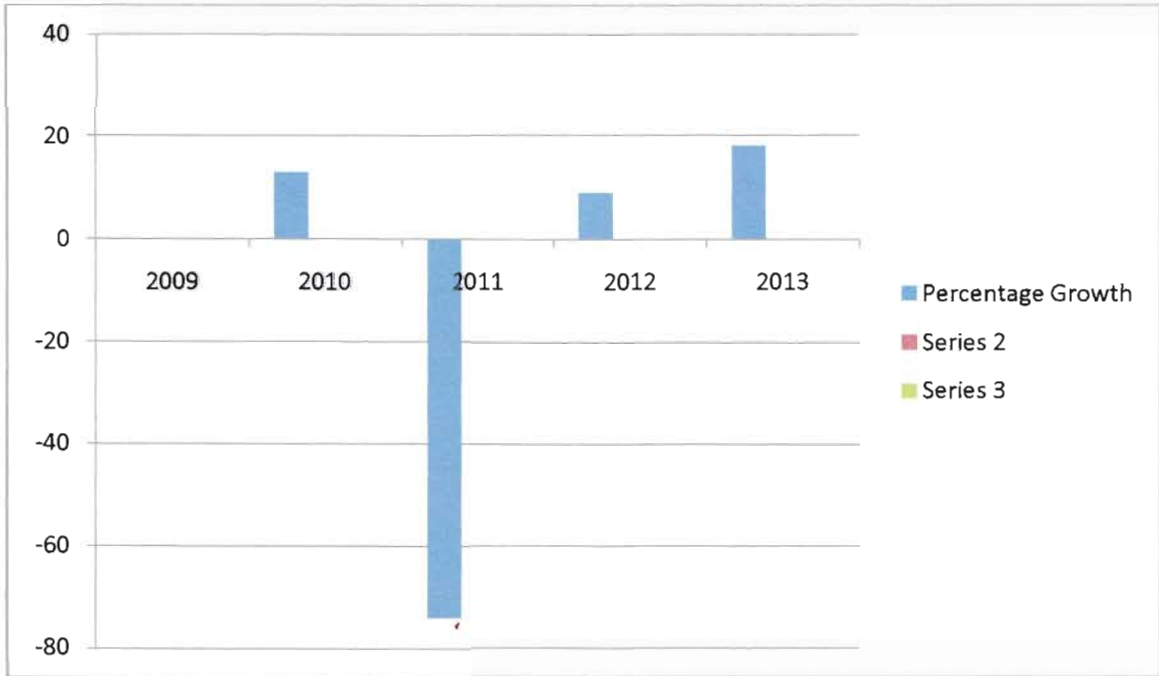
The lowest percentage growth of return on asset was in the year of 2011 which was -74%.

The average trend on return on asset shows an increasing trend although in the year of 2011 there was a negative percentage growth rate of -71%. The average value of return on asset is -5.8% indicating that the Bank could not achieve a positive ROA from its operation during 2009-2013.

The overall picture of return of asset shows a gloomy picture with a negative average value and no steady growth. It showed rise and fall in two successive years.



Graph 3.17 Return On Asset



Graph 3.17 Percentage Growth of Return On Asset

# CHAPTER-4

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## Measurement of Service Quality of Premier Bank Limited

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The Premier Bank Limited

**Premier Bank**  
*s e r v i c e f i r s t*





## .1 Service Quality and Relevant Terminologies

This study deals with the service quality and resulting customer satisfaction of the Premiere Bank Ltd. A survey was conducted on the customers of PBL, Shyamoli branch, Dhaka. The objective was to assess the level of importance the customers of PBL put across various service level attributes and also to determine how well PBL was satisfying the customers on those grounds which reflects the quality of customer service. The results of the survey are then analyzed to determine the most important aspects of the service and discover various drivers of overall satisfaction determining the quality. Various Important areas of customer satisfaction are also presented in light of the findings of the survey. Lastly, the findings are examined to prescribe a set of specific recommendations to improve the overall service quality according to customers expectations and also to solve the existing problems in the whole organization level.

### **Customer Service**

Customer Service is the set of behaviors that a business undertakers during its interaction with customers. It can also refer to a specific person or desk which is set up to provide general assistance to customers.

### **Customer Satisfaction**

Customer Satisfaction occurs when the perception of the reward from the purchase of goods and services by the customer meets or exceeds his/her perceived sacrifice. The perception is a consequence of matching past purchase and consumption experience with the current purchase.

### **Service Quality:**

Service quality is a focused evaluation that reflects the customer's perception of specific dimensions of service: reliability, responsiveness, assurance, empathy, tangibles". Satisfaction, on the other hand, is more inclusive: it is influenced by perceptions of service quality, product quality, and price as well as situational factors and personal factors.

Service quality affects customer satisfaction by providing performance (real benefits). The creation of customer satisfaction can provide performance (real Benefits). The creation of customer satisfaction can provide several benefits, including the relationship between companies and customers are harmonious, providing a good basis for the purchase and re-creation of customer loyalty, and form a recommendation by word of mouth that can benefit the company.

## 5.2 Dimensions of Service Quality

7

### 1. Reliability: *"Delivering on Promises"*

"Ability to perform the promised service dependently and accurately"

Attributes such as manner, keeping service promises, giving appropriate solution, error resolution were categorized in this dimension of service quality. Some educated respondents were giving good service examples while asking question regarding optimum service. This dimension was the most uniform among the respondents.

### 2. Responsiveness: *"Being Willing to Help"*

"Willingness to help customers and provide prompt service"

Customer service oriented, speed of service, willingness to help, willingness to search for solutions, etc. were the attributes that related to the responsiveness dimension of service quality. Customers put extra attention on this attribute.

### 3. Assurance: *"Inspiring Trust and Confidence"*

"Employees' knowledge, courtesy and their ability to inspire trust and confidence"

Since Banking is financial service, which is very much sensitive to any person so, this service assurance is very much essential than any other attributes. It provides financial safety to the customer. The respondents also mentioned friendliness and *professionalism* of the employees and feeling of safety with them while describing the service attributes. These aspects were close to the assurance dimension and thus were categorized in this section.

### 4. Empathy: *"Treating Customers as Individuals"*

"Caring, individualized attention given to customers"

This attribute demands customization service process. Aspects like Individual attention, understanding customer's needs and interests were caterogised in this section.

5. Tangibles: "*Representing the service physically*"

"Appearance of physical facilities, equipment, personnel and written materials"

Though service is an intangible product and it consume simultaneously, respondents (customers) what to make it tangible by physical evidences, facilities, technologies, neatness of the premises, etc. All these information was groped in the tangibles dimension of service quality.

## Customer Survey Analysis:

Q.1) Do you think that Premier Bank Limited is the first in providing you with the quality service?

Details	Ratings	Percentage
Outstanding	5	10%
Highly Satisfied	4	20%
Satisfied	3	30%
Average	2	40%

Table-4.1

From the above table we can see that 40% of the people expressed their average satisfaction relating to the quality service of Premier Bank Limited.

Only 10% of the people said that the service provided by the PBL is outstanding.

From the above survey it was found that although the service of PBL is not outstanding according to customer but rather the service is average.

So Premier Bank Limited needs to focus more on this area of giving better quality service to the customers.

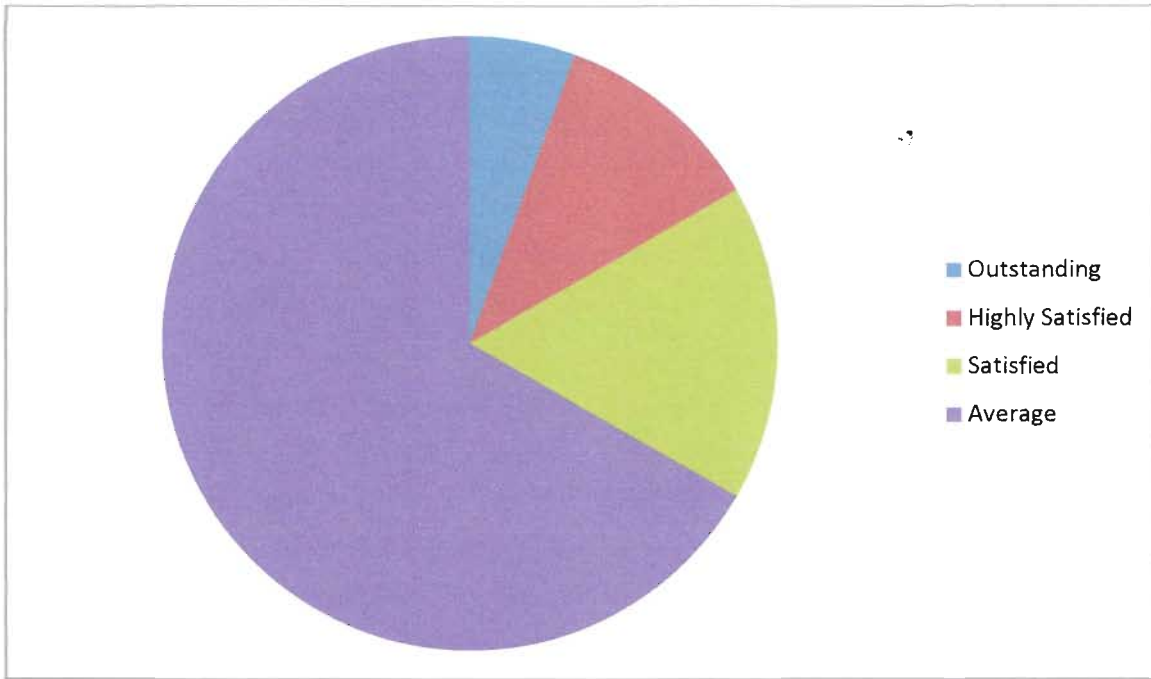


Diagram- pie chart showing % of customer satisfaction level at PBL

Q.2) Do you find the employees of the bank fair and friendly enough in giving you the quality service?

Details	Ratings	Percentage
Outstanding	5	30%
Highly Satisfied	3	65%
Satisfied	2	5%
Not Satisfied	1	5%

Table-4.2

From the above table we can see that 65% of the customer said that they are highly satisfied with the employees behavior in giving them the quality service.

Only 5% of the employees said that they are not satisfied with the employees behavior of giving quality service.

By seeing the overall picture it can be concluded that the customers are very happy with the friendly behavior of the employees although few of them said that they are not satisfied with the behavior of the employees.

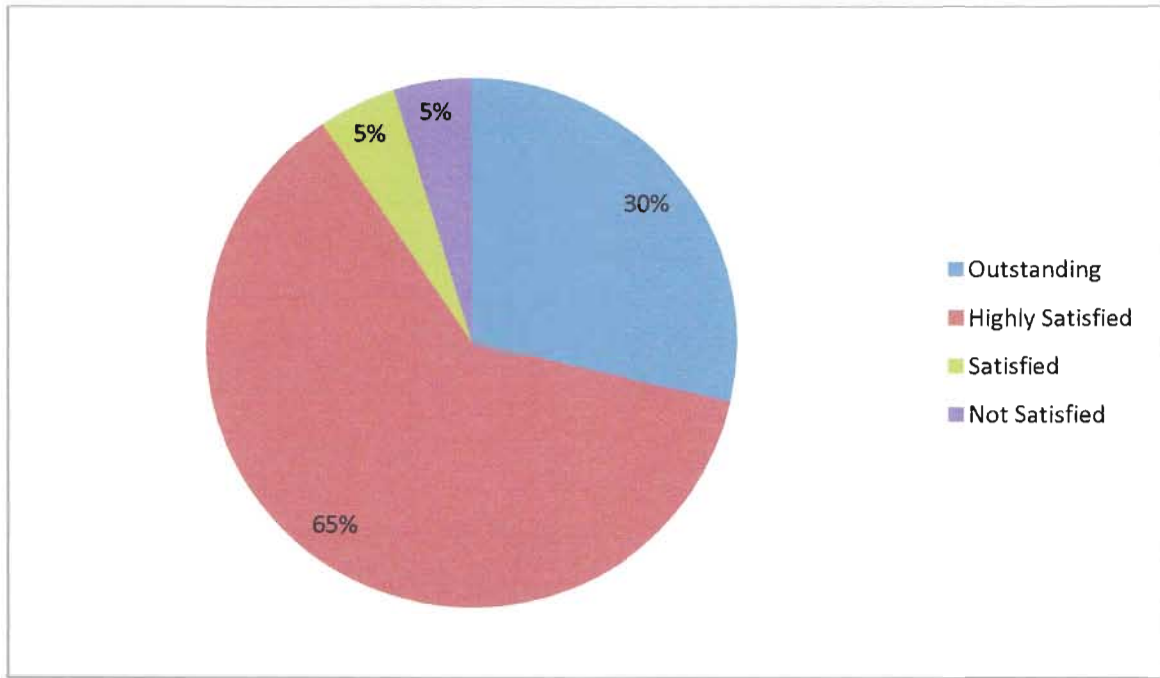


Diagram-Pie Chart showing% of customer satisfaction regarding the Friendliness of the employees towards customers

Q.3) Do you find the branch location of the bank convenient enough?

Detail	Rating	Percentage Growth
Outstanding	5	4%
Highly Satisfied	4	3%
Satisfied	3	25%
Average	2	65%
Not satisfied	1	3%

Table-4.3

When we asked the customers about the convenience of the location of the branch it was found that 65% of the customer said that the convenience of the location of the branch is average.

Only 3% of the customers said that the convenience of the branch location was not satisfactory to them.

From the overall picture it can be concluded that the convenience of the branch location according to customer is not outstanding nor highly satisfactory in that way. The customers therefore expressed their average satisfaction on this matter.

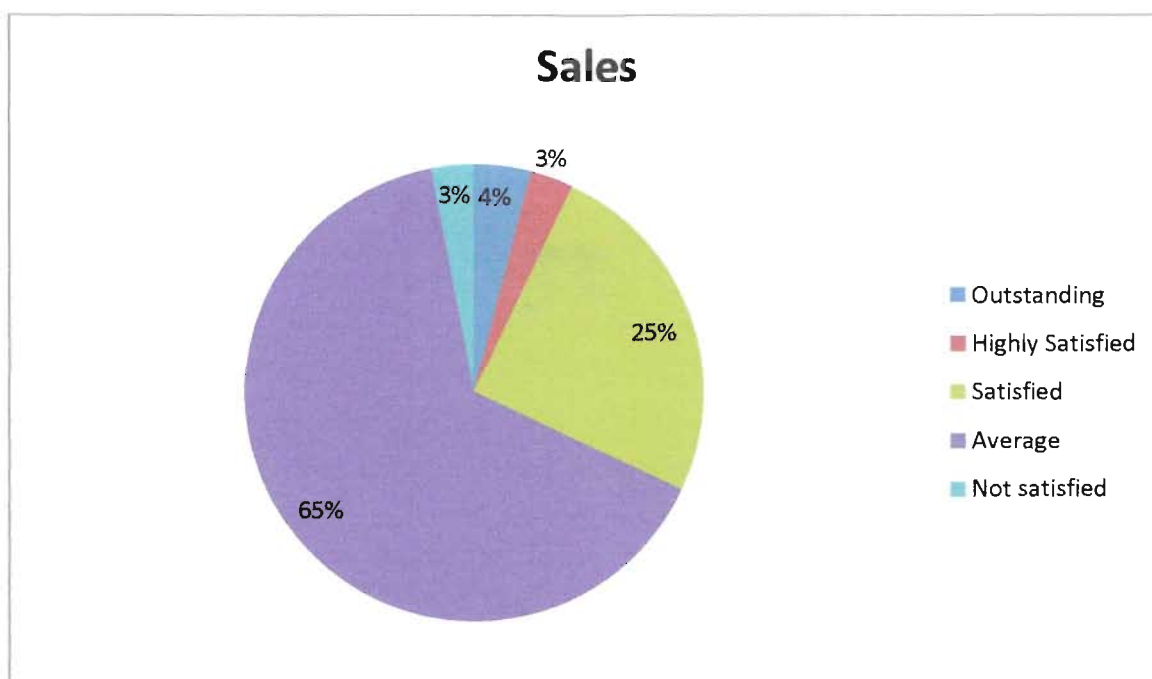


Diagram- Pie Chart showing% of the customer satisfaction level regarding convenience of the branch location of the bank

Q.4) Do you think Premier Bank Limited use modern equipment and technologies in order to better satisfy the needs and wants of customer?

Details	Ratings	Percentage
Highly Satisfied	4	3%
Satisfied	3	5%
Average	2	22%
Not Satisfied	1	70%

Table-4.4

From the above table we can see that almost 70% of the customers expressed their dissatisfaction on the matter.

Only 3% of them said that they are highly satisfied or satisfied on this matter

The overall picture therefore proves that most of the customers are dissatisfied on this matter ..Therefore according to my suggestion Premier Bank Limited should introduce new equipment and technology to better satisfy customer needs and wants.



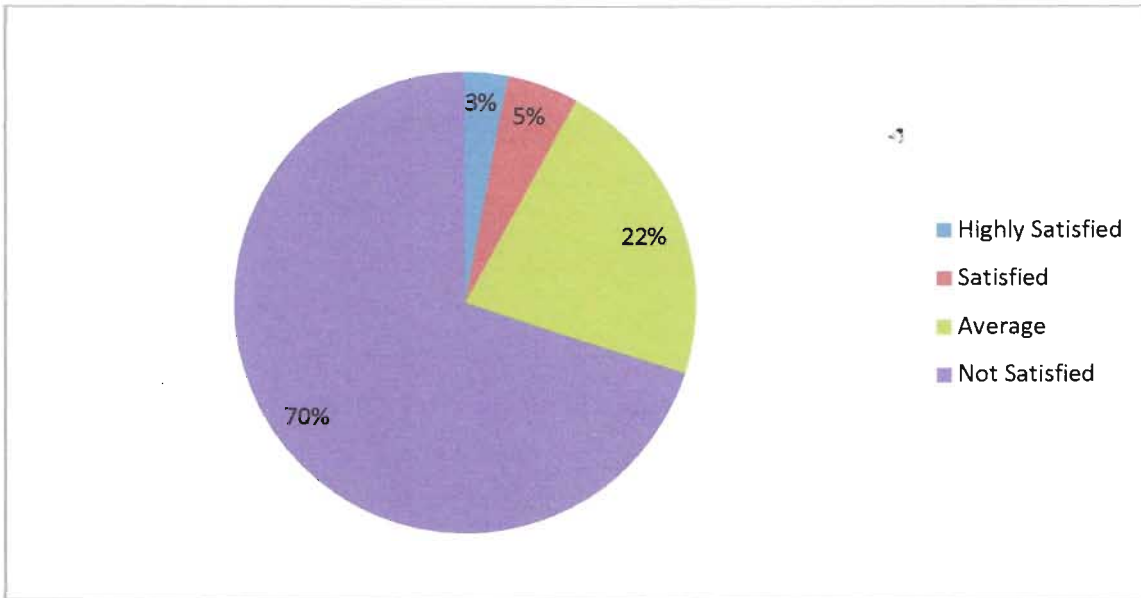


Diagram- Pie chart showing% of customer satisfaction level regarding PBL use of modern equipment and technology

Q.5) Does the bank always provide you with the bank statement according to your demand?

Details	Ratings	Percentage
Highly Satisfied	4	10%
Satisfied	3	30%
Average	2	20%
Not Satisfied	1	40%

Table-4.5

From the above table we can see that 40% of them are not satisfied with the bank statement of Premier Bank Limited.

Only 10% of the people expressed that they are highly satisfied with the bank statement of PBL .

The percentage of satisfied customers amount to 30% and 20% of the customers said that the bank statement according to them is average.

The overall picture therefore shows that a majority of the customers are not satisfied with the bank statement of PBL and thinks that they should present their bank statement in a way so that it is better understandable for everyone.

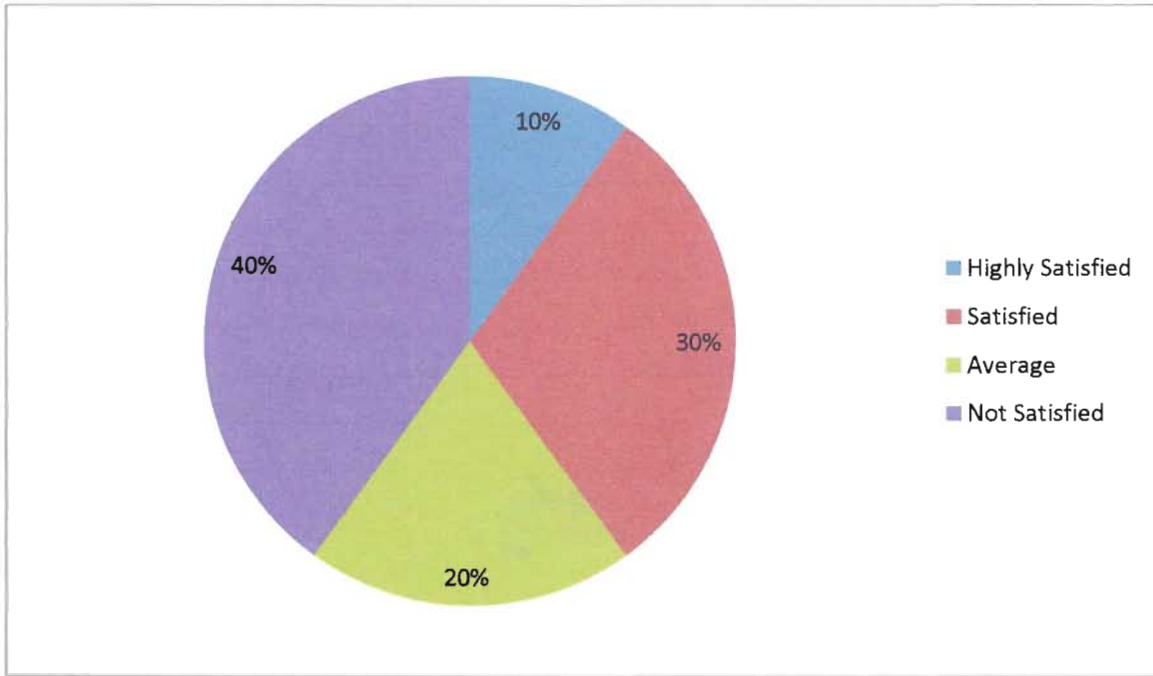


Diagram-Pie Chart showing % of customer satisfaction level regarding the bank statement

Q.6) Do you find the ATM location of the bank according to your convenience

Details	Ratings	Percentage
Highly Satisfied	4	40%
Satisfied	3	30%
Average	2	25%
Not Satisfied	1	5%

Table-4.6

From the above table we can see that 40% of the customers said that they are highly satisfied with the ATM location of the bank.

Only 5% of them expressed their dissatisfaction that they are not lucky enough to find the ATM location near their house,

The percentage of satisfied customers are 30% in this matter and 25% of them said that they find the ATM location average not too far not too near even.

The overall picture therefore shows that the bank has concentrate well on this matter but it would have been more better if everyone's though difficult is taking into consideration regarding the ATM location.

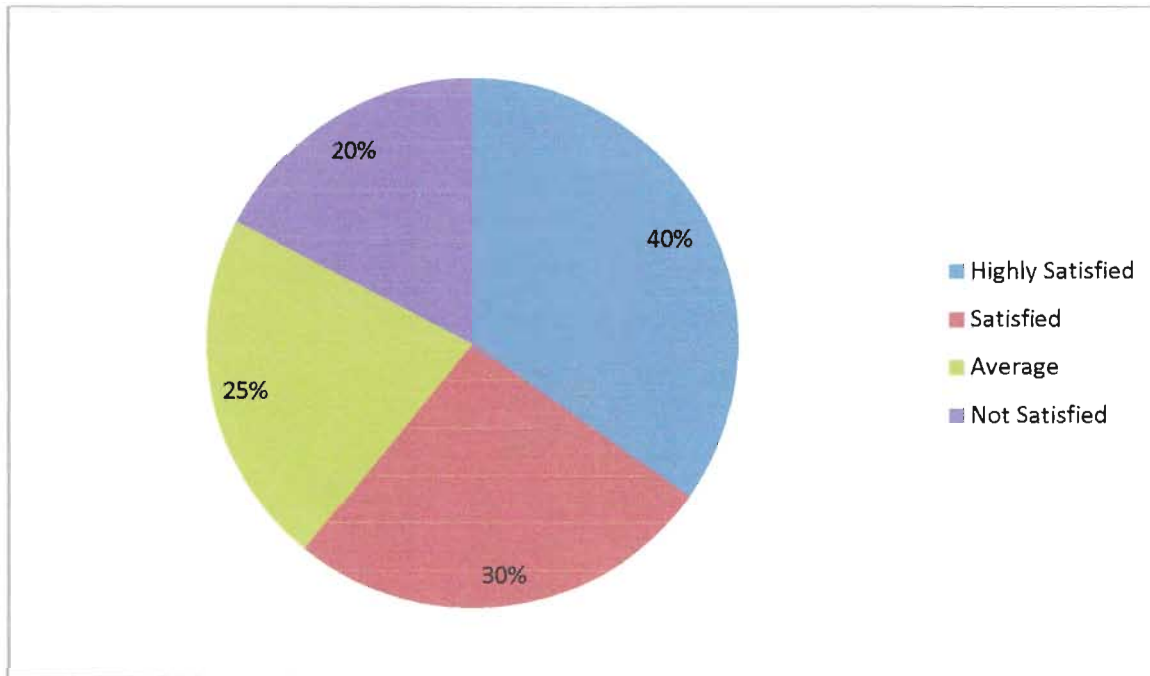


Diagram-Pie chart showing % of customer satisfaction level regarding the ATM location of the bank.

Q.7) Are the important information sent to you through SMS?

Details	Rating	Percentage
Highly Satisfied	4	60%
Satisfied	3	20%
Average	2	10%
Not Satisfied	1	10%

Table-4.7

From the above table we can see that 60% of the customers said that they are highly satisfied regarding the important information being sent through the SMS.

Only 10% of them said that they are not satisfied with the information being sent through the SMS and often it takes a lot of time or days when the information does not carry much value.

Therefore PBL should not only depend on SMS but also sent important information through mail transfer.

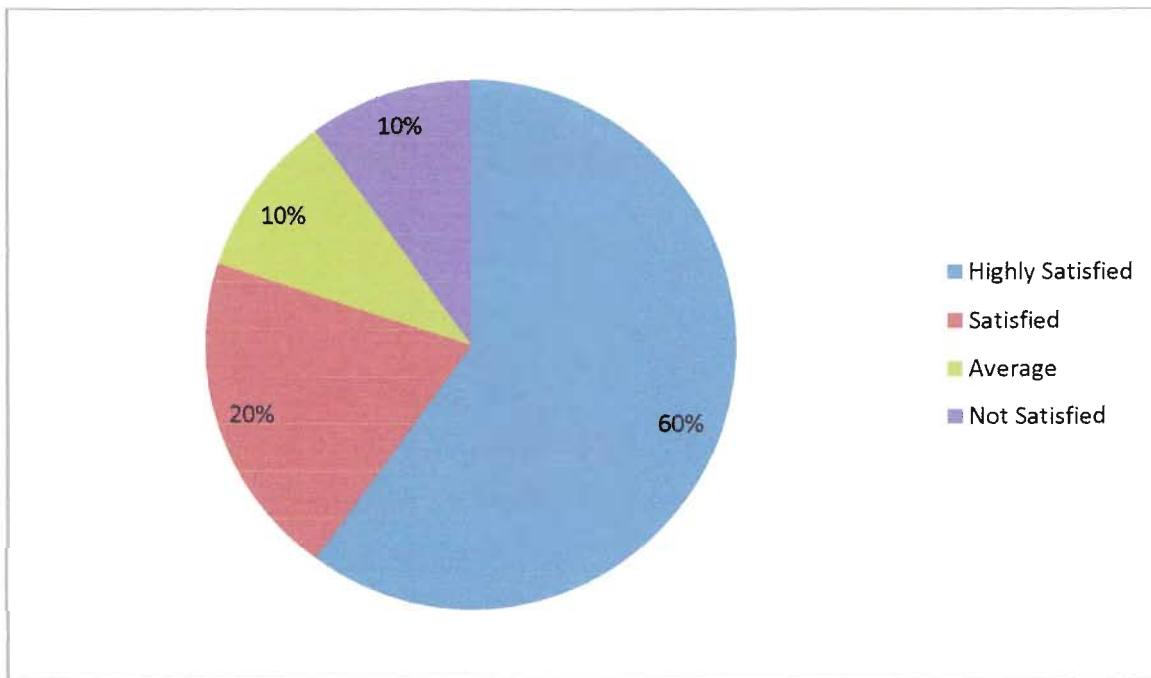


Diagram-Pie Chart showing customer satisfaction level regarding the important information being sent through the SMS.

Q.8) Do you think the cash and remittance services provided by PBL is effective enough?

Details	Ratings	Percentage
Outstanding	5	0%
Highly Satisfied	4	70%
Satisfied	3	10%
Average	2	10%
Not Satisfied	1	10%

Table-4.8

From the above table we can see that almost 70% of the customers said that they are happy with the cash and remittance services being provided by PBL.

Although no one said that the service is outstanding but 30% of them said that it would have been more better if the remittance was done in a shorter period of time.

Therefore PBL should focus on this issue and make sure that it takes much less time so as to keep the customers happy.

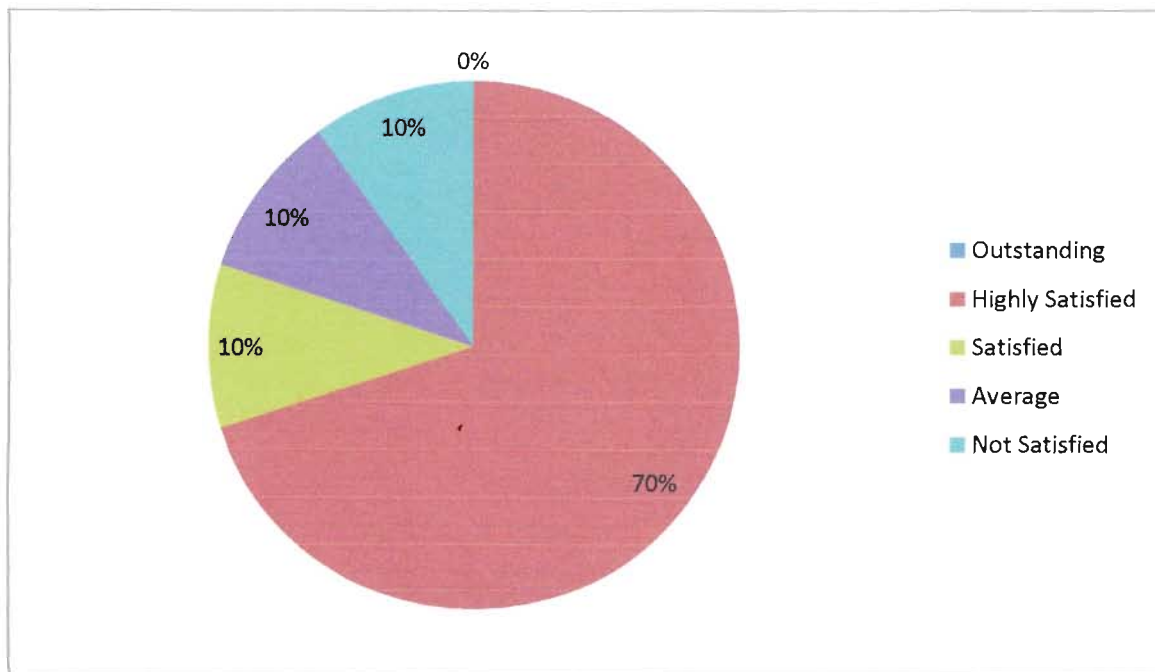


Diagram-Pie Chart showing customer satisfaction level regarding the effectiveness of cash and remittance services being provided by PBL.

3

Q.9) Are you satisfied with the different interest rate such as interest on loan, interest on savings and FDR, interest on deposit and etc satisfactory enough?

Details	Ratings	Percentage
Highly Satisfied	4	10%
Satisfied	3	20%
Average	2	10%
Not Satisfied	1	60%

Table-4.9

From the above table we can see that 60% of the customers expressed their dissatisfaction on this matter.

Among them 20% of them expressed that they are satisfied with the different interest rate.

The overall picture therefore shows that PBL needs to reschedule their interest rate on loan ,savings and FDR.

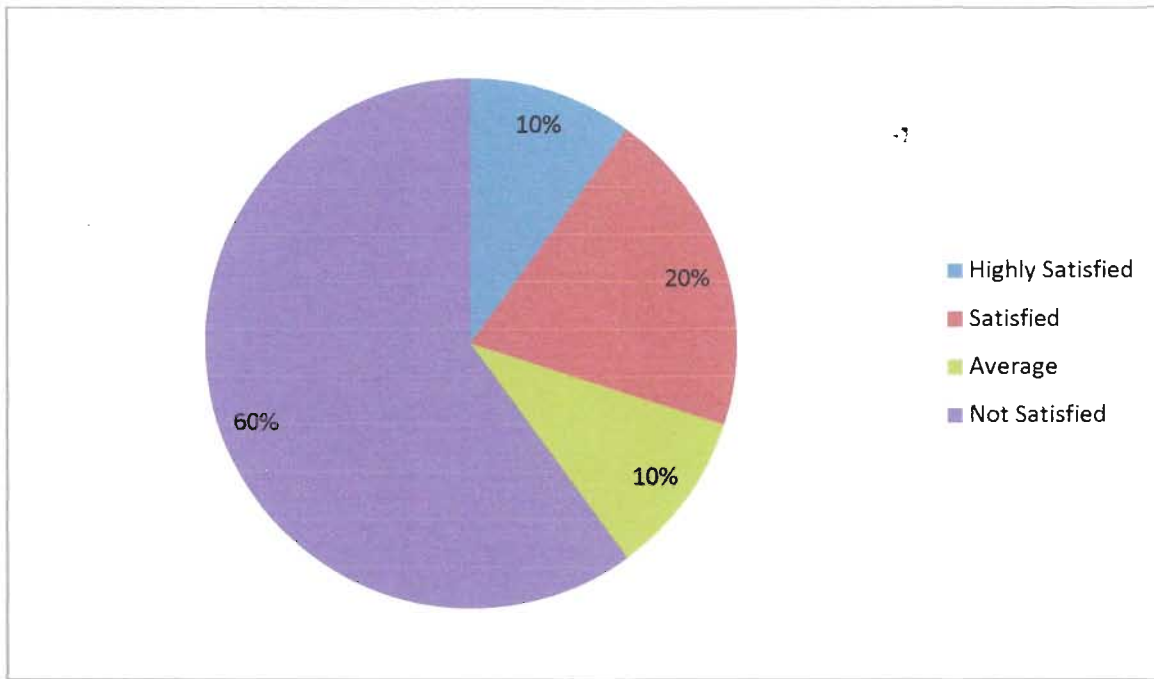


Diagram- Pie Chart showing customer satisfaction level regarding the interest rate on loan, saving and FDR ,etc.

Q.10) Do you think that PBL should consider relaxing the rate of loan schedule irrespective of the loan amount?

Details	Rating	Percentage
Highly Satisfied	4	60%
Satisfied	3	20%
Average	2	10%
Not Satisfied	1	10%

Table-4.10

From the above table it can be seen that most of the customers almost 60% of them said that they think PBL should consider relaxing the loan schedule.

Among the satisfied customers are 20% but 10% of them said that they do not think that PBL should consider relaxing the loan schedule.

The overall picture shows that most of the customers agree with relaxing the loan schedule and PBL should take this matter into account because of better customer satisfaction.

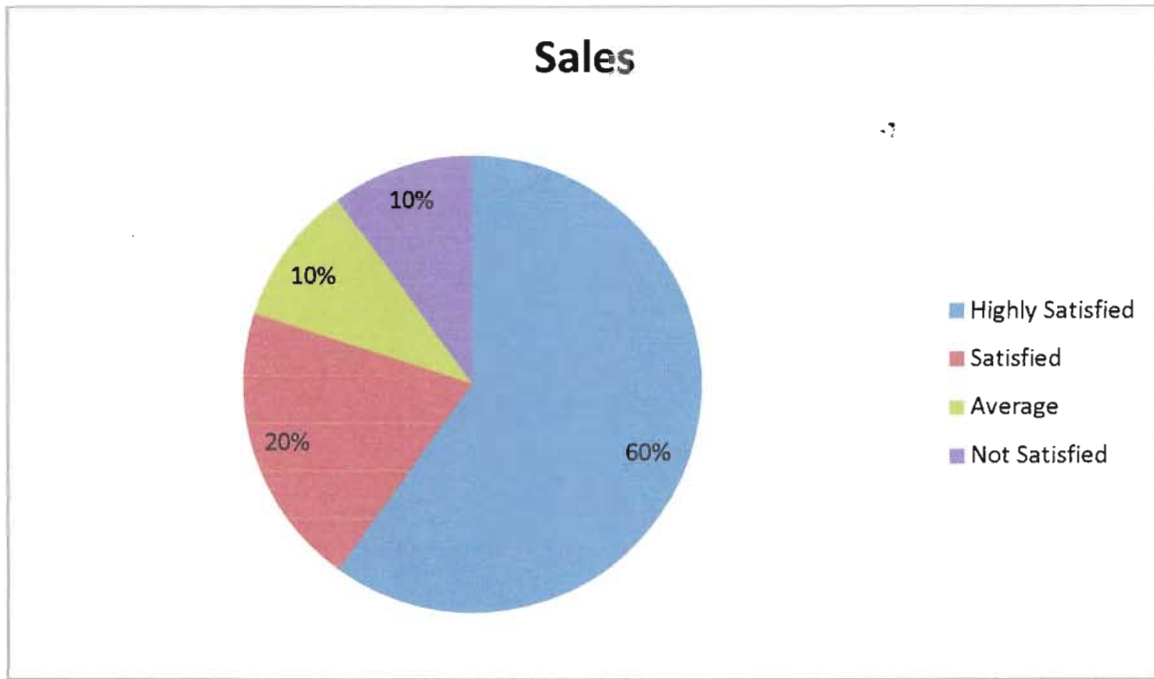


Diagram- Pie Chart showing customer satisfaction regarding relaxing the loan schedule irrespective of loan amount.

Q.11) Do you think that the Loan Processing time at PBL is effective and quicker enough?

Detail	Rating	Percentage
Highly Satisfied	4	80%
Satisfied	3	10%
Average	2	5%
Not Satisfied	1	5%

Table-4.11

From the above table we can see that 80% of the employees are highly satisfied with the loan processing time at PBL.

According to the customers loan processing is done in a much shorter period of time although 5% of them expressed their dissatisfaction in this matter saying sometimes complicated issues come forward and the loan processing takes a much larger time than expected.

Taking into consideration of highly satisfied customers we can conclude that Loan Processing time at PBL is effective and quicker.



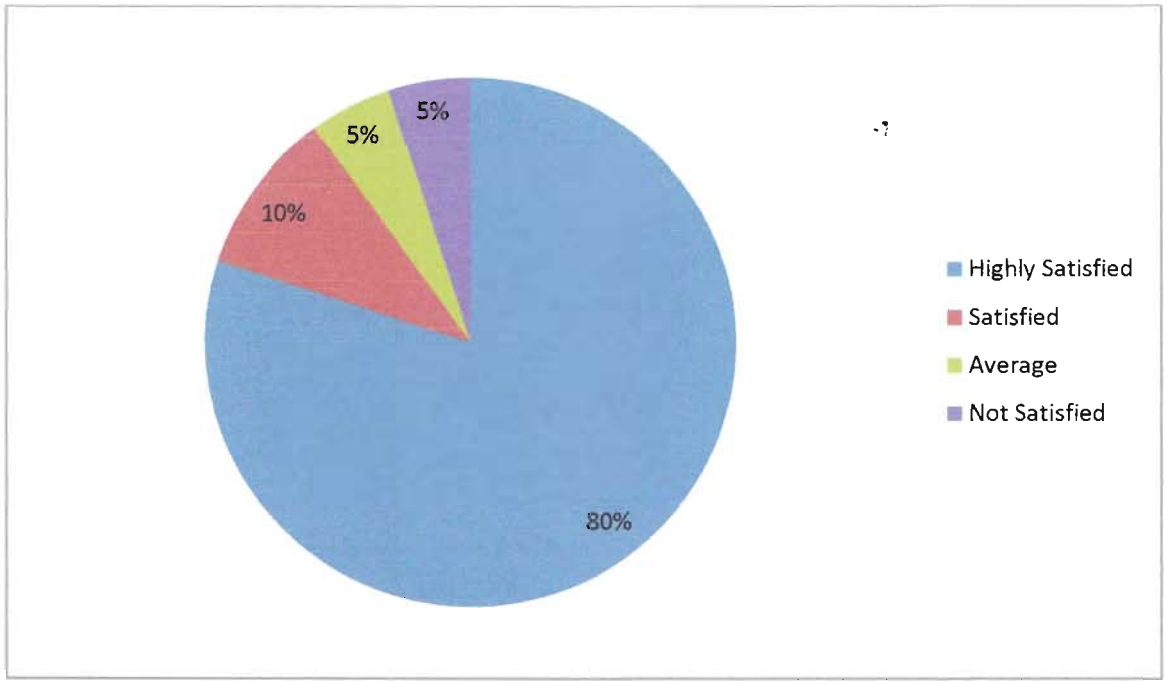


Diagram- Pie Chart showing customer satisfaction regarding loan processing time at PBL.

Q.12) Do you think the fees and services charges of the bank is reasonable compared to other banks?

Detail	Rating	Percentage
Outstanding	5	50%
Highly Satisfied	4	35%
Satisfied	3	15%
Not Satisfied	1	0%

Table-4.12

From the above table we can see that 50% of the customers said that the fees and services of the bank is outstanding compared to other banks which indeed charge a very high amount.

Almost 35% of the customers expressed that they are highly satisfied with the fees and services of the Premier Bank Limited.

Among the satisfied customers are 15% but no one expressed their dissatisfaction in this matter.

The overall picture shows that the fees and service charge of PBL is much lower compared to other banks.

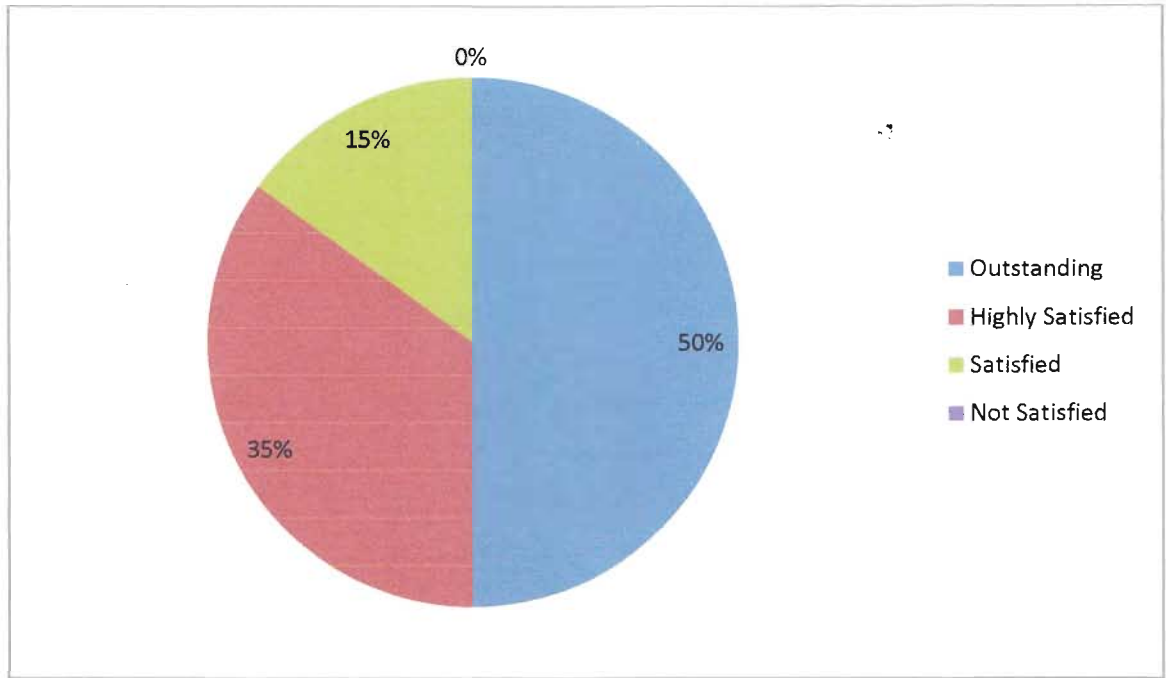


Diagram- Pie Chart showing customer satisfaction level regarding the fees and services of PBL.

Q.13) What is your opinion to improve the Service of this Bank?

Detail	Ratings	Percentage
Increasing ATM services	4	15%
Online Promptness	5	70%
Service charges lower	3	10%
Friendly atmosphere	2	5%

Table-4.13

From the above table we can see that 70% of the customers said online promptness is the best policy for improving the service of the bank.

When asked to the customer about increasing the ATM services almost 15% of them said that there are quite a many of ATM of PBL near or close to near their house through which they can get the proper ATM services.

When asked to the customer about lower service charge then 10% of the customers said that the service charge of PBL is already low compared to other banks.

Among the satisfied customers 5% of them said that they find the employees of the bank friendly enough.

The overall emphasis was therefore given on increasing online promptness to improve the service of the bank.

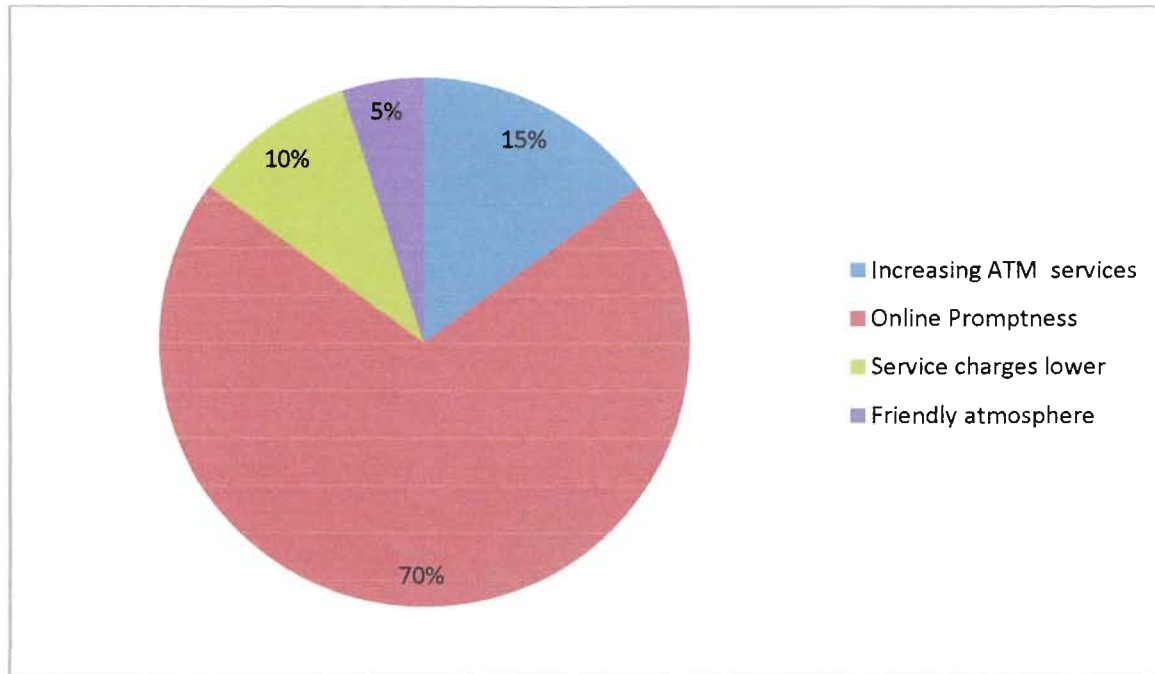


Diagram-Pie chart showing customer satisfaction level regarding about how to improve the service of the bank.

# CHAPTER-5

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1) Financial Problems

2) Customer Satisfaction Problem

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# Financial Problems of PBL: 3

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In doing the performance evaluation of Premier Bank Limited it was found that the first and the most essential problem the bank has a very weak capital structure. We have already seen that the banks authorized capital have not changed during the last five years and remained same at TK 6000, hence there was no percentage growth of authorized capital. In fact from the percentage growth of paid-up-capital structure we can conclude that as the percentage growth of paid-up-capital structure is falling and their capital adequacy ratio is also very low and thereby the banks capital structure is very weak.

It is essential for every firm to maintain a sufficient amount of capital so that at times of crisis they are able to pay the desired interest to the respective depositors and capital is also needed to pay dividend to the shareholders.

From the performance evaluation it was also seen the banks dividend per share is also weak and the percentage growth of dividend per share has fallen from 25% in the year of 2009 to 0% in the year of 2013 meaning in that year the bank has not paid any dividend to its shareholders, maybe because in the year of 2013 the banks profitability was not that much high in order to pay dividend to its shareholders.

The Banks deposit structure is also not high. As from the performance evaluation of deposit it was found that although the percentage growth of deposit was 17% in the period of 2009 but after the period of 2010 to 2013 it remained steady at 11% and have not increased a bit.

Although from one side deposits are seen as banks liability because the bank has to pay interest to its depositors but on the other hand if the percentage growth of deposit do not increase in the upcoming years then the bank would not be able to invest in the profitable sectors of the area from these deposits.

Loans and advances of a bank are seen as the main asset for the bank because if individual take larger amount of loan then they will have to pay larger amount of interest. But from the percentage growth of loans and advances it was seen that during the period of five years the percentage growth of loans and advances have fallen, which is not a good sign for the bank. The banks loan to deposit ratio have also fallen during the period of five years and if this continues in the upcoming years then there is a strong possibility that the bank might incur a loss in the future.

Seeing the percentage growth of investment it can be concluded that the bank has made quite a good amount of investment during the period of five years. But on the other hand the bank's total asset figure in other words the percentage growth of total asset have fallen from 22% in the year of 2009 to 10% in the year of 2013.

If we look at the picture of foreign trade we can see that the amount, as well as the percentage growth of foreign trade has fallen over the period of five years. The percentage growth of foreign trade was only satisfactory in the year of 2010 which was 40% but after the year of 2010 to 2013 the percentage growth of foreign trade has declined until in the year of 2013 the foreign trade percentage growth stood at negative 91% which is indeed very alarming for the bank. If the bank is not able to increase its foreign trade figures then it would not be able to sustain in the global market and be forced to move out of competition.

The bank's net income consists of all kinds of income that is subtracted from its expenditure. The overall percentage growth of net income therefore shows a declining trend from 67% in the year of 2009 to only 30% in the year of 2013, indicating that if the bank wants to earn more profit in the upcoming future then it needs to reduce its expenditure.

The earning per share, price earning ratio, net asset value these also contribute to banks' profitability. But from the percentage growth of earning per share, price earning ratio and net asset value we see that over the period of five years both the earning per share, price earning ratio and net asset value have declined which is not a good sign for the bank.

## Customer Satisfaction Problem:

Based on the survey according to the structured the questionnaire, several results have been found which have several implication on the overall service quality of the Premier Bank Limited. Here it is quite clear that high quality customer service will increase the number of highly satisfied customers who will become loyal to bank as a result of continuous improvement of the service quality.

The Tag line of Premier Bank Service is "Service First" but a lot of customers have expressed their dissatisfaction regarding this service.

The result showed that the most important dimension of service quality was the reliability of the service-which is the ability to perform the promised service dependably and accurately .The PBL customers expressed their average satisfaction regarding this service which implies that PBL needs to improve more along this dimension.

The second most important dimension pointed out was the Assurance dimension of service quality-which consist of employees courtesy ,friendliness and ability to win customer trust and confidence. The results showed that customers expressed their satisfaction with the friendliness of the employees but still a few of them complained that their exist a communication gap between customer and employees.

The convenience of location was another important dimension mentioned by the customer. But the satisfaction with this dimension falls short of expectation and most of the customers are on the above average side . Thus to improve customer satisfaction PBL should should improve it's location facilities according to customer needs and wants. Most of the dissatisfaction came due to the inconveniences of the branches.

The fourth question that was asked to the customers was that weather they think that PBL uses modern equipment and technology in order to satisfy the needs and wants of customer .Most of the customers about 70% of them expressed their dissatisfaction in this matter. They said that instead of using modern equipment the bank is still going on with it's original server which often breaks down making them wait for hours when they to come either deposit or withdraw cash.

The fifth question that was asked to the customer was that weather the bank provide them with the bank statement according to their demand. Some of the customers expressed their dissatisfaction on this matter and said that the bank should redesign their format of bank statement so that it is easy for everyone to understand and hence their is no confusion regarding the bank statement.

The sixth question that was asked to them was that weather they find the ATM location convenient and not all but few of them said that they think it would have been more better if the ATM location where near their house ,In that case their would have been no hassle in withdrawal of cash amount.

The seventh question that was asked to the customers was weather important information are being sent through the SMS. Although quite a lot of customers about 60% said that yes they get every information through the SMS but still some of them replied that it takes a very long time to get every information through the SMS .Even sometimes it is seen that in getting every information through the SMS the most important information gets hidden or appears at such a time when that information is no longer needed.

About the eighth question that was asked to them was weather they think the remittance service is effective enough and 70% of them said that they are happy about the remittance service although 30% of them said that they would have been more happy if it was done much a shorter period of time then it usually takes to receive money in one branch and make payment in another branch.

The ninth question that was asked to them was about the different kinds of interest rate. And most of the customers expressed their dissatisfaction regarding the interest rate on FDR .They said that earlier when interest rate was high enough they used to do FDR for a large amount .But now due to lower interest rate they are feeling discouraged to do FDR in this bank.

The tenth question that was asked to the employees was weather they think that PBL should consider relaxing the loan schedule irrespective of the loan amount and almost 55% to 60% of the customer sais that yes they think that it would have been better if the loan scheduled was a bit relaxed irrespective of the loan amount because in that case the pressure of giving time to time interest would have been much lower.

When asked the customers with the final question about what they think about how PBL should improve their service quality and almost 90% of them said about online promptness. They recommended that online payment service is the only way through which they can make quick deposit of money and take other services.



# CHAPTER-6

## DAILY WORKING RECORD DURING THE THREE MONTH INTERNSHIP

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## Daily working record of three month internship program:

The internship program in Premier Bank Limited started at 4<sup>th</sup> May and ended at 4<sup>th</sup> August. The daily working record during the three month internship program is given below:

Month	Day	Day Wise Learning
May	4-5	Introducing with Banks Employee
	5-8	Knowing about General Head Transaction and Client Head Transaction.
	9-12	Matching the GL and Client Head transaction with their respective main and auto voucher.
	13-16	Doing the day to day Top Sheets.
	17	Knowing the requirements as to how to open an account.
	18-19	Knowing about current account
	20	Learning about how to fill up the form of current account.
	21-25	Knowing about savings account and how to fill up the form of saving account.
	26-30	Seeing practically as to how to open a current account and savings account.
	June	1
2		Knowing about the hierarchy of Premier Bank Limited.
3-5		Knowing about the clearing activities of Premier Bank Limited.
8		Knowing about Inward Bill for Collection
9		Knowing about outward Bill for Collection.
10,11,12		Knowing abut remittance services.
5,16,17		Seeing Practically as to how to do the regular and high value clearing.

	18,19	Knowing about the Division of General Banking and what are it's regular activities.
	22	Knowing about Inward remittance
	23	Knowing about outward remittance
	24-26	Knowing about Pay Order and how to write a pay order cheque.
	27-30	Knowing about fixed Deposit and how to write a fixed deposit cheque.
<b>July</b>	1,2,3	Knowing about Special Saving Scheme and the requirements for opening a Special Saving Scheme.
	6,7,8	Opening up a customer SSS Practically.
	9,10,13,14	Knowing about Loans and Advances.
	15,16,17	Types of Loans
	18,20,21	Knowing about Import and Export services.
	22	Knowing the procedures of opening an L/C
	23,24	Seeing Practically as to how to make a Back to Back L/C Proposal.
	27,28,29	Learning and seeing Practically as to how to make different loan proposal such as car loan,house building loan and etc.
	30-31	Knowing about the activities of the cash section.
<b>August</b>	1	Knowing about the Locker Service
	2	Introducing with the bill collection system of Premier Bank Limited.
	3,4	Posting of Wasa and Titas Gas Bill Collection.

# CHAPTER-7

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1) Findings

2) Recommendation

3) Conclusion

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## Major Findings of the Study \

### ➤ **Strong Corporate identity**

The Premier Bank Ltd. is one of the leading providers of financial services countrywide. With its strong corporate image and identity it can make better position in the minds of customer. This corporate image has helped PBL to grab the personal banking sector of Bangladesh very rapidly.

### ➤ **Distinct schedule**

Everyone in The Premier Bank Ltd. from the appraiser to the top management has to work to the same schedule toward a different aspect of the same goal, interfacing simultaneously at all level over quite a long period of time.

### ➤ **Strong employee bonding and belongingness**

The Premier Bank's employees are one of the major assets of the company; the employees of PBL have a strong sense of commitment towards organization and also feel proud and a sense of belonging towards PBL. The strong Culture of PBL is the main reason behind this strength.

### ➤ **Efficient Performance**

The Premier Bank Ltd. provides hassle free customer service to its client base comparing to the other financial institutions of Bangladesh. Personalized approach to the needs of customers in its motto.

### ➤ **Young Enthusiastic Workforce**

The selection & recruitment of the Premier Bank Ltd. emphasizes on having the skilled graduates and postgraduates who have little or no previous work experience. The logic behind is that PBL wants to avoid the problem of 'garbage in & garbage out'. This type of young & fresh workforce stimulates the whole working environment of PBL.

### ➤ **Comfortable Environment**

All office walls in the Premier Bank Ltd. are only shoulder high Partitions & there is no executive dining room. Any of the executives is likely to plop down at a figure in its cafeteria & join in a lunch chat with whoever is there. One of the employees has said, "It's exciting to know you may see & talk to the top management at any time. You feel a real part of things".

### ➤ **No communication barriers:**

Human Resource Development department has tried hard to avoid communication barrier and structural bureaucracies. The little existence of authoritative barriers among

the different level of management stimulates a feeling of importance as their work get priority over the position.

➤ **Equalization:**

The Premier Bank Limited workshops are conducted periodically. On the workshops people participate as equals, with new members free to openly challenge top managers.

➤ **Free exchange of communication:**

At PBL the main objectives is setting up workshops are to remove authority from the artificial spot at the top and place it where the most knowledgeable people are, the people closest to the operation. The free exchange of ideas is reinforced by a policy of "constructive confrontation". Each employee is expected to challenge ideas openly and aggressively but never attack an individuals motive for presenting an idea.

➤ **Management By Objectives:**

The premier Bank Limited also has management by objectives everywhere. Each person has multiple objectives. All employees must have to get the approval of their boss on what they are going to do. Later they review as how well they have performed their job with their management as well as the peer group.

➤ **Modern Equipment and Technology:**

The premier bank Limited owns the best banking and information technology equipments in Bangladesh. It is ultra modern banking system starting from terminal pc's HUB's are based on the international standards and are the latest.



### **Recommendation Based On the Survey:**

-7

The Premier Bank Limited is among the flourishing banks in Bangladesh with wide growth opportunities in the industry. The Questionnaire was made keeping in mind whether customers are getting the right quality service from the bank and the overall customer satisfaction at PBL. This questionnaire also helped us to know where improvement is necessary and what steps should be taken to overcome those. PBL with a strong corporate image and organizational strength can utilize its opportunities and overcome its weakness. In this section a list of recommendations is suggested based on the findings of the survey conducted on PBL customers.

#### **The Premier Bank Limited should introduce new marketing research:**

The Premier Bank Limited should increase its marketing activities and go for strong marketing campaigns so that each employee of the bank can fulfill their target as assigned to them. This could be done by taking a regular survey of the customers in order to find out what are their expectations about various services being provided by the bank. In order to know what would satisfy customers and their satisfaction, regular research at sufficient intervals should be conducted.

#### **The Premier Bank Limited should ensure employee training:**

Premier Bank Limited should arrange employee training regularly so that they have the knowledge and professionalism in interacting more friendly with the customers. If training is arranged regularly, it would help the employees of the PBL more to know about what are customers' expectations and what would ultimately satisfy them. They should be given proper training as to how to deal with different kinds of customers and their problematic situations. The survey conducted significantly showed low scores for employees' willingness to help. Thus, this aspect should be considered.

#### **Premier Bank Limited Should introduce new branches:**

Although Premier Bank Limited has a lot of branches in both the Dhaka and outside Dhaka city, but still customers complained that the branches available are not according to their convenience. The Premier Bank Limited has overall 72 branches throughout Bangladesh. Therefore, according to my point of view, new branches should be introduced in Dhaka City covering more geographic segments. As a branch is an important factor for customers, PBL should consider building up new branches and ATM locations within and outside Dhaka city for better customer convenience.

#### **Premier Bank Limited should earn clarity of Statement:**

Premier Bank Limited should redesign their account statement in a more clear and understandable format so that no kinds of confusion arise in the minds of customers. Although Premier Bank Limited provides customers with their statements whenever they need, but still, according to some people, they recommended that the statement provided to them is not

understandable. Therefore format of account system should be redesigned in a way so that it fulfills the requirements of customer.

**Premier Bank Limited should consider faster and quicker loan Processing time:**

According to the survey most of the customers complained that the application for loan takes a lot of time. It is seen most often that even after considering all the rules and regulation, interest rate schedule and others it takes a lot of time for the final processing of the loan. Therefore according to my view Premier Bank Limited should consider ways and introduce such kind of system so that loan processing could be done more quickly, especially in case of large one-such as car loan ,house building loan and etc.

**Premier Bank Limited should consider increasing the rate on FDR:**

Most of the customers suggested that they are dissatisfied on the rate of FDR and therefore they think that PBL should reconsider or redesign the FDR rate. The Premier Bank Limited should therefore restructure the interest rate scheme of it's FDR product to attract more valuable customer.

**Premier Bank Limited should sent important information to customer through mails:**

Some of the customers complained that they do not get any information through SMS, or maybe information is sent to them through SMS but due to time constraint that information do not remain valuable anymore so I suggest that instead of depending ononly SMS Premier Bank Limited should sent important information to customer through mails and other website.

**A Faster Delivery of ATM card should be ensured by PBL:**

The Premier Bank Limited should reduce the amount of time required to provide new ATM cards .Currently it takes 5-6 days while some competitors can provide the card within 2 working days. PBL should make necessary arrangement to produce the new cards locally inorder to reduce the customer difficulties faced in the absence of ATM cards.

**Premier Bank Limited should introduce locker service for safety of customer money:**

While interacting with the customer at customer service point, a huge amount of customer demanded locker services. With such demand of this service,PBL should consider the provision of locker services to it's customers .This will also attract new customer from other banks who are currently offering these services.

**Premier Bank Limited should render it's cash and remittance services more promptly and effectively:**

Remittance service means receiving money in one branch and making arrangements to make the payment in another branch .According to the survey conveyed most of the customers



complained that it takes quite a lot of time to do this remittance services. Therefore Premier Bank Limited should render its cash and remittance services more promptly and effectively.

**The Premier Bank Limited should introduce new investment products:**

New investment scheme should be introduced to meet customers demands. Survey result indicate a high amount of dissatisfaction with the current investment scheme and services. New personal savings, future investment products, Sanchaypatra scheme should be launched to stay ahead of competition and better customer requirement.

**Premier Bank Limited should focus on relationship strategy:**

Premier Bank Limited should focus more on existing customer in order to build strong and loyal relationship with them because they are the one who will deliver this message to others so that they also feel encouraged to open their account at PBL, do FDR, Pay order and etc. Thus the power of relationship will foster positive word of mouth Communication and will attract new customer at a lower cost.

# CONCLUSION OF THE STUDY:

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Every organization have a goal to achieve . To achieve this goal organization must fix it's mission and vision. According to vision and mission, an organization must be able to fulfill it's target. Customers are in the center of that mission and vision for financial companies like bank. Because most of the banks are providing same products and their features and characteristics are also same. So it becomes difficult for a financial companies to create competitive advantage and to provide superior and quality products to customers. Only thing that can stand out a bank is the quality service. Service and better service is the only thing which can differentiate one bank from another .Customers have to choose that bank that is providing first, error free and quality services .Otherwise it will be difficult for a bank to capture more customers and even they can loose their existing customers if service quality is not good enough.

Premier Bank's main tagline is 'Service First" but in order to keep up with this service Premier bank has to work even more harder as it is far behind the other banks such as Brac,Prime bank and etc .Also new banks are being introduced recently so the bank has to face tough competition in order to survive. The major competition that the bank will have to face is managing it's asset and liabilities in a more profound way and also acquiring new advanced technology to cut down it's expenses giving a way towards increasing profitability. This profit will come if the bank could capture large and big corporate customer .This customer will stay on with the bank if the service quality of the bank is superior enough .So Premier Bank Limited have to ensure quality service in every single branch. For quality service PBL will have to solve problem to their customer Each and every single mistake can spoil their business.

# APPENDIX

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Questions of the study:

Q.1) Do you think that Premier Bank Limited is the first in providing you with the quality service?

a) Yes                      b) No

Q.2) Do you find the employees of the bank fair and friendly enough in giving you the quality service?

a) Yes                      b) No

Q.3) Do you find the branch location of the bank convenient enough?

a) Outstanding b) Highly Satisfied c) Satisfied d) Average e) Not Satisfied

Q.4) Do you think Premier Bank Limited use modern equipment and technologies in order to better satisfy the needs and wants of customer?

a) Yes                      b) No

Q.5) Does the bank always provide you with the bank statement according to your demand?

a) Yes                      b) No

Q.6) Do you find the ATM location of the bank according to your convenience?

a) Yes                      b) No

Q.7) Are the important information sent to you through SMS?

a) Yes                      b) No

Q.8) Do you think the cash and remittance services provided by PBL is effective enough?

a) Outstanding b) Highly satisfied c) Satisfied d) Average e) Not Satisfied

Q.9) Are you satisfied with the different interest rate such as interest on loan, interest on savings and FDR, interest on deposit and etc satisfactory enough?

a) Highly Satisfied b) Satisfied c) Average d) Not Satisfied

Q.10) Do you think that PBL should consider relaxing the rate of loan schedule irrespective of the loan amount?

a) Yes                      b) No

Q.11) Do you think that the Loan Processing time at PBL is effective and quicker enough?

a) Yes

b) No

Q.12) Do you think the fees and services charges of the bank is reasonable compared to other banks?

a) Yes

b) No

c) Average

Q.13) What is your opinion to improve the Service of this Bank?

a) Increasing ATM services

b) Online Promptness

c) Service charges lower

d) Friendly atmosphere

## Appendix:

### REFERENCE:

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- \* DR. A.R Khan- " Bank Management", Ruby Publication, 2'nd Edition,
- \* Other Internship Reports( Referred by my supervisor) and self-collected.
- \* Md. Syed Mhemood Shafi- General Banking

#### Artical:

- \* Annual Report- Premier Bank Limited,2013
- \* Several Booklets of Premier Bank Limited.

#### Internet:

Website releted to Premier Bank Limited. ([www.premierbank.com.bd](http://www.premierbank.com.bd)) "Background History" "Certified Company".

- \* ([WWW.GOOGLE.COM](http://WWW.GOOGLE.COM))