

INTERNSHIP REPORT

ON

**An Evaluation and A Comparative Study on
General Banking and Customer Services Provided
in**

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Submitted To:

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Course: BUS 499 (Internship)

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EAST WEST UNIVERSITY

Letter of Transmittal

August 23, 2009

M. Sayeed Alam

Assistant Professor

Department of Business Administration

East West University

Sub: Submission of Internship Report.

Dear Sir,

It is my great pleasure to submit the Internship report entitled “An Evaluation and A Comparative Study on General Banking and Customer Services Provided in Prime Bank Limited” to you. As per requirement of BBA, I have completed the Internship in Prime Bank Limited. I have tried to exert all the knowledge that I gathered through my working with this branch of PBL.

Working for three months in the **Prime Bank Ltd**, Pallabi Branch helped me to fulfill the requirements of obtaining practical learning and subsequently prepare of this report. My internship in Prime Bank Bank Ltd. was a worthwhile experience and the exposure of such a reputed organization would be valuable for me. Before facing the real business world, I have gathered prior knowledge about the organization culture.

Thank you very much for your kind co-operation without which this Internship Report cannot be completed. I like to take every opportunity to express my gratitude of indebtedness to you.

Thank you

Sincerely yours,



D. M. Shazzad Hossain

ID# 2005-2-10-003

Acknowledgement

The report could never been completed without the help of some helpful and cooperative persons, and accommodating authorities. I would like to unfold the names of some of those supportive bodies.

I express my heartiest gratitude and deepest respect to my internship (BUS-499) advisor **M. Sayeed Alam** (Assistant Professor), without whose priceless and fathomless supports I would not have been able to produce this report. Because, a lot of insights and knowledge I have put and used to the material covered to this report, I learned and gathered from his vigorous instructions.

Particularly, I would like to acknowledge gratefully to **Md. Mazharul Hague** (SAVP and Branch In-charge), **Abdul Awoal Mia** (SEO), **A. B. M. Sayedur Rahman** (PO), **Nazim Uddin Mohammed Tareq** (PO) and **Md. Ebadot Hossain** (PO) who gave me some special directions, information and advice about various banking systems and procedures from time to time.

I also express special gratitude to Mohammad Solaiman Hossen (SO), Abdur Razzaque (SO), Md. Sazzad Hossain (AO) and Md. Aminul Hoque (AO), Shirina Akter (AO), Kazi Romana Tasmin Sukta and Isfat Ara Mitu (AO) who teach me about general banking in Prime Bank Limited with significant, vital, imperative and essential information during face to face speech, by providing some papers etc. and try to help me from the core of their heart and others for their cordial co-operation and guidance in all the way to do my internship and to prepare this report.

Executive Summary -1

Bank is an important financial intermediary in the economy. It plays crucial role of transferring the resources from surplus area to the supply constraint area. Bank performs its job through introducing various financial products to the market.

Nowadays, practical experience is as much essential as academic education that enables someone to become a successful business executive. We live in world where every business student must gain some first hand knowledge of real life business in order to learn the art of blending his or her theoretical knowledge with the real life scenario.

The organization to be studied for my internship project is Prime Bank Ltd, which is operating in Bangladesh since 17th April 1995. Since it's inception this bank is keeping contribution in our economy and serving a huge number of people.

The whole working process of Pallabi Branch, Prime Bank Ltd is divided into 2 sections- (i) General Banking section, (ii) Credit Section. This report has been presented based on observation from General Banking Section and Credit Section. Foremost, I have tried to make acquainted with the bank and branch in this report.

The first part, of this report deals with introduction that present the origin, objective, methodology, scope and limitation of the report. In order to understand the banks on which the report is carried on. Here I described about why I have to made this report, different aspect of PBL, the way I have collected data about PBL and after collecting all data and blend with my experience by working there for three months it was possible for me to complete this report. But during preparing this report I have to face some problem that is described in the limitations part.

You will get an organizational overview of Prime Bank Ltd. This part contains historical background of PBL. A brief description about its journey in banking industry and a little bit about it's management. Then you will find about PBL's short term goal, long term

goal, current target under the point of it's mission, vision and objectives part. Then a short description has given about the corporate culture of this bank. How it treat with it's employee, stuffs and customers. Here you can know about peer-to-peer relation, employer to employee relation and others. Next a part discuss about social commitment where I try to show the responsibilities of PBL to the society. From organ gram chart you can know about the hierarchy of this organization, top to bottom position of the employees and boss. Lastly I have shown different types of products or services which it offered to it's clients.

We will get General banking Activities and Learning part. General banking is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customers. It opens new accounts, remit funds, issue bank drafts and pay orders etc. Provide customer through quick and sincere service is the goal of the general banking department.

Deals with performance evaluation and findings I have done intensive research on this. I try to evaluate the performance evaluation of General Banking and Credit Section. Here I have found some problem in PBL compare to other banks. At PBL I have taken interviews from approval officer and other staffs. I have gone through a lot of secondary sources as well (websites, old reports, brochures and periodicals). In response to these efforts I have found that this bank has some strength compare to others bank similarly some weaknesses also. Still they have some opportunities in the market and some new generation bank becomes a threat to them.

The recommendations and conclusion part PBL has some problems; during my internship I got some important points, which I try to share here and according to my perspective I try to give some recommendations that can solve those problems and this can be a tonic for better performance. At last I try to give a brief conclusion about this report.

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CHAPTER – 1

Introduction



1. Introduction:

Banking system occupies an important place in a nation's economy because of its intermediary role; it ensures allocation and relocation of resources and keeps up the momentum of economic activities. In a developing country like Bangladesh, the banking system as a whole has a vital role to play in the progress of the economic development.

Banks these days provide a variety of services. They provide both short- term and long-term credit. Their customers come from all walks of life from a small business to a multi-national corporation having its business activities all around the world. Today's modern banks are not only providing traditional banking, rather banks are expanding the menu of financial services and banks are making the untouchable service touchable for their customers. The changing and expanding role of banking has made the banking business more complex and competitive.

To serve the customers according to customer's requirement, every bank has different division, every division has its units or departments, and every department has their own functions. The divisions can generally categorize into the following three:

- ❖ General Banking
- ❖ Export & Import
- ❖ Loans & Advances

Customers are the center of all the activities of a bank because a bank cannot go without its customer. For this reasons customers become the first priority of a bank. 'Customers are always right, if he is wrong then follow the rules' is a well-accepted concept in banking sector, which is enough to prove the status of a customer in a bank. Customer loyalty is the focus of customer relationship management. A customer becomes loyal when he is satisfied. Competence, excellence and consistent delivery of reliable services with superior value products are the only way to satisfy the customers. For this reason, every bank should be very much concerned about the quality of services it is providing to its customers. Besides continuous improvement of services must give priority to ensure a strong competitive position.

1.1 Origin of the Report:

This report entitled "An Evaluation and A Comparative Study on Customer Services Provided in Prime Bank Limited " originated from the partial fulfillment of the internship program. I have completed my internship at Prime Bank Limited, Pallabi branch, Dhaka. This report has been prepared under the supervision of Assistant Professor M Sayeed Alam, Department of Business Administration, East West University.

1.2 Rationale of the study:

Satisfied customers are the main assets of a Bank. A party becomes a client of a bank through opening an account. Account opening is the primary and core function of the general banking operation. Customer services also involve issuing chequebook, collection and clearing of cheque, issuing and responding IBCA and IBDA, outward and inward bills collection, issuing payment order, demand draft and telegraphic transfer, FDR preparing voucher, endorsement, cash payment and receive, providing locker service etc. All these activities are very risky and important as well. Because a little mistake can harm any bank's reputation and cause lose as well. Since the success of a bank depends on the evaluation of satisfaction by the customers, the customer service providers should be always careful about their efficiency to the clients and should be sincere to give the best effort all the time.

Realizing the importance of providing quality services in the competitive Banking sector, I have selected my report title as - "An Evaluation and A Comparative Study on Customer Services Provided in Prime Bank Limited".

1.3 Objectives:

- ❖ To analyze the performance of customer services which are provided to the customers as well as their satisfaction with the services of Prime Bank Limited and compare it with other private sector of bank.
- ❖ To find out the problems of customer services of Prime Bank Limited.
- ❖ To have an overall idea about banking system.

1.4 Methodology:

This report of which major objective is to describe the comparative study of customer service quality and how well the customers are accepting the services, is a single cross sectional design where preliminary information is gathered only from the existing clients (account holder) of Prime Bank Limited, The Premier Bank Limited, Dutch Bangla Bank Limited, National Bank Limited and BRAC Bank Limited to whom the quality of services is provided.

Primary Sources of Data Collections are:

- ❖ Face to face conversation with the bank officers. →
- ❖ Some Questionnaire survey with the customers is made at Prime Bank Limited, The Premier Bank Limited, Dutch Bangla Bank Limited, National Bank Limited and BRAC Bank Limited.
- ❖ Observing various organizational procedures.

Secondary Sources of Data Collections are:

- ❖ Annual Report and website of Prime Bank Limited.
- ❖ Different publications regarding banking functions.
- ❖ Internet.

It has been preferred simple random sampling technique in this research. The sample size of this research is 100. Each responding is given a questionnaire to fill in. The survey method and observation method used in this study is primary data collection tool. Certain objectives are examined using secondary data.

1.5 Scope:

To prepare this report I had a great opportunity to have real life knowledge about how to evaluate the performance of a bank and make a comparison between Prime Bank Limited and other private sector banks. I also tried to increase my knowledge about banking activities and I think the information collected from different banks will help me to know the customer services of some other private sector banks.

1.6 Limitations:

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Like all survey works, this research is subject to a number of limitations. These are:

- ❖ Bank secrecy posed a major problem since disclosure of some information has been restricted.
- ❖ Sufficient records, publications, facts and figures are not available. These constraints narrowed the scope of real analysis.
- ❖ Even I did not get the available information also. However, I have tried my best to prepare my internship report as good as possible within these limitations.



CHAPTER – 2

Profile of Prime Bank Limited



2.1 Background of Prime Bank Limited:

In the backdrop of economic liberalization and financial sector reforms, a group of highly successful local entrepreneurs conceived an idea of floating a commercial bank with different outlook. For them, it was competence, excellence and consistent delivery of reliable service with superior value products Accordingly, Prime Bank Ltd. was created and commencement of business started on 17th April 1995. The sponsors are reputed personalities in the field of trade and commerce and their stake ranges from shipping to textile and finance to energy etc.

Prime Bank Limited at a glance:

Name of the Company: Prime Bank limited.

Legal Status: Public Limited Company.

Date of Incorporation: February 12, 1995.

Formal launching of the Bank: April 17, 1995.

Listed with Dhaka Stock Exchange Ltd.: March 27, 2000.

Listed with Chittagong Stock Exchange Ltd.: November 15, 1999.

Principle activities: Corporate Banking, Retail Banking, Consumer Banking,
Islamic Banking, Merchant Banking.

Authorized capital: 4000 million.

Paid up capital: 1750 million.

No. of outstanding share: 40,000,000.

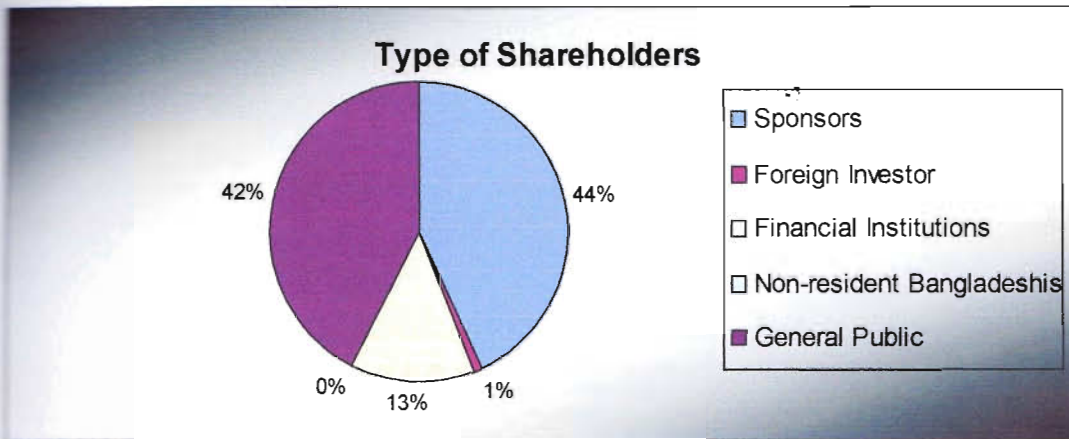
No. of Employees: 1,172.

No. of Branches: 67.

Awards & Recognitions: ICAB Award (from year 2001 to 2005).

SAFA Merit Award (from year 2005 to 2007).

Rating: A+ by Credit Rating Information & Services Ltd (CRISL).



2.2 Objective of the Bank:

Prime Bank limited is designed to provide commercial investment bank services to all type of customers ranging from small entrepreneurs to big business firms. In this regard, it gives emphasize on the priority sector of the economy like industry, housing and self-employment. Besides, the bank aims to provide different customer friendly deposit and loan products to fulfill the banking needs of the individual customers.

2.3 The Vision of the Bank:

To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management and profitability having strong liquidity.

2.4 The Mission of the Bank:

- ❖ To build Prime Bank Limited into an efficient, market driven, customer focused institution with good corporate governance structure.
- ❖ Continuous improvement in business policies and procedures through integration of technology at all levels.

2.5 The Strategic Priorities of the Bank:

To have sustained growth, broaden and improve range of products and services in all areas of banking activities with the aim to add increased value to shareholders investment and offer highest possible benefits to the customers.

2.6 Financial Performance of Prime Bank Limited:

The financial performance of the company during the last five years highlights below:

Taka in million

Particulars	2003	2004	2005	2006	2007
Authorized capital	1000.00	1000.00	1000.00	4000.00	4000.00
Paid up capital	600.00	700.00	1000.00	1400.00	1750.00
Reserve Fund	807.92	828.57	986.51	1055.98	1404.17
Equity Fund	1526.41	1781.86	2239.80	2808.00	3860.00
Deposits	16481.60	20483.23	28069.24	36022.46	54724.08
Loans & Advances	12686.85	16492.22	23219.67	31916.11	45010.22
Investments	1996.23	2749.71	3083.81	3939.50	7844.38
Operating Income	1196.20	1593.69	1970.37	2406.43	3235.24
Operating Expenses	448.36	592.28	824.23	886.09	1108.62
Operating Profit	747.84	1001.41	1046.14	1520.34	2126.62
Fixed Assets	218.50	265.17	321.68	372.12	414.11
Total Assets	19358.93	24249.13	32361.62	41506.29	60897.62
Capital Adequacy Ratio	12.43%	11.90%	10.74%	9.96%	9.95%
Credit Deposit Ratio	76.98%	80.52%	82.72%	88.60%	82.25%
Return on Assets	2.38%	1.72%	2.16%	1.54%	2.05%
Return on Equity	30.03%	22.70%	30.43%	22.51%	31.55%
Market Price/ Share(Tk)	307.51	374.25	879.50	681.50	528.75
Earning per Share (Tk.)	59.73	37.55	43.71	40.59	60.11
Net Assets/ Share (Tk.)	234.81	233.12	223.98	200.57	220.57
P/ E Ratio (times)	5.15	9.97	20.12	16.79	8.80
Current Ratio	1.00	0.96	1.06	1.00	.88
Debt Equity Ratio	8.56%	8%	7%	7%	7%



CHAPTER – 3

Product & Services of PBL



3.1 Deposit Schemes:

Bank is the largest mobilizes of surplus domestic savings. For poverty alleviation, we need self-employment, for self-employment we need investment and for investment we need savings. In the other words, savings help capital formations and the capital formations help investments in the country. The investment in its turn helps industrialization leading towards creation of wealth of the country. And the wealth finally takes the country on road to progress and prosperity. As such, savings is considered the very basis of prosperity of the country. The more the growth of savings, the more will be the prosperity of the nation.

The savings rate in Bangladesh is one of the lowest in the world rate of domestic saving being 17.78 %. In order to improve the savings rate, Financial Institutions responsible for mobilization of savings should offer attractive savings schemes so that the marginal propensity to save increases. The savings do not, of course, depend only on the quantum of income but largely depend on the habit of savings of the people.

PBL has formulated the following Savings Schemes:

- ❖ Contributory Savings Scheme
- ❖ Short Term Deposit Scheme
- ❖ Fixed Deposit Scheme
- ❖ Double Benefit Deposit Scheme
- ❖ Monthly Benefit Deposit Scheme
- ❖ Lakhopati Deposit Scheme
- ❖ Special Deposit Scheme
- ❖ Education Saving Scheme

3.1.1 Contributory Savings Scheme:

This is a Savings Scheme in which a person gets the opportunity to build up savings by contributing monthly installments and receives an attractive fixed amount at the end of a specified term.

The salient features of the Scheme are given below:

1. Minimum size of monthly installment shall be Tk. 500 and multiples of Tk.1000. Maximum installment size shall be Tk. 25,000.
2. The Deposit shall be for a period of 5 years.
3. Lump sum amount shall be paid after maturity or monthly Pension shall be paid for the next 5 years according to the size of deposit.
4. Normally no withdrawal shall be allowed before 5 (five) years. But, if any depositor intends to withdraw his savings before 5 (five) years, he will be allowed to do so, in the following manner:
 - ❖ No benefit or interest shall be allowed for pre-mature encashment within one year.
 - ❖ If the account is closed after one year of its opening, benefit shall be allowed on the deposit at normal Savings Deposit rate.
5. The installment shall be payable by the 8th day (in case of holiday the next working day) of every month. Advance payment of any number of installments is always acceptable.
6. When a depositor fails to pay 3 (three) consecutive installments at any point five years term, he will cease to remain within the purview of the Scheme and will be treated as an ordinary Savings Account holder and the Account will be closed by paying interest amount at the normal rate of interest as payable on the Savings Bank Deposit.
7. In case of death of a depositor, the account will cease to be operative and the amount deposited so far shall be paid to the nominee, and in absence of nominee, to the legal heirs of the deceased on production of Succession Certificate.

3.1.2 Short Term Deposit:

A short-term deposit (STD) account is a running account with amounts being paid into and drawn out of the account continuously.

The salient features of the Scheme are given below:

1. These accounts are called Demand Deposits or Demand Liabilities since the Banker is under obligation to pay the money in such deposits on demand.
2. These accounts are generally opened by Business Organization, Public Institution, Corporate bodies.
3. It is an interest bearing deposit. Interest is calculated on daily basis as per Banks Prescribed Rate and is credited to account on half yearly basis.
4. Current interest rate on STD account is presented in the following table:

Particulars	Interest Rate
Below Tk. 1 crore	5.00%
Tk. 1 crore and above but below Tk. 10 crore	6.00%
Tk. 10 crore and above	8.15%

3.1.3 Fixed Deposit Scheme:

This type of deposit should be kept for a fixed term or period. Prime Bank Limited deals with the following terms deposit:

Sl. No.	Term	Interest Rate
1	30 days	10.50%
2	3 months	12.25%
3	6 months	12.25%
4	1 year	12.50%
5	2 years	12.50%
6	3 years and above	12.50%

3.1.4 Double Benefit Deposit Scheme:

The Scheme shall be implemented through all the branches of Prime Bank Ltd. The main features of this scheme are:

1. Deposit of Tk. 1, 00,000 (Tk. one lac) and multiplies thereof but maximum limit of Tk. 25, 00,000 (Tk. twenty five lac).
2. At maturity after 07 (seven) years double the amount of deposit will be paid to the depositor.
3. Photograph of Nominee, duly attested by the depositor, shall be obtained at the time of opening the account.
4. Normally no withdrawal will be allowed before maturity. But if any depositor intends to withdraw his deposit before maturity, the following rules will be applicable:
 - a) No benefit including interest/profit shall be allowed for pre-mature encashment within one year.
 - b) If the accounts/deposits are closed after one year of its opening, benefit shall be allowed on the deposit at normal Savings Deposit rate.
5. In case of death of a depositor, the amount of instrument will be paid to the nominee, to the legal heirs of the depositor on production of succession certificate.

3.1.5 Monthly Benefit Deposit Scheme:

This is a deposit scheme where the depositor gets a fixed amount of profit every month without disturbance of the principal.

The salient features of the Scheme are given below:

1. Deposit of Tk. 1, 00,000.00 (Tk. One lac) and multiples thereof, but maximum Tk. 25, 00,000 (Tk. twenty-five lac) shall be acceptable under the Scheme.
2. The Deposit shall be for a period of 5 (five) years. The Principal amount is refundable on maturity.
3. Normally, the deposit will not be encashable before 5 (Five) years. But if any depositor intends to withdraw his deposit due to certain unavoidable

reasons, he would be allowed to do so, in the following manner:

- a. No benefit including interest will allow for pre-mature encashment within one year.
 - b. If the accounts/deposits are being closed/encashed after one year of its opening, benefit shall be allowed on the deposit at normal Savings Deposit rate.
4. In case of death of the depositor, the amount will be payable to the nominee or in the absence of nominee, to the legal heirs of the depositor on production of Succession Certificate.
 5. Income Tax @ 10% on profit will deduct on the income received from the deposit.

3.1.6 Lakhpati Deposit Scheme:

Rules & Regulations:

1. Monthly Installment size, tenure and terminal value of the scheme are:

Monthly Installment Size	Tenure	Amount to be paid after Maturity
Tk. 250	15 years	Tk. 1,00,000
Tk. 500	10 years	Tk. 1,00,000
Tk. 1285	5 years	Tk. 1,00,000

2. The installment shall be payable by the 8th day (in case of holiday the next working day) of every month. Advance payment of any number of installments is acceptable.
3. Normally no withdrawal shall be allowed before maturity, if any depositor intends to withdraw his/her savings due to certain unavoidable reasons before 5 years, 10 years and 15 years, he/she will not be allowed any benefit if the premature encashment takes place before completion of 1 year.
4. In case of death of a depositor, the account will cease to be operative and the amount deposited so far will paid to the nominee, and in absence of nominee, to

the legal heirs of deceased as per rules in force.

3.1.7 Special Deposit Scheme:

This is a Deposit Scheme where deposit Installment issue for the full amount payable after a specified period against deposit of a certain amount. The minimum term of deposit is 5 years and the scheme provides beneficial scope for investment of Provident Fund, Trust Fund, Reserve Fund/ Security Fund of various Institutions. It will provide opportunities to the Wage Earners for profitable investment of their savings.

3.1.8 Education Saving Scheme:

The education expenses particularly the expenses for higher education are sharply increasing day by day in our country. Sometimes, the children are deprived of getting the desired level of education because of the inability of the parents to meet their educational expenses. However, the parents would not feel any difficulty to defray such expenses if a proper financial planning is made much ahead of time.

Moreover, we are receiving demands from the Islamic minded people of our country for an attractive Savings Scheme based on Islamic Sariah to encourage them to save in Islamic way for education of their children.

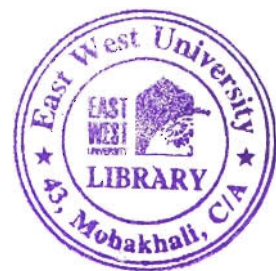
With this end in view, Prime Bank Limited has introduce a Saving Scheme entitled “Education Savings Scheme” in accordance with the principles of Islamic Sariah i.e., on the basis of profit and loss sharing. The scheme provides a unique opportunity to the parents to make a future provision for the educational expenses of their children when they enter into Schools, Colleges and Universities out of the benefit of a small amount of savings with the Bank at an opportune moment.

3.2 Deposit Performance:

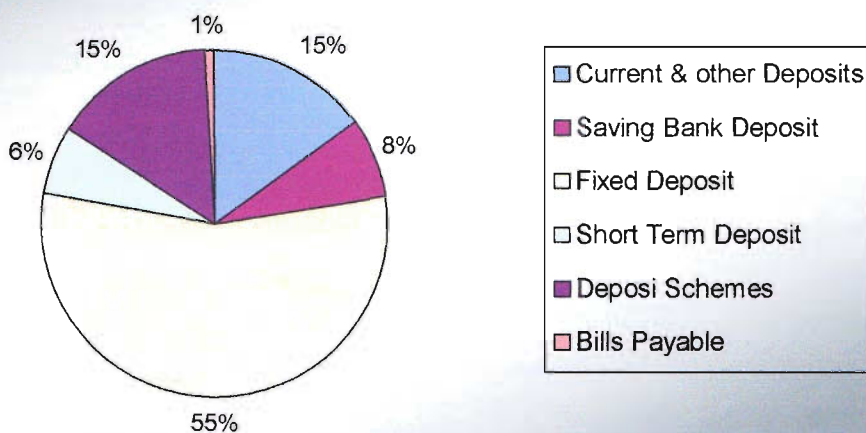
Prime Bank Limited is well able to mobilize substantial deposits through various deposit schemes. The deposit balance of Prime Bank reached the level of Tk. 54,724 million during 2006 from Tk. 36,022 million of previous year. The growth rate is 52 percent. This was possible due to superior customer service delivery at the branch level, expansion of branch network to rural areas where foreign remittance flow is significant. The deposits performance is shown below:

Deposit mix as on December 31, 2007 was as follows:

Items	Tk (in million)	% of Total Deposit
Current & other Deposit	8261.27	15.10%
Savings Bank Deposit	4125.63	7.53%
Fixed Deposits	30132.40	55.07%
Short Term Deposits	3470.34	6.34%
Deposits Schemes	8203.22	14.99%
Bills Payable	528.24	0.97%
Total	54724.00	100%



Deposit mix as on December 31, 2006.



3.3 Loan Schemes:

PBL has formulated the following Loan Schemes:

- ❖ General Loan Scheme
- ❖ Consumer Credit Scheme
- ❖ Lease Finance
- ❖ Hire Purchase
- ❖ House Building / Apartment Loan Scheme
- ❖ Advance against Share
- ❖ Small and Medium Enterprise (SME)

3.3.1 General Loan Scheme:

Depending on the various nature of financing, all the lending activities have been brought under the following General Loan:

- ❖ Short term Loan
- ❖ Medium term Loan
- ❖ Long term Loan

The loans are allowed to individual / firm / industries for a specific purpose but for a definite period and generally repayable by installments fall under this head. This type of lending is mainly allowed to accommodate financing under the categories:

- (i) Large & Medium Scale Industry and
- (ii) Small & Cottage Industry.

Very often term is financing:

- (i) Agriculture and
- (ii) Others.

3.3.2 Consumer Credit Scheme:

In order to provide financial assistance to the limited income group for raising their standard of living by acquiring domestic durables like freeze, TV, Computer, Motor Car, etc., they have introduced a Consumers Credit Scheme to improve the quality of life particularly of the fixed income earner of the society.

Eligible Items / Articles:

Credit shall be extended under the Scheme for buying the following items /articles:

- ❖ Car, Station Wagon, Microbus, Motor Cycle, Bi- Cycle;
- ❖ Refrigerator, Deep Freeze; Washing Machine; Photocopier;
- ❖ Television, VCR, VCP; Radio, Two-in-one, Three-in-one;
- ❖ Air Cooler, Air Conditioner, Water Cooler, Water Pump;
- ❖ Personal Computer, Type Writer, Camera, Movie Camera;
- ❖ Furniture like Dressing Table, Almirah, Khat, Sofa Set, Wardrobe, etc.;
- ❖ Sewing Machine, Telephone Line/Set, Fax Set, Cordless Telephone Set, Cellular phone, Pager etc.;
- ❖ Telephone Line/Set, Fax Set, Cordless Telephone Set, Cellular phone,Pager etc.;
- ❖ Any other item not specified above but considered essential.

Consumer Credit Products:

- ❖ Car Loan
- ❖ Doctors Loan
- ❖ Advances Against Salary
- ❖ Education Loan
- ❖ Travel Loan
- ❖ Marriage Loan
- ❖ Hospitalization Loan
- ❖ Household Durable Loan

3.3.3 Lease Finance:

Lease financing is one of the most convenient long-term sources of acquiring capital machinery and equipment. An obvious advantage of the lease is to use an asset without having to buy it. The lessee is obligated to make lease payments until the expiration of the lease agreement, which corresponds to the useful life of the asset.

Lease Items / Equipments:

Prime Bank Limited offers lease finance for acquiring the use of capital machinery, equipments, medical instruments, etc. The customers are entitled to decide the specification, price and model of the lease item/equipment. Bank will purchase the item (s) in accordance with the specifications given by the clients.

Salient Features of Lease Financing:

- ❖ Lease finance is offered for acquiring the use of Capital Machinery, Equipments, Medical Instruments and Automobiles.
- ❖ Financial Lease is long term in nature and is no cancelable.
- ❖ The customer will be required to make a deposit equivalent to 3 (three) months lease rentals to the Bank on the date of signing of the lease agreement, which shall be refunded to the client at the expiry of lease term.
- ❖ Bank will purchase the equipment after confirmation of the acceptance of the equipment by the client.
- ❖ On execution of Lease, the client and the Bank shall enter into an amendment lease agreement reflecting the actual acquisition cost.
- ❖ The term of lease is maximum 5 (five) years in case of Capital Machinery, Equipment and Medical Instruments but 4 (four) years in Automobiles.
- ❖ The Lessee will pay service charge or project examination fee @O. 15% on the sanctioned amount subject to a minimum Tk. 3,000 and maximum Tk.10, 000 in case of acquisition of machinery and Equipments for projects. In case of Automobile, a service charge of Tk. 500 is payable when the acquisition cost is below Tk. 10.00 lac and an amount of Tk. 1,000 is payable when the acquisition cost is Tk. 10.00 lac and above.

3.3.4 Hire Purchase:

Hire Purchase is a type of installment credit under which the Hire Purchase agrees to take the goods on hire at a stated rental, which is inclusive of the repayment of Principal as well as interest for adjustment of the loan within a specified period.

3.3.5 House Building / Apartment Loan Scheme:

Loans allowed to individual/enterprises for construction of house (residential or commercial) fall under this type of advance. The amount is repayable by monthly installment within a specified period. Such advances are known as Loan (HBLGEN). Loans allowed to our Bank Employees for purchase /construction of house shall be headed Staff Loan (HBL-STAFF).

3.3.6 Advance Against Share:

In order to contribute to the development of the Capital Market of the country Prime Bank Limited extends credit facilities against pledge of Shares to the individuals as well as to the Member of DSE & CSE.

Terms & Conditions:

- ❖ For availing of credit facilities against pledge of shares the intending borrowers shall deposit shares of at least three (3) Companies, which are preferably registered in his/her name.
- ❖ Credit facilities in the form of Secured Overdraft (SOD) Limit may be allowed up to 50% of the Value of shares pledged calculated based on current market prices or previous 6 months' average market prices, which is lower.
- ❖ The Share Certificates must be accompanied by form -117 containing the signature of the Shareholders duly checked and verified.
- ❖ The maximum ceiling shall be Tk. 20.00 Lac for individual borrowers.
- ❖ Interest rate will be charged @ 15% P.A with quarterly rests or as may be amended from time to time.

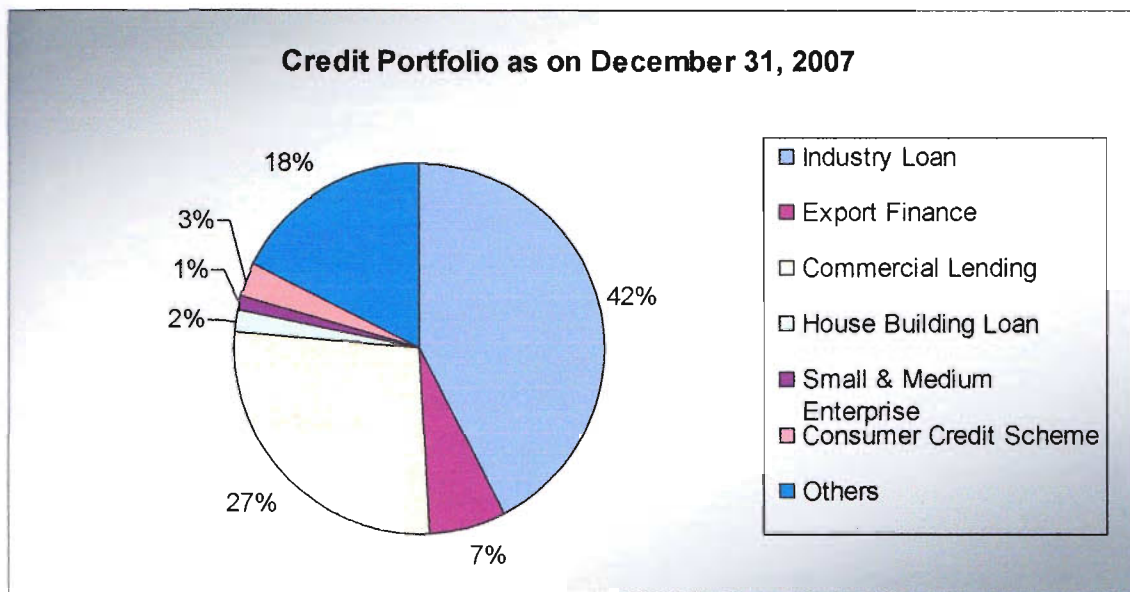
3.3.7 Small & Medium Enterprise (SME):

There are many small and medium entrepreneurs in the country that have innovative idea, spirit and potentiality to do something productive for local consumers as well as export abroad. Prime Bank Limited provide loan to small and medium entrepreneur and play positive role in the overall socioeconomic development of the country.

Objectives:

- ❖ To provide credit facilities to the small and medium size entrepreneurs located in Urban & Sub-urban areas and easily accessible by our Branches.
- ❖ To assist potential entrepreneurs to take part in economic activities.
- ❖ To inspire for undertaking small projects for creation employment.

3.4 Credit Portfolio:



3.5 Islamic Banking:

Prime Bank started its operation with the slogan “a bank with a difference”. Opening of Islamic Banking Branch is one of *its* achievements within the framework of conventional banking. Prime Bank Ltd. started its Islamic Banking operation by opening its first Islamic Banking Branch at 19, Dilkusha C/A, Dhaka on December 18, 1995.

The salient features of Islamic Banking are as under:

- ❖ To conduct all its activities as per Islamic Shariah.
- ❖ To conduct its monetary matters free of interest.
- ❖ To establish banker-customer relationship on the basis of partnership.
- ❖ To render excellent services to the clients cordially.
- ❖ To develop living standard of poor incoming group.
- ❖ To conduct welfare related activities to the people.

Islamic Branch of Prime Bank Ltd. conducts the following works:

- ❖ Deposit.
- ❖ Investment.
- ❖ Foreign Exchange and International Trade, i.e. opening of L/C, Negotiation of Export Bills, etc..
- ❖ Remittance and Transfer of fund: DD, IT, Pay Order, Travelers Cheque, etc..
- ❖ Other services such as: Receipt Payment of different bills of clients, collection of cheques, Issuance of Bank Guarantee, etc.

Accounting Procedure:

Deposit accounts of Islamic Banking may be divided into the following two categories:

1. Al-Wadiah A/C
2. Mudaraba A/C

Al-Wadiah A/C:

Islamic Banking Branch maintains Al-Wadiah Current A/C as per Shariah Principle. Bank is committed to pay the Deposited amount to the depositor on demand. On the contrary Bank takes permission from the client to the effect that the bank will utilize the fund as deposited by the client. The client has right to make transaction according to his desire. Bank does not pay any profit to the client and the client also does not bear any loss in this type of account.

Mudaraba A/C:

Islamic Banking conducts Mudaraba Deposit A/C as per Islamic Shariah as under:

- ❖ Mudaraba Saving Deposit A/C
- ❖ Mudaraba Term Deposit A/C
- ❖ Mudaraba Short Term Deposit A/C
- ❖ Mudaraba Education Saving Scheme
- ❖ Mudaraba Monthly Contributory Scheme
- ❖ Mudaraba Monthly Benefit Saving Scheme

In these accounts, Bank is treated as Mudaraba and the client is treated as “Shahib Al-Maal”. Bank invests the fund on behalf of the depositors and distributes 75% of profit earned out of investment at the end of the year.

3.6 Master Card:

Prime Bank Limited obtained Principal Membership of Master-Card International in the month of May 1999. The Special feature of the Prime Bank Master Card is that it bears the cardholder's photo on the card, which is the first of its kind in Bangladesh and adds security against misuse. It has created a new dimension in its customer service and consumer financing. Prime Bank limited issues 4 types of cards. These are:

1. Gold local
2. Gold International
3. Silver local
4. Silver International.

Followings are the main feature of MasterCard Credit:

- ❖ Prime Bank ensures high level of security by inserting the account holder's Photograph on the Card.
- ❖ 20 to 50 days credit form the date of transaction. When the client receives his/her monthly statement, he/she can either choose to pay in full or just minimum due amount shown on the statement. No interest is charged if he/she pays in full within payment due date.
- ❖ 24 hours a day, 365 days worldwide service.
- ❖ No joining/administrative fees.
- ❖ Waiver of annual fees for International Card: If the client accumulates 20,000 Prime Bank Bonus Point for Gold Card or, 10,000 Bonus Point for Silver Card in a year then he/she enjoys his/her Card without fees (\$ 1 purchase: 1 Bonus).
- ❖ Waiver of annual fee for local Card: If the client accumulates 10,000 Prime Bank Bonus Point for Gold Card or 8,000 Bonus Point for Silver Card in a year then he/she enjoys his/her Card without fees (Tk. 50 purchase: 1 Bonus point).
- ❖ The highest bonus point holder can enjoy free air ticket Dhaka – Bangkok – Dhaka (Business Class).
- ❖ Cash advance facilities.
- ❖ 1,39,00,000 locations accept Master Card worldwide.

Facilities Available with the Card:

The Card can be used for:

- ❖ Making payments to Merchants against purchase of all goods and services by the Cardholder form Merchant (s); and
- ❖ Availing Cash Advances.

Credit Limit:

PBL may sanction any credit limit, i.e. the maximum of credit available to the Cardholder which can be accessed at any one time, for the facilities under Condition 2 hereof and may terminate or modify or vary such facilities or credit limit without notice. The limit imposed for Cash Advances shall be part of the credit limit imposed. The credit limit shall be notified in writing to the Cardholder.

Payment:

- ❖ In respect of each Card Account Statement, the following stated therein shall be paid to Card Division at pal's Head Office within the Payment Due Date: I) at least the aggregate of the minimum payment(s) specified as such in the Card Account Statement; and ii) the amount, if any, by which the Outstanding Balances stated therein exceeds the credit limit in relation to the Card Account(s) stated therein.
- ❖ If, Outstanding Balance stated in Card account statement is not paid in full within the Payment Due Date stated therein, pal may charge and debit Card.
- ❖ On the amount of each and every charge stated in that Card Account Statement as from the date when such charge was incurred or was posted to the Card Account, as pal may elect, to the billing date stated in that Card Account Statement.
- ❖ In respect of payment of Cardholder (Card Type-Gold/Silver International) to pal, charges shall be made by Bankers' draft payable in US\$ or any other settlement mode acceptable to pal. If pal decides to accept payment tendered in some other currency, payment will not be credited in the Card Account. Charges incurred in any currency other than US\$ will be converted into US\$ at rates that will not be less favorable to Cardholder than the rate arrived at by use of an inter bank rate in existence within 24 hours that pal or any authorized Agent processes the Charge plus 1 % of the converted amount. An official rate will be used where required by law.

Other Charges and Fees:

PBL may charge and debit the Card relating to any Card for the following:

- ❖ An annual service fee for the issue or renewal of the card at such rate as PBL may prescribe from time to time without notice and such fee shall not be refundable in any event.
- ❖ Where any cheque or Banker's Draft drawn to the order of PBL by cardholder is not honored for the full amount thereon, PBL may assess a service charge for each cheque so dishonored or returned to reimburse PBL for the cost and expenses of collection.

- ❖ An administrative fee of such amount as PBL prescribe from time to time without notice for the replacement of the card or for the provision of any records, statements, sales drafts, credit vouchers or other documents relating to the use of the card or Card Account and copies hereof at the request of any cardholder.
- ❖ A charge for each travel airline or hotel reservation made through the use of the card which is subsequently cancelled or not taken up and such charge shall be at the rate prescribed by the Merchant with or through whom the reservation was made or at such rate as prescribed from time to time without notice.
- ❖ Where by any arrangement executed between any cardholder and financial institution, any payment is to be made to PBL for the credit of any card account, whether at regular intervals or otherwise, a fee of such amount as prescribed from time to time without notice for each occasion when any payment to PBL is not effected at the time when such payment should have been effected in accordance with such arrangement.



CHAPTER – 4

Common Terms & Operations

At Customer Service



4.1 Deposits:

All deposits that are accepted by PBL like other banks may be classified into:

- a) Demand deposits
- b) Time deposits

4.1.1 Demand Deposits:

These deposits are without notice. Prime Bank Limited accepts demand deposits through the opening of:

- a) Current account
- b) Saving account
- c) Call deposits from the fellow bankers



4.1.2 Time Deposits:

A deposits which is payable at a fixed date or after a period of notice is called time deposit. Prime Bank Limited accepts time deposits through fixed deposits receipt, Short-term deposit, Bearer certificate deposit etc. A contract is done between the bank and the customer. When the officer opens an account in the name of a customer, there arises a contract between them. This contract will be a valid one only when both the parties are competent to enter into contracts. As account opening initiates the fundamental relationship and the banker has deal with different legal status, Prime Bank Limited officials remain very much careful about the competency of the customers.

4.2 Procedure of Opening an Account:

Before opening an account, the customer must complete the following formalities:

- ❖ Application on the prescribed form
- ❖ Furnishing photographs
- ❖ Introduction by an account holder
- ❖ Putting specimen signatures in the specimen card

After fulfilling the above formalities, Prime Bank Limited provides the customer a chequebook.

4.3 Deposit Rate:

The rates of interest on deposit are given below:

Sl No.	Particulars	Rate
01.	Short Term Deposit	
	i) Below Tk. 1 crore	5.00%
	ii) Tk. 1 crore to Tk.10 crore	6.00%
	iii) Above 10 crore	8.15%
02.	Saving Deposit	6.00%
03	Fixed Deposit	
	i) 1 (one month)	10.50%
	ii) 3 (three) months	11.50%
	iii) 6 (six) months	12.25%
	1 (one year) and above	12.50%

4.4 Different Types of Deposit Accounts:

Prime Bank Limited offers the following types of accounts and their formalities:

4.4.1 Current Account:

In the name of individual:

The client has to fill up a light green account form. Terms and conditions are printed on the back of the form. Two copies of passport size photographs duly attested by the introducer are affixed with the form.

In joint name:

In this type, the formality is same as individual account, but in the special instruction clause, either 'survivor' or 'former or survivor' clause is marked.

Proprietorship:

In addition the customer has to submit the valid trade license and tax paying identification number (TIN) along with the application.

Partnership:

In case of partnership account, the bank asks for -

- a) A copy of the partnership agreement (partnership deed)
- b) A letter signed by all the partners containing the following particulars:
 - ❖ The name and address of all the partners.
 - ❖ Nature of the firm's business.
 - ❖ The name of the partners authorized to operate the account in the name of the firm, including the authority to draw, endorse and accepting the bill and mortgage and sell the properties belonging to the firm.

Limited Company:

On having the desire to open an account from a limited company, an officer of Prime Bank Limited asks for the following documents:

- ❖ Registration certificate from the registrar of joint stock of companies
- ❖ Certificate of incorporation
- ❖ Certificate of commencement of business
- ❖ Memorandum of association & Articles of Association
- ❖ Copies of annual accounts
- ❖ Copy of the board's resolutions, which contains: (a) The name of the persons who have been authorized to operate bank account on behalf of the company. (b) The name of the persons who are authorized to execute documents with the bank on company's behalf.

Societies, clubs, association:

In case of these sorts of accounts, PBL requires the following documents:

- ❖ Registration certificate under the societies registration act, 1962
- ❖ Copies of memorandum, articles of association

NGO:

The account opening procedure is same but in exception is that registration certificate from the social welfare department of government must be enclosed with the application.

Joint Account in the name of minor:

A minor cannot open an account in his own name due to the incapacity to enter into a contract. He can open an account in Prime Bank Limited in joint name of another person who will be guardian of him.

4.4.2 Savings Account:

To encourage saving habit amongst the public, banks allow depositors to open savings accounts. Interest is awarded on the balance of the account. The number of withdrawals is generally restricted. Requirements to open an account are as follows:

- ❖ Account opening form to be filled up by the applicant.
- ❖ Two passport size photographs attested by the introducer are needed.
- ❖ Passport or nationality certificate is required to open an account.
- ❖ Introductory reference to be obtained from account holder acceptable to the bank.
- ❖ Specimen signature of the application is taken on the signature card.
- ❖ In a saving account minimum Tk. 1,000 is required as balance.

For opening every type of account a signature card and different register for different types of account is mentioned in the bank. An account number is given for each account and the description of the account is entered in the computer holder and to the introducer but in practice it is not done.

4.4.3 Short Term Deposit Account:

In short term deposit, the deposit should be kept for at least seven days to get interest. The interest offered for STD is less than that of saving deposits in PBL. Various big companies, organizations, government departments keep money in STD accounts. Frequent withdrawal is discouraged and requires prior notice.

4.4.4 Fixed Deposit:

It is also known as time liabilities or term deposits. These are deposits, which are made with the bank for a fixed period specified in advance. The bank offers high rate of interest on such deposits. In Prime Bank Limited, fixed deposit account is opened in two forms. One is midterm that is less than one year and the other is term deposit, which is more than one year.

Procedure of Opening Fixed Deposit Account:

The depositor has to fill an application form where in he or she mentions the amount of deposit, the period of which deposit is to be made and the name or names in which the fixed deposit receipt is to be issued. The banker also takes the specimen signatures of the depositor. A FDR is then issued to the depositor acknowledging receipt of the sum of money mentioned therein, it also contains the rate of the date on which the deposit will be due for payment.

4.4.5 Bearer Certificate Deposit:

The bearer certificate deposit is a document of title similar to time deposit receipt issued by the bank. The document is a bearer document, hence readily negotiable, whoever presents it to the bank, has the right to get the money. There is no prescribed interest rate on such funds but Prime Bank Limited offers 1 % less than the rate of the term deposit of different maturity. The face value is the sum of the principal amount and the interest.

4.4.6 Closing Of Account:

The closing of an account takes place:

- ❖ If the customer desires to close the account
- ❖ If Prime Bank Limited finds the account not in operation for a long duration
- ❖ If garnishee order is issued by the court on Prime Bank Limited
- ❖ To close the account, the chequebook is to be returned to the bank. Prime Bank Limited takes all the charges by debiting the account and the remaining balance is then paid to the customer. Necessary entries are given to the account closing register and computer.

4.5 General Banking Instruments:

There are different types of instruments by which different services are provided to the customers. These instruments are used to do the task smoothly and in a very efficient way.

4.5.1 Chequebook:

According to section 60 (f) of negotiable instruments act, 1881, a cheque is “ A bill of exchange drawn on a specified banker and not expressed to be payable otherwise than on demand”.

To facilitate withdrawals and payments to third parties by the customer, PBL provides a chequebook to the customer chequebook contains 10 leaves for savings account while for current account is 10 to 50 leaves. This register contains the chequebook number, leaf number, issuing date. After giving these entries to this register, information is sent to the computer department for taking the necessary steps to pass the Cheques during withdraw.

The chequebook also contains requisition slip, which is used by the customer to obtain new chequebook. When all the leaves are used, the customer submits the slip to the bank. A senior official then issues a new chequebook and subsequent entries are given in the register and in computer.

If the chequebook is lost, the customer has to furnish a guarantee indemnifying the bank. After fulfilling this, a new chequebook is issued.

4.5.2 Pay Order:

A pay order is a written order, issued by a bank, to pay a certain sum of money to a specified person or a bank. A pay order is issued and paid by the same branch of a bank and such, the drawer and the drawee are the same. The person or the organization in whose favor it is issued is known as payee or the beneficiary. Pay Order is sold to the individual on payment of value and is called the purchaser.

To purchase a pay order, the customer must have a bank account in the issuing bank. The purchaser should sign the standard application form giving detailed particulars and request for issue of pay order. The payee or beneficiary must not appear to be fictitious. His full name and address should be written on the application. Bank should recover commission of pay order from the purchaser. A pay order is divided into three parts viz.:

- ❖ The actual pay order
- ❖ The counterfoil to be returned by the payee
- ❖ The counterfoil to be retained by the issuing branch as record



4.5.3 Pay Slip:

A pay slip is written authorization for making payment-specified person or firm payable by issuing branch, for a discharge liability of the bank. As pay slip is originated made payable by the bank in a receipt form there is no need for any application for its issue. A pay slip is issued to effect payments on account of bills payable for goods and services purchased or availed by it. For example, bank is required to make payment of bills for the purchase of furniture & fixture, for printing & stationary and for any other works done on its behalf by the other party on agreement with the bank.

4.6 Inward Remittances:

Banks have a wide network of branches all over the country and offer various types of remittance facilities to the public. The remittance of funds by banks is made through different methods. These are:

1. Demand drafts
2. Mail transfers
3. Telegraphic transfer

4.6.1 Demand Drafts:

Demand draft is an order to pay money, drawn by one branch of a bank for a sum of money payable to order on demand. A draft cannot be done payable to bearer. The purchaser of a demand draft may or may not be customer of the bank. The purchaser of

the draft must fill in the relative application form with his name, amount, and name of the payee, the amount and the office in which it is drawn. In order to sure safety, the purchaser is advised to cross the draft and the bank gives a test number. Having issued the draft the issuing officer would send the drawee branch, an advice containing the particulars of the draft.

4.6.2 Mail Transfer:

Mail transfer is an advice regarding remittance of funds sends by one branch of the bank to another branch of the same bank, at the written request of the application. The mail transfer contains the name and address of the remitter. It is a nonnegotiable instrument and generally is not handed over to the customer rather sent through post office to the concerned branch for credit to the respective account. Mail transfer is an advance and treated as a credit voucher of the paying branch. No separate advice is issued by the issuing branch. On receipt of the mail transfer, payment is made by debiting the issuing branch through saving account.

4.6.3 Telegraphic Transfer:

Telegraphic transfer may be affected at the written request of any person and against value received from him. A written application on the bank's prescribed form duly signed by the purchaser should be obtained. If the application for issue of telegraphic transfer contains instruction to debit the account of the purchaser, his or her signature should be verified. It is however, preferable to obtain a confirmation cheque from the customer.

The application form is in variably checked on the following points:

- ❖ There should be a branch of Prime Bank Limited in the place on which telegraphic transfer will be issued and the said branch has test arrangement with the issuing branch.
- ❖ Full name of the payee and his or her account no. In case instructions are to credit his or her test arrangement with the issuing branch.
- ❖ The amount of TT commission and telegram charges should be received from the purchaser. The total amount may be paid in cash or rendered by a cheque if he or

she is a customer of the bank. The customer can also pay the amount of T.T. by cheque and commission and telegraph charge in cash. *

- ❖ In case of amount paid by cheque, the drawer on the cheque and the purchaser of the T.T. should be the same person, viz.; the signature of the cheque and on the application should tally. Such cheque should be in favor of Prime Bank Limited.
- ❖ Now, a cost memo for the T. T. is also to be prepared by the officer under his signature, which contains the amount of T.T commission & telegram charges and is delivered to the purchase.

4.7 Dishonor of Cheque:

If the cheque is dishonored, PBL sends a memorandum (cheque return memo) to the customer stating the reason in the following way:

- ❖ Insufficient fund, Exceeds arrangements
- ❖ Effects not cleared, May be presented again
- ❖ Payment stopped by drawer
- ❖ Payee's endorsement irregular/illegible/required
- ❖ Payee's endorsement irregular, requires bank's confirmation
- ❖ Drawer's signature differs/required
- ❖ Cheque is post dated/out of date/mutilated
- ❖ Alteration in date/ figures/words
- ❖ Amount of words and figure differs
- ❖ Crossed cheque must be presented through a bank, clearing stamp required/ requires cancellation
- ❖ Cheque crossed "Account Payee Only"

If the cheque is dishonored due to insufficiency of funds, Prime Bank Limited charges Tk.50 as penalty. If the cheque is lost then the customer must inform the police and should take a copy of G.D. The customer then fills an indemnity for guarantying that the cheque is lost. When the bank is convinced with having the above documents bank gives to the customer a new chequebook.

4.8 Online Banking Operation:

The bank has set up a wide area network across the country to provide online branch banking facility to its valued clients. Under the scheme, clients of any branch shall be able to do banking transaction at other branches of the bank. Under this system a client will do the following type of transaction:

- ❖ Cash withdrawal from his or her account at any branch of the bank irrespective of location.
- ❖ Cash deposits in his or her account at any branch of the bank irrespective of location.
- ❖ Transfer of money from his or her account with any branch of the bank.
- ❖ Any amount can be deposited or transferred under Prime online. However, at present there is a limit for cash withdrawal through bearer or by account holder himself.

4.9 Clearing:

In this unit, all the cheques of Prime Bank Limited and other banks of Bangladesh are dealt. There are two kinds of clearing process.

1. Inward clearing
2. Outward clearing

4.9.1 Process Of Inward Clearing:

For inward clearing, cheques of Prime Bank Limited, Pallabii Branch are deposited in other banks and sent back to Pallabi Branch of Prime Bank Limited through clearing house for collection of money. In this process, cheques of Pallabi Branch of Prime Bank Limited are sent to local office of Prime Bank Limited first. Then the local office sent those cheques to the Pallabi Branch.

After receiving cheques from the local office of Prime Bank Limited, those cheques are directly sent to the computer section for checking the balance of those specific accounts from which money should be collected. If the required balance available there then amount is debited from that account and the cheque is honored. But incase if the required balance is not available, the authorized officer of clearing department immediately

informs it to the head of the customer service or he tries to connect the account holder. If the account holder does not deposit the required balance immediately, the cheque is dishonored. Finally the authorized officer gives all the entry of those cheques in inward clearing register. After giving the entries, a credit advice is sending to the local office of Prime Bank limited.

4.9.2 Process Of Outward Clearing:

For outward clearing cheques, the bearer of the cheques must have an account in Pallabi branch of Prime Bank Limited. After the submission of the cheques, authorized officer gives the entries in software, which is provided by Bangladesh bank. The name of the software is Nikash. After giving all the entries are printed and are enclosed with the cheques. Then all the cheques with the enclosed sheets are sent to the local office of Prime Bank Limited for the collection of money. The local office sends it to clearing house.

Send For Collection:

Customer deposits cheque, drafts, etc. for collection along with deposit slip. Instruments within the range of clearing are collected through local clearinghouse, but for outside the clearinghouse range are collected through OBC (Outward Bill Collection). Customer of Prime Bank Limited, Pallabi branch, Dhaka may deposit a cheque of Prime Bank Limited, Moulvibazar branch. For this purpose the collection bank, Prime Bank, Pallabi branch will do as follows:

- ❖ The cheque is first deposited with the help of a slip.
- ❖ The collecting bank gives a crossing with prime Bank, Pallabi branch. It indicates that the mentioned bank is the collecting bank.
- ❖ Entry for outward clearing register is given with clearing seal and giving the cheque a 'S' (subsidiary) seal.
- ❖ The cheque is then registered in Send for Collection register and a Send for Collection number is given.
- ❖ Endorsement is giving like payee's account will be credited on realization.



CHAPTER – 5

Customer Relationship Management



5.1 Relationship Marketing:

Relationship Marketing is the practice of building long term satisfying relations with key parties in order to retain their long-term preference and business. Smart marketers try to build up long-term trusting relationships with valued customers.

5.2 Importance of Customer Relationship Management:

Customer relationship indicates the effective customer service. A customer service assures that one thing. Customer satisfaction is the top priority. The reasons are:

- ❖ To know customers' attitude towards the bank.
- ❖ Understanding of what the customer really wants.
- ❖ Quickly providing answers to customers' inquiries and problems.
- ❖ Friendly and responsive behavior.
- ❖ Making personalized services available whenever possible.
- ❖ Giving customers the best value for their money.

5.3 Criteria of being a Customer Relationship Officer:

Customer Relationship Officer should be:

- ❖ Knowledgeable about the offered products' benefits.
- ❖ Knowledgeable to go through the balance sheets properly and analyzes that in a proper way.
- ❖ Updated about the banks policy.
- ❖ Showing courtesy, consideration, and concern in all of his dealings.
- ❖ Being honest, responsible and reliable.
- ❖ Well interpersonal skill.
- ❖ Productive.
- ❖ Convincing.
- ❖ Instant decision-making power.

5.4 Customer Relationship Officer should always remember:

- ❖ Customer is always right. If he is wrong then follow rule.
- ❖ A good customer is a good representative.
- ❖ Make the sense of satisfaction among the existing customer to retain the current profit and hunting new customers for further growth.
- ❖ A new customer creates 10 times higher costs than an existing customer.
- ❖ They have the duty to assist the customer, not to advice them.
- ❖ Serve proper information.

5.5 Guidelines to develop relationship with the customer:

- ❖ Knock door to door of the target customers with proper information about them and try to offer them the best solution.
- ❖ Try to provide more personalized services.
- ❖ Each Customer Relationship Officer should maintain 15 to 25 accounts according to the volume of the business.

- ❖ There should be some Customer Relationship Officers at each branch to provide personalized services.
- ❖ Customer Relationship Officer should get training to develop them for providing better services.
- ❖ Customer Relationship Officer should maintain database on each client to pursue him or her properly.
- ❖ Customer Relationship Officer should monitor the customers at the close distance and update the office about his or her position.
- ❖ Customer Relationship Officer should be innovative to find out the right technique to increase his adaptation.



CHAPTER – 6

Competitive Performance Analysis, Interpreting & Reporting Findings



6.1 Findings of Comparative Performance Analysis:

In every survey, it is essential to analyze the survey results and follow the findings as a guideline of development of the project. The survey results of competitive performance analysis is represented by tables and highlighted by graphical representation in percentage basis. Finding of each of the survey result is followed by a suggestion.

s

sample size

Table - 1
Respondent customer by type of account

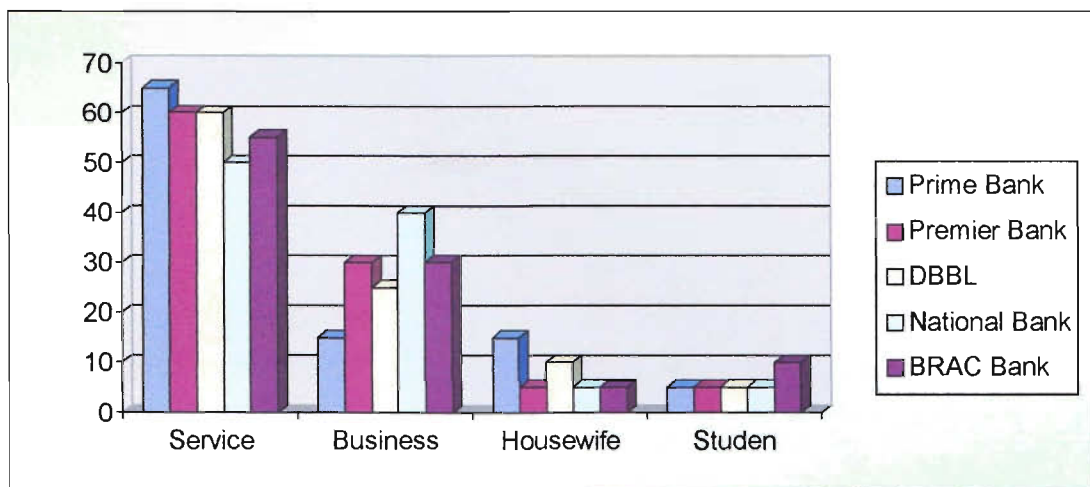
No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Current Account	7	9	6	7	8
2	Savings Account	13	11	14	13	12
		30	20	20	20	20



From the graph, it is seen that most of the respondent customers are savings account holder. On an average, 63% customers of the sample banks are savings account holder. The rests are current account holder.

Table - 2
Occupation of the Respondent Customers

No.	Occupation	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Service	13	12	12	10	11
2	Business	3	6	5	8	6
3	Housewife	3	1	2	1	1
4	Student	1	1	1	1	2
		(20)	20	20	20	20



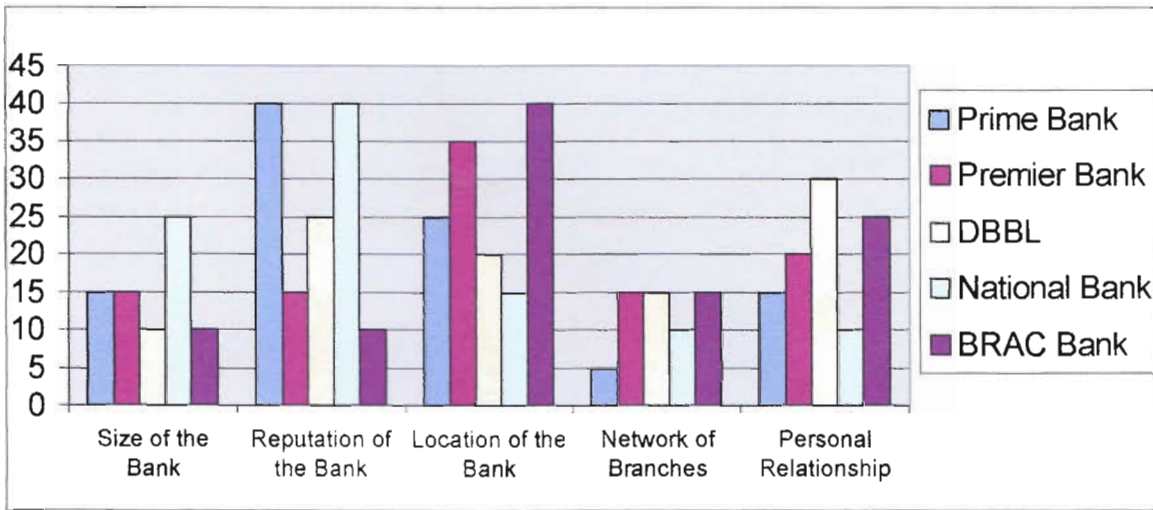
From the graph it is seen that the highest respondent customers of the sample banks are service holder. The second highest are businessman. And the least number of the respondent customers are student.



Table - 3
Reason for choosing the Bank³

No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Size of the Bank	3	3	2	5	2
2	Reputation of the Bank	8	3	5	8	2
3	Location of the Bank	5	7	4	3	8
4	Network of Branches	1	3	3	2	3
5	Personal Relationship	3	4	6	2	5

20 20

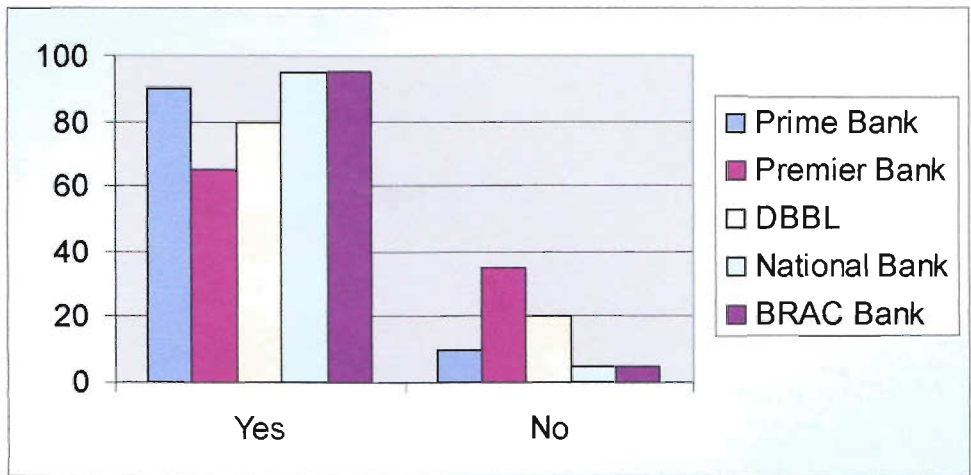


From the graph, it is seen that the highest number of the sample customers (40%) of Prime Bank Limited and National Bank Limited have chosen the bank for the reputation of the bank. On the other hand, 35% customers of Premier Bank Limited and 40% customers of BRAC Bank Limited have opened their account for the location of the bank. The rest of the clients have come for size of the bank, network of branches and personal relationship. But in case of each bank, the least number of the respondent customers have chosen the bank for the network of branches of the bank.

From the above analysis, we can see that reputation of the bank and location of the bank are the main priorities of the customers in choosing a bank. So, if the bank can increase its reputation and locate its branches in suitable places, it can attract more people to have an account with the bank. The banks should also be concerned about the network of branches since each of the banks have online facilities.

Table - 4
Satisfaction with the Branch Location

No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Yes	18	13	16	19	19
2	No	2	7	4	1	1

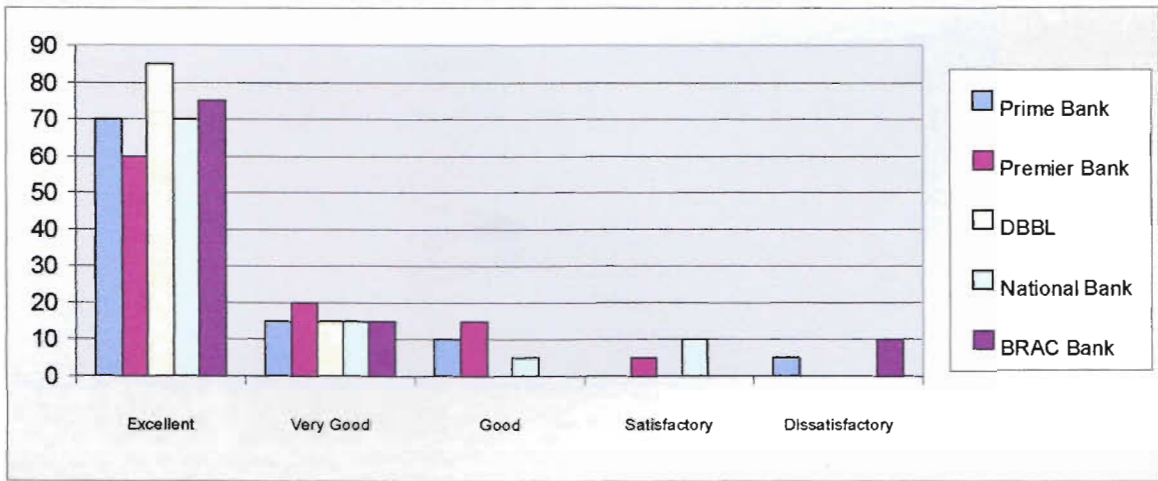


From the graph, it is seen that 95% of the respondent customers of National Bank Limited and BRAC Bank Limited are satisfied with the branch location. 90% customers of Prime Bank Limited and 80% customers of Dutch Bangla Bank Limited are satisfied with the location of the bank. But in case of Premier Bank Limited, only 65% customers are satisfied with the branch location.

From the above analysis, we can see that on an average very few people are dissatisfied with the branch location. But Premier Bank Limited should be more concerned about the location of its branches.

Table - 5
Formalities that the Bank asks for opening an account

No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Excellent	14	12	17	14	15
2	Very good	3	4	3	3	3
3	Good	2	3	0	1	0
4	Satisfactory	0	1	0	2	0
5	Dissatisfactory	1	0	0	0	2

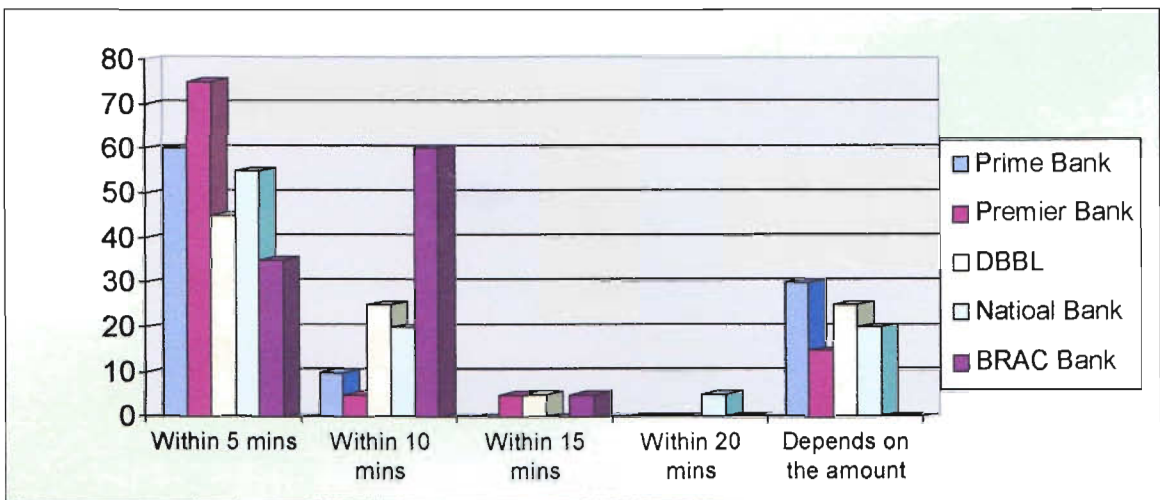


From the graph, it is seen that 85% of the respondent customers in Prime Bank Limited have graded the formalities that the bank asks for opening an account as excellent and very good. In DBBL, 100% customers are very much satisfied with the asked formalities and 85% of them said that it is excellent. The number of customers of other sample banks is also high who have graded the asked formalities as excellent or very good. Not a single respondent customer is dissatisfied with the asked formalities in case of Premier bank, DBBL and National Bank. But in Prime Bank, 5% customers and in BRAC Bank, 10% customers are dissatisfied with the asked formalities. The main reason for not choosing the formalities might be the strictness.

Since a person becomes a customer of a bank by opening an account with the bank, a bank should be very much cautious about asking formalities for opening an account so that the strictness of formalities for safety purpose does not discourage any person from opening an account with the bank.

Table - 6
Time it takes to give payment against a cheque

No	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Within 5 minutes	12	15	9	11	7
2	Within 10 minutes	2	1	5	4	12
3	Within 15 minutes	0	1	1	0	1
4	Within 20 minutes	0	0	0	1	0
5	Depends on the amount	6	3	5	4	0



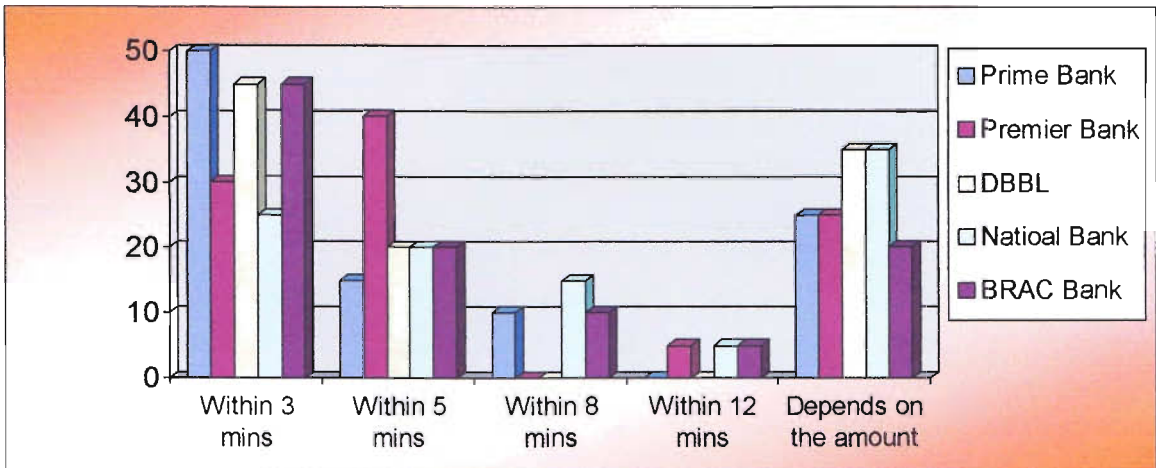
From the graph, it is seen that 75% customers in Premier Bank Limited are very much satisfied with the time it takes to give payment against a cheque because it takes only 5 minutes to give a payment. And 15% think that it depends on the amount. So, maximum customers in Premier Bank Limited are satisfied with this formality. On the other hand, though 95% customers of BRAC Bank Limited said that the payments are made within 10 minutes, only 35% of them said that payments are made within 5 minutes. In Prime Bank Limited, 60% customers said that payments are made within 5 minutes and 30% think that it depends on the amount. Again, In National Bank Limited, 55% customers said that payments are made within 5 minutes and 20% think that it depends on the amount. So, the customers of Prime Bank and National Bank are also more or less

satisfied with the time. But the customers of Dutch Bangla Bank Limited said that the payments are not prompt since only 45% payments are made within 5 minutes.

From the above analysis, it is found that the position of Premier Bank Limited is the best in making payment against a cheque. But the management of Dutch Bangla Bank Limited and BRAC Bank Limited should analyze this matter and take necessary action to make prompt payments of the cheques.

Table - 7
Time it takes for depositing money

No	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Within 3 minutes	10	6	9	5	9
2	Within 5 minutes	3	8	4	4	4
3	Within 8 minutes	2	0	0	3	2
4	Within 12 minutes	0	1	0	1	1
5	Depends on the amount	5	5	7	7	4

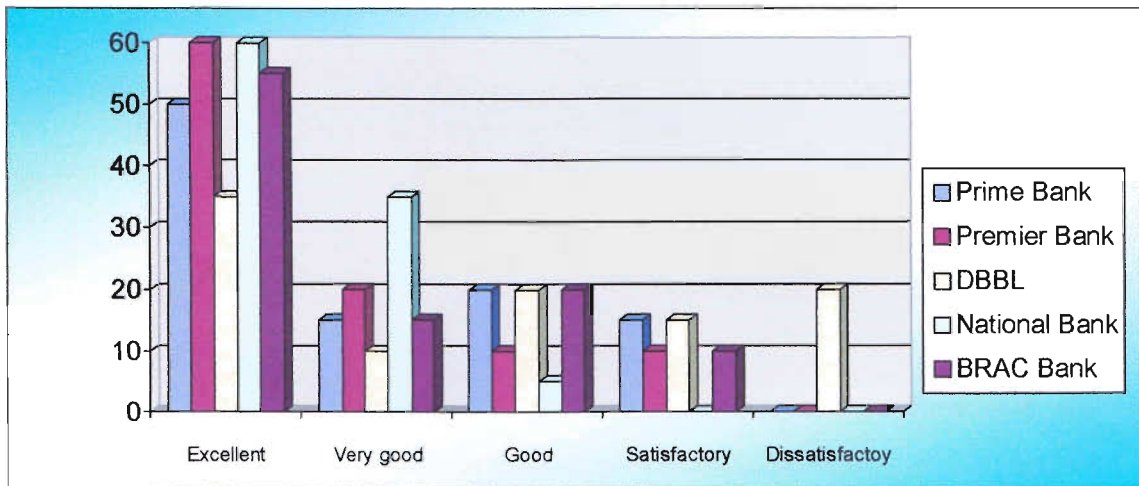


From the graph, it is seen that in Dutch Bangla Bank Limited and BRAC Bank Limited, 45% customers can deposit money within 3 minutes and 65% customers can deposit money within 5 minutes. 35% customers of Dutch Bangla Bank Limited think that it depends on the amount. In Prime Bank Limited, 50% customers can deposit money within 3 minutes and 25% customers think that it depends on the amount. In National Bank, only 25% customers can deposit money within 3 minutes.

From the above analysis, it is found that the position of Prime Bank Limited is the best in the time taken for depositing money. The position of National Bank Limited is the worst and hence the management of National Bank Limited should analyze this matter carefully and take necessary action to shorten the time for depositing money. Premier Bank Limited should also be very much concerned about this matter.

Table - 8
Satisfaction in the case of Interest Rate

No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Excellent	10	12	7	12	11
2	Very good	3	4	2	7	3
3	Good	4	2	4	1	4
4	Satisfactory	3	2	3	0	2
5	Dissatisfactory	0	0	4	0	0

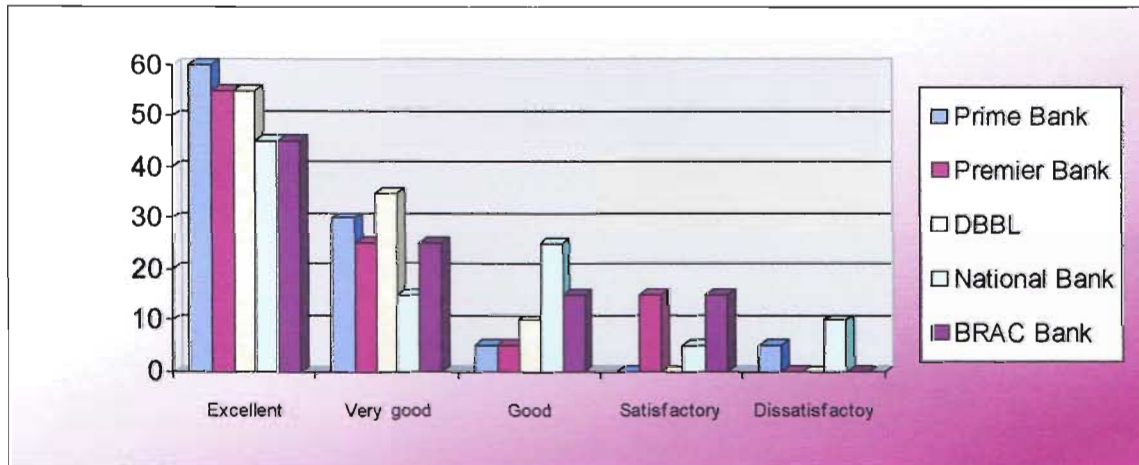


From the graph, it is seen that 95% of the respondent customers in National Bank Limited have graded the interest rate as excellent and very good. So the customers in National Bank Limited are very much satisfied with the interest rate they receive against their accounts. In Premier Bank Limited, 60% customers have graded the interest rate as excellent and 20% graded as very good. In Dutch Bangla Bank Limited only, 20% of the respondent customers are dissatisfied with the interest rate.

From the above analysis, it is found that the customers of National Bank Limited are most satisfied with the interest rate received. On the other hand, the position of Dutch Bangla Bank Limited is the worst and hence it should think carefully about restructuring its interest rate.

Table - 9
Satisfaction in the case of Yearly Charge

No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Excellent	12	11	11	9	9
2	Very good	6	5	7	3	5
3	Good	1	1	2	5	3
4	Satisfactory	0	3	0	1	3
5	Dissatisfactory	1	0	0	2	0



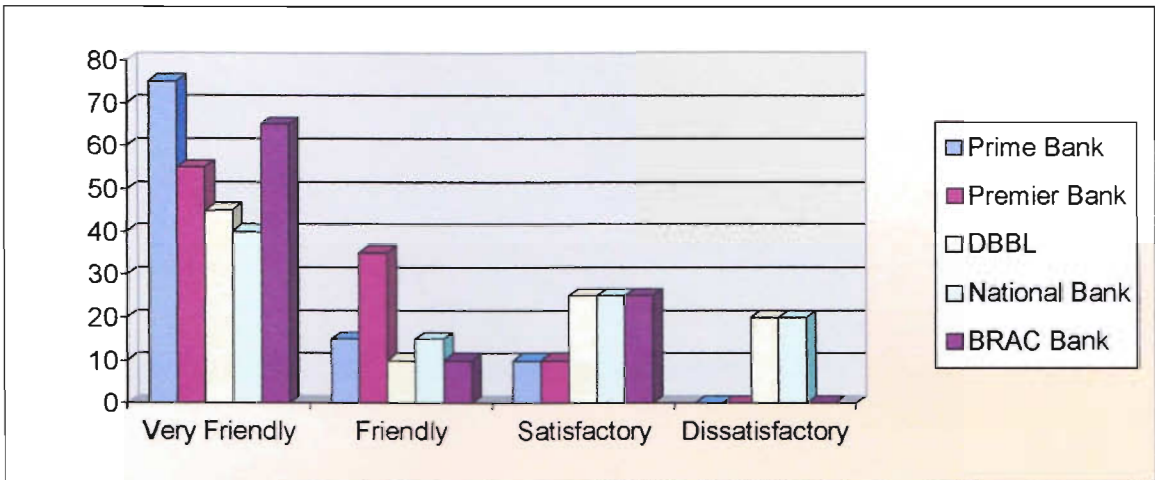
From the graph we can see that 60% of the respondent customers in Prime Bank Limited have graded the yearly charge of the bank as excellent and another 30% customers have graded it as very good. But 5% respondent customers in Prime Bank Limited have graded the yearly charge of the bank as dissatisfactory. In Premier Bank and Dutch Bangla Bank, 55% respondent customers have graded the yearly charge of the bank as excellent and none has graded this as dissatisfactory. On the other hand, although 45% respondent customers in National Bank Limited have graded the yearly charge of the bank as excellent, 10% customers in Prime Bank Limited have graded this as dissatisfactory.

From the above analysis, it is found that the customers of Dutch Bangla Bank Limited are very satisfied with the yearly charge since 100% customers have graded this as excellent,

very good or good. So, its position is on the top in satisfying the customer about the yearly charge. The position of National Bank Limited is the worst in this regard. The management of National Bank Ltd. Should think about this matter and try to minimize the yearly charge. Prime Bank Ltd. should also be concerned about the yearly charge.

Table - 10
About the Behavior of the Employees

No.	Occupation	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Very Friendly	15	11	9	8	13
2	Friendly ✓	3	7	2	3	2
3	Satisfactory ✓	2	2	5	5	5
4	Dissatisfactory	0	0	4	4	0



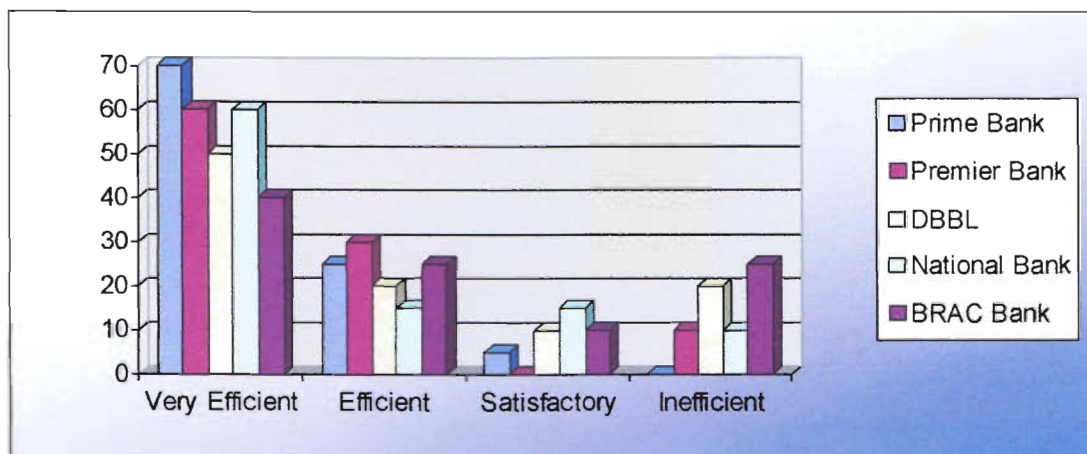
The graph represents that in Prime Bank Ltd. 75% customers have remarked the behavior of the employees is very friendly and none has graded the behavior of the employees as dissatisfactory. In Premier Bank 90% customers have remarked that the employees' behavior is very friendly or friendly and in BRAC Bank Ltd. 75% customers have remarked the same. No customer in PBL, Premier and BRAC Bank has graded the employees' behavior as dissatisfactory. But 20% customers in DBBL and National Bank Ltd. have graded the employees' behavior as dissatisfactory.

From the analysis it is clear that the employees, of Prime Bank Ltd. are quite successful in satisfying the customers with their behavior. Premier Bank is in the 2nd position. The

employees of DBBL and NBL are in the worst position in this regard. The management of these two banks should take immediate measures to train their employees in organizational behavior so that they can satisfy the customers with their behavior.

Table - 11
About the Efficiency of the Employees

No.	Occupation	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Very Efficient	14	12	10	12	8
2	Efficient	5	6	4	3	5
3	Satisfactory	1	0	2	3	2
4	Inefficient	0	2	4	2	5



The graph represents that 75% customer in Prime Bank Ltd. have said that the employees are very efficient and another 25% customers have said that the employees are efficient. On the other hand, 90% customer of Premier Bank and 75% customer of NBL have said that the employees are very efficient or efficient. Only 40% customers of BRAC Bank Ltd. have said that the employees are efficient. Not a single respondent customer of PBL has said that the employees are inefficient. The % of customers who remarked that the employees are inefficient in Premier, NBL, and BRAC Bank Limited is 10%, 20%, 10% and 25% respectively.

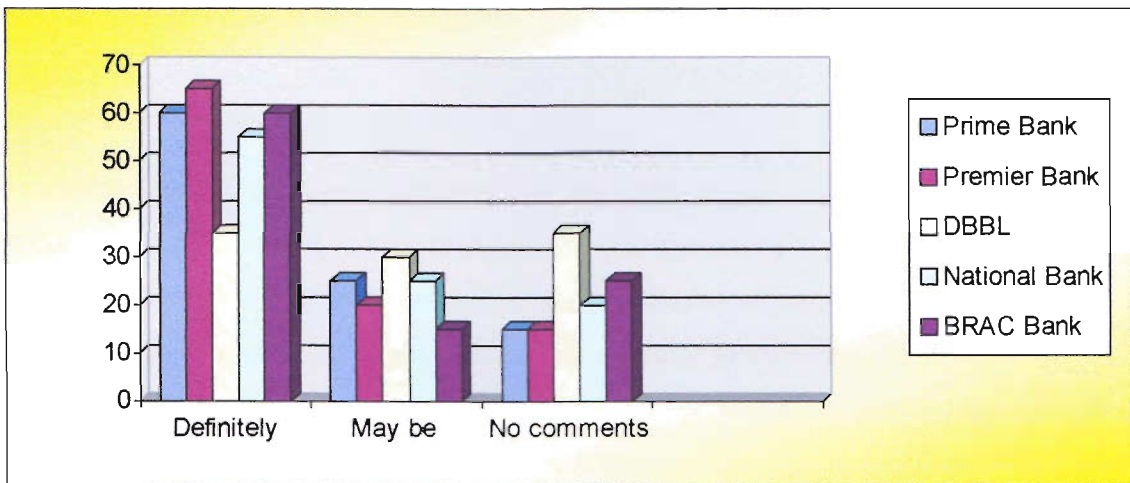
From the analysis we can say that the efficiency level of the employees of PBL is the highest among the sample banks. Premier Bank is in the second position and BRAC Bank

is in the worst position. The management of BRAC Bank and DBBL should take necessary steps to improve the efficiency level of their employees. The management of NBL should also be concerned about this matter.

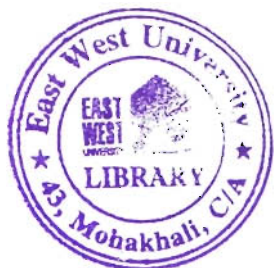
Table - 12

Encouraging any other person to have an account with the Bank

No.	Types	No. of Respondents				
		Prime Bank	Premier Bank	DBBL	National Bank	BRAC Bank
1	Definitely	12	13	7	11	12
2	May be	5	4	6	5	3
3	No comments	3	3	7	4	5



From the graph, it is seen that in Premier Bank Limited 65% customers will definitely suggest and another 20% may suggest other persons to have an account with Premier Bank Limited. Again 60% customers of PBL and BRAC Bank Limited will definitely suggest other persons to have an account with the bank. Only 35% customers of DBBL will definitely suggest other persons to have an account with the bank. On the other hand, on an average 22% customers of the sample banks have made no comments about this.



6.2 Areas of Dissatisfaction:

6.2.1 Pay Order:

Most of the customers who come to issue pay orders are very much dissatisfied with the time it takes for issuing pay orders by the bank. They always express their anger by their rude behavior with the employees or at least show their anxieties about the time taken by the employees for issuing pay orders. Many of them remarks that the bank makes unnecessary formalities for issuing a pay order which kills their valuable time. Again most of the time the customers have to wait for a long time because there are some other people who came earlier and waiting for receiving a Pay Order. This makes the customers most dissatisfied since it takes more time to issue a pay order. On the other hand some customers remarked that the pay order charge should be minimized.

6.2.2 Online Transaction:

One of the most advantageous services that the banks provide to their valued customers is online transaction facility. With online facility, a customer can do any transaction at any branch of the bank. But this Online Transaction facility sometimes becomes a matter of dissatisfaction for the customers. Sometimes problem in the server connection of online facility is created and it makes the employees unable to encash the customers' cheque. So, the customers have to wait for completing their transaction. Sometimes it takes a long time to make the server fit again. This kills the valuable times of the customers on one hand, and creates a lot of sufferings for those customers who have argent need for money on the other hand. So, the customers become very much dissatisfied if the server does not work properly.

6.2.3 Delay In Getting Services:

Sometimes the customers do not get the right services in the right time or within their expected time. These also make them angry. They shouted saying that they are giving

charge for the services, so why they won't get the service within reasonable time or the management of the bank is not at all concern about the customer satisfaction. Most often these situations are created when one or more employees of the customer service department is absent, or go to the washroom, for prayer, for lunch and so on. This problem creates mainly because the customers are not patient or are not willing to understand the real situation.

6.3 Suggestions for improving customer satisfaction by the customers:

The respondent customers were asked with an open-ended question to state their comments/ suggestions with the banks services. Most of the customers stated more than one reason. Some of these are:

- ❖ Evening Banking should be introduced at every branch of the bank. Those respondent customers who are service holders mainly make this comment.
- ❖ The strict formalities for opening an account should be loosed; especially the formality that 'An introducer is a must' should be deducted from the requirements for opening an account.
- ❖ The employees should be more polite in their behavior.
- ❖ The number of employees should be increased.
- ❖ The interest rate should be increased.
- ❖ The bank should employ a receptionist who will help the customers with necessary information.



CHAPTER – 7

Suggestions



7.1 Problems:

The respondent Bank employees face the following Problems in rendering customer services:

- ❖ Some customers do not understand form.
- ❖ Refusing to provide introducer or photo for opening accounts.
- ❖ Cheques, deposit slips are not to be written properly.
- ❖ Some customers are not interested or not able to write D.O., TT, pay order voucher.
- ❖ Misbehavior by some customers.
- ❖ Lack of education and of adequate knowledge of general banking, people in our country are not interested in involving Bank activities.
- ❖ Not adequate knowledge for the development of a decent Banking culture in the country.

7.2 Suggestions for solution:

- ❖ Bank employees should be more diplomatic for acquiring information of the customers.
- ❖ A bank employee requires more patients for the misbehavior of customer.
- ❖ Making correspondence and good behavior with the customers.
- ❖ Call center can be established for receiving complains and suggestions.
- ❖ The charge of PO, DO, TT etc can be exempted in the case of PBL customers.
- ❖ Evening Banking facility can be introduced at every branch.
- ❖ PBL can join to the western union money transfer. As a result, Money transfer from anywhere in the World to Bangladesh will be safer and faster.
- ❖ Training programs should be undertaken to develop the interpersonal dealings of Bank employees.
- ❖ It is noted that "delay in service" is one of the problems faced by Bank customers. Attempts should be made to strengthen the banking procedure.
- ❖ The management should always be concerned about the types of services suggested by the customers to be rendered by the bank.
- ❖ Moreover, the management should ensure that all the activities of the bank comply with the bank's vision, mission and objective.



CHAPTER – 8

Conclusion



Customer service performs the core functions of the bank, operated the day-to-day transactions, all the functions of other department is linked with customer service. This is very difficult to satisfy a customer in banking sector because the customers usually make judgment about the quality of services depending on how much satisfaction they are getting from the customer services and the way of judgment varies from customer to customer. Therefore, the customer service providers should be concerned in giving their best effort to satisfy the need of each individual customer.

Prime Bank Limited started its journey in 1995 with the firm commitment of excellent customer service with a difference. Now, it has established itself as one of the leading and strongest of private sector Bangladeshi banks having remarkable progress in all areas of operation despite challenging environment. Credit Rating Information and Services Limited (CRISL) rated Prime Bank as A+ considering its good profitability, best asset quality and diversified product line.

After comparing the interviews, it has seen that the customers are more or less satisfied with the overall services of customer service and the behavior of employees. They also have some complains which make them unsatisfied in some cases. From the survey I have noticed that the customers prefer prompt service, Online Banking services, want to avoid more formalities for issuing P.O, opening account etc. So Prime Bank Limited should try heart & soul to please those customers in a smart and trusting way.

I have also noticed that Prime Bank Limited has a better position for providing Customer Services comparing with other private sector Banks. The bank redesigning its customer service program and related activities are continuously being developed, reviewed and implemented with the objective of providing excellent service to their customers. There is a word in business sector "A company must diminish from the market when it ceases to serve its customer." Therefore, it is necessary to provide quality of services to make customers satisfied. Only by satisfying the customers competently, a bank can achieve its goal successfully.

- ❑ *Prospectus of Prime Bank Limited*
- ❑ *Printings & Brochures of Prime Bank Limited*
- ❑ *Statement of affairs, Pallabi Branch, Prime Bank Limited*
- ❑ *Annual Report of Prime Bank Limited (2007)*
- ❑ *Website: www.prime_bank.com*

