

Internship Report

On

“Comparative Analysis of Debt Management Performance of The City Bank Limited”





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Letter of transmittal

20th September, 2018

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Subject: Submission the internship report on **“Comparative Analysis of Debt Management Performance of the City Bank Limited”**

Dear Sir,

It is my great pleasure to submit the report on “Comparative Analysis of Debt Management Performance of the City Bank Limited”.

Throughout the study I have tried with the best of my capacity to accommodate as much as information and relevant issues as possible and tried to follow the instruction as you have suggested. I sincerely believe that it will satisfy your requirements and will serve the purpose of my report.

I am grateful for your guidance and kind cooperation at every step of my endeavor of this report. I shall remain deeply grateful if you kindly go through my report and evaluate my performance.

Sincerely Yours,

Raufun Naher



Acknowledgement

At first, I would like to express my gratitude to the almighty for enabling us the strength and opportunity to complete the report in the scheduled time successfully.

The internship program is very helpful to bridge the gap between the theoretical knowledge and real life experience as part of Bachelor of Business Administration (BBA) program. This internship report has been designed to have a practical experience through the theoretical understanding.

It is my privilege that I had the opportunity to do internship in The City Bank Limited. I would like to thank all the people on whom I carry out my internship.

I express my deep gratefulness to all employees of CBL for cooperated to collect various requirement supports from various sources & help me to complete this internship report.

Executive Summary

The report is based on the Comparative Analysis of Debt Management Performance of the City Bank Limited.

Internship program is the pre- requisite for the graduation in BBA. Classroom discussion alone cannot make a student perfect in handling the real business situation; therefore it is an opportunity for the students to know about the real life situation through this program. A report has to be built for the university and organization requirement. The topic of the report is Comparative Analysis of Debt Management Performance of the City Bank Limited. The main purpose of the report becomes very clear from the topic of the report. The report discusses about the general activities of CBL bank, collection procedure and activities of debt management loan and interest rate of different bank.

The report contains five chapters. In **chapter one** consists of introduction, origins, and objectives, scopes of the report, methodology and limitation of the report. The main objectives of the report are identifying the collection procedure and activities and overall last financial years. In **chapter two** describes the profile, history of CBL, vision, mission, values, organogram, highlights performance over the 5 years, SWOT analysis of the City Bank Limited. In **chapter three** focuses on Debt Management procedure activities which are undertaken in Retail Finance Center and various types of loan. In **chapter four** focuses on the general activities of CBL and compare the performance with 9 listed companies. It includes liabilities, classified loans, WC ratio, Net Interest Revenue, deposits and CFs from inverting activities. In **chapter five** discussed recommendations, suggestions for further actions and conclusion.

Some suggestions are CBL should take necessary steps to increase its liquid asset to maintain its profit margin. City Bank Limited should charge competitive interest rate. Every employees of the CBL should train up and skilled in respective part. Through they use very popular “Finacle Software”, it becomes quite difficult to operate for the employees.

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Chapter One

Introduction

1.1 Introduction of the Study

The aim of the internship is to gather practical knowledge compare with the theoretical knowledge. It is the sequential recording and analysis of data collection and it is also the pre-guideline for the graduation in BBA. Globalization and consolidation are making great impact in third world economic countries like Bangladesh .As a result competition in multinational and other industries are increasing gradually. Our country is gearing up in order to face the upcoming challenges both locally and internationally. There is a parallel relationship between the money and banking. Bank is an important and essential financial institution for the necessity of the use of money and the protection of the money.

1.2 Objectives of the Study

The objective of the study is to gain the relationship between theoretical and practical learning and the real life situation of City Bank in operating Collection Team. The various concepts, which I have learnt from different courses during my BBA program implement in the practical life. The other following studies are—

- i. To study the function of general banking of CBL
- ii. To analyze the performance of the branch of CBL
- iii. To find out the problems in general banking of CBL
- iv. To detail about the “Loan Facilities” & “Loan Operation System” of CBL

1.3 Methodology of the Study

To make the report more meaningful and presentable I have taken 2 sources while preparing report. I have emphasized on the practical observation. The details of these sources are gives below

a) Primary Sources

Primary sources include interviews and conversation with officers and executives of the bank in different divisions and departments.

b) Secondary Source

Secondary sources are include--

- “Annual Report of 2017” of the City Bank Limited.
- Information about delinquency data of MIS department.
- Various circulars of the collection department, articles, compilations etc.

1.4 Scope of the Study

A banking institution is a necessary part in the modern society. It plays an important role in the economic development of a country and the money market of the advanced country. Now, the banking sector has been change due to innovation, technology and globalization all over the world.

1.5 Limitation of the study

There were certain limitations while conducting the study. These are summarized below:

- i. Time is the first limitation as the duration of the program was of three months.
- ii. Sufficient records, publications were not available as per my requirement.
- iii. Supply of more practical and contemporary data is another shortcoming.
- iv. The study was not done very successfully.
- v. Every organization has its own secrecy that is not revealed to someone outside the organization.

Chapter Two

An Overview of the “City Bank Limited”

2.1 Profile of City Bank Limited

The City Bank Limited is a financial institution which provides banking service in Bangladesh. It is one of the ancient commercial private banks in our country which started journey 35 years ago. The bank primarily leads in Bangladesh where the head office in Dhaka at Gulshan 2 then the rapidly economic growth of the country, Bank commitment to increase branch in Dhaka City as well as outside of Dhaka. This Banking services are included customer request letter according to customer need, personal and business banking activities, ATM cards, credit cards, western union, DPS, FDR, instant packing, master card city touch online banking, local or international VISA card, sanchoipotro, American express, investment banking, corporate banking. Today, the City Bank Limited is engaged to develop trade ideas, dynamic approach, innovative observation, unique features, creative credit policy and efficient management. The main purpose of CBL is bringing convenience to banking, access, speed, trust, collaboration, career advancement opportunity to banking.

2.2 History of City Bank Limited

In the background of economic and financial reconstruct, a group number of successful thirteen remarkable entrepreneurship and the most politicians leading businessman in Bangladesh with a centralized infrastructure perceived an idea of commercial bank with a different point of view. The Bank was more perfect, competence, smooth transaction, sequence, consistent, attribute and reliable service provide only for them. The bank was build up on 27th March 1983 under the banking license issued by Bangladesh Bank to operate banking service. The CBL was registered under the “Companies Act 1994” & “Banking Companies Act 1991”. The bank mainly focuses on anticipating and understanding of client or customer needs. The bank has long term highly professional skills and experience in banking service. This Bank was starting noble intention due to bring about the qualitative changes in the glove of “Banking and Financial Management”. The CBL has already obtained national and international recognition for significant performance. The City Bank Limited acquired the “**TOP TEN COMPANY**” award from the prime minister of the People’s Republic of Bangladesh.

The City Bank Limited service involves widely diversified areas like trade, commerce, industry which customized according to the customer's specific needs. These banks are extensive famous by an exceptional level of prompt and personal attention. Each of the years, it expands its latest services according to consumer-clients perceptions. The rapidly spread and ever growing domestic network provides various products and services. The bank split business operation from the mother branch into 5 units, which are.....

1	Business Units
2	Branch Banking
3	Risk Unit
4	Operations Unit
5	Support Unit

Now, the City Bank Limited have 120 branches across the world which includes 99 online banking branch, 1 full-fledged Islamic banking branch, 1 SME service center and 11 Agri branches spread over the country and almost 300 correspondences covering all the major cities and business center of the world.

The chairman of the CBL is Mohammed Shoeb who is the industrialist, pioneer personality & entrepreneur of private sector's Bank in Bangladesh, the vice chairperson of the CBL is Tabassum Kaiser and managing director is Rubel Aziz, also a former chairperson of CBL.

In November 2009, The CBL has launched "American Express Credit Card" and "American Express Gold Credit card". This card has lot of facilities and always give shopping discount, restaurant discount, buy 1 get 1 free in movie ticket, airline ticket, installment payment & downpayment when purchase any electric products and furniture. The CBL bank offers all kind of retail banking, corporate banking, customer banking, real estate, software and other sector. According to company reputation and previous year's analysis the CBL bank made satisfaction progress of business operation in all areas. The bank managed to further expand in core business, retail and SMS banking.

2.3 Capital and Reserves of City Bank Limited

The bank operates their journey with the Authorized capital of 1.75 Billion (BDT) now it reached at the point of 15 billion (BDT). The current paid up capital is 9.21 Billion (BDT). The director of the sponsors enter journey with the net worth of tk. 3.4 corer, today it becomes the 2311.78 corer as reserve capital.

2.4 Vision of City Bank Limited

The Financial Supermarket with a Winning Culture Offering Enjoyable Experiences

2.5 Mission of City Bank Limited

- Offer wide array of products and services that differentiate and excite all customer segments
- Be the Employer of choice by offering an environment where people excel and leaders are created
- Continuously challenge processes and platforms to enhance effectiveness and efficiency
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service
- Ensure respect for community, good governance and compliance in everything we do

2.6 Title of the City Bank Limited

- ❖ Making Sense of the Money

2.7 Values of City Bank Limited

- Result Driven
- Accountable & Transparent
- Courageous & Respectful
- Engaged & Inspired
- Focused on Customer Delight

2.7 Management of the City Bank Limited

The bank has management combined of highly skilled and prominent bankers of varied expertise and successful members. The Managing Director Mr. Rubel Aziz, a dynamic banker and The CEO Sohail R. K. Hussain hard working and progress makes it honest and perfect growth of the overall institution. The Board of Management (BOM), a single unit of operation for each branch, operates and look after the daily performance and verify the cash balance register, chequebook delivery and transferred, card issue, loan file and all other works related with service operation.

2.8 Products & Services of City Bank Limited

The City Bank Limited provides a broad range of financial services of customers and corporate clients. The products and services of CBL offers are.....

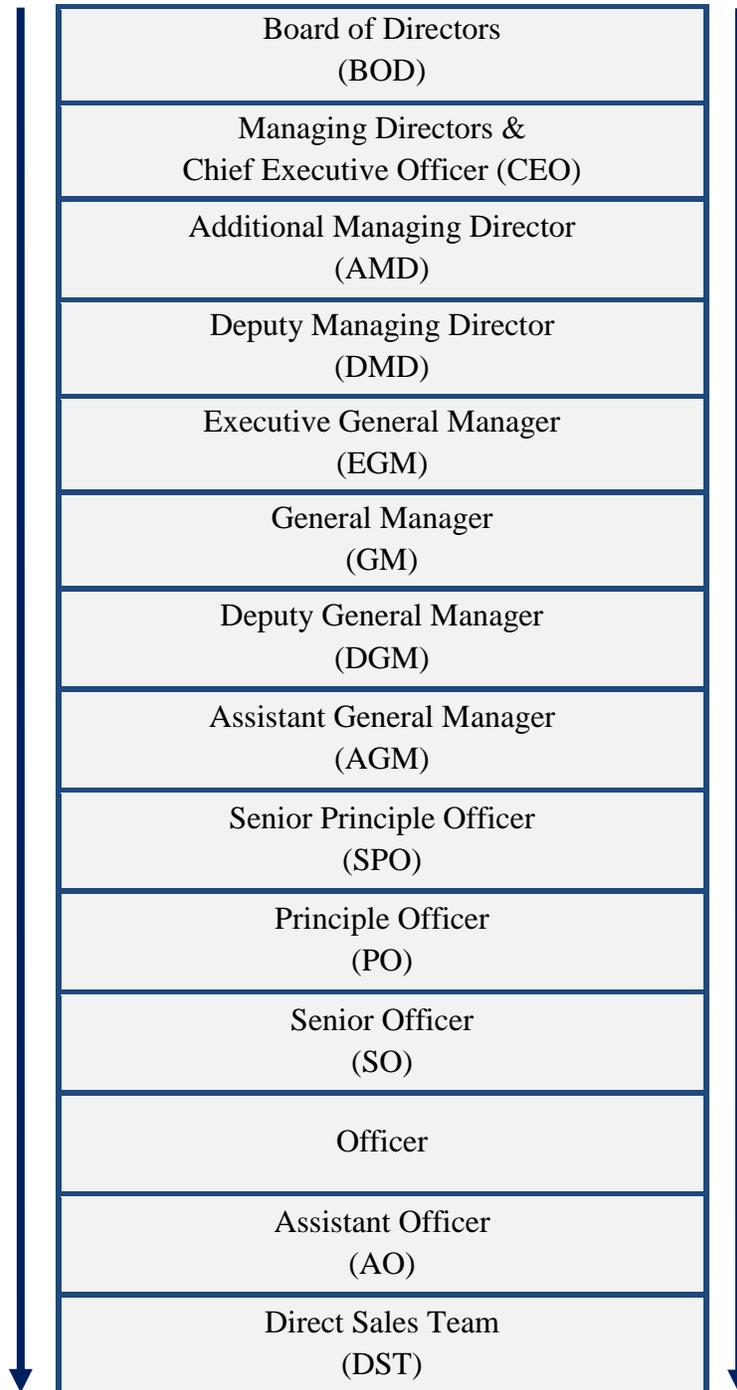
SI	Name	Particulars
1	Savings Account (SB)	<ul style="list-style-type: none"> • Personal Account Opening Form • Individual Information • Transaction profile (TP) • Most Important Documents (MID) • Cheque Requisition • City touch
2	Current Account (CD)	<ul style="list-style-type: none"> • Non-Personal Account Opening Form • Individual Information (No of partners or Soleproperties) • Transaction profile • Cheque Requisition • Nominee Assignment • Specimen Signature Card (SSCard)
3	Manarah Account/ Islamic Banking	<ul style="list-style-type: none"> • City Manarah Opening Form • City Manarah Individual Form • City Manarah Transaction Profile • Manarah Cheque Requisition • Most Important Documents (MID)

4	Deposit Account	<ul style="list-style-type: none"> • Short Term Deposit • Fixed Deposit • Savings Deposit • Foreign Currency Deposit Account • Resident Foreign Currency Deposit Account (RFCD) • NON-Resident Foreign Currency Deposit Account (NFCD)
5	Deposit Schemes	<ul style="list-style-type: none"> • Time Deposit Scheme • Monthly Deposit Scheme • Consumer Credit Scheme • Earning Plus • Double schemes
6	Investment banking	<ul style="list-style-type: none"> • Import Finance • Export Finance • Working Capital Finance • Underwriting and Bridge Financing
7	Card Service	<ul style="list-style-type: none"> • Visa/Debit Card • Citymax Card • Master Card • Agora Credit Card • American Express Credit Card (AMEX) • American Express Gold Credit Card
8	Computer Service	<ul style="list-style-type: none"> • SMS Banking Service • Online Banking • Integrated system • Instant Top up • I-Banking • Money Transfer • E-Statement •

9	Loans Service	<ul style="list-style-type: none"> • Personal loans • Home Loans • Cars Loans • Secured & Unsecured Loans • Mortgage Loans
10	Customer Request Letter	<ul style="list-style-type: none"> • General Request • Authorization Letter • Contact Information Change • Payment Order • Dormant Account Reaction • I-banking • Signature Change • Savings Account Closure • FDR/DPS Encashment Closure

2.10 Corporate Information Structure at a Glance of City Bank Limited

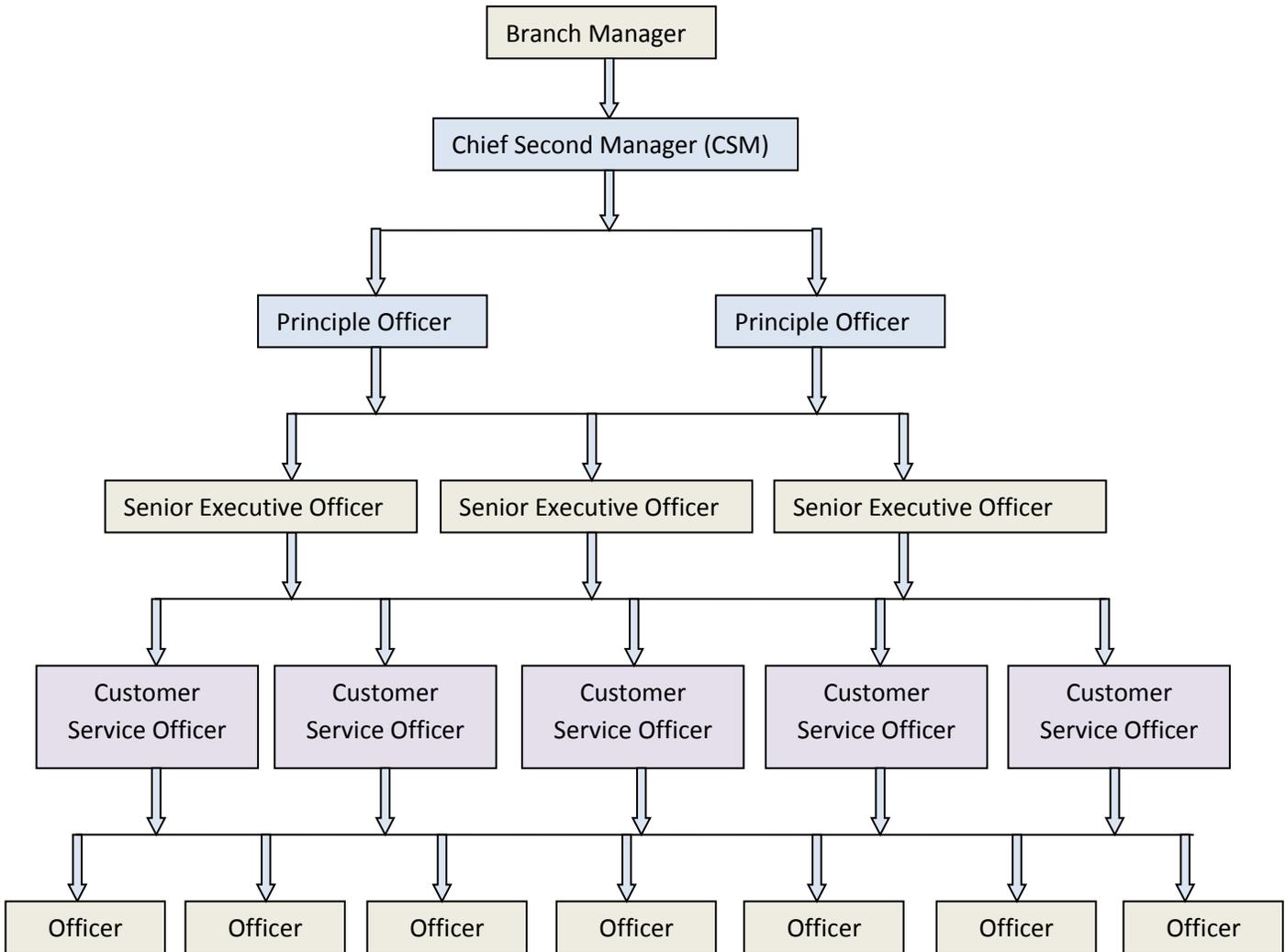
Fig 01: Corporate Information Structure



Source: Branch Index, City Bank Limited

2.11 Organogram of City Bank Limited

Fig-02: Organogram of CBL



Source: Official Documents of CBL

2.12 SWOT Analysis of the City Bank Limited

SWOT analysis is an important part to know about the organizations current situation of Strengths, Weakness, Opportunity and Threats. SWOT analysis also helps the company to measure its weakness and try to convert it into challenge as well as competitions so that the organization can gain to competitive advantage from similar institutions actually they offer. The CBL SWOT analyses are given below.....

A. Strengths of the CBL:

- i. Empowered workforce-** The human resource management of City Bank Limited is extremely high and perfectly managed. The top management noticed that, if the employees are become motivated they can satisfy the customer and ultimately it brings the golden successful of the organization. This empowered environment makes CBL to take a better place for the employees.
- ii. Strong corporate identifies-** City Bank Limited is provide the financial service in nationwide. With this strong corporate icon took place in customer minds. This icon has helped the CBL to capture the banking sector in top position very rapidly.
- iii. Strong employee bonding-** Employees are one of the main resources for each of the company. The employees of CBL have a strong bonding with each other and have a powerful sense of commitment as well belonging.
- iv. High qualified expertise & enterprising workforce-** The CBL try to avoid the problem of garbage in and garbage out due to reduce the customer harassment. The selection and requirement steps CBL emphasizes to the skilled graduated, post graduated & the person who have experience before.
- v. Friendly environment and co-operative-** In City Bank Limited, there is no executive dining room. All of the executives and officers sit down at a table in its cafeteria and gossip with each other. The members of the CBL can share their opinion at any time. All of them are feeling free. Another amazing thing is that if one person is missed or absent in the branch all of the Customer Service Officer Manager (CSOM) distributes the work and give the customer service smoothly.

B. Weakness of the CBL:

- i. Lack of strong marketing and advertisement-** City Bank Limited have no strong advertising through TV ads, Mass media, Banner beside the road place everywhere, PVC, viral role in awareness building. They don't arrange any campaign to promote their services offer.
- ii. Slow machinery exchange-** Some of the customers are busier they want to get service fast. The eclectic device cant processed for the long time like printer, photocopy machine, scan, MICR machine give wrong output some time, it waste customer as well as branch time, we everybody know that time is money.
- iii. Rush in cash service-** Some of the branches don't give token. Each of the have lot of transaction, deposit and cheque clearance. For a long period of time they wait, sometimes customer break sequence and other customer become angry. Another main problem is that each of the branches has target and must fulfill their target, the officer of the cash need customer for DPS or FDR so they try to communicate and marketing their service ultimately it causes late for the next person.

C. Opportunity of the CBL

- i. High demand of Cards, FDR, DPS and Loans-** The bank give some special features in cards like discount, guy one get one free and customer always do shopping by taking loan without any hidden charge by AMEX card. The FDR and DPS interest rate are became higher than other bank it focuses to the customer to deposit or fixed their money. Most of the time loan is necessary for business person as well as individual person to purchase house, car, and to meet some of the necessary crisis.
- ii. Large number of branches-** CBL has the 2nd position to operate the large number of branches. It has 120 branches in Bangladesh. From that 99 online banking branch, 1 Islamic banking branch, 1 SME service center and 11 Agri branches.
- iii. Countrywide network-** The CBL launches their products and service all over the world as well as foreign exchange branch. The ultimate goal of CBL is to expand their business and operation to the whole nations. Profitability is not the main concern; Main concern is that promoting their goodwill and captures the country by giving strong network and customer as well as employees satisfaction.

D. Threats of The CBL

- i. Lot of Competitors-** Day by day bank industries are increased. Any time corporate client or customer emphasizes other bank service.
- ii. Liquidity Crisis-** Overall liquidity crisis in the money market. In occasion time as well as financial times they can't manage fund to cross their limit.
- iii. State Law-** State law defers this bank in terms and conditions. They follow the Bangladesh Bank rules and regulations and everyday wait for the USD rate.
- iv. Target fulfillment-** The branches of the CBL have a large number of target. This target is randomly distributed to the CSOM, and the CSOM distributed this target to the DST group. They must reach the point of the target. If they miss continuously in 3 times they must quit the job.

2.13 Five Years Highlights Performance at a Glance of City Bank Limited

Financial Statement Historical Performance

Sl no	Particulars	2017	2016	2015	Figurer in BDT Million	
					2014	2013
1	Authorized Capital	15,000	15,000	15,000	10,000	10,000
2	Paid-up Capital	9,219	8,758	8,758	8,341	6951
3	Reserve fund	15,650	11,895	12,132	10,115	7,920
4	Deposits	183,493	174,695	143,729	118,727	107,497
5	Borrowing	37,906	37,695	22,082	16,944	7,904
6	Loans & Advances	196,596	175,025	143,088	116,621	89,879
7	Investment	25,508	24,432	24,615	28,710	26492
8	Fixed assets	3,277	3,437	3,516	3,444	3,155
9	Shareholder's Equity	24,869	20,653	20,890	18,456	14,870
10	Total Asset	275,531	254,776	210,221	172,566	143,817
11	Profit Before Tax	5,152	5,466	4,516	3,608	1,817
12	Profit After Tax	3,628	3,956	3,600	2,227	922
13	Risk Weighted Asset	202,210	177,812	156,330	147,629	139723
14	Export Business	96,593	86,657	63660	47,887	19,043
15	Import Business	164,588	100,749	79,402	65,374	61,909
16	Remittance	30,464	17,615	19,896	23,768	25,943
17	No of Branches	118	108	108	100	92
18	No CDM Machines	30	30	30	20	20
19	No of Priority Center	7	7	4	4	3
20	No of ATM's	339	309	276	239	210
21	No of Employees	3,230	2,986	2,716	2,535	2,647

Source: Annual Report of City Bank Limited, 2017.

Chapter Three

Debt Management Procedure of the

“City Bank Limited”

3.1 Debt Management of City Bank Limited

Debt Management (DM) is a formal agreement between the account holders and the creditors which tends to terms the outstanding debt. This debt basically refers to an individual fund procedure of person tending to focus on high customer exceptional debt. It helps to minimize the uncollateralized and outstanding debts to enable the account holder to recover the funds after a given period of time.

The City Bank limited offers a large number of customers loan according to the customer need. City Bank Limited has a loan control center. The City Bank Limited provides loan facilities in 2 categories...

- a) Retail banking loans
- b) SME banking loans

3.1.1 Retail Finance Loan Center

The Retail Finance Center (RFC) was launched in 2008 as a process of being centralized which refers to generate a wide range of secured and unsecured to the individual. RFC operates the loan for customer need. Before forming the RFC, the loan processing, count, collection and disbursement was done by the individual branch. Now the loan was process by the RFC the head office can get information immediately if shortage of fund in any branch. RFC process in 3 ways to get effective results which are given below...

1. RFC Credit Approval
2. RFC Operation
3. RFC Collection

RFC Credit Approval

The City Bank Limited consists of service center and sales, this loan application are collected from the DST (sales) groups then this application are sent to the credit approval department to formulate the loan.

RFC Operation

If the applications are qualified then the approval DST group sends to the operational department so that the operational departments disburse the loan.

RFC Collection

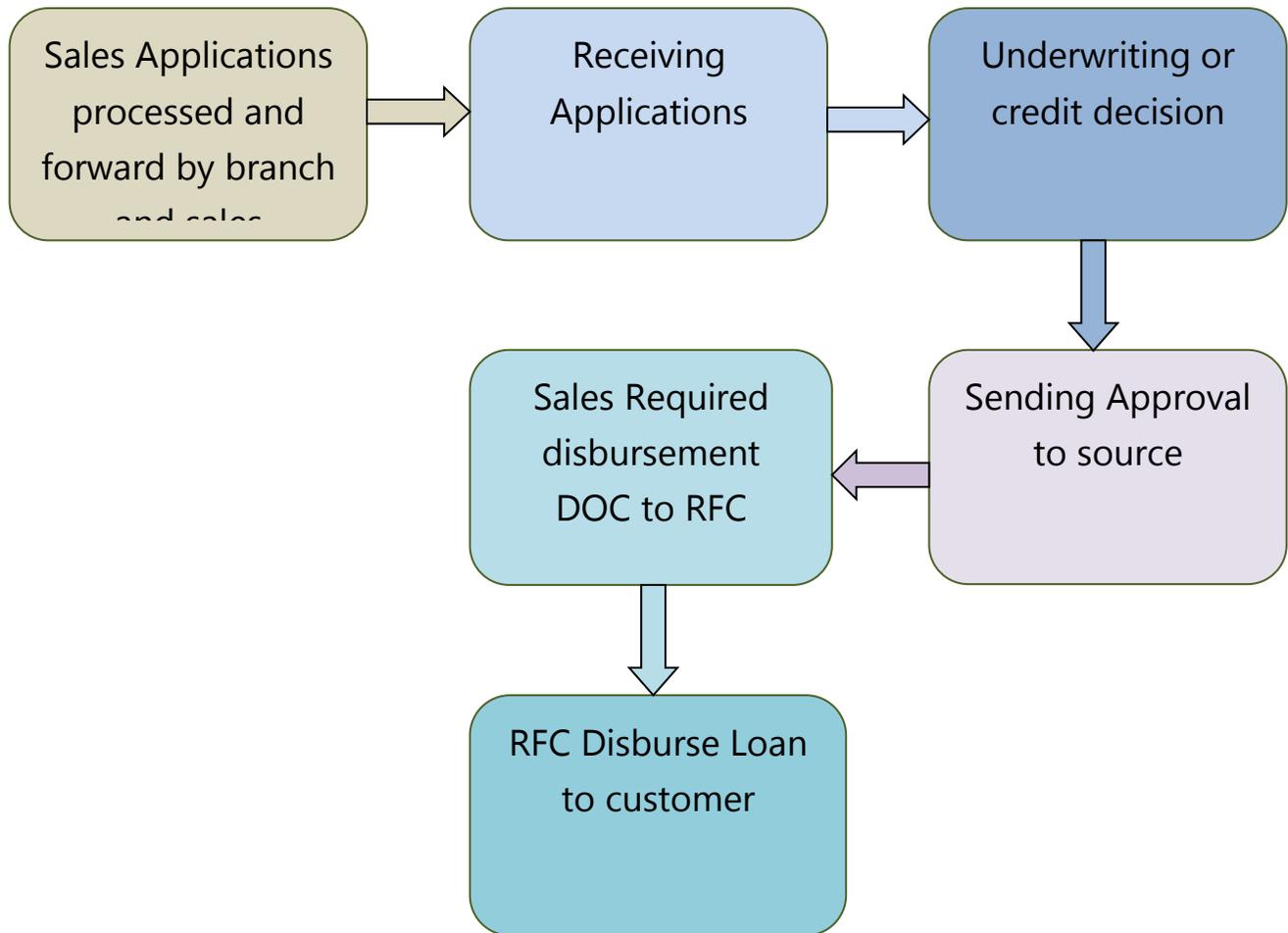
The collection department plays an important role to ensure the profitability of the required asset. Some individual takes loan to keep her asset or property as collateral, some takes loan without collateral. RFC also helps to find out the criminal effectively. The successful factors of RFC collection comprise of—

- Appropriate investment in collection system
- Efficient managed to collect operations
- Motivated people by giving remittance and right skills

3.1.2 SME Loans

City Bank SME banking is expecting another and current situation measurement. It captured in a border sense of market and skyline. The methods of expanding SME banking service of SMEs are to definitely drive the following level of different business activities. When a customer fails to pay minimum amount or installment payment on due date, the bank give some additional time or chances to meet the crisis and charged some additional fee for the time. To sustain in the market, bank accept more challenges to gain the competitive advantage.

Fig-03: The procedure of Loan Process of City Bank Limited



Source: Branch Index, Locker service center of CBL.

3.2 Several Types of Loans City Bank Limited Offer

In modern era, loan is become very necessary part in personal as well as business person to meet the crisis in short and long term when the debtor has insufficient fund. People want to self motivated and take to challenge beat with other company, they invent a large amount of money in the organization. It also helps to build a house, and purchase luxury products. All customers are not same different department needs different types of loans. City Bank offer 5 categories of loan that are given below—

3.2.1 Personal loan

For an individual person, personal loan solve the problem and fulfill the dream what he/she actually want. Over the few years, there has a major change in mind set up of customers. There purchasing power are increased day by day and more tendency to spent luxury lifestyle. Competition has increased the affordability of loans for borrowers. CBL offer the best thing in-class service, innovative lending products, and financial solution to meet the customer personal financial requirement. City Bank had launched Personal loan facility in 2008 to meet the personal credit worth.

Terms and Conditions

Target Customer	<ul style="list-style-type: none"> i. Salaried Executive- any one paid salary & self-employed professions. ii. Business Peron- For partnership business minimum ownership 20%, for private and public limited company ownership 10%. iii. Any landlady or landlord iv. Contractual Officials- HR contract of UN organizations, Reputed MNC and Foreign NGO
Interest charged	<ul style="list-style-type: none"> i. Businessman- 22% ii. Professional- 18% iii. Salaried customer 20% iv. CBL Staff- 15% v. MNC salaried customer- 19%

Tenor	<ul style="list-style-type: none"> i. Minimum 12 months maximum 48 months (less than 3 lack) ii. Minimum 12 months maximum 60 months (more than 3 lack)
Age limit	Within 12 to 60 years
Experience	<ul style="list-style-type: none"> i. Salaried executive- Minimum current 6 months to 1 year ii. Businessperson- 2 years iii. Professionals- Minimum 1 year
Income status	<ul style="list-style-type: none"> i. Salaried person – 15,000/= ii. Professionals – 30000/= iii. Businessman- 30000/=

Notes:

1. The loan amount start from 50 thousand to 20 lacks
2. No hidden charge is applicable for loan amount.
3. 2% process fee is charged for loan amount.
4. Competitive interest rate
5. To take loan, maximum debt equity ratio will be 30%.
6. If loan amount is less than 3 lack 48 days is applicable only for CBL staff.
7. CCEP customer interest is charged as per MOU
8. For joint applicant, interest is applicable according to the income.

3.2.2 Auto Loan

Auto loan is like personal loan. At current socio-economical circumstance of the country, personal car became a necessity part towards all upper and middle class individuals of the country. Regulatory body for financial institutions also realizes the basic demand of the individuals and provided specific guideline for the bank to lend against individuals private vehicles. Bangladesh Bank is also updating guideline on time to time to meet the individual's demand and government policy.

Terms and Conditions

Purpose	<ul style="list-style-type: none"> ❖ Purchase of brand new and reconditioned Car, Microbus for private use only. ❖ Car age should not be more than 5 years old from the date of Manufacturing.
Loan limit	<ul style="list-style-type: none"> ❖ Minimum 3 lack up to Maximum 40 lack in BDT
Interest Rate	<ul style="list-style-type: none"> ❖ Businessman -15% ❖ Cash Salaried – 15% ❖ Customer Segment – 14.5% ❖ CCEP Customer – as per MOU
Tenor	<ul style="list-style-type: none"> ❖ Minimum 12 months maximum 60 months
Financing capability	<ul style="list-style-type: none"> ❖ 50% for recondition or new vehicles ❖ 100% for cash security against loan
Age limit	<ul style="list-style-type: none"> ❖ Within 12 to 60 years
Experience	<ul style="list-style-type: none"> ❖ Salaried executive- Minimum current 6 months to 1 year ❖ Businessperson- 2 years experience include in same business ❖ Professionals- Minimum 1 year experience of practice
Income status	<ul style="list-style-type: none"> ❖ Minimum required tk. 30,000/= granted for all applicant

Notes

1. 15% VAT is applicable on all fees and charges are guided by Bangladesh Bank's up to current date guidelines.
2. 1% process fee is applicable of the loan amount and competitive interest rate.
3. The discount for interest rate, tie up vendors and all other fees and charges will be changed according to Bangladesh Bank guideline.
4. Any waiver of advance, partial prepayment, and early settlement related issue must be approved by Branch.
5. No hidden charge or additional fee is charged after the loan disburses.
6. Any interest rates and fess must be approved by head of the branch and CEO.
7. Any other deviations on the above mentioned criteria (except interest rate, fees or charges) are to be approved under Level 3 exception authority with strong justification
8. Repayment terms, frequency must be within the ALCO interest rate band.

3.2.3 Secured Loan Facilities

Secured Loan is completely confirmed loan for any legal condition. Bank makes loan or fiancé against customer Deposit amount, Fixed Deposit or other non banking securities with the match of maturity period. But sometimes clients need urgency then them encashment or close the DPS scheme and FDR. The Bank has must keep sufficient amount in balance to pay client currency or the way how to manage fund instantly. To avoid any legal harassment, City Bank keeps clients collateral asset or property in safeguard and any time they are ready to return their amount after the formalities fill up.

Terms, Conditions and Eligibility

1. Loan Amount start from 50,000TK. to 90% of the applicant income
2. Loan against Minor or below 18 is not applicable for secured loan. Age must be above 18 years.
3. This facility shall be made available from the date of the banks acceptance of this application until the time as stipule.
4. Secured loan tenor start from 12 to 60 months, for Secure Overdraft tenor is 1 year and for Secured Bullet Payment tenor is applicable for 2 years.
5. City Bank charged process fee according to the secured loan amount,,,

Amount	Process fee
Up to 5 lack	2000tk. (BDT)
More than 5 lack to 10 lack	3000tk. (BDT)
More than 10 lack	4000tk. (BDT)

6. The minimum documentation must be required like income status, guarantor, purpose of loan, NID copy, CIB, Undertaking, Salary certificate.
7. No hidden cost is charged from loan amount and quick process system.
8. For all applicants, minimum income would be 15000tk.
9. The banks statement and records shall be binding on the client's debt for all purpose.
10. Repayment penalty would be charged on the outstanding amount.

3.2.4 Partial Security Loan Facility

Partial Secured Loan is an incomparable loan facility that the clients can permit to borrow fund against Fixed Deposit or any other pledge transaction with the banks or any other financial institutions. In City Bank Limited, The borrower can granted two loans at the same time to keep his car or property as collateral.

Terms, Conditions and Eligibility

Eligible securities	<ul style="list-style-type: none"> ✚ For Fully Secured Loan would be up to 90% ✚ For Unsecured loan would be 10 lack (BDT)
Age	✚ Ranging from 22 to 60 years.
Tenor	✚ 12 to 60 months
Salary status	<ul style="list-style-type: none"> ✚ Salaried person- not less than 15,000/= per month ✚ Professionals or self-employed- 25,000/= per month ✚ Business person- not less than 30,000/= per month
Work experience	<ul style="list-style-type: none"> ✚ Salaried person- not less than 6 months as per employment history. ✚ Professionals or self-employed- 1 year experience with practice in any organization. ✚ Business person- can't be below 2 years in the same industry.
Interest rate	<ul style="list-style-type: none"> ✚ Businessman- 18% ✚ Professional- 16% ✚ Salaried customer 16% ✚ MNC salaried customer- 16%

Notes

1. Interest rate mostly depends on the client's transaction and income level status.
2. On bank loan 2% process fee is allowed for all applicants.
3. The bank reserves the right at any time on notification to the customer.

3.2.5 Home Loan

Home loan is a loan that fulfills your dream comes true. Each person has a dream to build a house to his own resident purpose, but due to insufficient fund your dream can't implement in the short time. To solve this problem, City Bank Limited launched Home loan facilities service in 2006. The client can repay their principle amount with the longer period of time or if he remains asset as collateral bank take you some additional time after the maturity time expired to repay the loan. No hidden cost is charged against the loan amount. The borrower also can take loan to show old property papers or 30% ownership of the current house.

Terms and Conditions

Purpose	<ul style="list-style-type: none"> • To Purchase land, flat and registered property. • To build a new home in or to repair the existing house building in new format.
Loan limit	<ul style="list-style-type: none"> • Start from 5 lack up to rang 1.2 corer in BDT • Up to 70% for financing property value
Tenor	<ul style="list-style-type: none"> • Start from 1 years to 25 years for repayment
Age	<ul style="list-style-type: none"> • 22years to 65 years are applicable
Interest Rate	<ul style="list-style-type: none"> • Businessman -22% • Cash Salaried – 18% • Customer Segment –17% • CCEP Customer – as per MOU
Financing capability	<ul style="list-style-type: none"> • 50% for repairing the existing house • 100% for cash security against loan
Experience	<ul style="list-style-type: none"> • Salaried executive- Minimum current 6 months to 1 year • Businessperson- 2 years experience include in same industries • Professionals- Minimum 1 year experience of practice
Income status	<ul style="list-style-type: none"> ○ Salaried person – not less than 15,000/= ○ Professionals – not less than 30000/= • Businessman- not less than 30000/=

Notes

1. The bank has the right to withdraw the facility and demand repayment if there has been any default in repayment.
2. The Bank is authorized to open and maintain facility account for the purpose of administering and recording payments by the customer.
3. The customer unconditionally undertakes to repay the facility as per Bangladesh Bank guidelines of the banking agreement letter.
4. Totally free from the hidden cost and competitive interest rate.
5. 2% Process fee is charged for every loan amount disbursement.
6. If the person age is above 40 years the borrowers must have the strong guarantor to repayment the installment amount after the borrower become unable to continue the loan payment, otherwise the bank lost their asset and it becomes bad debt.
7. Any notice made by the bank in respect of the facility shall be writing.
8. The terms and conditions shall be guided according to the Bangladesh law.
9. The loan should be utilized for the specified purpose for which it has been accepted.
10. Payments are made directly by the bank, third party can't allow disbursing the loan or for fraud management bank is not responsible.

Chapter Four

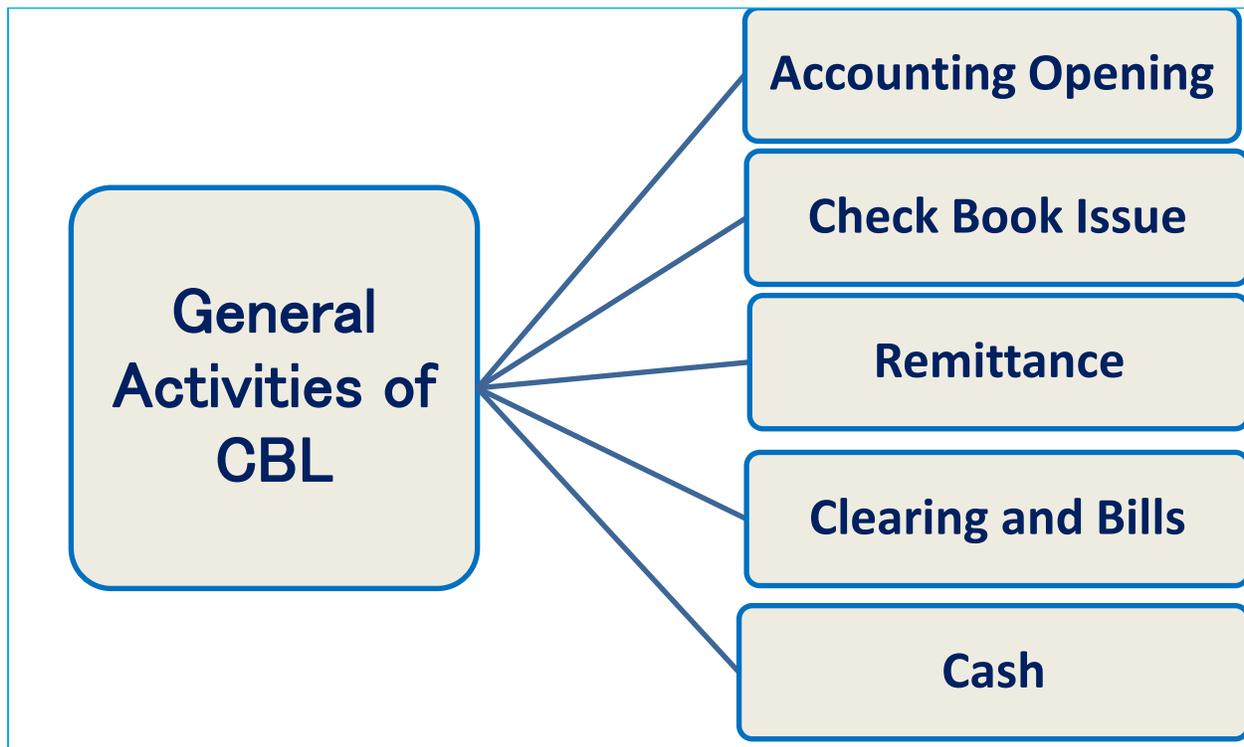
Analysis and findings of the “City Bank Limited”

4.1 Analysis and Findings of City Bank Limited

City Bank Limited is one of the potential banks in the banking sector. In general banking department most of the formalities or time CBL follows traditional banking system, the procedure is not fully computerized. CBL use very popular Finacle software after 15 days or 1 month the ID of user and password become changed. One officer or users can not use another person PC or login the id and any type of transfer when he was absent in the branch so it was fully secured.

4.2 General activities of City Bank Limited

The City Bank Limited general banking consists of different types of activities. A bank is act as an agent to collect funds from other financial institutions or clients deposit money. Banks are predicted as a safeguard to secure others money. Many banks offer various types of services. In City Bank Limited, There general activities are—



4.2.1 Account Opening Section

The first starting point of the customer with the bank is account opening. The customer service starts with opening of new account in the name of customer. Client open a account in different purpose. There are—

i. General Savings Account (SB)

Only individual can open this type of account to maintain his or her day to day activities. The nationality of Bangladesh can open this account and the age ranging from 18. If minor want to open an account he must need certificate of commissioner and proper documents of the parents.

Requirement for SB A/c

- Account holder NID/Passport documents/Driving Certificate/Commissioner Certificate/Date of Birth Certificate is required
- Applicants two copy lab print passport size photo
- Deposit 10,000tk at the beginning period for job holder, 5,000tk for general people, 1000tk for student, and no amount is necessary to deposit for CBL staff and CCEP person.
- Account holder salary certificate and forward letter of the company.
- Nominee 1 copy photo & NIP copy.

ii. Current Account (CD)

Any individual, firm, company, organization, institution can open this account in his/her own name or company name. This account is non-interest bearing account.

Requirement to open a SB A/c

- Same as SB account
- Accounts holder Trade license
- Account Holder TIN certificate
- Specimen signature at least two person in partnership account.
- Applicants Memorandum of Articles and Memorandum of Association.

iii. Deposit Account

City Bank Limited Offers 2 types of deposit account,

- a) Short Term Deposit: The account holder operates STD account for short term or less than 1 year for a special purpose. The bank generally gives interest but the interest limit is very low.
- b) Fixed Deposit: Any individual, company, firms, organization, associations can open this account to fixed a large amount of money for a specific time period. The applicants can't withdraw money before maturity. If he withdraw money, the bank charge cost and do not offer any interest payment. The FDR time period CBL offer 3 months, 6 months, 1year and Double bonus scheme. The applicants will get a FDR receipt with remaining the FD amount, tenor and rate of interest.

Period	Interest rate
3 Months	6.00%
6 Months	6.00%
1 Years	6.00%

Source: Office Documents, Current FDR rate of CBL

Requirements of Deposit Accounts:

- Applicants Two lab print passport size photo
- Account opening form
- Nominee Assignment
- National Identification Copy
- Customer Transaction Profile
- Personal Information Form
- Specimen Signature Card
- Source of Income Document

Closing an account

If a customer wants to close his/her bank account, he has to follow some procedure—

- ◆ Fill up the “Savings Account/ Current Account opening” form.
- ◆ Writes a letter to close bank account
- ◆ Destroy the unused cheque books by own-self
- ◆ Uses Closed account stamp at the top of the account form
- ◆ Bank charged 130/= for closing fees
- ◆ The rest amount will give the person by pay order or cash withdraw slip

Dormant Account

When a client off his transaction condition overall 6 months or more than 6 months the account will remain dormant. The customer can deposit his money but can't withdraw the money. To withdraw his money he needs to active his account. The following procedures maintain to active a dormant account—

- Fill up the “Dormant Account Reactive Form” with customer previous sign.
- Signature on the personal account opening form or retained cabinet on card
- Updated transactions profile
- Updated Trade License if CD is dormant
- 2 copies Passport size photo lab print
- Nominee assignment with nominee photo and signature
- Updated Income documents or salary certificate of the office
- Current residential address and office address copy
- NID/ Passport copy/ Commissioner certificate
- Charged at tk 130/= as dormant fee.

4.2.2 Cheque Book Issue

Cheque is a negotiable instrument which consists of a number of leaves. It is written document for a customer to make withdraw or make payment in different parities to issue cheque book. A cheque book requisition is contains account titles, account number, number of leaves and signature of the customer. All the formalities must be complete before issuing the cheque and the officers verify the applicant signature. In recent years, people are become busier, if customer is unable to collect cheque book, then he authorize a 3rd person to collect his cheque book. In the “Collection Authorized Letter” number of signatory must sign in the form and also authorized person signature remain. The authorized person also signs in the cheque book registered. The offices become confirm with the customer by contact with the customer then deliver the book. The cheque series number is consisting with the cheque leave. Without acknowledgement by officer and verification by BOM the customer can't use the cheque book.

Dishonor a Cheque

The following reasons are used for returning cheque. The customers recheck the instruments after confirming with the holder—

- a. Funds insufficient
- b. Out of date
- c. Incomplete cheque
- d. Mismatch with signatory signature
- e. Payees endorsement required
- f. Payees endorsement irregular or illegal
- g. Dormant account cheque leaves
- h. Unverified cheque leaves
- i. Amount in figures and digit differs
- j. Mixed of Bengali and English language

4.2.3 Remittance Section

Now a day's, remittance become a important part of banking industries. Business person can't run their business without remittance facilities. The money send from one bank to another bank though banking channel is known as remittance. The remittance may be local or foreign. The main instrument used for local remittance of fund is Pay Order.

Pay Order (PO): The pay order is used to make a remittance for local creditors. The charges a rate when customer issues a pay order. The charge rate is given below—

PO	Tk.
Up to 1000/=	25/=
More than 1000/= to 1 lack	50/=
More than 1 lack to 5 lack	75/=
Above 5 lack	150/=
Cancel charger per PO	50/=
Duplicate instrument charge	100/=

4.2.4 Clearing and Bills Section

Clearing department plays an important role in general banking system. This department received cheques, pay order from depositors then this instrument are posted in the computer with attached deposit slip. The instrument value must be above 5 lacks tk. The instruments issued on the CBL are received from the other banks in “Clearing House”. If the customers have insufficient fund or any doubt about the customer instruments must be dishonored.

4.2.5 Cash Section

Cash is very sensitive part in any organization because it deals with liquid asset. The cash department plays a very significant role in accounts department. This section receives cash from depositors any pay cash against cheque, pay order and cash withdrawal slip. When depositor deposit cash at the counter he must fill up the deposit slip and mention the sign at the customer signature option.

4.3 Point of Comparison

To compare with other bank industries performance like Liabilities, Deposits, Loans, Net Interest Revenue, WC Ratio, and CFs from Investing with City Bank Limited we select 9 listed Bank which are AB bank, Bank Asia ltd, Brac bank, Dhaka Bank, Dutch-Bangla bank, Mutual Trust bank, Eastern bank, one Bank, and Standard bank. From this comparison we can easily find out that CBL do better performance than other bank or not.

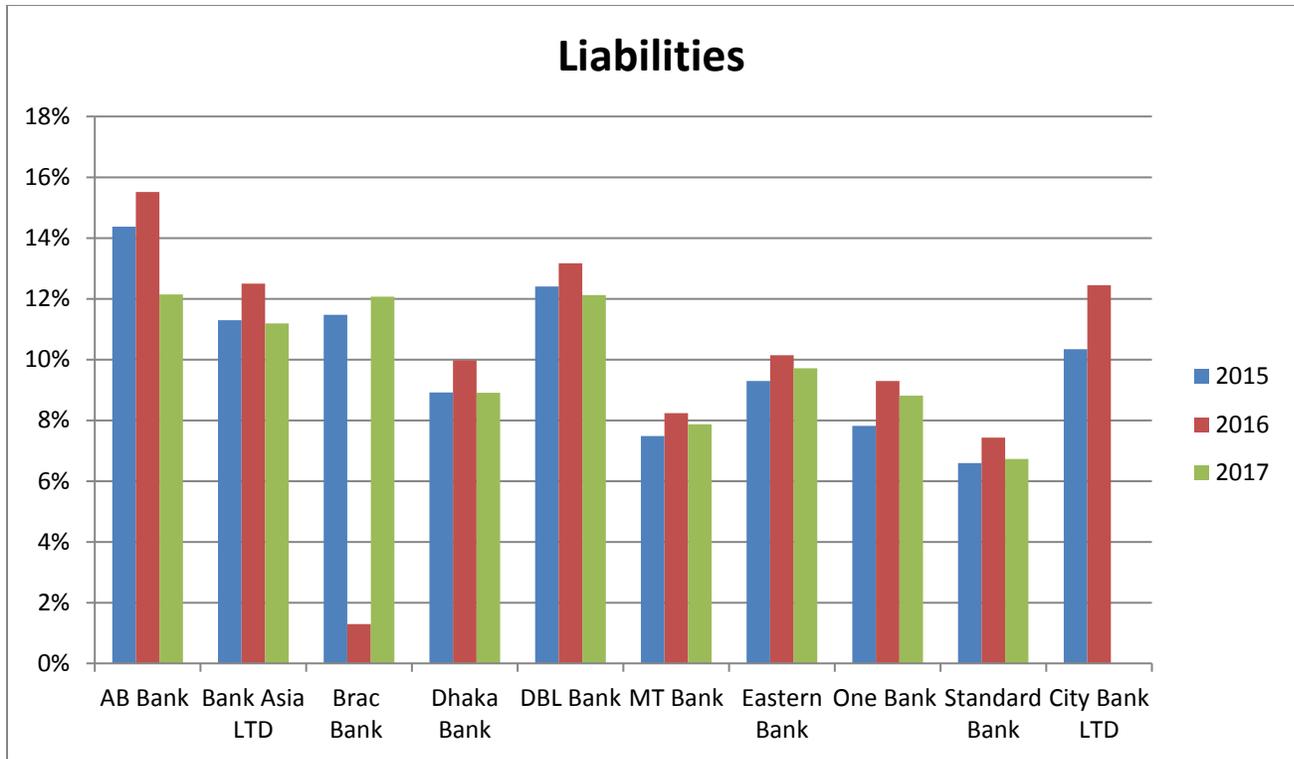
4.3.1 Average Liability of these Banks VS Liability of CBL

According to accounting terms, Liability is an obligation which an organization meet short term liquidity crisis to borrow some fund or issue securities. The biggest liability of a bank is customers deposit money, fixed deposit and required balance on accounts. The IFRS framework defines liability as a borrowing fund or manages some fund from others to improve the business condition and to increase productivity materials.

Liability = Owners equity - Asset

Listed Banks	2015	2016	2017
AB Bank	14%	16%	12%
Bank Asia LTD	11%	13%	11%
Brack Bank	11%	1%	12%
Dhaka Bank	9%	10%	9%
Dutch-Bangla Bank LTD	12%	13%	12%
Mutual-Trust Bank	7%	8%	8%
Eastern Bank	9%	10%	10%
One Bank	8%	9%	9%
Standard Bank	7%	7%	7%
City Bank LTD	10%	12%	10%

Source: www.lankabd.com , Financial Statement of each banks 2015, 2016, & 2017 years data.



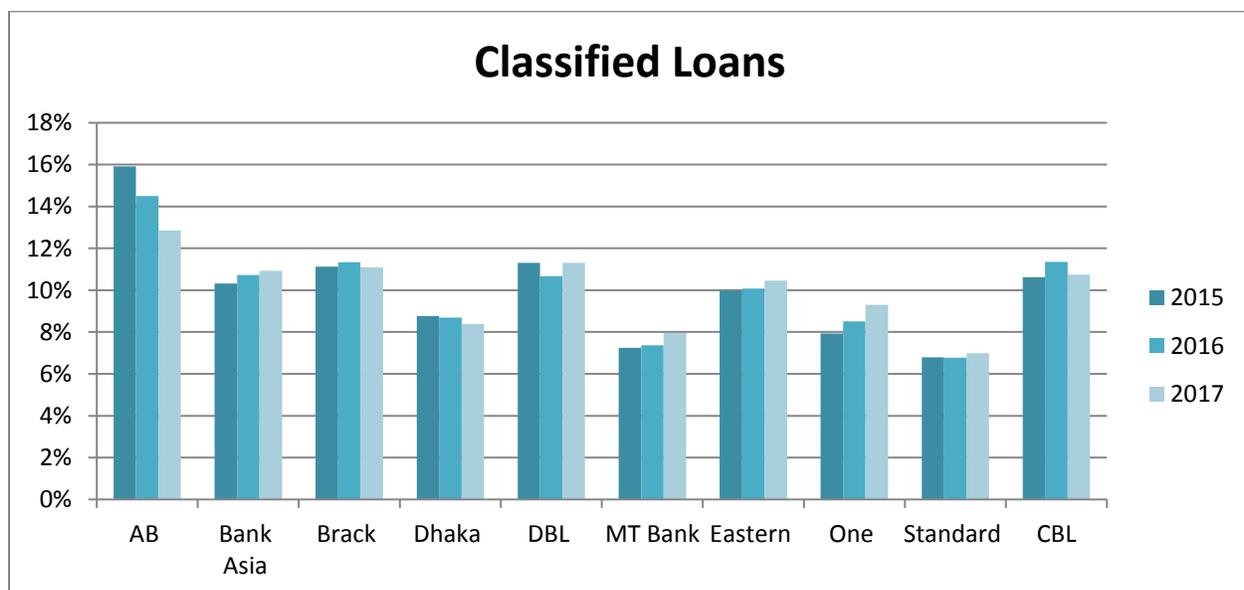
In this graph, we see that City Bank Limited situated in moderate position compare to the other bank industries, it indicated that the bank is capable to borrow from other capital market and generate their DSP, FDR tendency to the customer through channelize, promoting and marketing distribution. It is not a good sign for the future position it may causes liquidity crisis.

4.3.2 Average Classified Loan of these Banks VS Classified Loan of CBL

Every Bank generates deposit, this customer deposit converted into the borrower's loan. A classified loan is a loan which has chances of default, bad loans or bad debt. The debtors are unable to pay the interest payment and principle outstanding amount to the bank.

Listed Banks	2015	2016	2017
AB Bank	16%	15%	13%
Bank Asia LTD	10%	11%	11%
Brack Bank	11%	11%	11%
Dhaka Bank	9%	9%	8%
Dutch-Bangla Bank LTD	11%	11%	11%
Mutual-Trust Bank	7%	7%	8%
Eastern Bank	10%	10%	10%
One Bank	8%	9%	9%
Standard Bank	7%	7%	7%
City Bank LTD	11%	11%	11%

Source: www.lankabd.com , Financial Statement of each banks 2015, 2016, & 2017 years data.



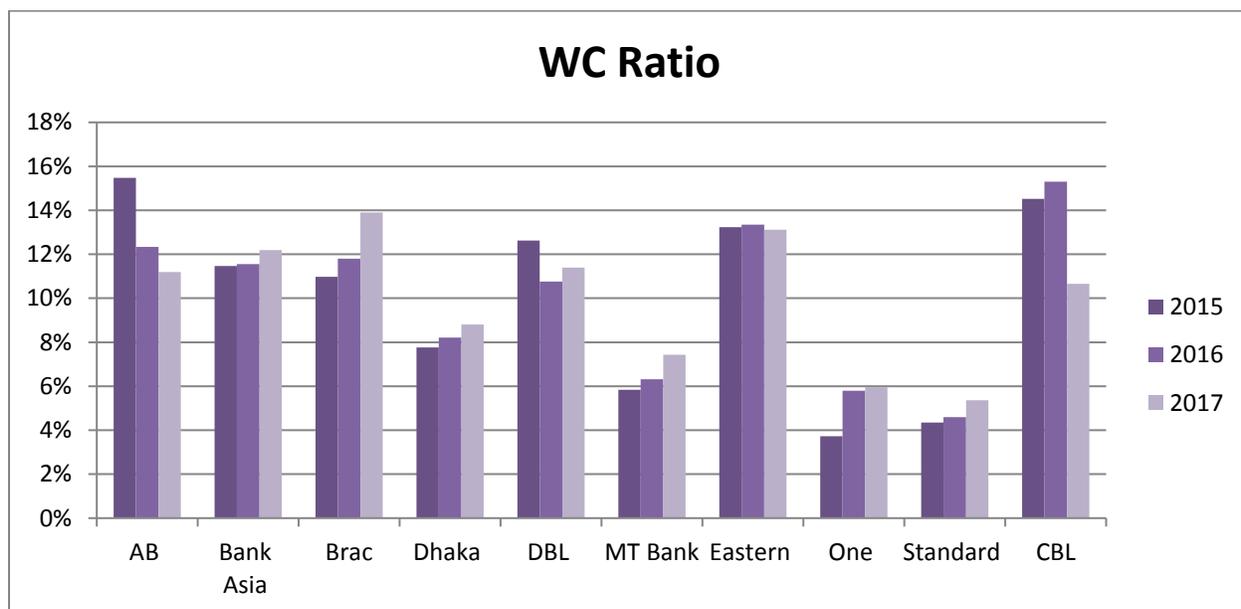
The CBL has high chances of loan default compare to the other banks. It also increased rather than previous years. They should be conscious about client status and have the detail information about client income before the loan is processed. The CBL should reduce the interest rate and charge competitive interest rate to collect the outstanding loans.

4.3.3 Average WC Ratio of these Banks VS WC Ratio of CBL

Working capital ratio indicates that the firms have shortage of current asset to meet the short term financial obligations. It also measures the liquidity of short term asset VS short term liabilities.

Listed Banks	2015	2016	2017
AB Bank	15%	12%	11%
Bank Asia LTD	11%	12%	12%
Brack Bank	11%	12%	14%
Dhaka Bank	8%	8%	9%
Dutch-Bangla Bank LTD	13%	11%	11%
Mutual-Trust Bank	6%	6%	7%
Eastern Bank	13%	13%	13%
One Bank	4%	6%	6%
Standard Bank	4%	5%	5%
City Bank LTD	15%	15%	11%

Source: www.lankabd.com , Financial Statement of each banks 2015, 2016, & 2017 years data.



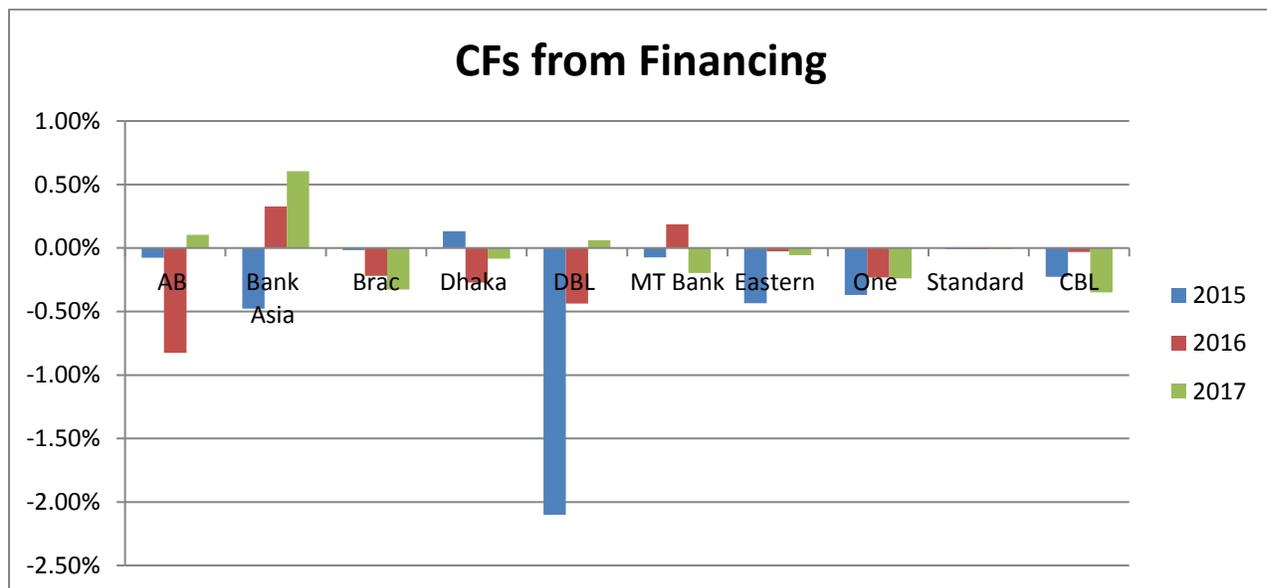
In this graph, we see that City bank has more capability to cover current liability. Day by day their tendency is increased to solve short term debt by current asset. City bank is remain in the better position compare to the other bank. It is a good sign for a bank they can handle in the competitive challenging market.

4.3.4 Average CFs from Investing Activities of these Banks VS CFs from Investing Activities of CBL

CFs from Financing Activities indicates the certain cash balance receiving by issuing stocks and bonds. The moneylender wants to the current year cash transaction from the balance sheet, liabilities and owners equity.

Listed Banks	2015	2016	2017
AB Bank	-0.08%	-0.83%	0.11%
Bank Asia LTD	-0.48%	0.33%	0.60%
Brac Bank	-0.02%	-0.22%	-0.33%
Dhaka Bank	0.13%	-0.27%	-0.08%
Dutch-Bangla Bank LTD	-2.10%	-0.44%	0.06%
Mutual-Trust Bank	-0.07%	0.19%	-0.20%
Eastern Bank	-0.44%	-0.03%	-0.06%
One Bank	-0.37%	-0.23%	-0.24%
Standard Bank	-0.01%	-0.01%	-0.01%
City Bank LTD	-0.23%	-0.03%	-0.35%

Source: www.lankabd.com , Financial Statement of each banks 2015, 2016, & 2017 years data.



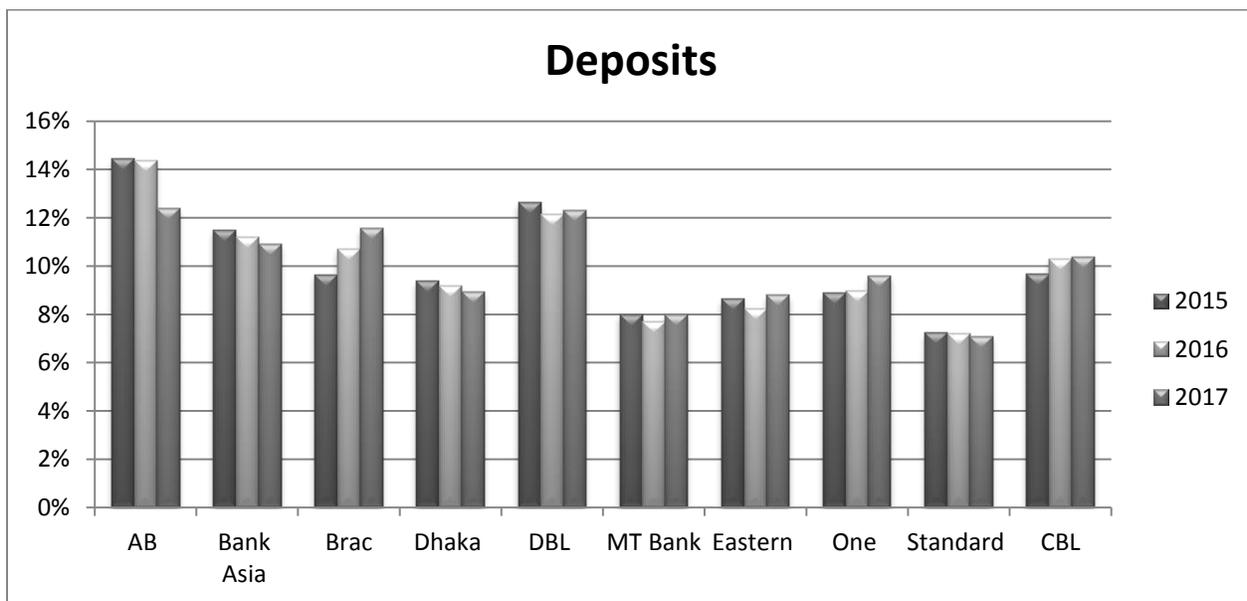
We see that CBL has more negative cash flow activities rather than the capital market, which indicates that the bank purchase of stocks, dividend payment, loan repayment are high than sale of stock, debt, securities and bond.

4.3.5 Average Deposits of these Banks VS Deposits of CBL

Deposits mean financial institution keep customer currency for safekeeping. Deposits are made from savings account, money market account and checking amount. The account holder has the right to withdraw his fund at any time. It is the biggest liability for a bank.

Listed Banks	2015	2016	2017
AB Bank	14%	14%	12%
Bank Asia LTD	12%	11%	11%
Brack Bank	10%	11%	12%
Dhaka Bank	9%	9%	9%
Dutch-Bangla Bank LTD	13%	12%	12%
Mutual-Trust Bank	8%	8%	8%
Eastern Bank	9%	8%	9%
One Bank	9%	9%	10%
Standard Bank	7%	7%	7%
City Bank LTD	10%	10%	10%

Source: www.lankabd.com , Financial Statement of each banks 2015, 2016, & 2017 years data.



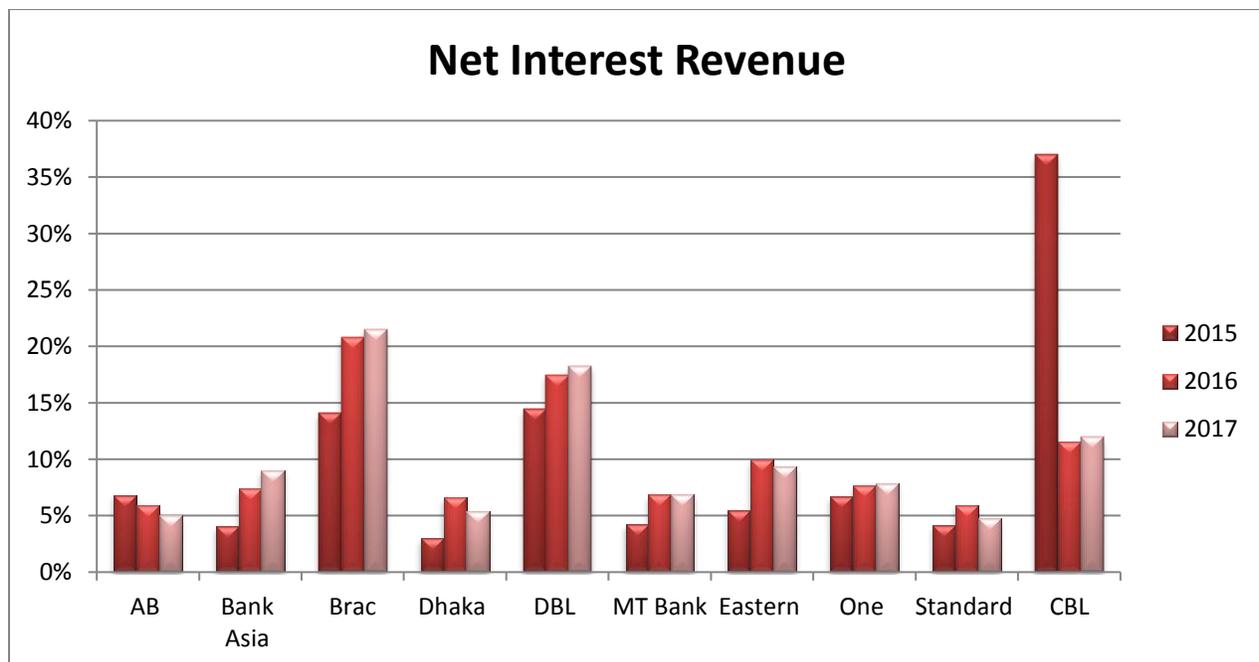
Here, we compare with other bank and the result is that the City Bank Limited has more tendencies to channelize the market and has capability to capture the market by customer satisfaction. The CBL bank offer higher interest deposit rate which is 7.25% over the year it become increased.

4.3.6 Average Net Interest Revenue of these Banks VS Net Interest Revenue of CBL

Net Interest Revenue point out that the distinguish between the interest income and interest expense. This income generated from the investment securities, personal loans and other loans.

Listed Banks	2015	2016	2017
AB Bank	7%	6%	5%
Bank Asia LTD	4%	7%	9%
Brack Bank	14%	21%	22%
Dhaka Bank	3%	7%	5%
Dutch-Bangla Bank LTD	14%	17%	18%
Mutual-Trust Bank	4%	7%	7%
Eastern Bank	5%	10%	9%
One Bank	7%	8%	8%
Standard Bank	4%	6%	5%
City Bank LTD	37%	12%	12%

Source: www.lankabd.com , Financial Statement of each banks 2015, 2016, & 2017 years data.



In this graph, we easily find out that the CBL generate much more interest income by issuing investment securities, loans and advances than other banks. In 2015, the bank made lot of interest income and meet up the expense to reduce cost.

Chapter Five

Recommendation and Suggestions for

Future Strategic Actions of the

“City Bank Limited”

5.1 Recommendations and Suggestions

During my internship period I have found some recommendations and other aspects of banking. I would like to present the following recommendations.

- a) There are huge gap between the customer's expectation and actual service provided by the bank. Bank should try to minimize this gap for improving the relationship between the customers and banks.
- b) Employees should always take time to hear the problems of customer.
- c) Bank should keep one executive officer for DST group; they wait for a longer period of time for tracker the account. It wastes their valuable time.
- d) Employee should have increased negotiating power, convincing power, motivation power which is very important to work in collection department.
- e) CBL HR department should train up the employees so that they can get a clear idea about knowing the banking knowledge.
- f) Employees should be more expert to use latest software.
- g) CBL should be fully computerized of all activities.
- h) CBL should create channelizing strategy and campaign and minimize the interest rate in various loans for attracting the customer.

5.2 Conclusion

It is a great pleasure to have practical exposure to the City Bank Ltd .Without practical knowledge via academic knowledge; it is not possible to compare the academic knowledge & practical knowledge with each other. During the practical orientation period, it is observed that function of collation front end which helps me a lot to be a professional banker in near future. As it's a process to make the payment by the customers, there are some rules and regulations to do the job. But the fact often does not meet the rules given The goal of the collection process is to obtain payments promptly while minimizing collection expense and write-off costs as well as maintaining the customers goodwill by a high standard of service. Collection also protects the assets of the bank. This can be achieved by identifying early signals of delinquency and thus minimizing losses. The customers who do not respond to our service oriented collection efforts represent a financial risk to the institution. The Collector's role is to collect so that the institution can keep the loan on its books and does not have to write-off. Sometimes, a simple solution can be all that is required to get a debt current. Holding patient to listen to the customers and result win-win situation for both bank and the customer is the target of the collection unit. It's a scientific process rather than only some rules and regulation to manage the customers.

5.3 Learning from Internship

As part of the internship program of BBA course requirement, I was assigned for doing my internship in “City Bank Limited” for the 3 months period. During the inter period of City Bank Limited, I worked under for all departments particularly general banking, loans & advance departments. I worked in the general banking. In general banking, I have provided day to day service like data, dealing with customer, issue of cheque book, cheque book destroy, various form fill up, solvency certificate and tax certificate, cheque transfer, account maintains, bank statement and using various equipments like photocopy machine, scanner machine, cheque writing. I also worked in the loan and advance department. In this department I learnt cash credit procedure, invest product, investment sanction, activities, loan file fill up, inputs the data into excel sheet, and computer generated software. I also learned how to deal with customer in different situations.

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