Internship Report

On

Private Commercial Bank

(A Case Study on The City Bank Limited – Shyamoli Branch, Dhaka)

By, Tasmiah Alam

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(A Case Study on The City Bank Limited - Shyamoli Branch, Dhaka)

SUBMITTED BY

Tasmiah Alam

ID: 111 172 040

School of Business and Economics

Department: BBA

SUBMITTED TO

Zinnatun Nesa

Assistant Professor

School of Business and Economics

UNITED INTERNATIONAL UNIVERSITY

Submission Date: September 30, 2022

Letter of Transmittal

September 30, 2022

Zinnatun Nesa

Assistant professor

United International University

Subject: Submission of Internship Report.

Dear Madam,

Assalamu Alaikum, I hope you are doing well by the grace of almighty Allah. I have done my internship report on “ Private commercial bank-A case study on **The City Bank Limited-Shyamoli Branch.”** This internship represents my first professional experience. I have learned a great deal about private commercial bank’s credit policy, as well as the banking sector in general. This report is written in a style that is highly descriptive and contains a great deal of information. This internship provides insight into the distinction between theoretical and applied knowledge.

I would want to express my gratitude for your guidance, suggestions, recommendations, and all forms of assistance. I believe I have accomplished a great deal as a result of your helpful direction.

Yours Sincerely,

………………

Tasmiah Alam

ID: 111 172 040

School of Business and Economics

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Internship Report on Private Commercial Bank (A Case Study on The City Bank Limited - Shyamoli Branch, Dhaka)

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<u>Declaration</u>

I am Tasmiah Alam, I declared that this internship report “ Private commercial bank-A case study on **The City Bank Limited- Shyamoli Branch.”**which is prepared under the supervision of ZINNATUN NESA, Assistant Professor UNITED INTERNATIONAL UNIVERSITY and it is prepared by me.

This report was created solely to fulfill a BBA requirement. An internship report is required for completion of the BBA degree at UIU.

…………

Signature of the Student

Tasmiah Alam

ID: 111 172 040

School of Business and Economics

Department: BBA

Acknowledgement

I would like to express my gratitude to everyone who contributed directly or indirectly to the preparation of this report.

Before anything else, I would want to show my gratitude to my internship supervisor, **Zinnatun Nesa** –Assistant Professor, United International University, for her helpful advise, suitable direction, and insightful suggestion.

Also, I wish to express my gratitude to **Mrs. Bilkis Akther**, Vice President and Manager of The City Bank Limited's Retail Banking Division, and **Mr. Jahangir Hossain** (AVP & Second Manager). And I would want to express my sincere appreciation to the entire personnel of this bank, who spent a great deal of time assisting me in my education. Thanks from the bottom of my heart to everyone.

Finally, I would want to thank My Family for their assistance in completing this internship report.

……………………..

Signature of the Student

Tasmiah Alam

ID: 111 172 040

BBA Department, School of Business & Economics

Executive Summary

The City Bank Limited, Shyamoli Branch is a private commercial bank, and the objective of this study is to investigate the credit system utilized by that institution. For the purpose of this investigation, both primary and secondary sources of data were consulted. There are **five separate chapters** that make up this report. The City Bank Limited's introduction, history, mission, and vision are detailed in the first chapter of this study. The purpose of the report, the different types of data, the different sources of data, the data collection methods, the instruments and tools analysis, the questionnaire design, the limitations, the credit principle, various credit facilities, retail loan, and personal loan are all described in the third chapter of the study. The SWOT analysis, as well as financial performance, an examination of credit-related financial data, the findings of research, and the findings of research about employee work satisfaction, are all detailed in the fourth chapter. My recommendation and overall conclusion can be found at the end of the fifth chapter. The study suggests that they should pay more attention to their advertising strategy

Contents

Chapter 01

Introduction

1.1 Introduction:

The profitability of a bank rests on its credit department, which is one of the most lucrative sources of interest income. Therefore, I am delighted to do research on the credit management of a private commercial bank - a case study of The City Bank Limited, Shyamoli Branch.

There are a lot of private commercial banks in Bangladesh. City Bank is among the most prominent private commercial banks in Bangladesh. The City Bank limited provides a variety of services, including personal service, foreign exchange service, international commerce, lease finance service, capital market service, and corporate service. Today, City Bank's creative new products and services have made it extremely popular with consumers. City Bank provides excellent banking and credit services to business and individual clients by utilizing modern technology and highly motivated personnel. City Bank Limited provides online banking, ATM banking, credit cards, etc. In today's cutthroat business environment, service-based businesses play a significant part in the process of reshaping the economic architecture of the global economy. Especially deposit institutions, such as commercial banks, are the most service-oriented businesses, since they work closely with customers to fulfill all of their requirements on the greatest possible level. In today's business world, employers prioritize cultivating long-term, mutually beneficial partnerships with their workforce in order to accomplish various organizational objectives.

1.2 Background of the Report:

A passion for history and tradition and a preoccupation with speed have acted as a potent force for change in the economic world at a time when the nation is halfway through its lifespan. In the wake of the banking reforms of the 1980s, a new generation of developing hopes has emerged. City Bank is a fantasy that combines contemporary banking options with a profound connection to its neighborhood and culture.

As a result of being inspired by a futuristic leader, a number of visionary entrepreneurs began on a trip that resonated with the pace of technology in the heart of Bangladesh. In 1983, the country's first private commercial bank was founded as a result of the visionary entrepreneurship of twelve young businessmen who faced enormous uncertainty with courage and energy.

Since 1983, City Bank has been a case study in evolution, transforming from a traditional organization to a critically acclaimed, multifaceted institution that embraces worldwide best practices and chooses to be at the forefront of technological projects. In contrast to most, the Bank's success criteria include not only the bottom line but also the milestones necessary to become the most comprehensive bank in the country. They anticipate that 19 will emerge from Bangladesh as a more formidable force in the market they serve. As they grow and mature into a veteran of the banking industry, they are committed to achieving their objectives of maximizing shareholder value.

1.3 Scope of the Report:

The City Bank Limited (CBL) is one of Bangladesh's largest banks. The study's scope is restricted to the Branch level alone. The study focuses on CBL's organizational structure, the financial services it offers, and the bank's performance. This study discusses the Credit risk management of CBL, which handles deposits, cash, and transfers. This has been prepared by thorough customer dithering. During the preparation of this report, I was able to gain an in-depth understanding of all the banking operations of "The City Bank Ltd." It also helps me gain an understanding of a top private banking institution in Bangladesh.

1.4 Objectives of the Study:

This research aims to accomplish the following essential points:

1.4.1 Broad Objectives:

- With the intention of finishing an BBA degree.
- An understanding of CBL's Credit process and Risk Management services will be gained through observation and study.

1.4.2 Specific Objectives:

Internships are designed to expose students to the working world so they can better understand and apply business theory.

Here are some of our more narrowly focused goals:

- For course credit; to learn about the inner workings of real-world banks for professional development purposes.
- The goal is to learn relevant skills and gain relevant work experience in a professional setting.
- To put one's theoretical understanding into practice.
- To gain practical experience in the foreign exchange department.
- To learn how commercial banks in Bangladesh handle foreign exchange.
- Intent in checking out commercial banks to see how they operate.
- Connecting the theoretical lessons learned with the Bank's actual day-to-day operations
- The purpose of this exercise is to have a general understanding of private banking in our country.
- The purpose of this analysis is to isolate the most important contributors to The City Bank Limited's credit risk and to determine the bank's credit risk rating.
- To get a feel for the commercial bank system as a whole.
- A familiarity with CBL's credit risk management system, so that you are familiar with the financial services provided by the bank.
- To estimate the quality of a product or service.
- To learn the costs and rates.
- In order to rate The City Bank Limited's support services for its clients.
- To learn the habit of the client.
- In order to investigate the dangers inherent in banking transactions.
- Examining the management's approach to risk mitigation in order to learn the rationale behind the threats.

1.5 Problem Statement:

When it comes to the financial services industry today, credit officers who are adept at assessing the creditworthiness of businesses are among the most seasoned and well compensated professionals, right up there with investment bankers. So, the CBL credit department does its best to keep customers' credit in good standing. In this paper, I'll be using CBL's company credit management as an example to illustrate my points with the help of a survey.

Chapter 02

My Job Responsibilities and Observation

I have participated in an internship program at the City Bank Shyamoli branch from March 13 to June 12. This voyage provided me with numerous opportunities to work with the general banking, credit, and cash departments.

2.1 My Job Responsibilities at Another division

During my internship, I have spent the majority of my time working with the credit division. As a result, I have a strong desire to work in the credit management department of CBL. The following month, I started working in the credit department. During the following two months, I worked under the direction of Mr. Jahangir Hossain, who is the AVP and second manager of the Shyamoli branch. During this period, I participated in a number of activities. They are:

- ☐ Credit-related paperwork preparation (typing, printing, photocopying).
- ☐ Finding any mistake in the loans being made.
- ☐ Inputting various data and information into a computer.
- ☐ One of our main focuses is ensuring that our customers fully grasp the lending process.
- ☐ Provide support to the manager by answering questions concerning debit and credit balances.
- ☐ I have spent some days with general banking (GB) department under Fatema Tuz Zohora, Senior customer officer of CBL. Those days I have done some activities.
- ☐ DPS, FDR, pay order, account establishment, etc. require signatures from Bilkis Akther, the Vice President, and other senior officers.
- ☐ Cheque book authorized from Tamanna Rahman Tani, Senior Officer, Customer Service.
- ☐ Officers of higher rank may request photocopies.
- ☐ Opening an account
- ☐ Verifying the accuracy of vouchers
- ☐ To locate previous checking and savings account statements, as well as FDR and DPS forms.

I've also done time as a clearance agent under the direction of Mrs. Fahmida Akter, Senior Officer at the CBL Shyamoli Branch. I've participated in a few projects in this area. Voucher counting, cheque sealing, and communicating with the consumer about a returned check are all examples of such tasks.

The cashier position was another one of my past jobs. Among these tasks are voucher counting and document photocopying.

2.2 Observation & Recommendation

I have worked at the CBL Shyamoli Branch for three months. Within this brief period, I have gained a great deal of knowledge from them. Now that I've described my little experience, I'll provide some recommendations:

- ☐ The atmosphere is quite pleasant, and all of the staff members are upbeat, helpful, and proactive.
- ☐ The official work hours for bank employees are from 10:00 am to 6:00 pm, however due to the high volume of work, they are not permitted to leave the office before 7:00 or 8:00 night.
- ☐ They are very active and attentive to their work and I can say that the officers of Shyamoli Branch are very good at handling customers. As the branch is over crowded all the time, there are huge pressures of customer. But they are very expert in handling that crowd and rush.

Chapter 03

Credit Facilities of the City Bank Ltd.

3.1 Credit Management of CBL

The City Bank Limited (CBL) has put in place a solid credit risk management system in order to proactively manage their loan portfolio and reduce the amount of money that is lost. It has considerably strengthened the culture of risk management and set a standard for the segregation of duties and responsibilities linked to the Credit Operations of the Bank. The following is a list of the primary actions that CBL has done to apply credit risk management guidelines: The following are the primary actions that JBL has made in order to implement the standards for credit risk management:

- It has developed its own Credit Policy Guidelines in accordance with the core risk guideline established by Bangladesh Bank's core risk guideline.
- The sectoral concentration is taken into consideration by the policy, and a specific industry exposure cap is established within the policy.
- Offices at the Top A division of the organizational structure has been made in accordance with the CRM Guideline.
- The credit proposal will include an evaluation of the borrower's risk grade.
- The policy has provided for a crystal-clear definition of credit approval authority.
- A distinct Credit Monitoring Department is responsible for conducting thorough monitoring of the loan portfolio.

3.2 Principle of Credit

An effective credit manager will use specific guidelines when deciding which customers to accept. Standard practices govern the provision of credit.

The six c's are the most critical factors to consider while choosing a client as follows:

- **Character** is a major factor when choosing a vendor. It's indicative of the customer's propensity to make timely loan and bill payments.

- ☐ **Capacity,** which represents the ability to run the business and return the debts on time. Lenders look into a client's ability to pay back loans by gauging their income and other sources of funds.
- ☐ **Capital** is essential for the operation of every enterprise, so this factor must be addressed for all potential client. For the client's business to function, they need to put up some of their own money.
- ☐ **Condition**: Among the conditions a lender may impose is keeping an eye on how secure a client's company is. Only A reliable enterprise is assured of consistent profits and the ability to repay the loan.
- ☐ **Collateral:** Additionally, collateral is a positive trait to look for when choosing a reliable borrower. For the purposes of a loan, collateral refers to any item of value that can be sold to repay the loan. Therefore, collateral is a crucial part of the loan process.
- ☐ **Cash flow:** the borrower must have a steady stream of income in order to repay the loan. Borrowers who have a history of regular and reliable cash flow also merit favor.

Others features of lending loans are:

- ☐ Safety
- ☐ Security
- ☐ Loans' objectives
- ☐ Diversity
- ☐ Profitability & Liquidity
- ☐ The time frame of the loan
- ☐ Payment scheme

3.3 Credit Facilities of City Bank:

The City Bank Limited's main goal is to finance business, trade, and industrial activities through a system that works well.

- ❖ City Bank Ltd. gives loans to almost all business activities with a productive goal.
- ❖ There are many different kinds of loans in the Bank's loan portfolio.

- People, such as housewives, business owners, small and large businesses, traders, manufacturers, corporate bodies, etc., can get credit.
- Customers who pay the prime rate get the prime rate on loans and other services.
- Quick appreciation, appraisal, decision and disbursement are ensured.
- The Central Bank of Bangladesh's rules and the Bank's operating procedures are followed when giving out credit.

3.4 Overall credit policy of The City Bank Limited

Lending money to businesses and consumers is the core purpose of every commercial bank. The primary aim of most credit policies is to maximize profitability through the prudent lending of assets that generate interest income. Credit policies are,

- **Profit through lending**.

3.5 Different type of Credit Facilities

City bank limited offers different type of credit facilities. Those facility are explained below.

Overdraft:

These options indicate when a customer may overdraw funds from their bank account. In this scenario, the account holder is permitted to withdraw more money from her account than she has deposited. They may withdraw up to the limit allowed.

Bill Discounting

It is a short-term source of funding for traders. In this instance, they can sell unpaid invoices for a date in the future.

There are some stages of bill discounting:

In this particular transaction, the buyer and the vendor enter into a contract to sell service.

As the buyer's inventory decreases, the seller increases the invoice..

- The following step requires the customer to receive the invoice that was raised.
- Afterward, the vendor will visit the partner bank in order to discount the bills.

Term loan:

Generally, term loans are issued to borrowers with the expectation that they would be used as long-term financial assets. Some banks may be willing to lend money if the terms of repayment are already established. A one-year repayment period is typically approved for this credit.

Short Term Loan:

STLs (Short Term Loans) are normally for terms of up to a year. Payment on such loans might be scheduled at regular intervals. However, if STL is interested, a payment plan is suggested. The Agricultural Credit Department at the Bangladesh Bank publishes a loan program every year that includes, for example, short-term agricultural loans and microcredits.

Loan terms in the agriculture industry in this situation cannot exceed one year. A small loan won't cost you more than twenty-five thousand tk. This sum is due between the ages of one year.

Lease Financing:

The most significant source of medium- and long-term assets is when an owner transfers such assets to another party. If the lessor knows who the owner is, then the lessee should know who the user is.

The property is still owned by the bank, but the borrower has the right to utilize it in exchange for rent payments. In this scenario, neither a down payment nor a buy option is necessary.

Letter Of Credit:

It is a pre-import finance, which is a promise by the client to pay the beneficiary of the L/C an agreed-upon amount after the loan terms have been met. So, at this point, the bank is not directly responsible for anything. This is called a "contingent liability."

Consumer's Credit Scheme:

It is a Bank credit program designed to finance the purchase of durable goods by fixed-income individuals in order to improve their level of living. The loans are granted on lenient terms in exchange for a customer's personal guarantee and a defined percentage of equity. The loan is repaid in monthly installments over a predetermined period.

SOD General:

Advan1ces allowed to individual/firms against financial obligation (e.g., lien on FDR/PSP/BSP/Insurance Policy/Share etc.). This may or may not be a continuous Credit.

SOD (Others):

Under this head are advances given against the assignment of a work order for the completion of contractual work. Most of the time, this advance is given for a set amount of time and a specific purpose. It is not a continuous credit. It fits into the "Others" group.

Retail:

Personal use is the focus of lending done in the retail sector. It is not for the purpose of conducting business.

The City Bank Limited offers following retail banking products:

- ☐ Car loans
- ☐ Salary Account
- ☐ Home loan
- ☐ Personal Loan.
- ☐ Credit card
- ☐ Deposit pension scheme.
- ☐ Bundle saving products.

City bank’s Retail banking division is made by 04 units.

- ☐ Credit Approval and Risk Assessment unit.
- ☐ Recovery and legal unit.
- ☐ Disburse and loan operation unit.
- ☐ Business and marketing developing unit.

3.6 Securities Against Loans:

Generally, CBL receives different types of securities against different types of credit facilities from which some of are as follows:

TYPES OF CREDITS	SECURITIES
1.House building loan	**Primary securities:** A loan secured by the land or any other property.
2. Car Loan	**Primary securities:** The policy includes both joint registration and full coverage. Two valuable guarantors **Collateral securities:** Taking out a loan to purchase land or any other property. Any type financial obligation
3. Auto Loan	**Primary securities:** The policy includes both joint registration and full coverage. Two trustworthy guarantors as well as cheques with future dates
4. Payments Against Documents (PAD)	**Primary securities:** Two valuable guarantors and postdated cheques
5. Cash Credit	**Primary securities:** Hypothecation of stock in trade items, which are then insured, in order to produce merchandise. **Collateral securities:** Mortgage of land and building, any financial obligation

6. Overdraft	**Primary securities:** Hypothecation of book depth Collateral securities: mortgage of landed property and IPA
7. Loan against imported merchandise	Pledge of imported merchandise

3.7 Personal Loan:

A personal loan is a type of loan that is typically given to a person or people who have a stable income and are eligible to borrow money. Mortgages, automobiles, vacations, weddings, and other big life events are just some of the reasons people take out personal loans. The number of payments ranges from twelve to forty-eight months, depending on the loan's purpose and amount.

Who Can Apply for Personal Loan: - Individual Salary Holder

- Those are professionals

Age Criteria – Applicant age must be 22-60 years.

Size Of loan – Minimum BDT 100,000To Maximum BDT 6,000,000

Rate of interest- 15% To 19% per annum

Another Condition & Term: Monthly income criteria:

- ☐ Salaried Executive: BDT 20,000
- ☐ Landlord: BDT 30,000
- ☐ Professional: BDT 50,000
- ☐ Business person: BDT 50,000
- ☐ Salaried Executive: Minimum 1 year of current job
- ☐ Professionals: Minimum 2 years of practicing
- ☐ Businessman: Minimum 3 years of business Experience

3.8 Auto Loan:

City bank provide car loan by following some rules and regulation.

Who can Apply for auto loan:

 Salaried Executive: Minimum 1 year experience including 6 months with current employer

 Professionals: 1 year experience of practice

 Businessman: Minimum 2 years involvement in the same business

 Age limitation: Applicant minimum age 22 years to Maximum age 65 years

Size of loan: BDT 300,000 to 4,000,000 TK

Rate of interest: 15% per annum

- ☐ Car only can be purchase for their personal use
- ☐ Financing for automobiles that are either brand new or no more than six years old
- ☐ Loan tenure 12 months to 72 months

3.9 Home Loan:

City bank offers home loan for purchase flat or make home.

Who can apply for home loan:

Age: 22 to 65 years

Experience: 3 years' experience in respective field.

Income criteria:

 BDT 50,000 and above

 BDT 30,000 (Government officials only)

Size of Loan: BDT 500,000 to BDT 20,000,000

Interest rate: 12% to 13.50%

3.10 City Bike Loan:

Who Can Apply for the Loan:

- **Salaried Person (Account Payee):** BDT 15,000
- **Business Person, Professional, Landlord/Landlady:** BDT 25,000
- **Freelancer- BDT** 30,000
- **Foreign Remittance Earner**- BDT 20,000

Minimum Experience:

- **Salaried Person:** 1 year
- **Business Person, Freelancer or Professional:** 1 year
- **Foreign Remittance Earner**: 6 Month

Feature of the Loan:

- Loan amount up to BDT 10 lac including registration fee Up to 80% financing (100% financing for female customers)
- **Loan tenure:** 6 - 36 months
- No processing fee & documentation charge for female customers
- 0% early-settlement fee
- Multiple bike purchase facility
- 95% loan against FDR of City Bank

3.11 Secured Facilities:

Who Can Apply for the Loan:

- Age limit: Minimum Age 18 Years
- Minimum personal income: BDT 15,000/- monthly

3.12 SME Loans:

Eligibility for the Loan:

- Legal form of business
- Proprietorship concerns

- Partnership Firms
- Private Limited
- Business Experience minimum 3 years
- **Age of the owner:** 23 to 65 years
- Secured Loan is offered against the registered mortgage of property (land, building and flat)

Loan Features:

Loan amount ranging from:

- BDT 3,00,000 to 25,00,000 for Unsecured loans
- BDT 10,00,000 to 100,00,000 for Secured loans

Loan tenure:

- Term Loan: 12 to 60 months (Unsecured Loan 12 to 36 months)
- OD: To be renewed annually
- Single Installment Loan: 3 to 9 months
- Quick approval process

3.13 Operational guideline for different credit facilities:

This credit facility can be classified in **two** types.

- Retail Loan
- Corporate Loan

When processing this sort of loan, a banker or credit management officer will often follow a set of procedures designed to ensure the loan is paid back in full. I'm going into detail now.

1) Retail Loan:

Secured overdraft (DPS, FDR)

For a fresh loan:

- As a preliminary step, we must first receive an application from the customer.
- Be on the lookout for the DPS, FDR Form.
- GB-General Banking Signature Verification.
- Writing up notes for the office

- ☐ Acquire Client Payment Forms
- ☐ Send a completed limitation request form through regular mail to the credit administrator.
- ☐ Costs are subtracted.
- ☐ Documents can be stamped for a fee.
- ☐ All input into the SISO database.

For Renewal:

- ☐ Receiving customer applications is the initial step..
- ☐ Office note preparation
- ☐ Making sanction advice.
- ☐ Responsible for receiving charge documents from the customers.
- ☐ Next process is mail limit from to credit admin.
- ☐ Security documents entry to the SISO register.

For Enhancement:

- ☐ Acceptance of customer application
- ☐ Accept FDR and DPS
- ☐ Signature validation.
- ☐ Making office notes.
- ☐ Making and receiving sanction advice from the client.
- ☐ Collect charge documents from clients.
- ☐ The next step is to send the credit limit form to the credit administrator.
- ☐ Charges are deducted.
- ☐ Stamping of charge documents
- ☐ Documents SISO registration.
- ☐ Keeping documents in boult.

For Reduction:

- ☐ Acceptance of customer application
- ☐ Ensure that the outstanding is reduced.
- ☐ Making office notes.
- ☐ Providing sanction guidance.
- ☐ The next step is to send a limitation request form to the credit administrator.
- ☐ Instrument registration in the SISO register.

For closing the Account

- ☐ Accept customer applications and the customer's checkbook.

- ☐ To guarantee correction of outstanding obligation
- ☐ The next step is to mail a limitation cancellation request form to the credit administrator.
- ☐ terminate the account
- ☐ Documents the SISO registration entry.

2. Personal Loan

Application & Disbursement

- ☐ Received customer application.
- ☐ Received CIB undertaking from applicant.
- ☐ Submit the application form.
- ☐ The file has been delivered to the retail banking division.
- ☐ Head office approval.
- ☐ Obtain the client's signature.
- ☐ Obtain three unfilled cheques from the client.
- ☐ Transferring the loan to the client's savings account.
- ☐ Charge for document stamping.
- ☐ SISO registry entry for security documents.
- ☐ Documents stored safely in the vault

Follow up:

- ☐ Monthly installments are ensured by the client's regular payment.
- ☐ Creating a list of overdue items on the first business day of each month.
- ☐ Contact delinquent debtors to recover past-due payments.
- ☐ Send remainder mail to client if installment due.
- ☐ If the preceding steps fail, visit the client's residence.

03 Car Loan:

Application and Disbursement:

- ☐ Accept customer applications accompanied by the necessary documentation and application fee.
- ☐ Acquire CIB for the customer
- ☐ Application form transmission.
- ☐ Tracking the activity or development of a file inside the retail banking division.
- ☐ Obtain the client's signature on the billing documents.
- ☐ Obtain three blank checks from the client.

- ☐ Collect all essential car documentation.
- ☐ Physically inspect the vehicle's VIN, chassis number, and engine number, etc.
- ☐ The next step is loan disbursement to the client.
- ☐ Stamping of charge documents • Registration of security documents in the SISO registry
- ☐ The final step is to secure all documents.

Follow up: car loan and personal loan follow up is same.

04. Home Loan

Application And Disbursement:

- ☐ Taking in applications from potential customers
- ☐ Receiving for the CIB.
- ☐ Carry out a personal inspection of the customer's property.
- ☐ Transmission of the application form
- ☐ Continuing on with the development of the retail banking section
- ☐ Taking possession of all documentation pertaining to the land
- ☐ Make sure to get the customer's signature on all of the charging paperwork.
- ☐ The customer has sent three blank checks, which have been received by the business.
- ☐ Approval all documents from H.O.
- ☐ The whole charge has been received from the customer.
- ☐ You will be charged for document stamping.
- ☐ Entry into the SISO register is documented by security documents.
- ☐ All of the documents are being kept in a secure location.

Documentation:

- ☐ Acceptance of the check, documentation of the charge, and any documents relating to the land
- ☐ If you don't follow the daily routine, it might not be complete.
- ☐ Once the process of registering has been finished, you will be sent a receipt for rent and a DCC holding tax form.

- ☐ Obtaining a mortgage from a legal professional
- ☐ The receipt of a copy of the mortgage deed
- ☐ Documents pertaining to security are entered into the SISO registry. • Finally, all documents are stored in a secure location.

Follow up: Same as personal lone, home loan, car loan.

Corporate Loan:

SME (Small, Medium Entrepreneurs)

In case of new Proposal:

- ☐ Customer Application Will Be Granted RFCL (with necessary documents)
- ☐ Take CIB Undertaking on behalf of the customer as well as the owner.
- ☐ Delivering CIB documents to the main office.
- ☐ Make a personal appearance at the place of business of the customer.
- ☐ Send the proposal to the corporate headquarters while also preparing it.
- ☐ Monitoring how far along the file is getting in the SME unit.
- ☐ The preparation of the sanction advice.
- ☐ Obtaining from the client any and all documents pertaining to the land.
- ☐ Formalities pertaining to mortgages can be finished at the sub registry office.
- ☐ Receive charge paperwork signature from clients.
- ☐ The client is responsible for providing us with postdated checks.
- ☐ Obtain a copy of the client's insurance policy in accordance with the sentence.
- ☐ Being given a stamp worth 150 BDT
- ☐ Obtain a signed and notarized copy of the mortgage deed.
- ☐ You will be charged for document stamping.
- ☐ The introduction of security documents into the SISO register.
- ☐ Install a signboard on the premises of the customer.
- ☐ Every document was forwarded to the attorney in order to obtain a letter of satisfaction.

- All of the documents are being kept in a secure location.

Process for Renewal and enhancement

- Got a customer's application with all the necessary paperwork.
- Received CIB undertaking with charge for the client.
- CIB is sending it to the head office.
- Go to the business of the customer in person.
- Sending the plan to the main office.
- Keeping track of how this file is going in SME units.
- Making the advice about the punishment.
- Make sure the customer signs the new set of charge documents.
- Ask the client for his or her insurance policy.
- Stamping documents for a fee.
- Write down the SISO register entry.
- Send a certificate of compliance to the credit admin.
- Request mail should only go to credit admin.

Follow up:

- A letter requesting renewal is mailed to the customer one month before the contract's expiration date.
- A letter requesting interest payment is mailed to the client within one week of the close of each quarter.
- You are entitled to get yearly financial reports from the client.
- Be sure to follow up on a regular basis.

3.14 Problems in Loan Recovery:

Although City Bank is doing a better job of managing loans and advances than before, just 12.39% of the total have been categorized. The bank's loan recovery remains flawed for many reasons. Most often, issues arise during the loan sanctioning process, due diligence on the project, due diligence on the loans, etc. Specifically, the results of the default procedure in loan distribution are demonstrated by the difficulty in loan recovery. The most common causes of insufficient loan repayment fall into four categories.

Problems created by Economic Environment:

The effect of economic environment causes the following problems:

- ☐ Changing how mature loan is run could slow down its recovery.
- ☐ Banks sometimes give loans to businesses that are losing money so that the sector can get better, but most of the time they don't make any progress.
- ☐ There are a lot of companies whose businesses grow quickly, but only for a short time. Over time, the amount of classified loan goes up.

Problems that the government has caused:

The government has caused the following problems:

- ☐ As a result of constant pressure from many interested groups, City Bank has also had a lot of trouble with the loan recovery process.
- ☐ The rules and laws that are already in place are not enough to cover the legal parts of loan recovery. So, people who don't pay can easily get all charges against them dropped. iii.
- ☐ Changes in how the government handles loan repayments happen often.

Problems Created by the Bank:

The following issues are brought about by banking institutions:

- ☐ Sometimes Jamuna Bank does not conduct a thorough assessment of the business risk posed by the borrowers, and as a result, the bank is unable to determine in advance whether or not the company will be successful. In the event that it does not operate smoothly, the loan will be categorized.
- ☐ In some instances, the bank is unable to accurately assess the value of the collateral that is being held against the loan. As a consequence of this, in the event that the loan is categorized, the bank will be unable to recoup the cost of the loan through the sale of mortgages.

3.15 How City Bank recovers Their Loans:

City Bank makes it very clear to its borrowers how they will be expected to repay any loans or advances they are given. However, not all borrowers make timely payments on their credit balances. These issues affect both publicly-owned and privately-held commercial banks. City Bank has a similar scenario. The bank has implemented targeted loan recovery programs to address the issue of loan default. Actions performed by City Bank Limited for recover:

- Building a bank-based credit-supervision and-monitoring unit.
- Bank loan distribution and approval procedures are being reorganized.
- Giving the branch manager more say in credit management decisions.
- Providing the best security feasible when authorizing loans and advances.

Chapter 04

Report Analysis & Findings

4.1 SWOT Analysis

From my direct observation and conversations with the City Bank of Shyamoli branch, I am able to determine the CBL's many issues' strengths, weaknesses, threats, and possibilities. which are:

- A service for deposits and loans
- The activity level of workers
- Technology • The effectiveness and efficiency of operational procedures
- The Quality of the Customer Service.
- The atmosphere of the organization and its identity.

4.1.1 Strengths:

- Corporate identity is important to City Bank, and they have it in spades.
- The staff member in question demonstrates high levels of affiliation.
- Staff members are outgoing and friendly.
- As a company, CBL is in excellent financial shape.
- Capable execution.

4.1.2 Weaknesses:

- The price of account maintenance is prohibitive.
- There is a dearth of effective marketing efforts.
- They put off would-be independent business owners.

4.1.3 Opportunities:

- Large population.
- Very talent and experience manager.
- With a large population, a skilled and experienced management team, and powerful computer programs, this city is a model of efficiency.
- Better connect the entire country.

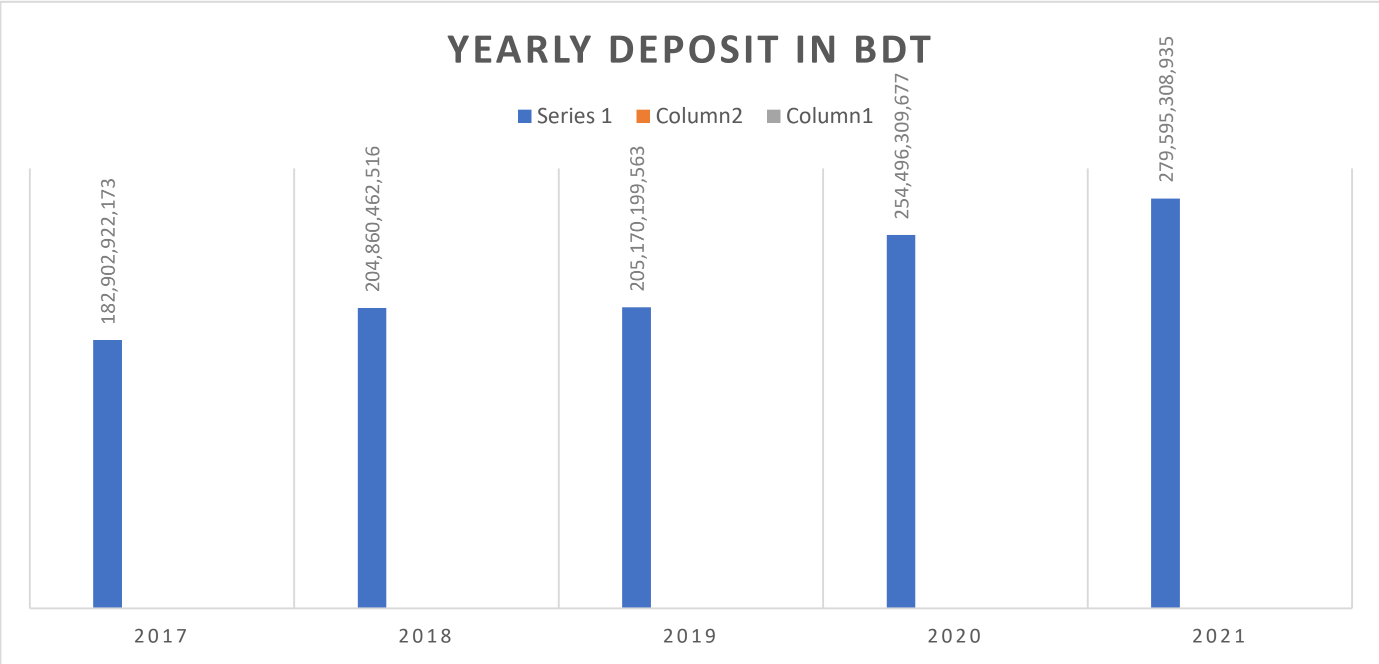
4.1.4 Threats:

- For the incoming new banks.
- Another bank may provide the same service or product, but at a lower cost.
- Decline in morale within the company.

4.2 Credit Related Financial Data Analysis

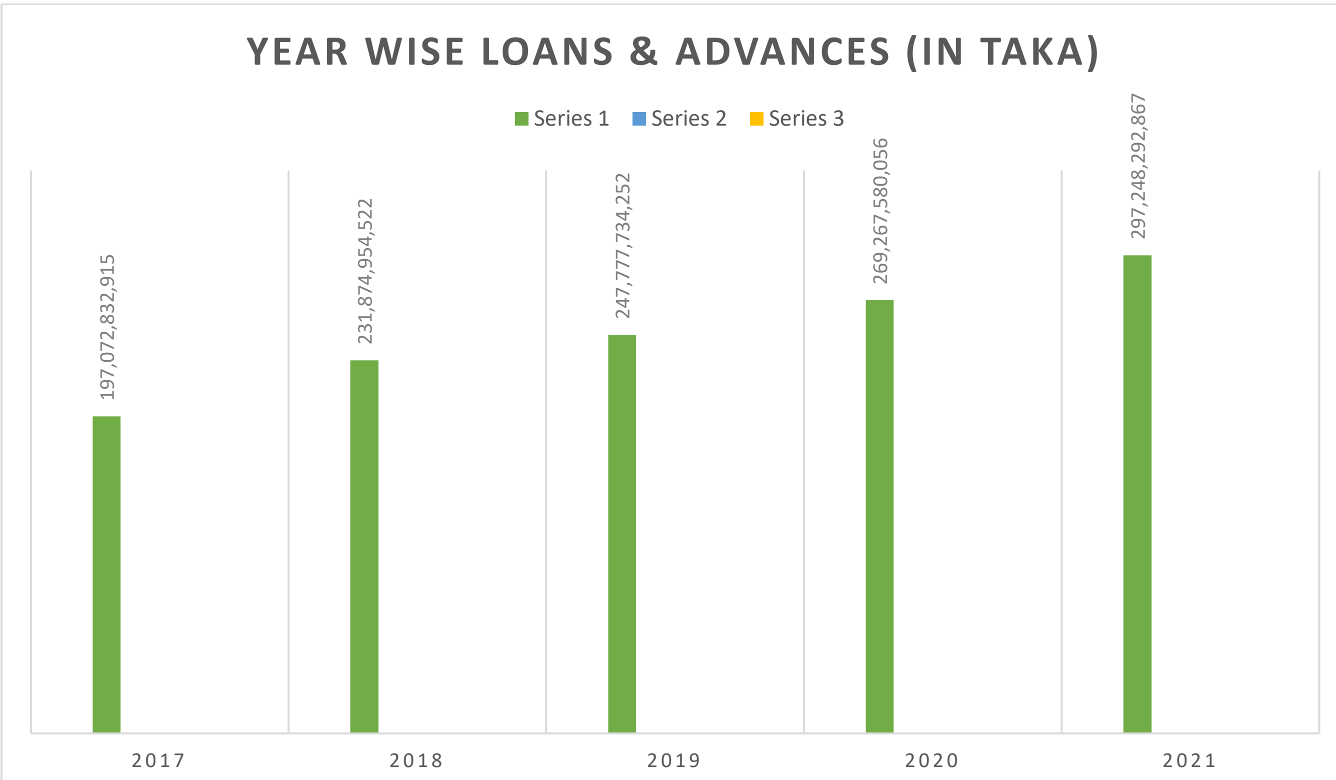
I have conducted an analysis of significant data which is relevant to the credit activities of The City Bank Limited using the most recent five-year annual report..

Year wise deposit:



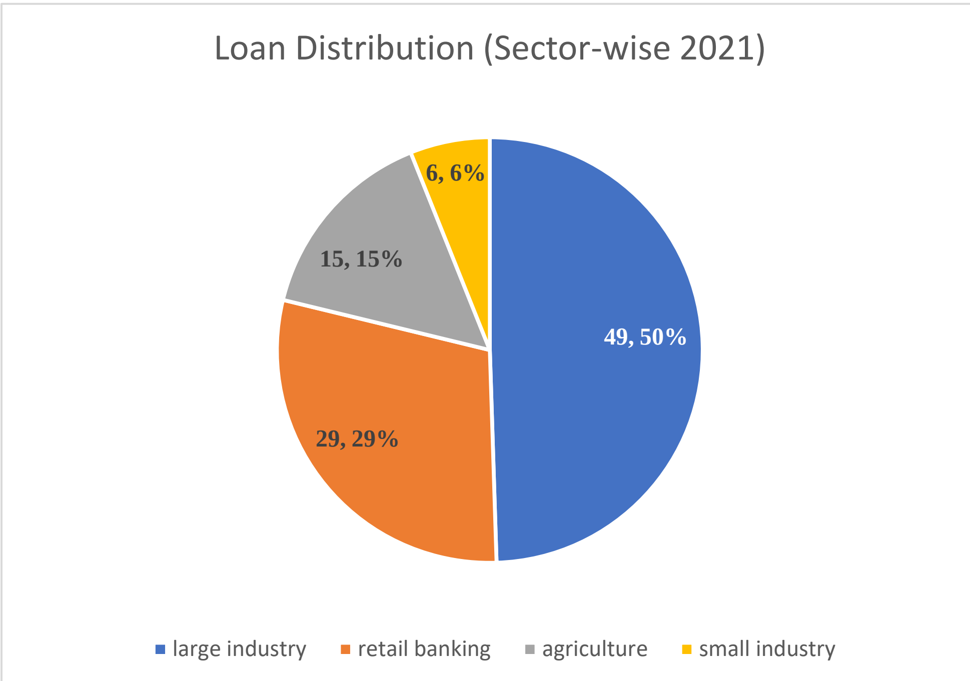
A closer look at the chart reveals a steady growth in City Bank Limited deposits over time. Total deposits for 2017 were 182,902,922,173 taka, for 2018 they were 204,860,462,516 taka, for 2019 they were 205,170,199,563, for 2020 they were 254,496,309,677 taka, and for 2021 they were 279,595,308,935. It follows that the sum of money on deposit grows each year. Deposits into a bank lead to greater reserves for that bank. The surplus in the bank's reserves allows it to make loans of the same amount. Sustainable, lucrative expansion methods require more deposits.

Year wise Loans and Advances:



From this chart, it's clear that lending and borrowing are on the upswing. Accelerating dramatically from 2017's total of 197,072,832,915 Taka to 2018's total of 231,874,954,522 taka, 2019's total of Taka 247,777,734,254, 2020's total of Taka 269,267,580,056, and 2021's total of Taka 297,248,292,867 is the pace of increase in loans and advances. Loans and advances are also increasing rapidly. A positive sign is the growth of the bank's loan and advance portfolio. As a bank increases the amount of credit it gives out, it receives a higher interest rate from its borrowers. For the bank's bottom line, that's excellent news, as it suggests a busy period.

Sector wise loan distribution: 2021



The City Bank Limited is responsible for providing 49.50% of the total credit in the large industry, 29.29% of the total credit in the retail banking sector, 15.15% of the total credit in the farm sector, but only 6.6% in the small industry. Therefore, we may conclude that City Bank pays more attention to large industries than it does to small industries in this particular example.

4.3 Financial Performance

Performance Highlights (2017-2021)

Core Business Growth	2017	2018	2019	2020	2021
Operating Profit	6,801,977,939	6,994,456,247	7,698,492,467	8,562,357,098	8,792,478,336
Assets	278,067,080,739	326,940,438,782	356,953,394,037	388,593,904,766	422,364,889,150
Loans & Advances	197,072,832,915	231,874,954,522	247,777,734,252	269,267,580,056	297,248,292,867
Deposit	182,902,922,173	204,860,462,516	246,440,705,071	254,496,309,677	279,595,308,935
Shareholders' Equity	24,869,342,148	24,917,180,49	26,178,985,506	29,502,972,507	30,132,685,616
Paid up capital	9,218,926,640	9,679,872,970	10,163,866,610	10,327,118,016	10,672,059,940
Inward Remittance	24,338 million BDT	43,869 million BDT	15,884 million BDT	45,827 million BDT	56, 804 million BDT
Export	88 billion BDT	103 billion BDT	125.167 billion BDT	130.156 billion BDT	95. 335 billion BDT
Earnings per share at	TK. 3.90	TK. 2.08	TK. 2.43	TK.3.42	TK.3.44
Classified Loans	5,403 million BDT	9,209 million BDT	9,009 million BDT	9,278 million BDT	6,227 million BDT

Financial Performance Results in Summary (2017-2021)

Shareholders value Consolidated	2017	2018	2019	2020	2021
Earnings Per Share (EPS)	TK. 3.90	TK. 2.08	TK. 2.43	TK.3.42	TK.3.44
Price earnings Ratio	7.72	11.63	9.29	7.22	6.25
Dividend %	12% cash 5% stock	0% cash 12.80 % stock	7% cash 7% Stock	6% cash 6% stock	6.6% cash 6.6% Stock
Net Asset Value (NAV)	15,496	16,858	18,849	19,811	18,742
NAV Per share	22.48	22.92	22.03	20.72	21.44

Profitability & Performance Ratio	2017	2018	2019	2020	2021
Return On Assets (ROA)	0.79	0.74	0.58	0.64	0.77
Return On Equity (ROE)	10.25	9.71	8.58	9.79	11.88
Return On Investment (ROI)	15.38	12.97	8.66	7.99	9.34
Operating Profit Per Employee	3.84	3.94	3.12	3.41	2.95
Assets Per Employee	124.92	136.56	152.92	155.41	166.66

Balance Sheet Focus	2017	2018	2019	2020	2021
Balance Sheet Size	202,492	228,453	275,976	287,019	296,437
Shareholders' equity	24,869,342,148	24,917,180,49	26,178,985,506	29,502,972,507	30,132,685,616
Total deposit	182,902,922,173	204,860,462,516	246,440,705,071	254,496,309,677	279,595,308,935
Total Loan & Advances	197,072,832,915	231,874,954,522	247,777,734,252	269,267,580,056	297,248,292,867
Classified Loan	5,403 million	9,209 million	9,009 million	9,278 million	6,227 million

Capital Adequacy	2017	2018	2019	2020	2021
Capital Ratio	8.92	8.45	8.03	8.83	9.16
Capital to Risk Weighted Assets Ratio (CRAR)	13.97	12.96	14.14	16.72	15.22
Total Eligible Capital	22,241	22,284	30,094	31,472	29,096

4.5 Survey for Find out Customer Satisfaction about Credit Service:

This questionnaire is applied to **25** individual customers.

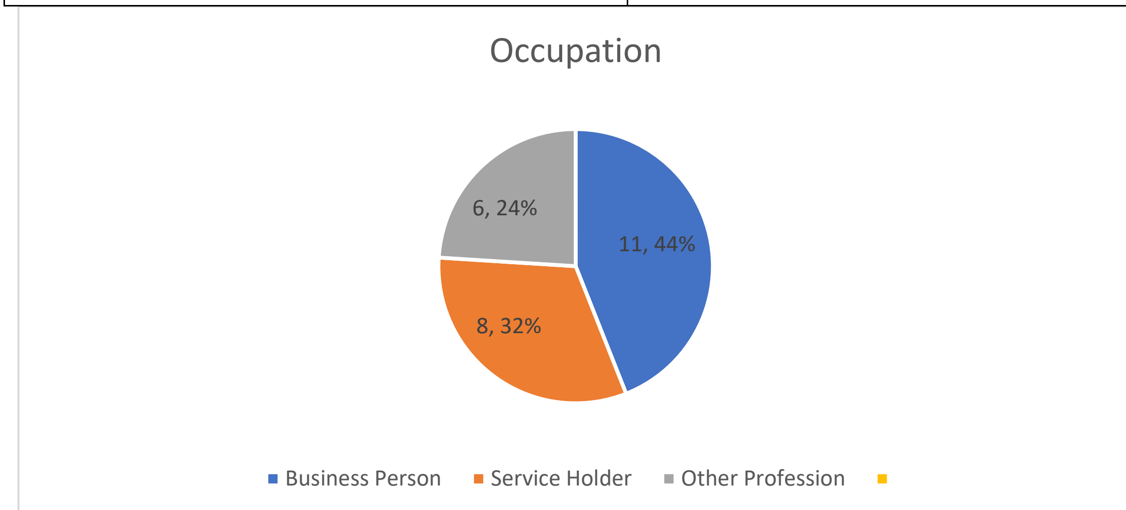
1) What occupation do you hold?

☐ Business Person

☐ Service Holder

☐ Others profession

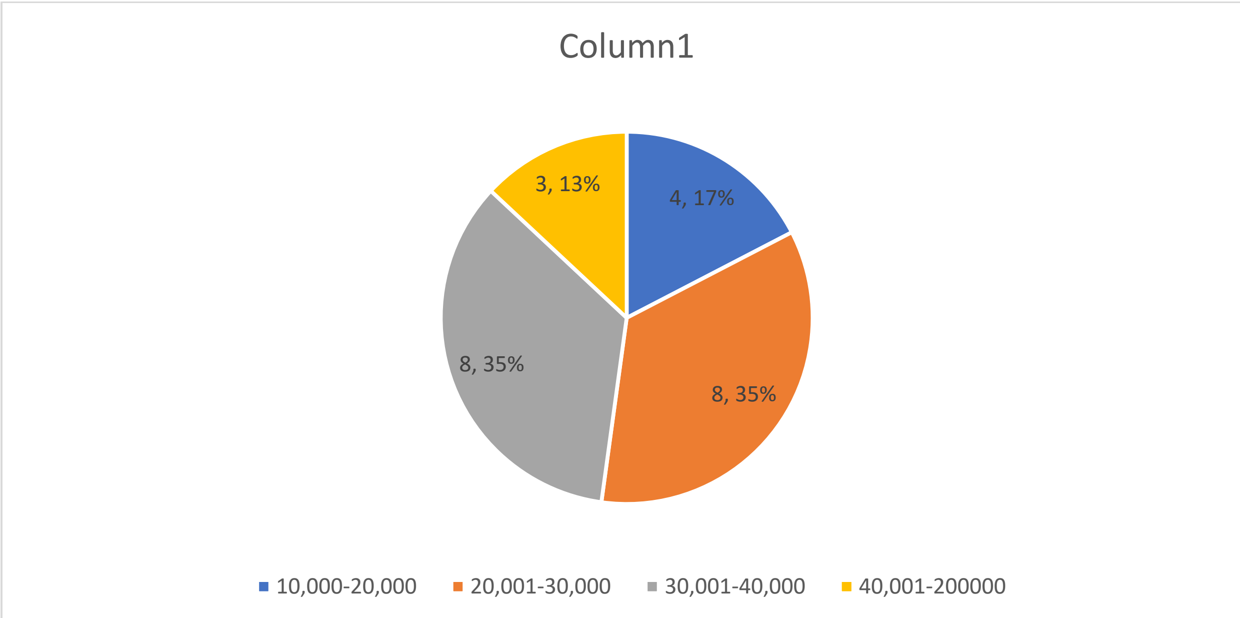
Factors	Number of respondents
Service Holder	11
Business person	08
Others profession	06



02) What is your level of income?

- ☐ 10,000 – 30,000
- ☐ 30,001 – 50,000
- ☐ 50,001 – 70,000
- ☐ 70,001 or above

Factors	Number of responds
10,000-30,000	04
30,001-50,000	08
50,001-70,000	08
70,001 or above	05



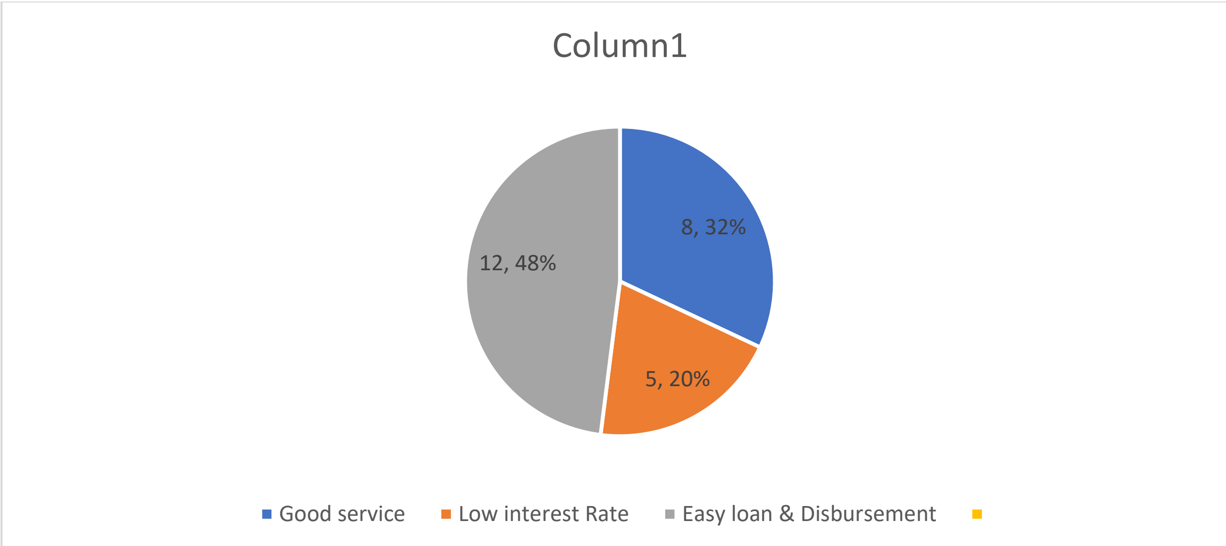
03. What sets City Bank apart from other financial institutions?

☐ Good Service

☐ Low Interest Rate

☐ Easy Loan and Disbursement

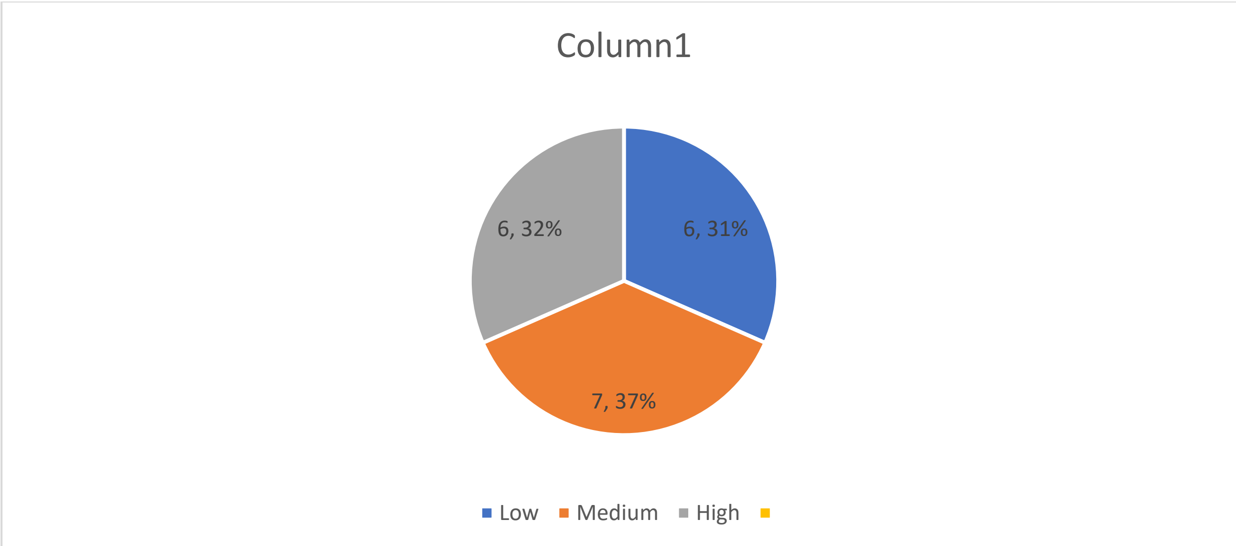
Factors	Number of responds
Good service	08
Low interest rate	04
Easy loan & Disbursement	13



04. How do you feel about service charges?

- ☐ Low
- ☐ Medium
- ☐ High

Factors	Number of responds
Low	06
Medium	12
High	07



05. The time it takes to process a loan is long. Do you agree or disagree?

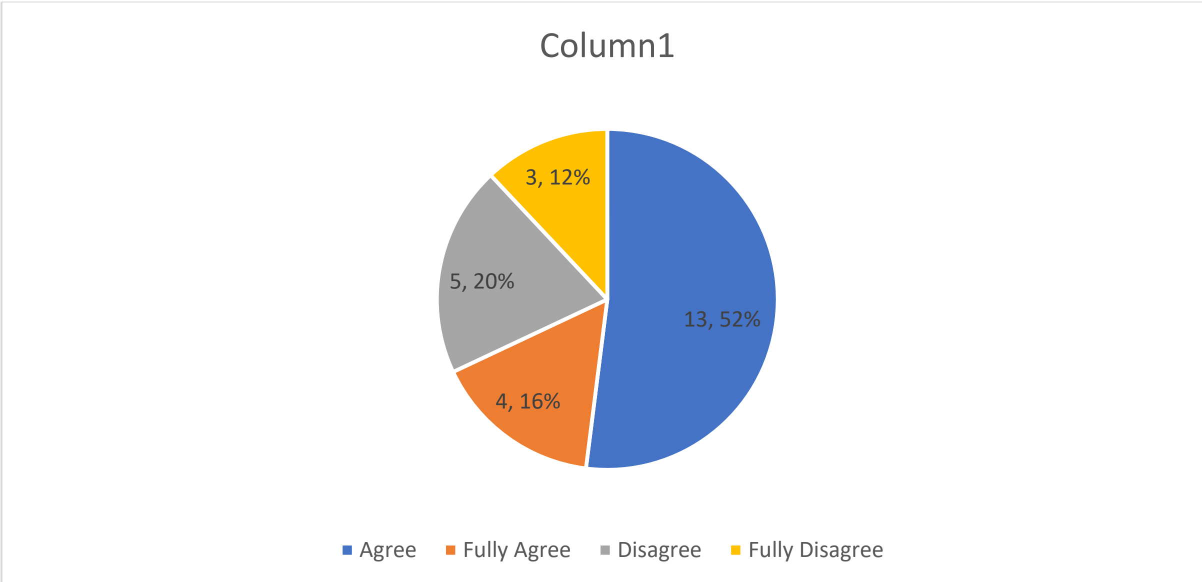
☐ Agree

☐ Fully Agree

☐ Disagree

☐ Fully disagree

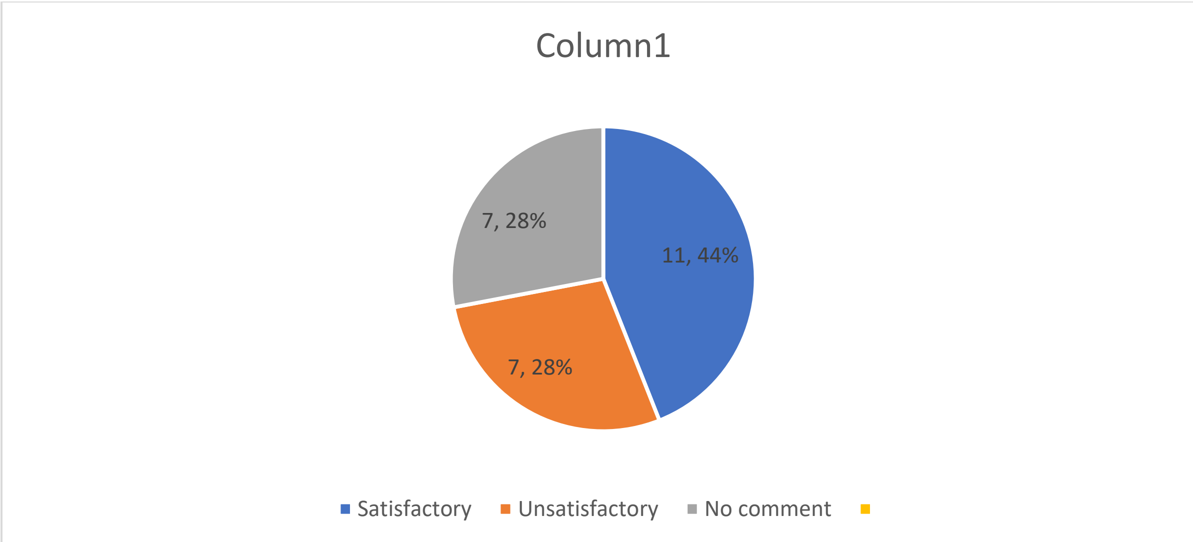
Factors	Number of responds
Agree	13
Fully agree	04
Disagree	05
Fully disagree	03



06. How do you feel about the interest rate

- ☐ Satisfactory
- ☐ Dissatisfactory
- ☐ No comment

Factors	Number of responds
Satisfactory	07
Dissatisfactory	11
No comment	07



07. What do you think they should do to get better?

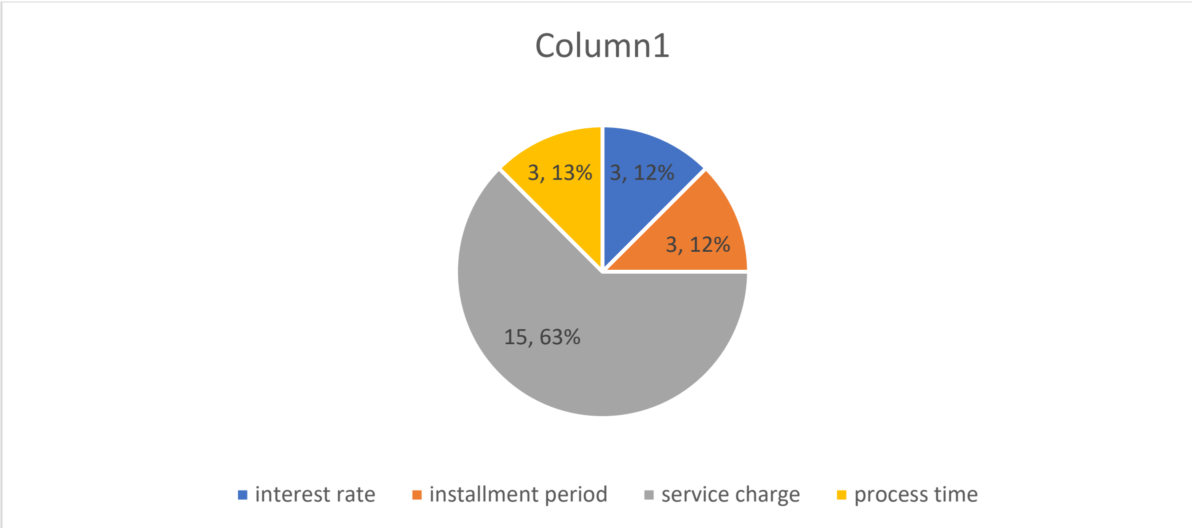
☐ Interest rate

☐ Installment period

☐ Service charge

☐ Process time

factors	Number of comments
Interest rates	03
Installments period	03
Service charge	15
Processing time	04



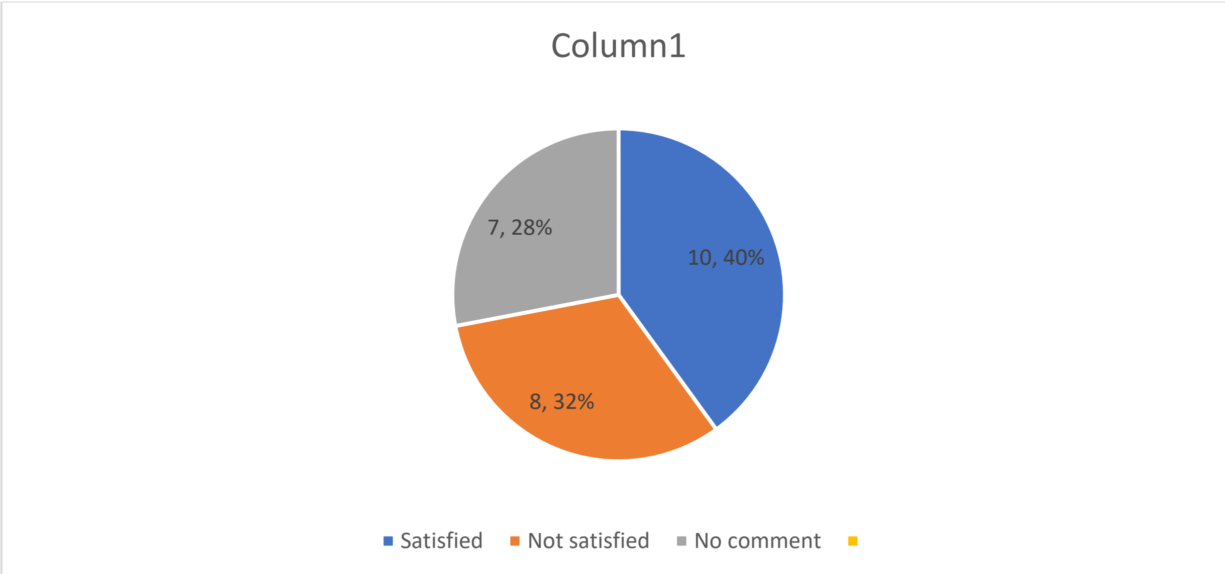
08. you happy with how Dhaka Bank handles credit in general?

☐ Satisfied

☐ Not satisfied

☐ No comment

factors	Number of responds
Satisfied	10
Not comment	08
Dissatisfied	07



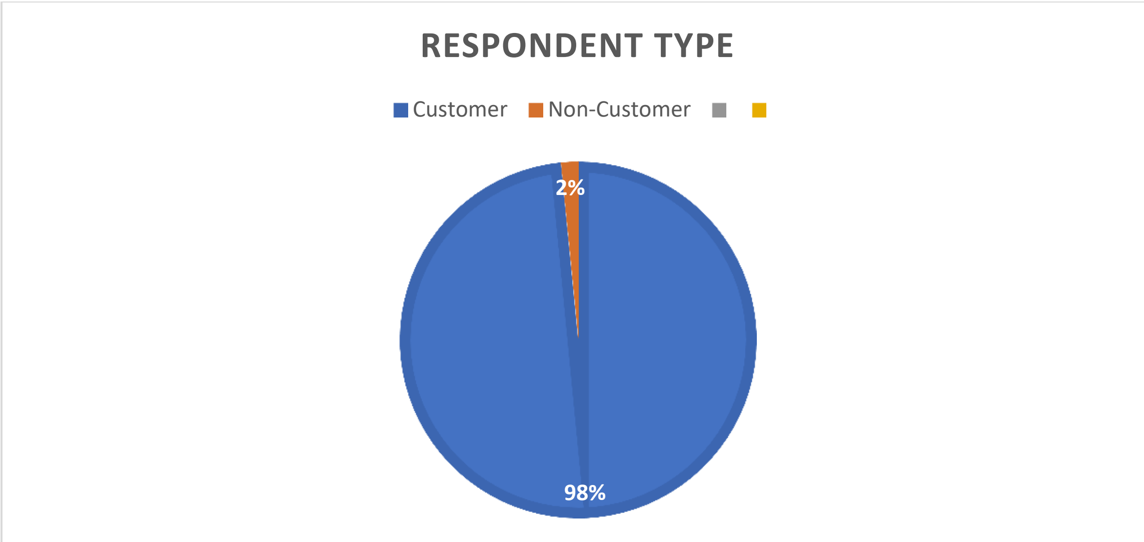
4.6 Survey for Find out Customer Satisfaction about Overall Service of the bank:

This questionnaire is applied to **130** individual customers which was provided by The City Bank Customer Experience Department.

1. Respondent Type

- ☐ Customer
- ☐ Non- Customer

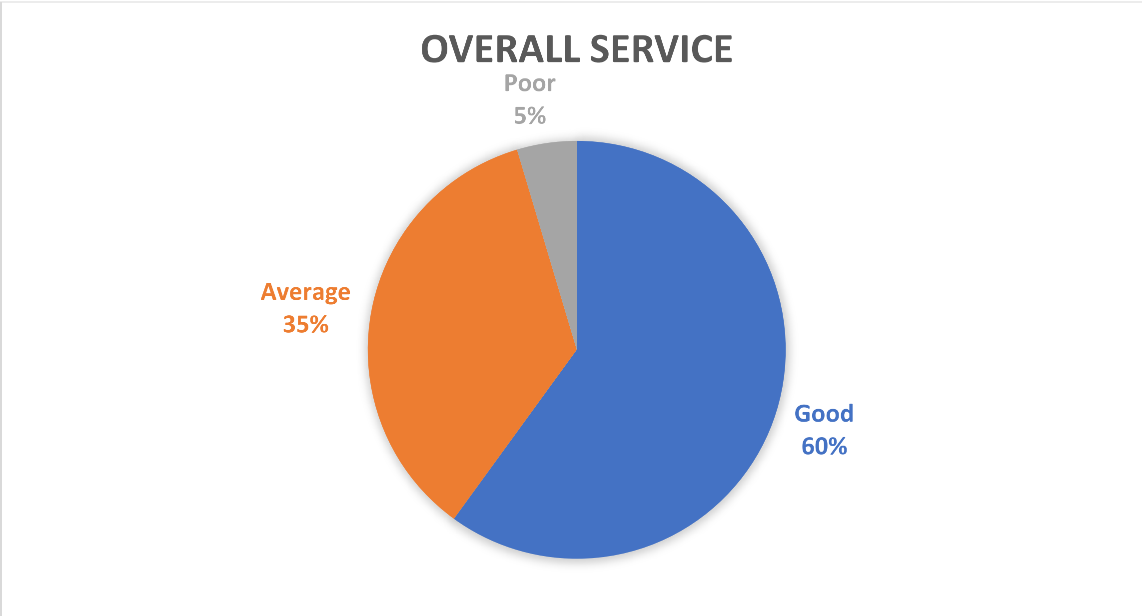
Respondent Type	Number of Responds
Customer	128
Non- Customer	2



2. How would you rate the overall service of this branch?

- ☐ Good
- ☐ Average
- ☐ Poor

Overall Service	Number Of Respondents
Good	78
Average	46
Poor	6



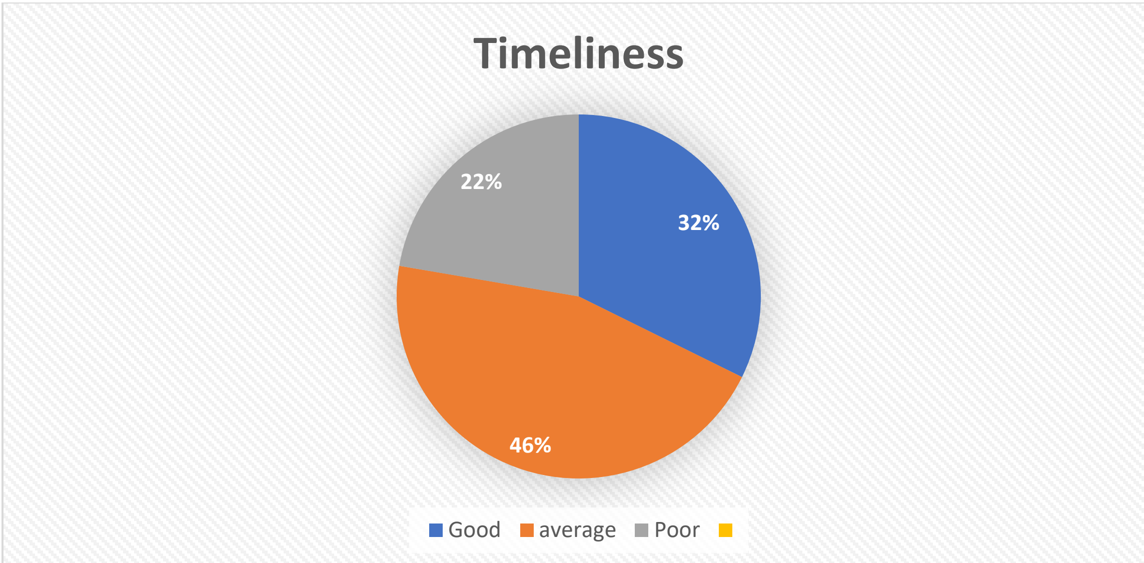
3. What do you think about the timeliness of receiving the desired service?

☐ Good

☐ Average

☐ Poor

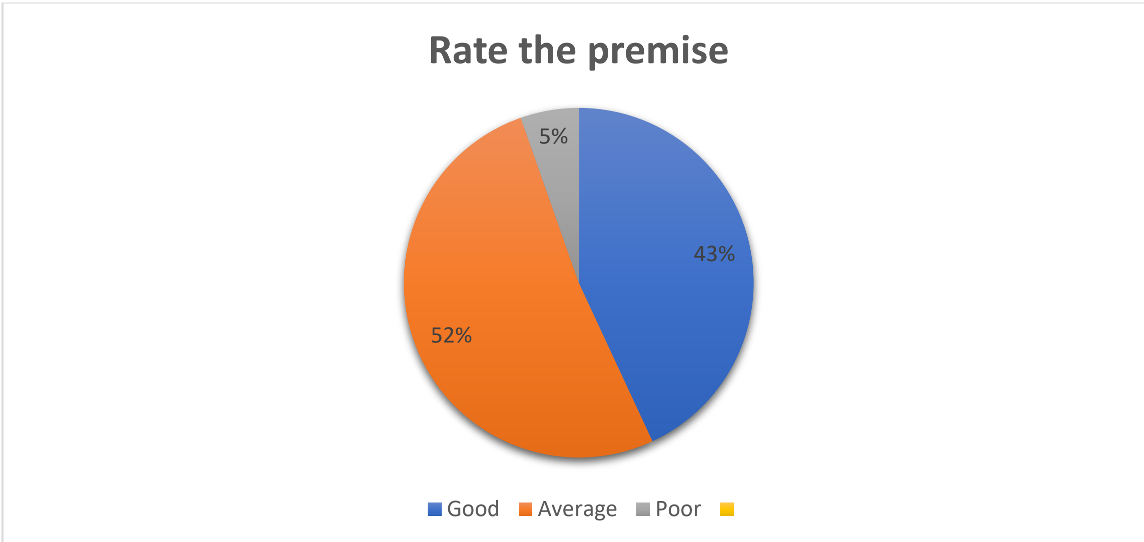
Timeliness of the desired service	Number of respondents
Good	42
Average	59
Poor	29



4. How would you rate the premises of the branch?

☐ Good
☐ Average
☐ Poor

Rate the premises	Number of the respondents
Good	56
Average	67
Poor	7



5. What is the best thing you like about our product/ feature?

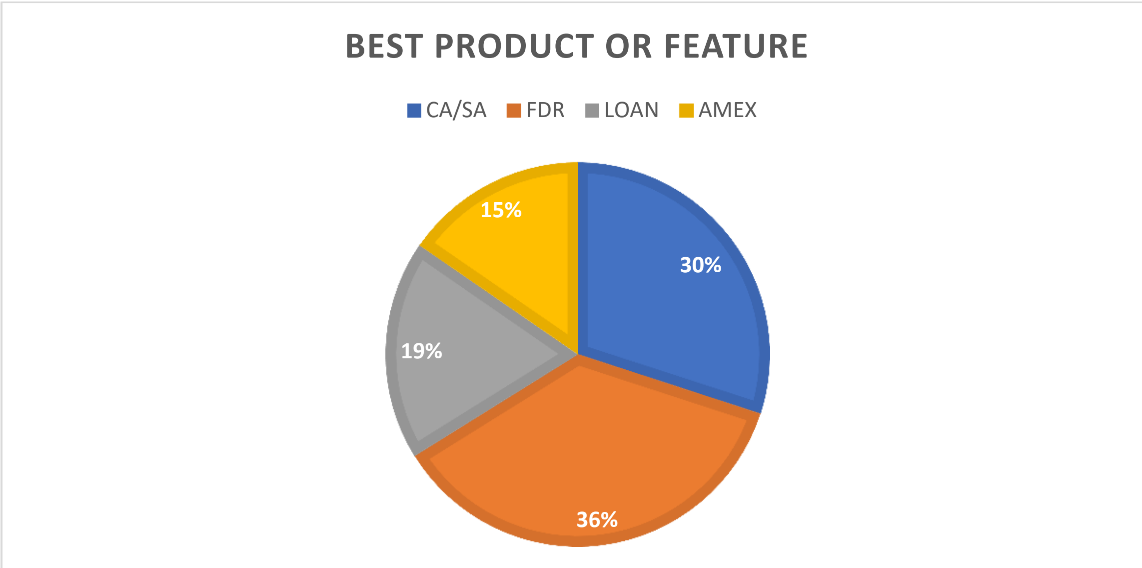
☐ CA/ SA

☐ FDR

☐ LOAN

☐ AMEX

Product or feature	Number of Respondents
CA/ SA	39
FDR	47
LOAN	24
AMEX	20



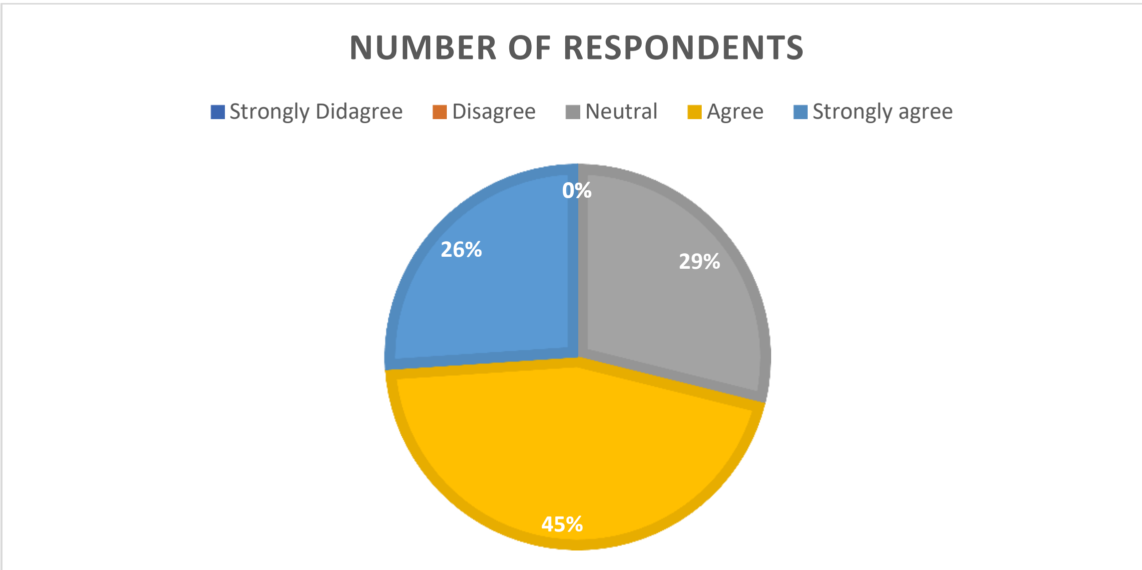
4.7 Survey for Find-out Customer satisfaction About City Touch- A Mobile Banking App of The City Bank Limited

This questionnaire is applied to **142** individual customers which was provided by The City Bank Customer Experience Department.

1. I am pleased with the city bank app.

☐ Strongly disagree
☐ Disagree
☐ Neutral
☐ Agree
☐ Strongly agree

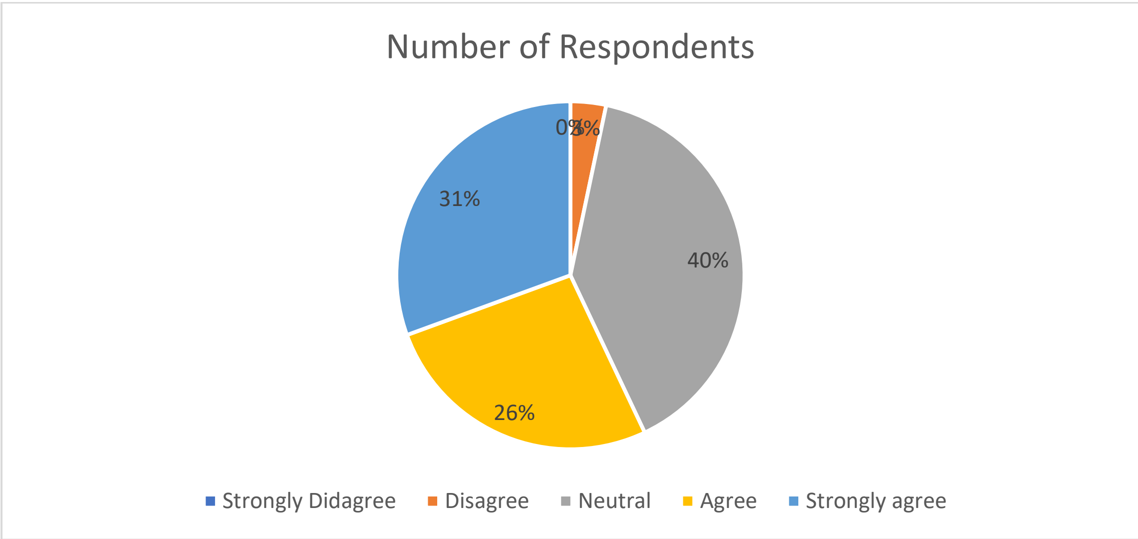
Satisfaction Level	Number of Respondents
Strongly disagree	0
Disagree	0
Neutral	41
Agree	64
Strongly agree	37



2. By using the city touch app, I obtain the stated benefits.

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

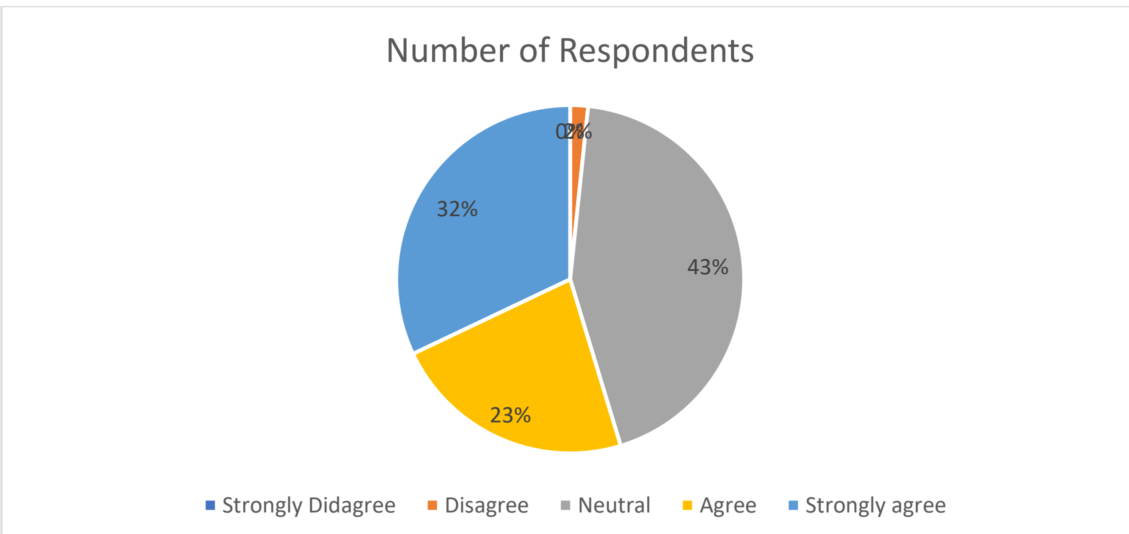
Satisfaction Level	Number of Respondents
Strongly disagree	0
Disagree	4
Neutral	48
Agree	32
Strongly agree	58



3. I believe that the security measures have been upgraded and are protected against any instances of theft or fraudulent conduct.

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

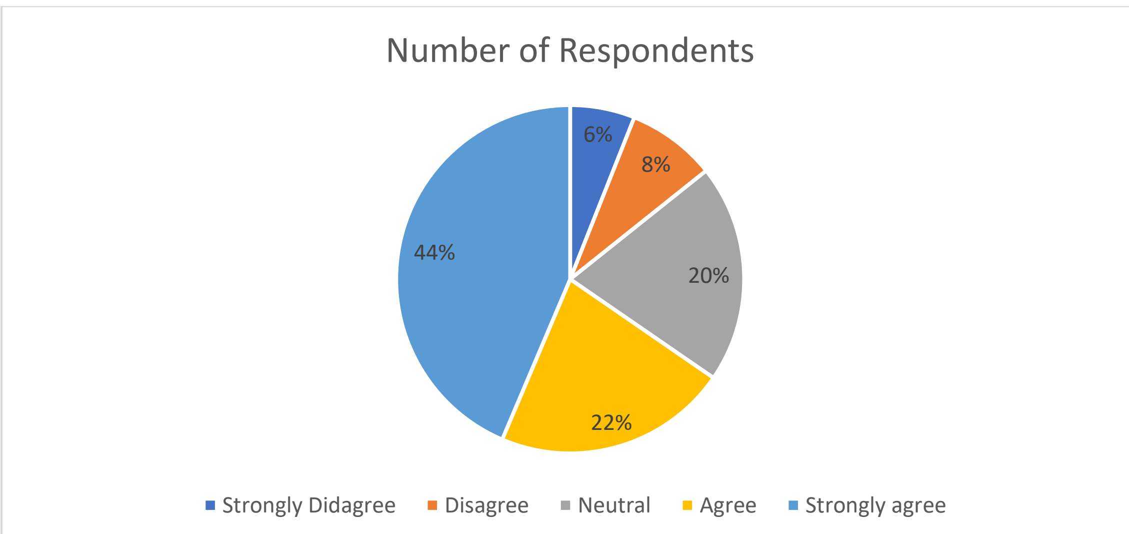
Satisfaction Level	Number of Respondents
Strongly disagree	0
Disagree	3
Neutral	79
Agree	41
Strongly agree	19



4. I believe that the city touch app provides speedy service.

- ☐ Strongly disagree
- ☐ Disagree
- ☐ Neutral
- ☐ Agree
- ☐ Strongly agree

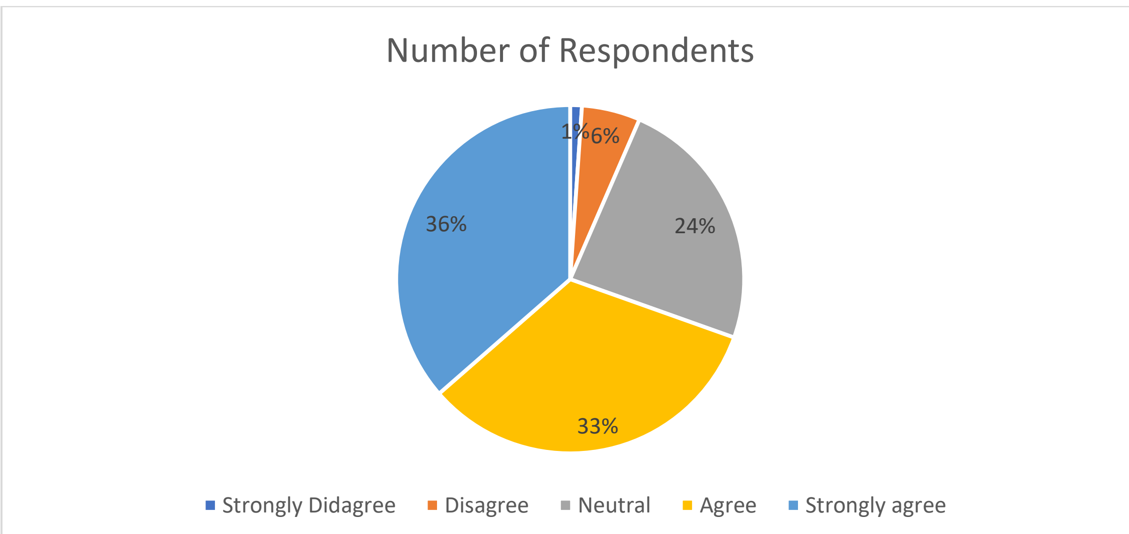
Satisfaction Level	Number of Respondents
Strongly disagree	8
Disagree	11
Neutral	27
Agree	29
Strongly agree	67



5. The access to the OTP (one-time password) was swift.

☐ Strongly disagree
☐ Disagree
☐ Neutral
☐ Agree
☐ Strongly agree

Satisfaction Level	Number of Respondents
Strongly disagree	2
Disagree	10
Neutral	44
Agree	61
Strongly agree	24



Chapter 05

Recommendation And Conclusion

5.1 Recommendation

The City Bank Limited is widely recognized as one of Bangladesh's preeminent private commercial banks. Based on my research, I can also conclude that this bank has certain issues. I will now go into detail about a suggestion I have.

- The service fee and length of time it takes to process a loan are excessive compared to similar institutions. Therefore, they ought to do whatever is required to address the issue.
- The percentage of non-performing loans at this bank continues to rise. The market is quite competitive today. For this reason, reducing the amount of non-performing loans is essential if they wish to improve their standing.
- They are more appealing to large accounts and less so to small ones. However, no greater success can be had with this policy.
- Long-term industrial sectors receive the maximum loan amount issued.
- They need to place a higher value on agriculture.
- The Shyamoli office generates a lot of money for the company. Therefore, the department of human resources needs to allocate more workers to this section.
- They can increase their profile by offering student loans.
- There needs to be a greater emphasis on opening up more locations to ensure happy customers.
- In order to compete with its rivals, CBL needs to increase the number of ATM kiosks available to customers.

5.2 Conclusion

A bank's credit department is very important. The results of this department can make or break any bank. During my three-month internship, I learned a lot about how private commercial banks handle their credit management systems (City Bank). I worked in an environment that was very professional. In recent years, it's been easy to get credit. Even though this service needs to be better.

From my research, I learned that CBL only tries to pay more attention to the big business sector, which can't help the bank. They should give each loan customer the same amount of attention.

The CBL credit department is run by a group of officers who are very positive and qualified. They are trying to give the customer better service. The management team is always keeping an eye on how the credit department is doing. When they decide to give a loan, they figure out if this amount will make them money or lose them money. They check to see if the customer will be able to pay back the loan on time or if they will fail to do so.

I learned from the annual report that CBL's credit department is not all that interested in giving loans to the agricultural sector. They believe that this industry is very risky and that its success depends on the weather. CBL still isn't interested in offering more services in rural areas. But today, the economic situation of people who live in cities is improving very quickly. They don't want to give a loan to a small business because they think this industry is very risky.

Even though there is a lot of competition from both inside and outside the bank, City Bank Limited has made great progress in all areas of its business and has made a lot of money in the last few years.

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Present Banking Sector Status of Bangladesh - Assignment Point

Assignment on Historical Background of The City Bank Limited - Assignment Point

Overview of the City Bank Ltd - Assignment Point