

Internship Report

On

The Banking Industry of Bangladesh & Bangladesh Commerce Bank Limited with the Internship Experience

Submitted to

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QUEST FOR EXCELLENCE



Letter of Transmittal

3rd March 2019

Dr. Md Mohan Uddin

Professor

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Sub: Submission of Internship Report.

Dear Sir,

Here is the assignment that I was assigned on the topic as per your instruction. The assignment has been completed by the knowledge that I have gathered from my undergraduate program.

I am thankful to all those persons who provided me important information and gave me valuable advices. I would be happy if you enjoy reading the report and will be trying to answer all the questions that you have about the assignment.

I have tried my label best to complete this assignment meaningfully and correctly, as much as possible. I do believe that my tiresome effort will help you to get ahead with this sort of venture. In this case it will be meaningful to me. However, if you need any quarry in interpreting this assignment I will be readily available to answer.

Thanking you.

Yours obediently,

Reyazuddin Patowary

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Acknowledgement

First of all, I would like to thank almighty Allah for giving me the strength to complete my internship successfully and preparing my internship report as per the instructions.

I am deeply indebted to my Faculty Advisor Dr. Md Mohan Uddin, Professor, School of Business and Economics, United International University for his guidance and support in completing my internship and suggestions from the very beginning of starting my report.

I would like to express my gratitude to Mr. T. M. Afzal Hossain, Senior Vice President and head of Human Resource Division of Bangladesh Commerce Bank Limited for allowing me to internship program in his esteemed organization. I will be forever grateful to Mr. Mohammad Khalequzzaman Masud, Manager, Bijoy Nagar Branch, Bangladesh Commerce Bank Limited for his hearty cooperation and guidance throughout my internship period in his branch. At last I would like to thank all the officers and staffs of Bijoy Nagar Branch of Bangladesh Commerce Bank Limited for extending their kind support to me during my internship period.



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EXECUTIVE SUMMARY

The report is on Analysis of Banking Industry and Analysis of the Bangladesh Commerce Bank Ltd. This opportunity is provided by Dr. Mohan Uddin, Professor, School of Business and Economics, United International University; as a requirement of Bachelor of Business Administration program Internship. The general objective of this report is to overview of the banking industry of Bangladesh particularly Bangladesh Commerce Bank Ltd. And internship experience of the author. There are also some specific objectives which are to present the scenario of the banking industry of Bangladesh and Bangladesh Commerce Bank Ltd. and Internship experience of the author with some recommendations for those six topics.

In the report the first chapter will present the General information's of this report which means the introductions of this report, objectives of the report and the significance of the report. The second chapter will present Bangladesh Banking Industry. It will include some of selected issues of the banking industry. Then the third chapter will present some information about Bangladesh Commerce Bank Ltd. at which I have completed my internship program. After that the fourth chapter will represent my overall internship experience at Bangladesh Commerce Bank Ltd. And the final chapter is about my recommendations for the organization Bangladesh Commerce Bank Ltd. and some recommendations of my self-improvement.

In my report I tried to analyze the performance of the bank from different dimension and present the findings in different ratios as well as through graphs for better and easy understanding. As during my internship period I had to serve under Bijoynagar Branch of Bangladesh Commerce Bank Limited I tried to include the General Banking part of the banking in my report.



Chapter - One

Introduction



1.1 Background

Financial statements for banks present a different analytical problem than statements for manufacturing and service companies. As a result, analysis of a bank's financial statements requires a distinct approach that recognizes a bank's unique risks.

Banks take deposits from savers and pay interest on some of these accounts. They pass these funds on to borrowers and receive interest on the loans. Their profits are derived from the spread between the rate they pay for funds and the rate they receive from borrowers. This ability to pool deposits from many sources that can be lent to many different borrowers creates the flow of funds inherent in the banking system. By managing this flow of funds, banks generate profits, acting as the intermediary of interest paid and interest received, and taking on the risks of offering credit.

A recent article from the 'financial express' have shown that, in the last two years Bangladesh's economic expansion has been quite inspiring from the perspective of the GDP growth rate which was seven plus both years.

The article also shows that how our banking sector is being the worst performers day by day in case of the 'non performing loans' 'Capital to risk weighted ratio'. In spite of giving continuously bad performance the government is insistent on bailing the banks out.

The main reason behind all these is "Corruption" and "efficiency". This report is prepared under taking consideration of these issues where other factors, trends that affecting the banking industry and prepared on a particular bank to understand the performance.

1.2 Objective of the Study

For this term project, my objective is to know the financial performance of the bank over the period as well as the activity of the bank. The purpose of doing this report is to know about how the theory that we have learned in our course works in the real world.

This report will help us to know about:

- Overview of BCBL
- Present Position of the BCBL
- Performance of the BCBL over the period
- Comparative analysis of BCBL
- General Banking Activity of BCBL



1.3 Significance of the Study

The significance of the study is so much because it is a first real experience of a student for future reference. It will include the analysis of Bangladesh Banking Industry. Analysis of Bangladesh Commerce bank and my personal internship experience. The most important reason for conducting the internship program is to relate the theoretical knowledge of the past 3 and half year with the practical work experience. Apart from this, it is also a precondition of the program to complete the bachelor degree. A branch of a private commercial bank is a part of the whole corporate body but still it practice the entire corporate culture in a small area. It practices Marketing, Human Resource Management, Finance, Accounting etc. in its day to day operation. I was fortunate enough to have the opportunity to relate my educational knowledge with the real world.

Another significance of this study is to help the author to bring his opinion in front of the reader and also for getting the feedback whether the presentation of the report was good or not. Also the report is to give a sound knowledge about the banking industry, Bangladesh Commerce Bank Ltd. and the internship experience of the author to the reader.

The main thing is when the reader will see the topic he can meet some sound knowledge of that particular topic from the beginning of the report till the end. This report will prescribe the entire situation from the view point of the author. So this report is significant because of the reader.

1.4 Limitation of the Study

Banking is a vast ocean which cannot be swim over in three months' time. At the same time as an intern I was not authorized to access in every matter of the banking. So I had to determine the areas where I can work or I should concentrate. As the financial information of the bank is public information I determined to analyze the financial performance of the bank by using the annual reports and some of the internal information. At the same time as during my internship period I had the opportunity to do some practical work, I chose to present a glimpse of general banking activity in my report.



Chapter - Two

Analysis of Banking Industry



2.01 Specification of the industry

The financial system of Bangladesh is comprised of three broad fragmented sectors:

1. Formal Sector,
2. Semi-Formal Sector,
3. Informal Sector.

The sectors have been categorized in accordance with their degree of regulation. The **formal sector** includes all regulated institutions like *Banks, Non-Bank Financial Institutions (FIs), Insurance Companies, Capital Market Intermediaries* like Brokerage Houses, Merchant Banks etc.; *Micro Finance Institutions (MFIs)*.

The **semi-formal sector** includes those institutions which are regulated otherwise but do not fall under the jurisdiction of Central Bank, Insurance Authority, Securities and Exchange Commission or any other enacted financial regulator. This sector is mainly represented by *Specialized Financial Institutions* like House Building Finance Corporation (HBFC), Palli Karma Sahayak Foundation (PKSF), Samabay Bank, Grameen Bank etc., *Non-Governmental Organizations (NGOs and discrete government programs)*.

The **informal sector** includes private intermediaries which are completely unregulated.

2.02 Size, trend and maturity of the industry

After the independence, banking industry in Bangladesh started its journey with 6 Nationalized Commercialized Banks, 3 State owned Specialized Banks and 9 Foreign Banks. In the 1980's banking industry achieved significant expansion with the entrance of private banks. Now, banks in Bangladesh are primarily of two types:

- **Scheduled Banks:** The banks that remain in the list of banks maintained under the Bangladesh Bank Order, 1972.
- **Non-Scheduled Banks:** The banks which are established for special and definite objective and operate under any act but are not Scheduled Banks. These banks cannot perform all functions of scheduled banks.



There are **59 scheduled banks** in Bangladesh who operate under full control and supervision of Bangladesh Bank which is empowered to do so through Bangladesh Bank Order, 1972 and Bank Company Act, 1991. Scheduled Banks are classified into following types:

- **State Owned Commercial Banks (SOCBs):** There are **6 SOCBs** which are fully or majorly owned by the Government of Bangladesh.
- **Specialized Banks (SDBs):** **3 specialized banks** are now operating which were established for specific objectives like agricultural or industrial development. These banks are also fully or majorly owned by the Government of Bangladesh.
- **Private Commercial Banks (PCBs):** There are **41 private commercial banks** which are majorly owned by individuals/the private entities. PCBs can be categorized into two groups:
 - **Conventional PCBs:** **33 conventional PCBs** are now operating in the industry. They perform the banking functions in conventional fashion i.e interest based operations.
 - **IslamiShariah based PCBs:** There are **8 IslamiShariah based PCBs** in Bangladesh and they execute banking activities according to IslamiShariah based principles i.e. Profit-Loss Sharing (PLS) mode.
- **Foreign Commercial Banks (FCBs):** **9 FCBs** are operating in Bangladesh as the branches of the banks which are incorporated in abroad.

There are now **5 non-scheduled banks** in Bangladesh which are:

- Ansar VDP Unnayan Bank,
- Karmashangosthan Bank,
- Grameen Bank,
- Jubilee Bank,
- PalliSanchay Bank

FIs

Non-Bank Financial Institutions (FIs) are those types of financial institutions which are regulated under Financial Institution Act, 1993 and controlled by Bangladesh Bank. Now, **34 FIs** are operating in Bangladesh while the maiden one was established in 1981. Out of the total, 2 is fully government owned, 1 is the subsidiary of a SOCB, 15 were initiated by private



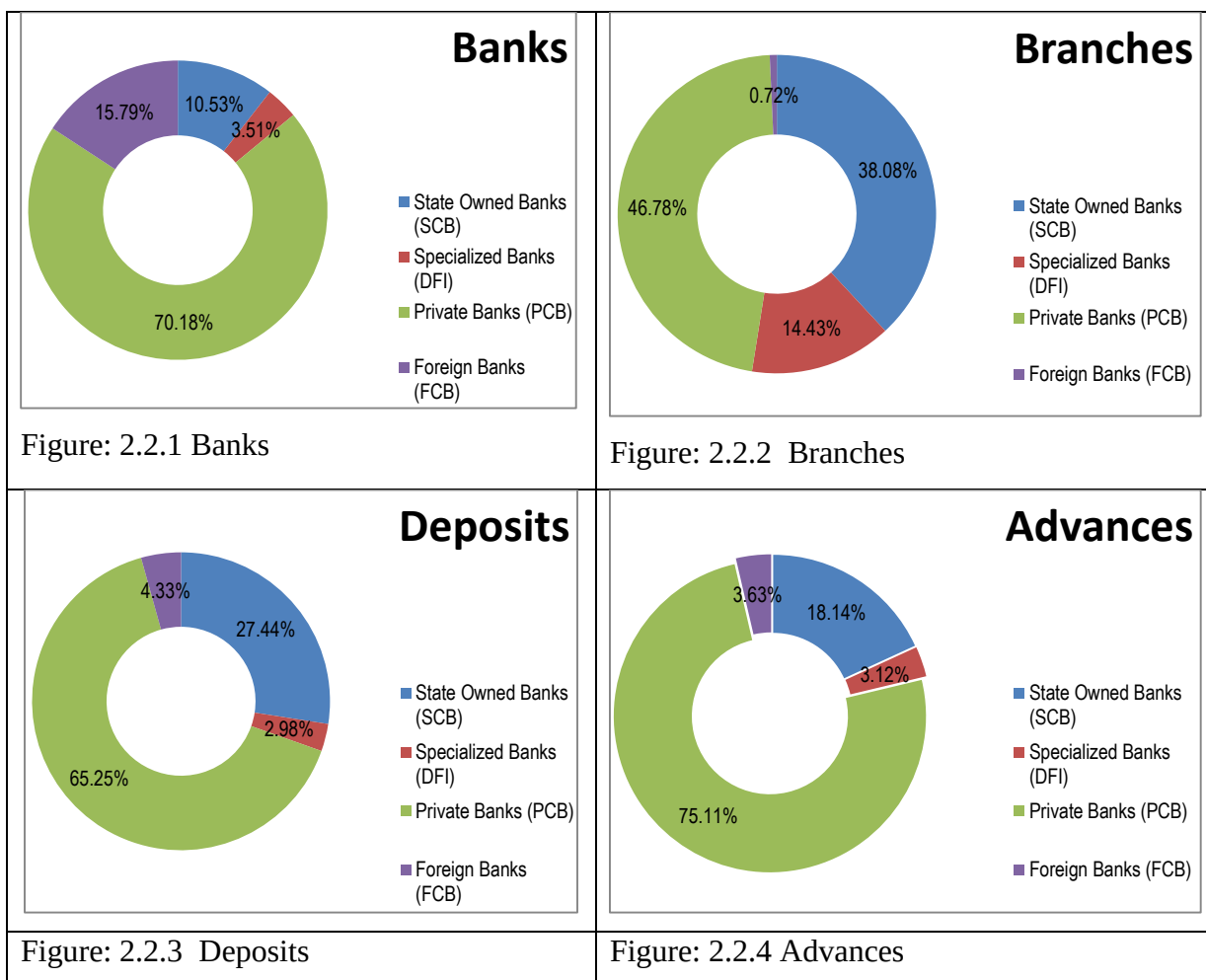
domestic initiative and 15 were initiated by joint venture initiative. Major sources of funds of FIs are Term Deposit (at least three months tenure), Credit Facility from Banks and other FIs, Call Money as well as Bond and Securitization. The major difference between banks and FIs are as follows:

- FIs cannot issue cheques, pay-orders or demand drafts.
- FIs cannot receive demand deposits,
- FIs cannot be involved in foreign exchange financing,
- FIs can conduct their business operations with diversified financing modes like syndicated financing, bridge financing, lease financing, securitization instruments, private placement of equity etc.

Type of Bank	No. of Banks	Number of Branches	Deposits (in Billion)	Deposit P2P growth	Advances (in Billion)	Advance P2P growth
State Owned Banks (SCB)	06	3,714	2,619	7.8%	1,353	11.4%
Specialized Banks (DFI)	02	1,407	284	12.9%	233	1.0%
Private Banks (PCB)	40	4,562	6,228	12.0%	5,602	21.7%
Foreign Banks (FCB)	09	70	413	10.5%	271	13.9%
Total:	57	9,753	9,545	10.8%	7,458	18.7%

Table: 2.1: Banking industry overview.

SCB's (State owned banks) deposit has increased lower than its credit growth but specialized banks shows different picture. Private Banks credit growth was almost double compare to deposit growth. Only foreign banks show a relative growth between its deposit and advances.



Private commercial banks holds majority of the banking industry but 70% PCB has market share of 46% branches while their deposit and advance market share are 65% and 75% comparatively. Which indicate that PCB's with lesser branches secured higher deposit and advance in the industry. Though numbers of foreign banks are mentionable in the industry but they are operating least number of branches which is very negligible in the industry but their deposit and advance percentage is still mentionable. Few number of specialized banks have large number of branches but they do not have mentionable amount of deposit or advances.

2.03 External economic factors

Banks deals with the public money which is the highest economic priority for any government. In our country central banks implement monetary policy through banking system. Since our capital market is not playing a very important role in national economy banks are filling the



gaps. Bangladesh Banking sector has experienced a meltdown in 2009 to 2014 during the time due to political instability private sector growth were slow down and number of business institute incurred loss which resulted piled up classified loan in banking sector. At the beginning of the 2010 Capital Market experienced a sharp fall which also resulted negative profitability in banking industry as banks invested and participated a great deal in the capital market. But the rays of hope are seen as in last couple of years country's political activity is stable which gives us a stable economy and shows an opportunity to recover from the previous economic meltdown. Another area of concern is that now in the era of globalization government are now allowing private organization to avail foreign credit facility. In one side government are allowing new banks to enter in the market on the other hand expanding the options for availing credit facility which will increase buyer bargaining power in the near future which will affect profitability of local banks and might affect their existence.

2.04 Technological factors

In last 10 years technology changed the face of banking sector in Bangladesh. The major technological changes are following:

1. Development of Computerized Banking Software
2. Development of Core Banking Solution
3. Development of MICR Cheque Processing
4. Development of Credit/Debit Cards (Plastic Money)
5. Development of Internet Banking Solution
6. Development of Banking Services Automation Solution
7. Development of Mobile Banking Solution
8. Development of Cheque Truncation System (CTS)
9. Development of Online Loan Processing

In the near future bank will face some of the following challenges in banking sector:

1. Customers willingness to switch to virtual banks
2. Non-banking institutions are offering some of banking service
3. Whether concentrate on digital or physical existence
4. Raising customers expectation toward pace of service providing
5. Banks reluctance to open banking



6. Use of customer data
7. Build or buy technology

2.05 Political, legal and regulatory factors

Bank Companies Act 1991 and subsequent amendment in 2017 mainly guide the commercial banks in Bangladesh. The latest amendment allows the number of directors from two to four from a single family and the extension of the tenure from six years to nine years. The Bangladesh Bank (BB), being the central bank, exerts the supervisory controls over the banking sector. Besides, prudential guidelines for agent banking operation, loan classification and provisioning, amendment of guidelines on credit card operations of banks, foreign direct investment promotion project (FDIPP), promotion of cashless transaction and issuance of agricultural & rural credit policy & program for the FY 2017-18 were the key steps of central bank to strengthen sustainable development of the banking industry.

2.06 Barriers to entry

Bangladesh Bank holds the sole responsibility to issue banking license to any banking company to operate in Bangladesh. Though the regulatory authority reluctant to issue new license in banking sector, there were compel to allow new entrants due to political pressure. The logic behind not allowing new banks in the industry was like:

1. Sufficient amount of banks in the industry considering the economy
2. More bank might create un-healthy competition
3. Regulatory might not effectively monitor and control large number of banks

Bust still, due to political pressure they were bound to issue more than a dozen new banks to operate which already prove their concern were right. Among the new banks couple of banks has been headlined because of immense corruption as result regulator put observers in those banks.

Banking industry is now over saturated industry and government now realized that now so we hope that the entry barriers will be stronger in the near future.



2.07 Supplier/depositors power

There are number of determinants of the bargaining power of suppliers:

1. Number of suppliers relative to buyers
2. Dependence of a supplier's sale on a particular buyer
3. Switching cost (switching costs of supplier)
4. Availability of suppliers for immediate purchase
5. Possibility of forward integration by suppliers

Some of the factors ignite the bargaining power of suppliers:

- ❖ Switching costs of buyers are high
- ❖ Threat of forward integration is high
- ❖ Small number of suppliers relative to buyers
- ❖ Low dependence of a supplier's sale on a particular buyer
- ❖ Switching costs of suppliers are low
- ❖ Substitutes are unavailable
- ❖ Buyer relies heavily on sales from suppliers

As there are number of banks are more than the economy can accommodate the switching cost from supplier are high. Banks are mostly look for institutional depositors which narrowed down the list of suppliers as a result suppliers switching cost is very low and to some extent it is rewarding. Banks deals with the public money where the savers are the major suppliers. Banking industry now saturated with banks and as a result supplier bargaining is higher than ever, another thing is fueled high supplier power is that a huge amount of loan is classified which means stuck with the defaulters that create liquidity crisis. To meet the liquidity crisis banks offers higher rates to depositors. To ease up the liquidity crisis banks should reduce stuck up classified loans which might increase the profitability and bank may compromise the rate of interest to attract new deposit.



2.08 Buyer power

Buyers for a banking institution are loan parties who borrow money from banks in exchange of predetermined interest. Buyer bargaining power is determined by the following factors:

1. Number of buyers in the market
2. Buyers switching cost
3. Buyers dependence on supplier

There are few reasons for high bargaining power in banking industry:

1. **Fewer numbers of buyers than the supplier:** Number of banks are increasing but the market is fixed as a result supplier of loan has increased compared to loan seekers.
2. **Buyer switching cost:** Loan takers often switch from one banks to another banks for lesser interest which indicate the reward of switching thus it increase the buyer bargaining power.
3. **Bulk buyer:** Banks are reluctant to small credit but interested in bulk credit which increase the risk of default as well as increase the bargaining power of the buyer. To restrict bulk investment central bank set single borrower exposure limit for bank tied with their paid up capital.
4. **Similar products/service from others:** Every bank is offering same kind of service to its suppliers this makes buyer switch more often.

2.09 Threats of substitute

In earlier time banks were only institution to offer financial services but now different organizations are offering financial services. Mobile company offering mobile money transfer, online platform for payment service and money transfer service etc. Financial institutes are offering almost every service like banks except foreign trade business. These alternative institutions create substitute services to banks customers. To survive in the fierce market, banks should diversified its products



2.10 Industry rivalry

Before entering the 4th generation banking institutes, numbers of banks were considered to be sufficient for the economy. But in recent years 15 new banks enter in the market which is more than 25% increase but economy was stagnant and to some extent private sector growth was negative. As the economy shrank and number of service provider increased over the years now an unhealthy competition present in the banking industry. Banks are offering higher rate to depositors and lower rate to borrowers as a result both kind of customer switching so often which creates an unstable fund management environment in the banking industry.

2.11 Summary of challenges and opportunities

The Banking Industry has seen a rise in the deposit rate by the second half of 2017 while marking a weighted average deposit rate of 4.91% and lending rate 9.35% with a spread of 4.44% at the end of 2017. Total deposit of the banking sector in September 2017 stood at BDT 9,544.5 billion showing a point to point growth of 10.8%. Similarly total advances stood at BDT 7,458.4 billion marking a point to point growth of 18.7%. Gradual increase of AD ratio has become major concern for banking industry. Regulatory body has also specified the boundary of AD ratio for banking industry as a pre-step to ensure the sound liquidity position of commercial banks. As on 31st December 2017, banking industry has maintained BDT 2,596 billion in total liquid assets by keeping BDT 866.96 billion as excess liquidity. At the end of the year, call money rate slightly increased to 3.92% from the record low of 3.54% as the credit growth surpassed the deposit growth. The key profitability indicators - return on assets (ROA) and return on equity (ROE) stood at 0.34% and 4.66% respectively as on 30th September 2017 as compared to 0.7% and 9.9% respectively recorded in 2016. The banking industry has maintained a provision of BDT 399.7 billion against required provision of BDT 463.1 billion, marking a shortfall provision of BDT 63.4 billion as of 30th September 2017. At the same period, the average CRAR (Capital to Risk Weighted Asset Ratio) for banking industry was 10.6% when the CRAR for the private commercial banks, state banks and foreign banks was 12.2%, 5.6% and 24.0% respectively. As of 30th September 2017, the cumulative NPLs of the banks reached BDT 803.1 billion or 10.7% of NPL to total loans. This ratio has slightly decreased to 9.3% at the end of the 2017.



2.11.01 Major Challenges of Bangladesh Banking Industry:

1. Low quality of assets
2. Lack of good governance, accountability and transparency
3. Inadequacy of effective risk management system
4. Lower growth in industrial loan
5. Lower growth in agricultural credit
6. Disbursement of SME loan
7. Borrowing from Govt. Bank
8. Non-performing loan
9. Surplus liquidity

2.11.02 Strategies to overcome problems in Banking Sector:

1. Attract and retain clients in banking sector
2. Knowing customers in rapidly changing world
3. Promote confidence in the economy
4. Using technology that customer expects
5. Watching goodwill and reputation

2.11.03 Opportunities for Banking sector in Bangladesh:

- ❖ Bangladesh has huge number of population. This advantage may accelerate expansion and growth of Bangladeshi banking sector.
- ❖ Bangladeshi banking sector is very much capable to ensure proper quality of the product services as per requirement of the global market.
- ❖ Banking sector is in strict monitoring and control of Central bank which minimize the risk of banks to go liquidated or shutdown as a result customer have apex level confidence in banking sector.
- ❖ The bond market and capital market in Bangladesh is not playing effective role in the economy thus there are big opportunity for banks to fill the gap.



Chapter - Three

Analysis of Bangladesh Commerce Bank Limited



3.01 Overview and History of the Bank

Banking sector is expanding its hand in different financial events every day. At the same time the banking processes are becoming faster, easier and the banking arena is becoming wider. As the demand of better service increasing day-by-day. Generally by the word “Bank” we can easily understand that the financial institution deals with money. But there are different types of banks like; Central Bank, Commercial Bank, Savings Bank, Investment Bank, Industrial Bank, Co-operative Bank etc. Here I am going to discuss a bank which name is Bangladesh Commerce Bank Limited, which is a private commercial bank. A public limited company incorporated in Bangladesh on June 01, 1998 under the Companies Act, 1994, the Bank Companies Act, 1991 and Parliamentary Act 12 of 1997. BCBL was the first and till day is the only bank formed under PPP (Public Private Partnership). The Peoples republic of Bangladesh and its allied agencies holds controlling share in the bank tough the management is totally different from the owners.

3.01.01 Corporate Directory of the Bank

Name	Bangladesh Commerce Bank Ltd. (BCB)
Date of Incorporation	1st June, 1998
Core Business	A public limited company incorporated in Bangladesh on June 01, 1998 under the Companies Act, 1994, the Bank Companies Act, 1991 and Parliamentary Act 12 of 1997. Bangladesh Commerce Bank Limited is known as a commercial bank. Like all commercial banks BCBL's core business is also obtaining deposits and providing loans. It is a financial institution providing services for businesses, organizations and individuals. Services include offering different types of deposit account such as current deposit account, saving deposit account and other scheme account as well as giving loans to organizations and individuals to accelerate economic development.



BCB make its profit by taking small, short-term, relatively liquid deposits and transforming these into small, medium, larger loans for short, medium and long term maturity loans. These processes of asset transformation generate net income for BCB. BCB also earned short term profit by investing through treasury functions as well as non-funded business.

However, BCB is primarily engaged in deposit and lending activities to private and corporate clients in wholesale and retail banking. Other services typically include credit card, mobile banking, custodial service and guarantees, cash management and settlement as well as trade finance.

Authorized Capital BDT 10,000 Million

Paid Up Capital BDT 1,989 Million

Face Value Per Share BDT 100 per share

Registration Number C-35510(2286)/98

Bangladesh Bank License Number BRPD(P)744(KHA)/99-2842

3.01.02 Ownership Composition of the Bank

SL	CATEGORY	NAME OF HOLDERS	NO. OF SHARES	% OF HOLDING
1.	KA	The Government of the People's Republic of Bangladesh	6,750,000	33.94
		Sponsors as mentioned in the Memorandum and Articles of Association of Bangladesh Commerce Bank Limited	8	0.00

2.	KHA	Three State Owned Bank namely Sonali Bank Limited, Janata Bank Limited and Agrani Bank Limited.	2,249,982	11.31
3.	GA	Government Owned Corporate Bodies.	1,024,613	5.15
		Depositors and Private Shareholders.	9,862,825	49.59
Total =			19,887,428	100.00

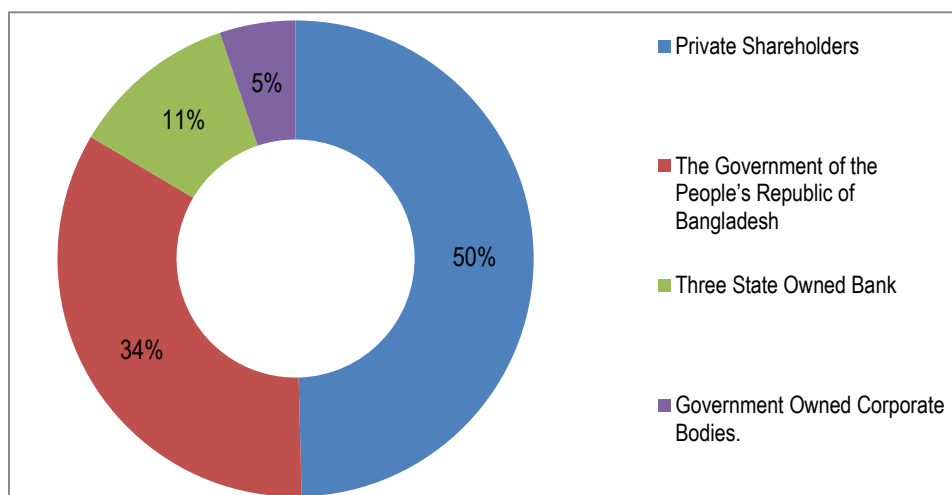


Figure: 3.1.1 Shareholders Status

3.01.03 Vision Statement of the Bank

To become a bank of first choice by the customers with meaningful contributions to the society

3.01.04 Mission Statement of the Bank

Bangladesh Commerce Bank Ltd. is committed to fulfill its customer needs and become their first choice in banking so that a sustainable growth, reasonable return and contribution to the development of the country can be ensured with a motivated and professional work force.



3.01.05 Goals of the Bank

- ❖ Expanding area of business coverage.
- ❖ Contribution towards society to bring changes.
- ❖ Proper implementation of corporate governance.
- ❖ Continuous improvement at core banking activities.
- ❖ Product & services diversification based on technology.
- ❖ Strengthening IT infrastructure to offer modern and safe banking.
- ❖ Strengthening risk management technique & regulatory compliance.

3.01.06 Corporate Milestones

Date	Events
08.02.1998	Board of BCBL directors been formed
01.06.1998	Incorporated as public limited company under the Companies Act, 1994, BankCompanies Act, 1991 and in accordance with the Parliamentary Act No. 12 of 1999
06.09.1999	Bank has started it's operation with 24 branches around the Country.
16.11.2002	25th Branch opened in Comilla
28.04.2011	BCB relocated its Corporate Office from Taranga Complex to 52-53, Dilkusha C/A, Eunoos Trade Center (Level-22), Dkaka-1000.
25.05.2011	BCB launched "BCB Credit Card"
27.09.2011	BCB resumes branch opening with Seedstore Bazar Branch at Mymensingh after 9 years.
28.03.2012	BCB launched Mobile Banking (Mobile Financial Services)
05.04.2014	Inauguration of Central Trade Processing Unit (CTPU)

3.02 Trend and growth

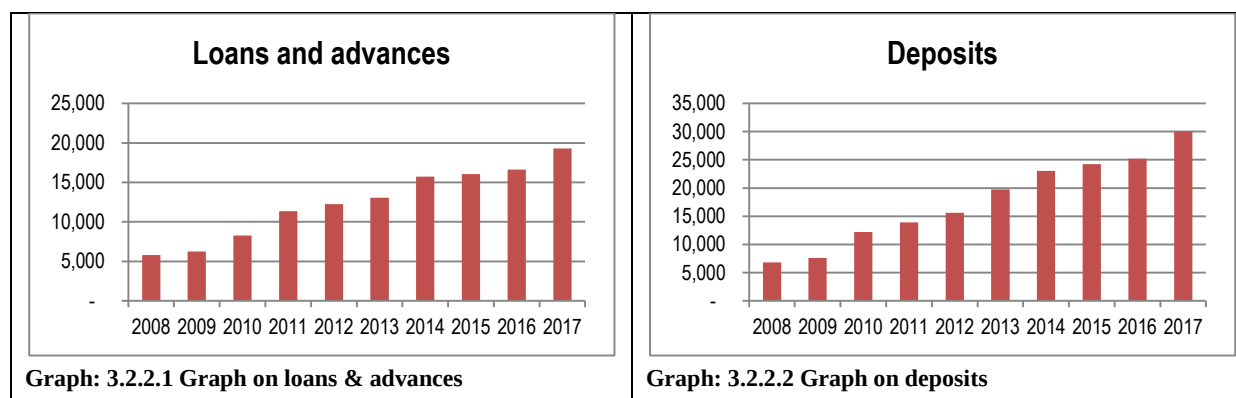
3.02.01 Indicators at a Glance

Indicators	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Shareholders' equity	3,495	3,466	3,404	3,329	3,273	2,328	2,217	2,146	1,018	1,020
Deposits	30,009	25,223	24,208	23,020	19,736	15,611	13,877	12,188	7,605	6,787
Loans and advances	19,284	16,634	16,059	15,742	13,064	12,250	11,334	8,266	6,256	5,786
Total assets	36,395	31,167	30,050	28,248	24,504	19,545	17,391	15,578	9,428	8,521
Operating Profit	302	216	8	342	129	300	499	325	288	30
Earnings per share (EPS) in BDT	1.48	1.26	0.08	1.46	0.88	5.09	3.51	3.18	4.49	2.88
Capital to RWA	3.06%	1.72%	4.52%	5.81%	14.28%	10.43%	14.21%	14.01%	18.91%	20.45%
Non performing/classified loans (NPLs)	5,598	6,255	5,037	4,886	1,918	1,553	997	1,068	1,485	1,580
NPL to total loans and advance	29.03%	37.60%	31.37%	31.68%	14.68%	12.68%	8.80%	12.92%	23.74%	27.31%
Export	2,284	2,629	2,302	3,340	3,225	3,058	2,219	1,200	1,021	979
Import	4,719	3,846	2,843	4,503	5,095	5,426	7,389	4,404	3,513	2,277
Remittance	1,187	1,173	978	714	521	360	183	102	13	6
No of branches	56	48	48	48	42	38	30	25	25	25
No of employees	952	820	851	828	721	681	686	550	454	433

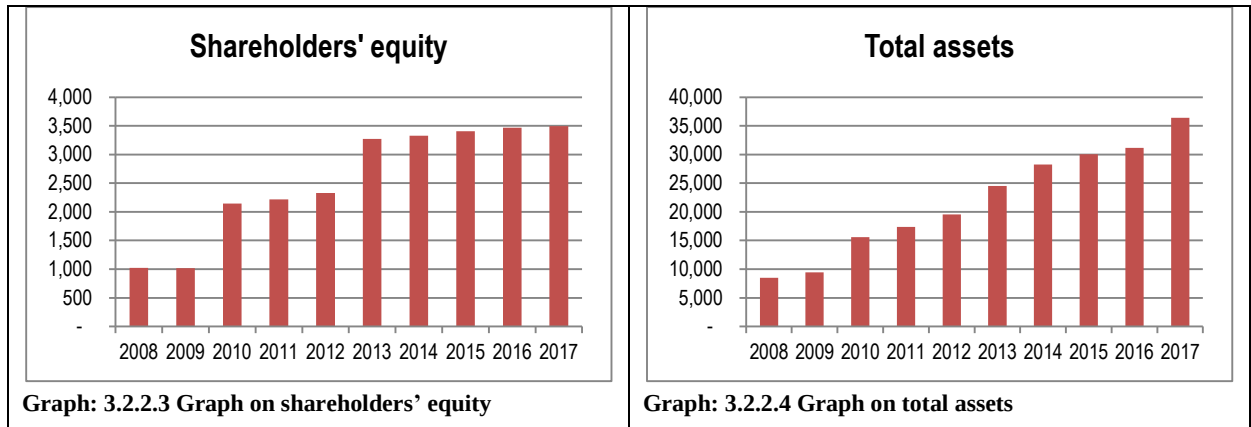
Table: 3.2.1.1 Table of Indicators

The above table shows different financial indicators of the bank in the last 10 years. Shareholders equity doubles in 2010 as banks issued right share but after that the equity amount grows steadily and slowly. A mentionable growth observed in deposit in 2010, 2013, 2014 and 2017 so as the advances. This happens due to radical changes in the management in those years. Though banks total assets and equities increased but operating profit shows a bitter fluctuation due to growing amount of classified loans. Export import business did not grow as expected but remittance growth raised hope. Banks deposit, assets, capital, human resources, branches network etc increased number of times but operating profit doesn't growth at same pace.

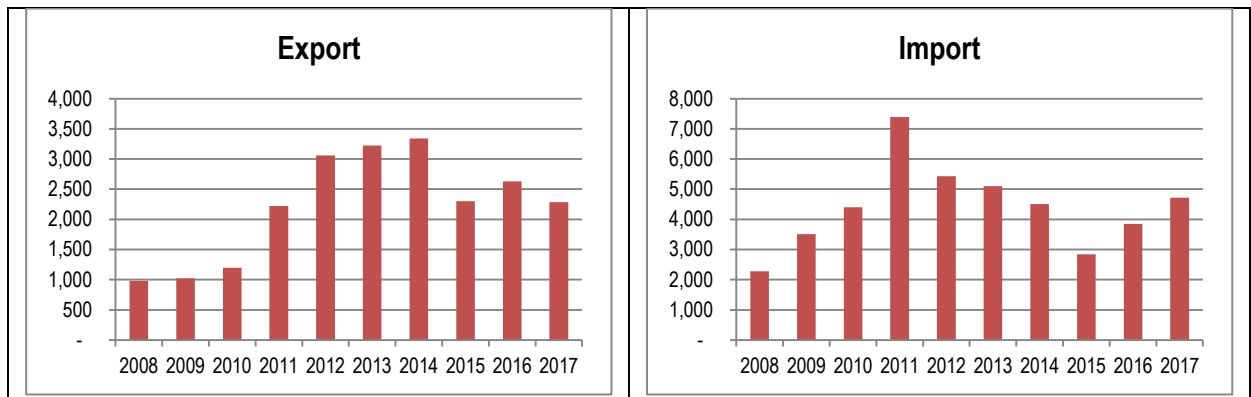
3.02.02 Graphical Presentation



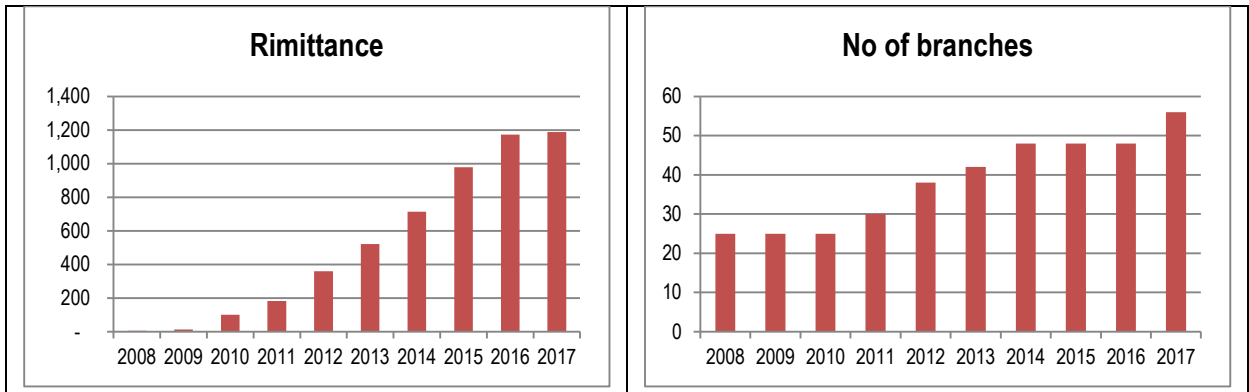
Banks has observed a steady growth of deposit and loans advances in last 10 years as one is related to other. Though the growth rate has fluctuated between years but never been negative in those years.



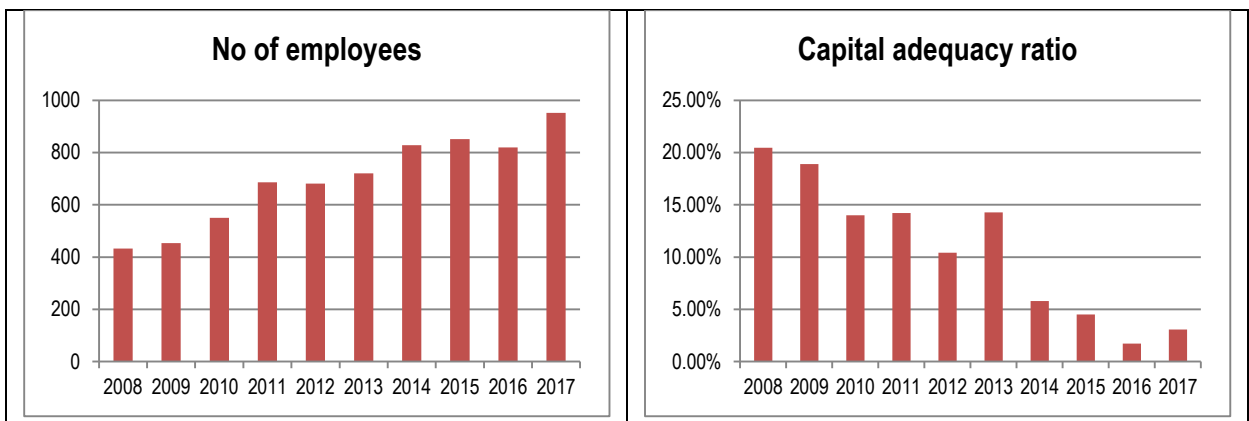
Shareholders equity doubles in 2010 as highest right share has been offered but then become stable and amount bump looked in 2012 riding on handsome amount of operating profit otherwise it shows a slow growth. Assets have observed a slow and steady growth riding on the deposit and advance growth.



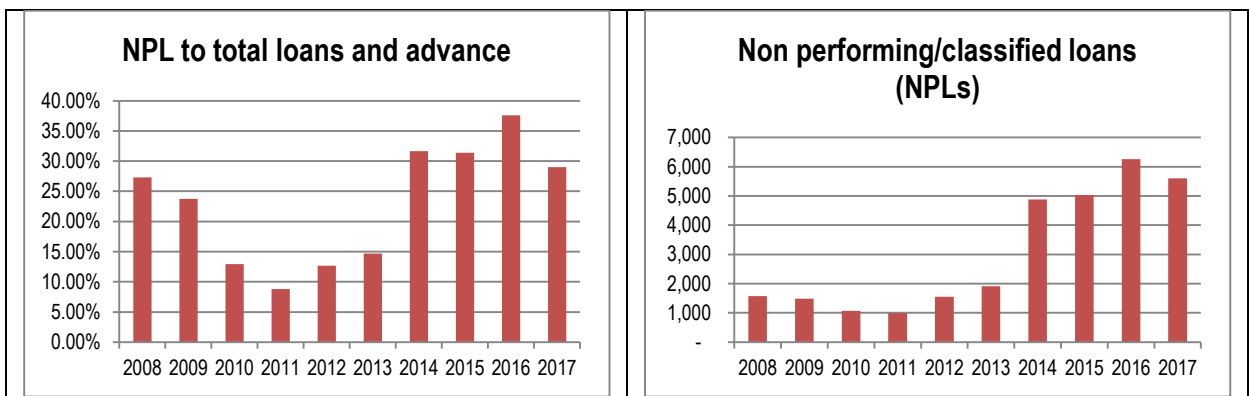
Export and import business shows a bumpy ride in the last 10 years where 2011-2014 shows a good turnover but then lost the pace which also resulted in the bank's operating profit because export and import business is the main source of non-funded income of the bank.



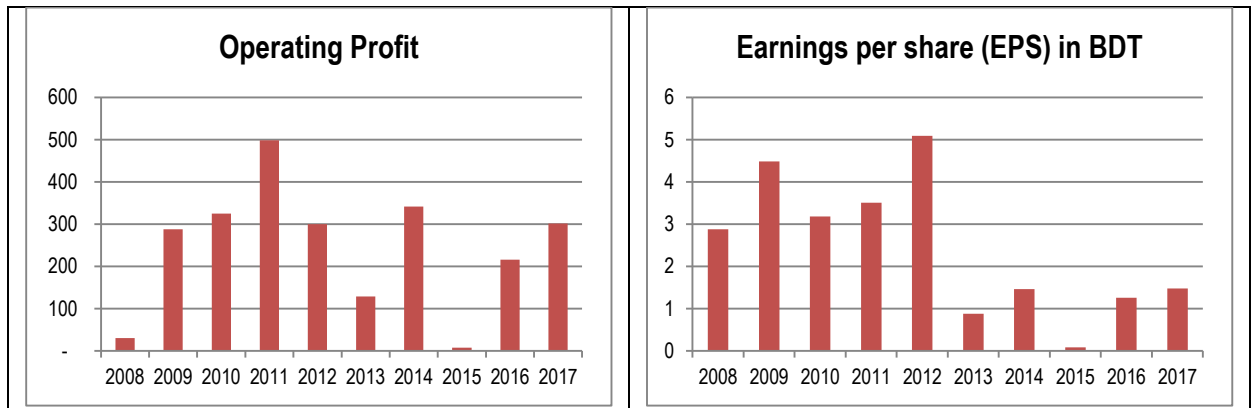
Though the amount is not so high but remittance growth is the only indicators where the bank looks good. Number of branches shows a steady but slow growth over the years. Ban could not manage to open more branches as the banks faces acute provision and capital shortfall.



Banks human resource growth resembles with the branch growth. Over the years banks capital adequacy ratio has been drastically declined as banks equity doesn't grew at the same pace of assets. Now capital adequacy ratio is tagged with the assets based considering the riskiness. Therefore, if the capital doesn't increase at the same pace with assets banks capital adequacy ratio will be decreased which is alarming to bank's existence as well as violation to the bank company act.



NPL (non-performing loans) remains the acute problem for Bangladesh Commerce Bank Limited in last 10 years which leads the bank to be categorizing as problem to Bangladesh Bank and ultimately regulatory bank imposed several restrictions to the operation of the bank. Industry NPL ratio ranges between 8%-14% during this period but BCBL NPL ratio ranges between 9% - 38% far beyond the industry average.



Bank's operating profit vastly affected by the classified loans and fluctuation of export and import business. 38% NPL indicate 38% of assets don't generate any profit but incurring expenses for the fund which negatively affect the bank profitability.

3.03 Customer mix

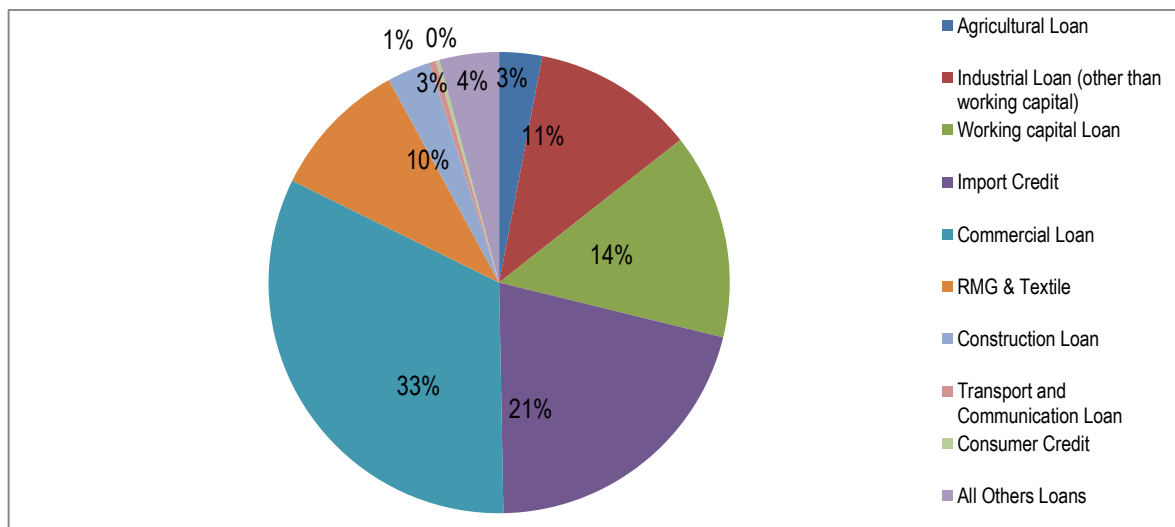


Figure: 3.3.1 Loan Status

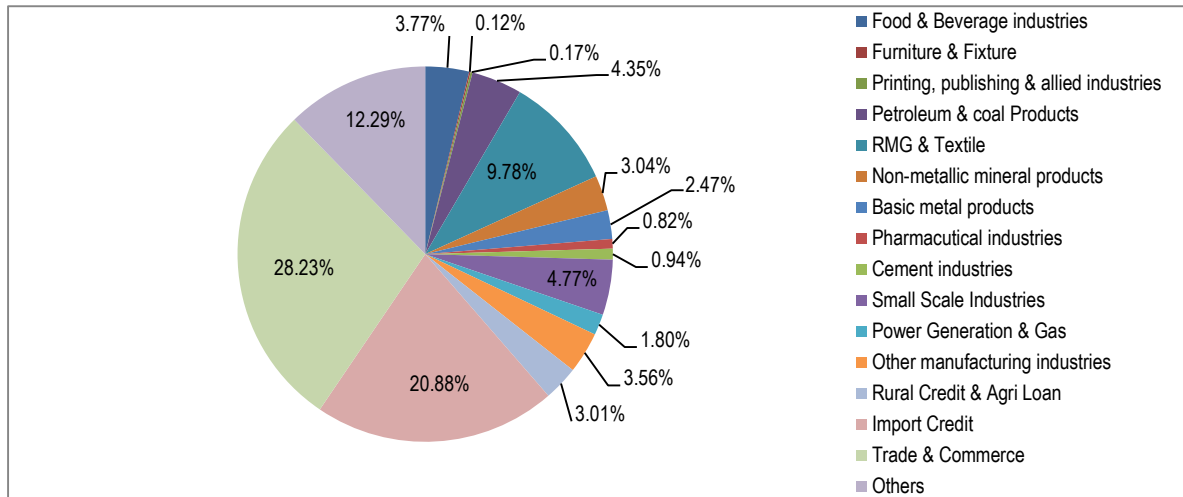


Figure: 3.3.2 Investment Status

Bank's concentration observed in commercial, working capital, industrial and RMG & Textile loans while least concentration observed in nonproductive consumer loans compiling with regulatory restriction. Banks highest concentration on commerce and trade industry, which comprise small and medium industry while least concentrate on cement industries.

3.04 Product and service mix

Low Cost/No Cost Deposit Accounts

- Savings Bank Account
- Short Notice Deposit Account
- Foreign Currency Account
- Account for Under-privileged Section (10 Taka)
- Current Account

High Cost Deposit Account - Term Deposit (s)

- Fixed Deposit Regular



High Cost Deposit Account - Scheme Deposit (s)

- Monthly Benefit Plus
- Double Benefit Plus
- Bank Asia Sanchay Plus
- Deposit Pension Scheme Plus
- Shonchoy E KotiPoti

Loan Product - Consumer Finance

- Auto Loan
- House Finance
- Consumer Durable Loan
- Unsecured Personal Loan
- Loan for Professionals
- Loan for Senior Citizens
- Motorcycle loan
- Credit Card
- Debit Card

Funded Loan Products for Corporate

- Secured Over Draft (SOD)
- Cash Credit Hypo
- Over Draft
- SOD (Earnest Money)
- Exporter's Cash Credit
- Documentary Bills Purchased - FCY
- Documentary Bills Purchased - LCY
- Demand Loan (Work order)
- Loan against Imported Merchandize
- Loan against Cash Incentive
- Payment against Document (PAD)
- Loan against Documentary Foreign Bill
- FCY



- Forced Demand Loan against L/C
- Term Loan Industrial
- Term Loan Others
- Loan General
- Transport Loan
- Loan against Packing Credit
- Loan against Trust Receipt
- House Building Loan - General
- Lease Finance
- PAD (Export Development Fund)
- Export Development Fund (EDF)
- Loan (FCY)
- Time Loan
- Demand Loan (Work order)

Non-funded loan products for Corporate

- Letter of Guarantee
- Letter of Credit(Sight/Deferred/UPAS/EDF)
- Back to back Letter of Credit(Local & Foreign)

Agriculture loan product

- SOD (10 Taka Savings)
- Demand Loan against 10 Taka Savings
- Short Term against 10 Taka Savings
- Cropping Demand Loan
- Dairy and Fattening Demand Loan
- Dairy and Fattening Term Loan
- Fishery Demand Loan
- Fishery Term Loan
- Equipment Term Loan
- Poultry Demand Loan



- Poultry Term Loan
- Demand Loan against NGO
- Agriculture Term Loan against NGO

3.05 Banking Operations

Bangladesh Commerce Bank Limited operates through its 62 branches across the country and banking operations supported by 14 functional unit of Head Office.





3.06 SWOT Analysis

Sizing up a firm's resource strengths and weaknesses and its external opportunities and threats, commonly known as SWOT analysis, provided a good overview of whether a firm's business position is fundamentally healthy or unhealthy. SWOT analysis is grounded in the basic principle that *strategy-making efforts must aim at producing a good fit between a company's resource capability and its external situation*. Perceptive understanding of a company's resource capabilities and deficiencies, its market opportunities, and the external threats to its futures well-being is essential to understand or predict the essential of that company. To understand or predict the essentials of Bangladesh Commerce Bank Limited now I am going to perform SWOT analysis of Bangladesh Commerce Bank Limited.

3.06.01 Strength

Bank under PPP: Bangladesh Commerce Bank Limited is the only bank established under Public Private Partnership project of Government. As a result the bank has both dynamism of private management as well as strong support of Government Stockholders.

Government Support of funding: Government holds more than 50% share of the Bank which enable the bank to seek government assistance as and when required. Like when Bangladesh Bank instruct banks to enhance paid-up capital to 200 crore, private banks has to face hurdle to collect capital from general public by issuing shares but BCBL easily collected necessary capital from Government. Apart from this government institutions allocate their funds to BCBL as government Banks which ease up the deposit collection efforts compared to other commercial banks.

Branch in strategically important places: As 2nd generation bank, BCBL has established its branches in strategically important places and build a customer base where new banks are struggling to create that customer base. As an old bank, BCBL has the opportunity to introduce banking service some of the places where no branches was there when they started as a result BCBL has apex customer loyalty in those places.

Introduction of State-of-Art service: Bangladesh Commerce Bank Limited is only bank which offers Freelancers of Bangladesh to bring their hard earned money by using Payza.com international payment gateway. Freelancing had become most popular profession over the last



couple of years. But there was limited opportunity for Bangladeshi freelancers to bring their money to Bangladesh or withdraw cash amount from their earnings. BCBL offered freelancers to withdraw their money by using BCBL account this has open a fast growing niche market for the bank.

3.06.02 Weakness

Modern Banking: BCBL still could not able to provide modern banking services in full phases. Though it has credit card facility, but could not be able to tie relationships with merchants as a result they have to use network of another bank to provide facility. BCB has introduced internet banking but it only provide service to view transaction history or account information but does not allow its customer to transact over internet.

Insufficient amount of ATM booth: In today's world people reluctant to carry hard cash in their wallet. Rather they maintain cash in their account and withdraw necessary small amount by using ATM booth. Some banks even created a strong source of income by letting other banks to use their network for their cards. BCBL stays far behind in this competition as they has lowest number of ATM machine in their network. This also affect the new customer mind to open an account with the bank as they will be charged for ATM of this bank card while other banks are offering free transaction for ATM within their network.

3.06.03 Opportunity

Access government agencies: BCBL can access government agencies for deposit and investment with prompt service like private and supported by strong credibility as backed by Government. As a government controlling banks BCBL can work as banker to government development projects which will reduce their deposit cost and liquidity crisis and if government borrow fund they might invest in the development which has o default risk or credit risk. Government procurement from abroad through banking channel can be a good opportunity to boost non funded income of the bank. Government may use the bank branch network to distribute different allowances like, widow allowances, freedom fighter allowances etc. which help the bank to collect low cost deposit and reduce liquidity crisis.



3.06.04 Threat

New Banks: New entrants to the industry are a common threat for every bank as they bite the market share of the existing players. As a new bank enters, competition becomes fierce, deposit cost and admin cost rise and investment earnings reduced which negatively affect the existing players' profitability. New entrants also compel existing players to go for product diversification to stay in the competition otherwise lose valuable loyal customers.

Change of Policy: Bangladesh Bank is planning to increase capital requirements for banks in Bangladesh which might be burdensome for BCBL as they still in capital shortfall and running sluggish growth in profitability. Due to provision shortfall and capital shortfall bank will not be able to open or expand its branch network till they meet capital shortfall.

Strengths and the Opportunity is normally shows the potentiality of the bank. BCBL also have some weakness and threat but they already take some initiative to remove those weakness and threat. BCBL taken initiatives to established ATM in different important location across the country and as first initiative they are thinking one ATM in every branch which will help customers to withdraw and deposit their money without waiting in line and allow bank officials to spend their time in more value added services. To avoid the threat of new bank, BCBL now offers competitive interest on deposit as offer the new banks. BCBL also launch some new product in the market which will attract new customer and also help the bank to compete with the new bank. So, here we see that BCBL have got the high potentials in the money market of Bangladesh because they have many Strengths and Opportunity and they already take initiative to avoid the Weakness and external Threat.

3.07 Strategies to meet Challenges & Opportunities

1. Proactive Risk Management and Governance
2. Corporate Governance
3. Compliance with laws and regulations
4. Strengthening Internal Control & Compliance and Review System
5. Maintaining stakeholders loyalty
6. Constant monitoring of customer service
7. Optimization of Operating Expenses



8. Reducing Non Performing Loans
9. Increasing Bad Loan Recovery
10. Deposit growth with a view to optimizing cost of fund
11. Lending growth with Industry and Business Segment Focus i.e. Sustainable financing, SME financing, Green financing, Agricultural financing, Women entrepreneurship development etc.
12. Increase profitability aligned with environment friendly sustainable development
13. Maintaining capital sufficient for absorbing all material losses
14. Maintaining optimum liquidity
15. Risk Appetite Statement for all material risks.
16. Reducing service fees.
17. Increasing customer base for addressing financial inclusion
18. Effective communication with stakeholders
19. Automation and effective Management Information System(MIS)
20. Human Resources Development etc.



Chapter - Four

Internship experience



4.01 Positions, duties and responsibilities

As per letter from the Human Resource Division of Bangladesh Commerce Bank Limited I was posted in Bijoy Nagar Branch of the Bank. I was posted there as an intern for the period of three months. Accordingly I joined there and report to Branch Manager Mr. Mohammad Khalequzzaman Masud for Job Assignment. He gave a briefing regarding my duties and responsibilities in the upcoming 3 months. I had to work in Account Opening, Cash Management, Credit and Accounts section.

4.01.01 Account Opening Department

In the account opening department I had to coordinate to following functions:

- Account Opening
- Account Closing
- Cheque Book issue
- Safety locker
- Fixed Deposit

In the account opening section I experienced the following procedure to open an account:

Step 1	The account should be properly introduced by Any one of the following: ➤ An existing Current Account holder of the Bank. ➤ Officials of the Bank not below the rank of an Assistant officer. ➤ A respectable person of the locality well known to the Manager/Sub-Manager of the Branch concerned.
Step 2	Receiving filled up application in bank's prescribed form mentioning what type of account is desired to be opened
Step 3	➤ The form is filled up by the applicant himself / herself ➤ Two copies of passport size photographs from individual are taken, in case of firms photographs of all partners are taken ➤ Applicants submit two passport size photographs of nominee ➤ Applicants must submit required documents ➤ Application must sign specimen signature sheet and give mandate



	➤ Introducer's signature and accounts number – verified by legal officer
Step 4	Authorized Officer accepts the application
Step 5	Minimum balance is deposited – only cash is accepted
Step 6	Account is opened and a Cheque book and pay-in-slip book is given

Closing of an Account

The closing of an account may happen,

- If the customer is desirous to close the account,
- If the BCBL finds that the account is inoperative for a long duration.
- If the court of BCBL issues garnishee order

A customer may close his/her account any time by submitting an application to the branch. The customer should be asked to draw the final check for the amount standing to the credit of his/her account less the amount of closing another incidental charge and surrender the unused check leaves. The account should be debited for the account closing charge etc. and the authorized officer of the bank should destroy unused check. In case of joint account the application for closing the account should be signed by the joint account holder. The fee for closing of an account is Tk.200.

Cheque Book Issue

After opening the account customer need a Cheque book to withdraw money. To get this Cheque book first the customer has to submit a requisition slip to the account officer and that requisition slip provided by the bank in case of new account. But in case of existing customer they have to bring a page from the Cheque book which is specially made to submit to bank to get the Cheque book. Account officer receive the Cheque book and verify the account name, number and the signature and then issue a Cheque book to the customer.

Account Transfer

Sometime an existing account holder may want to transfer from one branch to another branch for several reasons. In that case the account holder has to submit an application to the account officer and have to hand over his or her Cheque book to the account officer. Account officer



receive application and Cheque book and send account opening form and a IBCA (inter branch credit advice) of clients deposit's money to the branch where the client's wants to transfer his or her account.

Safety Looker

To open a safety looker the client have to submit an application form to the account officer along with two passport size photograph and the main condition is that, the person who apply for safety looker he or she must have an account with the BCBL. Account officer check the availability of looker if there is empty looker available then account officer issue to that applicant.

4.01.02 Loans and Advances

In all business dealings, officers and employees must be guided by the principles of honesty and integrity and safeguard the interest of the shareholders and the depositors of the bank. They should strictly adhere to the Banking Laws, Rules and Regulations of the Govt. of Bangladesh and the instructions issued by the Bangladesh Bank from time to time, which affect the business practices of the bank.

Lending is the income generating function of a Bank. But though it is the profitable side to the banking business, it is also highly risky. Loans and Advances always accompany credit risk arising out of borrowers, default in repaying the money. A banker should, therefore, manage the loan business in the profitable and safe manner. He should take all precautions to minimize the risk associated with loan.

In formulating a credit judgment and making quality credit decisions the lending officer must be equipped with all information needed to evaluate a borrower's character, management competence and capacity, capital, ability to provide collaterals and external conditions which may affect his ability in meeting financial obligation.

For my better understanding I categorize the Credit Activity into three major parts, they are:-

- I. Service**
- II. Documentation**
- III. Recovery**



Service

Service means whatever the customer wants from the bank as related to the loan. Service include the following things

- Receiving the loan application from the client
- Check the application form to see that the client fill-up all the necessary information which is asked on that form.
- Verify other necessary information and document which is provided by the potential client
- Send those document and information along with loan application with a recommendation for the loan to the head office for approval. (this step is followed in case to unsecured loan but in case of secured loan branch manager can make the approval)
- Head Office approve the loan against some condition
- Credit officer inform the Applicant about the condition
- Sanction the loan and credit to the client account (if the applicant meet all the condition made by the Head Office)

Documentation

It is not enough to obtain securities. These securities are to be charged against the loans and advances. And it is through DOCUMENTATION that this chagrin of securities are effected. DOCUMENT is the written statement of facts or proof or evidence arising out of a particular transaction, which on placements may bind the parties thereto answerable and liable to the court of law for satisfaction of the charge in question. When the approval of the loan comes to the branch the documentation is start. Documentation means those activities which are performing by the bank to secure the loan form the default in future. Documentation can be described as the process or technique of obtaining the relevant documents. In spite of the fact that banker lends credit to a borrower after inquiring about the character, capacity and capital of the borrower, he must obtain proper documents executed from the borrower to protect him against willful defaults. Moreover, when money is lent against some security of some assets, the document must be executed in order to give the banker a legal and binding charge against



those assets. Documents contain the precise terms of granting loans and they serve as important evidence in the law courts if the circumstances so desire. That's why all approval procedure and proper documentation shall be completed prior to the disbursement of the facilities. The activity like ensuring the mortgage against the loan, physical verification of assets which will keep as a mortgage, made the charge on the Fixed and Plotting assets of Public or Private limited or the Joint Stock Company.

Recovery

There are two type of loan from the validity point of view

- I. Unclassified or Regular Loan: - Unclassified loan are those loan which till now have under the deadline of repayment.
- II. Classified Loan or Past Due Loan: - Classified loan are those loan which are over the deadline of repayment.

Recovery activities are related to the procurement of the loan or collect the loan. Bank can recover the loan by the following way:-

- En-cash the FDR
- Sale the mortgage
- Appeals to the court to sale those property over which the bank has charge

Bank collects the amount which they sanctioned to the client by the above way. If the bank gets more money than they sanctioned to the client, then they have to repay those money to the client.

4.01.03 Accounts Department

Accounts Department is called as the nerve Centre of the bank. In banking business, transactions are done every day and these transactions are to be recorded properly and systematically as the banks deal with the depositors' money. Improper recording of transactions will lead to the mismatch in the debit side and in the credit side. To avoid these mishaps, the bank provides a separate department; whose function is to check the mistakes in passing vouchers or wrong entries or fraud or forgery. This department is called as Accounts Department. If any discrepancy arises regarding any transaction this department report to the concerned department.



Besides these, the branch has to prepare some internal statements as well as some statutory statements, which are to be submitted to the Central Bank and the Head Office. This department prepares all these statements.

Workings of this department

- Recording the transactions in the cashbook.
- Recording the transactions in general and subsidiary ledger.
- Preparing the daily position of the branch comprising of deposit and cash.
- Preparing the daily Statement of Affairs showing all the assets and liability of the branch as per General Ledger and Subsidiary Ledger separately.
- Making payment of all the expenses of the branch.
- Recordings inter branch fund transfer and providing accounting treatment in this regard.
- Preparing the monthly salary statements for the employees.
- Preparing the weekly position for the branch which is sent to the Head Office to maintain Cash Reserve Requirement (C.R.R).
- Preparing the monthly position for the branch which is sent to the Head Office to maintain Statutory Liquidity Requirement (S.L.R).
- Make charges for different types of duties.
- Preparing the budget for the branch by fixing the target regarding profit and deposit so as to take necessary steps to generate and mobilize deposit.
- Checking of Transaction List.
- Recording of the vouchers in the Voucher Register.
- Packing of the correct vouchers according to the debit voucher and the credit voucher.



4.02 Training

Internship Program is meant to be a “on the job training”, therefore no formal training was provided by the bank for internship but all the officials of the branch were kind enough to briefly inform me the procedure for the assigned job. Apart from the oral briefing, I was provided with different guidelines and circulars to understand different functions of the bank. Tough there was no formal training program but to cope up with the branch officials and to complete the assigned task I was trained to act like an officials of the bank. Therefore, I could be said that whole 3 months period was a training program for me.

4.03 Contribution to departmental functions

As an intern I was not authorized to complete a whole task for the branch rather to cooperate with branch officials. During the internship period I was assigned to cooperate with branch officials in the following areas:

- Cooperate customers to fill up account opening form
- Checking customer information in the account opening form
- Entering in the manual register and assigning account number
- Posting account information into Software (check & verified by branch officials)
- Cheque book issue register maintenance
- Account close application receive and mark the account for closure
- Writing payment orders
- Receiving locker application and maintaining locker register
- Loan application checking for compliance with documentation checklist
- Cash receive and payment
- Checking Salary Sheet
- Comparing daily vouchers and transactions registers



4.04 Evaluation

I was not an experienced employee as well nor been trained formally but had to work besides experienced officials of the bank. I will not term my experience as “Work” rather it will be more appropriate as “Practice”. But whatever I have done I gained lot of appreciation from Branch Manager as well as branch officials for my sincerity and basic knowledge about banking and management and my fast learning capability. I would say that this 3 months help to build a bridge between my educational background and practical corporate world.

4.05 Skills applied

Working in a corporate entity like Bangladesh Commerce Bank Limited was a pleasant experience for me. I had no previous experience working in a corporate entity. The Branch Manager was kind enough to recognize my potentiality and engage me in the basic function of the account opening department where I had to check account opening form with some preset guidelines and checklist. Then I had to maintain some register as well as sometimes had to draft some correspondence letter. So, I could have applied my management skills as well as computer skill there. After a while I was entrusted to do some management report which requires little bit of banking knowledge, business knowledge and computer skills which I had gathered within the time I already spend in the branch.

4.06 New skills developed

All experience will let you to learn something new. I had the opportunity to learn housekeeping, file management, customers dealing, cash management, new computer tricks, business correspondence etc. in three months period of my internship with Bangladesh Commerce Bank Limited, Bijoy Nagar Branch. I believe this sort of skill development will help me in the near future career whether it could be as employee or entrepreneur.



4.07 Application of academic knowledge

In my academic period I had gathered knowledge about banking, management, finance, accounting etc. sector which helps me a lot in my practical work during internship period. I had to co-operate branch official's for account opening, closing, cheque issue, cash management, loan processing and documentation which requires banking basic knowledge. On the month opening day we had to manually calculate interest application of some deposit and loan account in sample basis which requires finance knowledge. To act upon the instruction one need to have management knowledge. Accounting knowledge is a must to work and understand banking operation.



Chapter – Five

Recommendations



5.01 Recommendations for improving departmental operations

5.01.01 *Marketing*

The most important and biggest source of income for a bank is the interest on loan. To increase that interest bank have to disburse more loan to the client and to get more client bank need to have a good marketing team. Because in today's world the consumer are highly influenced by the marketing and more specifically by the advertisement , through which they can know different kind of information about a product and be able to compare one product with another, that's why now the most effective way to attract consumer attraction is marketing. While some of private bank have a separate marketing team who especially work to increase the deposit and loan for the bank. But Bangladesh Commerce Bank Ltd doesn't have that kind of team.

5.01.02 *Efficiencies*

Employee of Bangladesh Commerce Bank Ltd is not efficient up-to their best possible level. Most of them don't have special degrees to their related job, but special knowledge is a most important precondition for well performance in their job life.

5.01.03 *Motivation*

To get the best possible output from the employee an organization should have to motivate their employee by all means. In recent time employee don't motivate only by raising the salary but the organization should have to fulfill their psychological needs also. But in case of Bangladesh Commerce Bank Ltd bank doesn't pay the expected salary to their employee, they don't have any initiative to motivate their employee. They didn't provide profit bonus on the right time and the right amount.

5.01.04 *ATM Booth*

In today's banking service the most popular one is ATM (Automated Tailing Machine) service by which customer can withdraw their money (up to a certain limit) without gone through the bank or without issuing any Cheque. Mentionable amounts of private bank have



sufficient number of ATM booths in the country, especially in Dhaka city. But Bangladesh Commerce Bank Limited doesn't have sufficient amount of ATM booths to meet its existent customer demand, not yet.

5.01.05 *New and Diversified Product*

In our country now the most booming industry is banking industry. And it is happened because a noticeable number of bank coming into this industry and they offer different kind of product to meet the customer attraction to them. Here Bangladesh Commerce Bank Ltd doesn't trying to innovate something new to its customer.

5.01.06 *Recommendations*

Bangladesh Commerce Bank Ltd should update their infrastructural facility by adding some new technological equipment which is required to maintain the daily banking activity. Bank also could take some initiative to increase the efficiency of the employee. They could arrange seminars on recent banking issue specially the problem in banking sector; they also could arrange different kind of training program to train up their employee.

One of the most important functions of General Banking sector is the loan function. To attract the customer for loan a bank should have sound marketing activity. From my point of view, one of the most noticeable lack of Bangladesh Commerce Bank Ltd is they doesn't have strong and effective marketing active in the market. While the customers are highly influenced by the marketing of other banks operate in our country. And I think Bangladesh Commerce Bank Ltd should give more emphasis on the marketing of their product and service those they provide to their customer.

Bangladesh Commerce Bank Ltd should take some imitative to motivate their employee. As a whole, Bangladesh Commerce Bank Ltd could pay a sufficient amount of profit bonus to its employee. Other than this an individual branch could give some gift to its employee at the yearend or at any other special day like ***Pahela Nava Barsha, Eid, and New Year*** etc. I think those initiative could motivate the employee and they will be more dedicated to their duty than before.



5.02 Recommendations for improving self-performance

As I was working besides experienced officials I had discover some areas which I was unknown about and I should improve myself in those areas:

- Prompt interpretation of instruction into work due to lack of banking knowledge
- Practical exposure in accounting and finance as customers presented some unstructured financial statements for loan proposal and from those unstructured financial as bank officials I had to pick useable matters.
- Instant decision regarding banking service to customers



Chapter - Six

Conclusion



At the last phase of my report I could say that Bangladesh Commerce Bank Ltd still has some problems to take care. One of the most important problem is they doesn't operate in online while most of the private go through online. But the good thing is Bank can realize that problem and they already take some initiatives to face that problem that means they are preparing to go into online operation. When I analyze the performance the most concern-able thing I seen that Bangladesh Commerce Bank Ltd collect more equity than the debt which is decreasing the risk of failure but it may decrease the rate of return to the shareholder in future. Another thing needs to mention here that a huge amount of new private bank now operating in our country so Bangladesh Commerce Bank Ltd should take sound initiative to compete with them. During my internship program one common thing I seen, that most of the employee of the Bangladesh Commerce Bank Ltd is not happy about their position, so I think bank should take some initiative to motivate their employees.



Reference:

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02	Commercial Bank Management, International Edition	Peter S. Rose
03	Business Research Methods, Eight Edition	Donald R. Cooper Pamela S. Schindler
04	Unique Banking, First Edition	A. K. M. Nurul Islam
06	www.bcblbd.com	
07	www.bb.org.bd	
08	Annual reports of Bangladesh Commerce Bank Limited	
09	Observation, experience and interviewing of the branch officials	