

INTERNSHIP REPORT ON

“ An Evaluation of Activities of RETAIL FINANCE CENTRE (RFC)” A STUDY ON THE CITY BANK LTD.

**An Internship Report Presented to the Faculty of Business Administration in Partial
Fulfillment of the Requirements for the Degree of Masters of Business Administration.**

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Letter of Approval

This Internship Report entitled “**An Evaluation Activities of Retail Finance Centre (RFC) the City Bank Ltd**” has been submitted to the office of placement & alumni, in partial fulfillment of the requirement for the degree of Masters of Business administration on 19/08/2014, major in Finance, Faculty of Business administration on 20/08/2014 by Masfiqur Rahman, Id: 123-14-362. The report has been accepted and may be presented to the Defense Committee for evaluation.

(Any opinions, suggestions made in this report are entirely that of the author of the report. The University does not condone nor reject any of these opinions or suggestions).

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ABSTRACT

This report is based on practical working experience at retail Finance Centre or City Bank Limited as a part of Internship program. City Bank Limited is a Schedule bank in the private sector. It was incorporated as a public limited company in 1983. The bank started Commercial banking operations since inception. The main function of the bank is intermediation i.e. collecting funds from the surplus units of the economy in the form of credit.

The City Bank follows some specific principles for its credit activities, which involve know your customer (KYC), safety, Liquidity, Profitability, Purpose and Spread.

The lending procedure followed by city bank ltd. Consists of a set of sequential activities. The lending process formally starts with the submission of a loan application from a client who must have an account with the bank. Lending process generally starts from the branch level. The customer has to provide required MIS Information to the bank for credit analysis. Meanwhile the bank sends inquiry to the credit information bureau of Bangladesh Bank in prescribed format to know whether the borrower has classified loans with other banks and whether the borrower has good repayment behavior.

If the CIB report obtained from Bangladesh Bank signifies that the customer is a good borrower, the bank precedes further to process the loan application. At this stage the bank conducts credit analysis. The outcomes of the MIS spreadsheet analysis are specific MIS ratios and through the Risk Grading (CRGs). The credit analysis is undertaken for the quantitative measurement of the risk associated with a loan. If the loan amount exceeds one core taka,

The bank conducts lending risk analysis (LRA). Lending risk analysis primarily identifies two components of the lending risk-Business risk and Security risk.

After the credit analysis if the borrower is found sound for lending, the bank proceeds to prepare the proposal.

After board approval the sanction advice is sent to the borrower who returns the duplicate copy duly signed meaning that he/she complies with the terms and conditions of the bank's credit policy. Then the loan is disbursed through creating a loan account.

While the loan disbursed, monitoring starts. However, bank doesn't know about how the quality of service was during the lending process from the customer's perspective.

Therefore, it is very essential to know about the level of satisfaction of the existence customer. Though it doesn't imply that only by knowing the relevant information regarding customer satisfaction will be enough. Retail Finance Centre should always be optimistic about implementing and monitoring the recommended suggestions. Moreover, it can also be stated that periodical study would be a better solution to improving the service quality of RFC.

City Bank limited does not have any fixed time duration to complete lending process for a particular loan proposal. Lending is the main income generating activity for all banks including City Bank Ltd. Lending involves both risk and profit. But a sound lending process supported by quantitative analysis, quantitative judgments and a separate credit monitoring cell can reduce the risk to a certain extent. So far city bank could maintain a very good portfolio and its lending process is reasonably sound. City Bank Ltd will be able to manage its loan automation process and recovery management system more effectively and efficiently.

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Abbreviations:

CBL- City Bank Limited

SME- Small and Medium Enterprise

RM- Relationship Manager

KYC- Know Your Customer

DST-Direct Sales Team

TAT-Turn around Time

CL- Consumer Loan

FDR- Fixed Deposit Receipt

PCO- Preferred Corporate Organization

CPV-CONTACT POINT VERIFICATION

CIB- Credit Information Bureau

CRM- Credit Risk Management

CHAPTER: 1

THE PROJECT

OBJECTIVES OF THE REPORT: 1.1

The main objective of the study was to “Evaluate the activities of Retail Finance Centre (RFC) of the City Bank Limited.

Objectives of the study:

The objectives of the study were as follows:

1. To know about the roll of Retail Finance Centre of CBL.
2. To gather comprehensive knowledge on overall banking activities of CBL.
3. To know how to deal with loan products and maintain good relationship banking.
4. To find out the problems of Retail Lending from RFC of City Bank Ltd.
5. To identify the vital issues those are hampering in the service of city bank ltd.
6. To find out the very best solution that may b improve the service quality of Retail Finance Centre in favor of Retail Lending.

Significance of the study:

This study has been demonstrated about the quality about the retail products, functions, management and sources evaluation on the RFC of the City Bank Ltd. This reason, this study will help the management of the City Bank Ltd is to determine the problem and prospect of RFC of the City Bank Ltd.

SCOPE OF THE PROJECT: 1.2

This report covers the details of City Bank's practices about information system in the Retail Finance Centre emphasizing the data entry and system monitoring process. This report consists of the writer's observations and on the job experiences in the RFC department of head office, city bank ltd. This report mainly emphasizes on the customer satisfaction level and their attitude toward City Bank Ltd. The report also focuses on the daily activities that involve officials from sales and branch with the managers and officers of RFC. The report incorporates an evaluation of the customer satisfaction level and makes a few fundamental recommendations.

|| METHODOLOGY OF THE PROJECT WORK: 1.3 ||

Study design: The survey method used in this study is primary data collection tool. Each respondent is given a questionnaire to fill in. Through the questionnaire the respondents were asked about the personal views of the client's satisfaction on the Retail Lending of City Bank Ltd. Certain objectives were examined using secondary data. A structured questionnaire is used in this research to collect data from the valued client's. The method of data collection is communication study. The questionnaire survey method is useful to collect data.

Ω Data collection method: The report contains information gathered from both primary and secondary sources of CBL. These two sources are given stated below.

Primary sources: Primary sources of data were collected from face to face conversation with bank officers and questionnaire survey with customer made at CBL.

Questionnaire Design: Questionnaire design on the basis of observation and expletory research and not based on literate review sample size: I have selected the sample of 15.

Secondary Sources: The secondary sources of data collected from the following sources :

® Annual report of City Bank Ltd.

® Product program Guideline.

® Difference Finance and Marketing related Books.

® Memorandum, articles, brochures and handbook.

® Work experience in the bank helped to accumulate diverse information.

® Home page of CBL.

|| LIMITATION OF THE STUDY || 1.4

From the beginning to end the study has been completed sincerely & honestly with the most recent data available. Nevertheless some problems aroused while conducting the study. Some limitations are stated below:

Ω Time was limited to an effective research.

Ω Bank secrecy posed a major problem since disclosure of some information has been restricted.

Ω The officers at the Retail Finance Centre very much vary with their activities. Even though they were interested to help me but they could hardly do that because of time shortage.

Ω Sufficient records, Publications, Facts & figures were not available as per requirements for preparing this report.

Ω If job switching was available, I could have learned additional banking issues from other departments like risk management, foreign exchange, merchant banking and so forth.

CHAPTER 2

COMPANY ORIENTATION

|| COMPANY PROFILE || 2.1

Until the beginning of the eighties, the banking business in Bangladesh was only restricted to the nationalized sector in addition to two or three foreign banks. It is only in 1983 that the Government changed its policy on the banking sector paving the way for setting up new banks in the private sector. In fact, 1983 saw the emergence of a baby of local banks with private entrepreneurship of which the city bank ltd stands out prominently. It came on stream on the 27th March.

City Bank Ltd. Is one of the first private banks in Bangladesh . The bank has been operating since 1983 with an authorized capital of TK. 1.75 billion under the entrepreneurship of twelve prominent and leading businessman of the country. The noble intension behind starting this bank was to bring about qualitative changes in the sphere of banking and financial management. Today city bank ltd serves its customers at home and abroad with 83 branches spread over the country and about three hundred overseas correspondence covering all the major cities and business centers of the world.

City bank Ltd. Is among the very few local banks which do not follow the traditional, decentralized, geographically managed, branch based or profit model.

Instead the bank manages its business and operation vertically from the head office through 4 distinct business divisions namely:



€. Corporate & investment Banking.

€. Retail Banking (including cards).

€. SME Banking &

€. Treasury & Market Risks.

Under a real time online banking platform, these 4 business divisions are supported at the back by a robust service delivery or operation setup and also a smart IT backbone. Such centralized business segment based business & operating model ensure specialized treatment and services to the banks different customer segments.

The City Bank has 98 online branches spread across the length & breadth of the country that include a fully-fledged Islamic banking branch. Besides these traditional delivery points, the bank is also very active in the alternative delivery area. It currently has 25 ATM's of its own. And ATM sharing arrangement with a partner bank that has 225 ATM's in place, SMS banking, Interest and so on. Soon its customer call center is going to start operation. The bank has a plan to end the current year with 50 own ATM's.

City Bank is the first bank in Bangladesh to have issued dual currency credit card. The bank is a principal member of VISA international and its issues both local currency (TK.) & foreign currency (USD) card limits in a single plastic. VISA debit card is another popular product which is pushing hard in order to ease out the queues at the branch created by its astounding base of some 400,000 retail customers. The launching of VISA prepaid card for the travel sector is currently underway.



City Bank pride itself in offering a very personalized and friendly customer service. It has in place a customized service excellence model called GAP (Graceful-Appropriate-Pleasing) that focuses on ensuring happy customers through setting for the bank's employee's attitude, behavior, readiness, level, accuracy and timelines of service quality.

City Bank is one of the largest corporate banks in the country with a current business model that heavily encourages and supports the growth of the bank in Retail and SME banking. The bank is very much on its way to opening many independent SME center's across the country within a short time. The bank is also very exchange companies in the foreign remittance business. It has strong tie-ups with major exchange companies in the Middle east, Europe , Far east & USA, from where thousands of individual remittances come to the country every month for disbursement through the bank's large network of 89 online branches .

The present senior management leaders of the bank consist of mostly people from the multinational banks with superior management skills and knowledge in their respective "specialized" areas. The bank this year is celebrating its 28th year of journey with the clear ambition of becoming the no. 1 private commercial bank bank are just one initial steps towards reaching that point.

City Bank Ltd. has so far been highly successful in keeping its clients satisfied with its high quality service, while counting its expansion to reach more people around the country. City bank ltd. conducts all types of commercial banking activities. It is involved in most of the areas of commercial banking operations. The core business of the bank comprises of trade finance, term finance, working capital finance and corporate finance. City bank ltd. Has acted as the lead arrange in raising term loan for a number of projects under syndicated finance and also participated in some cases under such financing arrangement. The bank is also providing personal credit, services related to local and foreign remittances and several other products. The "Consumer Credit " scheme of the bank , which is designed to help the fixed income group in



raising standard of living is competitively priced and has been widely appreciated by the customers. City bank Ltd. Program under “poverty Alleviation Scheme” delivered through rural branches in the form of micro is playing an important role towards socio economic development of the poor people in the rural areas.

The managements of the bank is determined to maintain and update the quality of these resources through continues training and upgrading technology to keep pace with market demands, new developments and practices of the competitors . City bank ltd. Entered the market at a time when economic policy environment of the country is balanced for higher levels of business activities and growth. The prevailing macroeconomics management and the government’s determination to carry on reforms in the banking sector provide a supporting and encouraging environment.

|| PHILOSOPHY BEHIND THE LOGO || 2.2

The City Bank Ltd. Changed its logo along with a brand philosophy line or pay-off line with a ceremony held at Radisson water garden hotel, Dhaka on 5 July 2008. Honorable advisor to the ministry of Finance and planning Dr. A. B. Mirza Azizul Islam did this honor to the bank by launching it. The philosophy that went behind the creation of this logo is given below:

- It is a simple logo. Its beauty is in its simplicity of arrangement which is also bold. As it is simple, it connects with people easily.

- The shape may mean a chess board. Chessboard stands for wisdom and vision. Since the bank is 28 years old, it is expert wise and experienced. Chess is the game of the smart people who knows all the moves. The game of the city bank is to deal with people's money matters and as wise experienced, the bank is expert in that.

- It may also mean something dynamic. It may mean the checkered flag of formula one racing. Then it signifies speed, agility and peace.

- The red and silver shape may also mean a kite. It's a beautiful colorful kite. Nose board that has taken wings and is flying. In that case it indicates to what extent this bank can go to serve customers better. The logo has a dynamic shape. Such dynamism stands modernity, the 21st century. That signifies a techno-savvy bank, a state-of-the-art tech-powered modern bank. The colored stands for emotion, passion, strength, vitality, action, confidence and courage. The color silver symbolizes riches, just as gold does. Silver is glamorous and distinguished. Silver is the traditional 28 anniversary color or silver jubilee color. Another thing is that the " Pieces of silver " means money or coin.

Now the pay-off line is “Marketing Sense of Money.”

No money , no bank. Money is important for all. Money is a need all by itself. It is the most precious thing. Money is the port key to any destination. It is everything between a person and his or her dreams and hopes. So, the money which is almost synonyms of life, must make sense. For people’s money to make sense, it must be handled by an expert. That is where the city bank ltd. Came in. The bank states makes sense of money, because it has wise men of banking with 28 years of experience, it knows how to make people’s money more meaningful for them, how to lend them money in times of their needs or how to grow their money safely.

|| VISION, MISSION AND OBJECTIVES || 2.3

CORPORATE VISION

To be the leading bank in the country with best practices and highest social commitment.

CORPORATE MISSION

- To contribute to the socio economics development of the country.
- To attain highest level of customer satisfaction through extension of services by dedicated motivated team of professionals.
- To maintain continuous growth of market share ensuring quality.
- To maximize bank's profits by ensuring it steady growth.
- To maintain the high moral and ethical standards.
- To ensure participative management system and empowerment of human resources.
- To nurture and enabling environment where innovativeness and performance is rewarded.

CORPORATE OBJECTIVES

The City Bank objectives are reflected in the following areas:

- Highly personalized service.
- Customer-driven focus.
- Total commitment to quality.
- Contribute in the economy.
- Commitment to its clients at each level.

The company believes that communication ethics , and feedback from its clients help it achieve its goal of providing world-class products and services. The city bank ltd. Regularly conducts client satisfaction surveys and make immediate accommodation and adjustment where needed. It also constantly monitors its standards, and to meet clients requirements.

|| FUNCTION AND OPERATION || 2.4

The bank has by now a network of 83 branches strategically located in different cities. All the branches are functioning in computerized environment and integrated through wide area network (WAN). This interconnected system is functionalized with Oracle based software called Finical. The branches are full-fledged units and can provide all commercial and investment banking services ranging from small and medium enterprises to big business conglomerates and houses.

The bank always tries to reduce its dependence on interest earnings by giving more emphasis on the fee-based income through introduction of capital market operation and leasing. The Capital market operation includes portfolio management, investors account, Underwriting , Mutual fund etc.

The bank introduced modern system of leasing operation as in practice with banks in all other countries of the world. The lease finance portfolio of the bank is the first its kind in a commercial bank in Bangladesh. Entrepreneurship Development training is arranged to impart operational skill and modern technique of management to introduce new entrepreneurs in the field of industrialization on the basis of participatory finance.

City Bank Ltd. Is one the first few Bangladeshi banks who have become member of SWIFT(Society for worldwide Inter-Bank Financial Telecommunication). SWIFT is a member owned co-operative, which provides a fast and accurate communication network for financial transactions such as letter of Credit, Fund transfer etc.

City Bank Limited is operating branches on both interest based banking and Islamic Shariah based banking. The Islamic Shariah based banking is completely different from the conventional one. The bank is maintaining separate set of accounts for Islamic banking branch(1 branch which is situated beside the Dhaka stock exchange) according to the standard adopted by Financial Accounting and Auditing organization for Islamic Financial Institution.

|| MANAGEMENT OF CITY BANK LIMITED || 2.5

Boards of directors are the sole authority to take decision about the affairs of the business. Now there are 13 directors in the management of the bank. All the directors have good academic background and have huge experience in business. Mr. Aziz Al Kaiser is the chairmen of the bank. The board of directors holds meetings on a regular basis. There are different in the bank for the efficient management of the bank.

- Board of Directors
- Policy Committee: This committee deals with policy matters related to the banks new products, new business development and any sort of policy related to city bank limited. It seats fortnightly.
- Executive Committee: It seats on monthly basis.
- Credit Committee: All these committees meet on a regular basis discussing various issues and proposals for decisions.

|| DEPARTMENT OF CITY BANK || 2.6

The bank organizes all the jobs considering their interrelationship and they are allocated in a particular department to control the system effectively. The departments are fitted for the particular works and the performance of a particular department is measured perfectly. City Bank Ltd. Has following departments:

<ul style="list-style-type: none"> ▫ Human resources Division ▫ Finance Division ▫ Audit and Inspection Division ▫ Marketing Division ▫ Corporate Banking ▫ Consumer Banking ▫ Treasury ▫ Service and Correspondent Banking 	<ul style="list-style-type: none"> ▫ Logistics and Support ▫ Information Technology ▫ Retail Finance Centre ▫ Credit Division ▫ SME ▫ Credit and Monitoring ▫ Corporate affairs ▫ Recovery and Legal
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Financial Division:

- ▶ Financial planning, budget preparation and monitoring.
- ▶ Payment of salary
- ▶ Controlling inter-branch transaction
- ▶ Disbursement of bills
- ▶ Preparation of financial reports and annual reports.
- ▶ Preparation/Review of returns and statements.
- ▶ Maintenance of provident fund, Gratuity, Superannuation fund.
- ▶ Reconciliation

Credit and risk Management:

- ▶ Loan administration.
- ▶ Loan disbursement
- ▶ Project evaluation
- ▶ Processing and approving, credit proposals of the branches.
- ▶ Documentation, CIB(Credit information bureau) report etc.
- ▶ Arranging different credit facilities.

Human resources Division:

- ▶ Recruiting
- ▶ Training and Development
- ▶ Compensation, Employee benefit, leave and service rules program and oration.
- ▶ Placement and performance appraisal of employees.
- ▶ Preparing related reports
- ▶ Reporting to the Executive committee/Board on related matters
- ▶ Promotional campaign and press release.

Information and technology (IT) Department :

- ▶ Software development
- ▶ Network management and hardware management
- ▶ Member banks reconciliation.
- ▶ Data entry and processing.

Branches Control & Inspective Division :

- ▶ controlling different functions of the branches and search for location for expansion.
- ▶ Conducting internal audit and inspection both regularly and suddenly
- ▶ Ensuring compliance with Bangladesh Bank, monitoring BB's inspection and external audit reports.

Retail Division :

- ▶ A SWIFT operation
- ▶ TM card, Credit and system operating and maintenance .
- ▶ Credit card Operation
- ▶ Customer and vendor relationship

|| SWOT ANALYSIS OF CITY BANK LIMITED || 2.7

Every organization is composed of some internal strength and weakness and also has some external opportunities and treats in its whole life cycle. This following will briefly introduce the consumer to city bank lid. Internal strengths and weakness, and external opportunities and threats.

<p><u>STRENGTHS</u></p> <ul style="list-style-type: none"> › Stable source of Fund › Strong liquidity position › Concentrated Market › Wide network of Market › Well-furnished and Air-conditioned › Experienced top Management › Diversified product line › Satisfactory IT infrastructure 	<p><u>WEAKNESS</u></p> <ul style="list-style-type: none"> › Problem in delivery › Relatively high overhead expense › Long-term credit is not sufficient › Small market share in Banking-Business › Employees from sources (Branch & DST) have limited experience and not enough trained. › Deposit is lower than advance
<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none"> › Regularity environment favoring › Private sector development › Credit card Business › SME and agro based industry loan › Can increase the advertising of the bank › Has introduced three short term new schemes known as “City Onayash”, “City Ichapuron”, “City Notun projonmo “ › Recently launched “City Solution” and “City Drive “ › Newly launched AMEX Card 	<p><u>THREATS</u></p> <ul style="list-style-type: none"> › Deposit as well as quality assets › Market pressure for lowering the interest rate › Shrinkage in export, import and guarantee › Business due to economic slump and war. › Banking activities of competitors › Government pressures to reduce interest › New rules and regulations imposed by Bangladesh Bank .

|| VALUES CONSIDERED AS GUIDING FACTORS || 2.8

All the activities and decisions of the City Bank Ltd are based on, and guided by these values :

- Placing the interest of clients and customer first.
- A continuous quest for quality in everything the company does.
- Treating everyone with respect and dignity.
- Conduct that reflects the highest standards of integrity
- Teamwork- from the small unit to the enterprise as a whole
- Being good citizens in the communities, in which they live and work.

|| RETAIL PRODUCTS OF THE CITY BANK || 2.9

City Bank is a major player in Bangladesh wholesale banking industry to offer the full scope of innovative, customized solutions and services. It offers service at the highest level. Their focus is not on short-term profit, but on building long-term relationships and standing by clients whenever they need them. They have a unique business focus on enabling projects financing, trade, investment and supply chain financing for clients. They are committed to using country wide network to facilitate clients growing trade and investment flows and supply chain financing needs across business footprint. Now the study tries to describe the retail products of the city bank limited.

A) Deposit :

- 1) Current Account
- 2) Saving Account
- 3) City Onayash
- 4) City Shomridhdhi
- 5) City Icchapuran

B) FDR

C) Loan

- 1) City Drive
- 2) City Solution

D) Card

- 1) Debit Card
- 2) VISA Electron

E) Credit Card

- 1) VISA Classic
- 2) VISA Classic dual
- 3) VISA Gold dual
- 4) VISA Gold Local

City Drive

Owning a car is no longer a luxury. Car for your family is now a matter of fulfilling a necessity. Appreciating that basic need, City bank introduces city drive, a tailor-made auto loan scheme for individual.

Features:

- 1) Loan amount ranging from Tk. 300,000 to 20,00,000
- 2) Car financing up to 90% of re-conditional or new vehicle price
- 3) Lower interest rate & up to 100% financing for loan against cash security.
- 4) Loan tenor 12 to 60 months
- 5) No hidden charges
- 6) Competitive interest rate
- 7) Loan processing fee 1% of loan amount

Eligibility:

- 1) Age : 22 to 60 years
- 2) Experience: Salaried executive total 1 year including 6 months with current employer.
- 3) Experience: Business person/professional 1 year
- 4) Monthly income: Minimum Tk. 30,000

City Solution:

Dream vacation? Son's admission to a foreign university? Medical treatment? Daughter's wedding? House renovation?

Whatever the occasion or requirement may be, city solution-any personal loan from city bank-is there to solve all your problems and to fulfill all your dreams. You can access this facility from its selected branches across the country.

Features:

- 1) Loan amount ranging from Tk. 50,000 to Tk. 1000,000
- 2) Loan tenor 12 to 60 months
- 3) No guarantor required for the loan amount up to Tk.3 lac
- 4) No hidden charges.
- 5) Competitive interest rate
- 6) Processing fee 1.5 %

Eligibility:

- 1) Age: 22 to 60 years
- 2) Experience: Salaried executive total 1 year including 6 months with current employer.
- 3) Experience: Business person 2 years
- 4) Experience: Professional 1 year
- 5) Minimum monthly income : Salaried executive Tk. 15000 self-employed tk. 25000 and business person tk. 30,000

City Express:

City express cash is a fully secured and revolving facility for any legitimate purpose.

The security for the loan should be ideally CBL FDR. Bank would finance against clients CBL FDR or other banks/NBFI's security.

City express loan is a fully secured and terminating (EMI Based) loan facility for any legitimate purpose. Bank would finance against clients CBL FDR or other bank FDR/NBFI's security.

Features:

- 1) Minimum loan amount Tk.50,000 & Maximum 90% of the present value of CBL FDR or any other security.
- 2) Quick processing
- 3) Minimum documentation
- 4) Loan tenor 12 to 60 months
- 5) No guarantor required
- 6) No hidden charges

Processing Fees:

For express cash, 0.5% of approved limit

For Express loan, following slab wise fee will be applicable.

Eligibility:

Age: 18+

Must be Bangladeshi

Any eligible individual, who will provide the cash security.

Current Account:

Our current account meets the needs of individual and commercial customers through our schedule benefit.

Interest Rate: Nil.

Customer Benefit:

- 1) Cheque-book facility
- 2) Opportunity to apply for-safe deposit locker facility
- 3) Collect foreign remittance in both T.C & Taka draft.

Transfer of fund from one branch to another by

- 1) Demand Transfer
- 2) Mail Transfer
- 3) Telegraphic Transfer
- 4) Transfer of fund on standing instruction arrangement
- 5) Collection of cheques through clearing house.
- 6) Online banking service.

Savings Account:

It is a sound saving for retail customer. We give the major facilities and services to our customer through 84 branches all over in Bangladesh with our skilled manpower.

Interest Rate : 4.00

Customer Benefit :

- a) Cheque-book facility
- b) Opportunity to apply for-safe deposit locker facility
- c) Utility payment service
- d) Collect foreign remittance in both T.C & Taka draft

Transfer of fund from one branch to another by

- 1) Demand Transfer
- 2) Mail Transfer
- 3) Telegraphic Transfer
- 4) Transfer of fund on standing instruction arrangement
- 5) Collection of cheques through clearing house.
- 6) Online banking service.

City Onayash :

City Onayash-earn easy on your savings account, earn profit every month!

City onayash is a unique kind of savings account which calculates interest on your daily balance and pays interest to you every month.

It is a major departure from the conventional savings account available in the market. All such accounts calculate interest on the average or lowest balance of the month, while city onayash does on daily product basis. Not only that, While those conventional savings accounts pays interest only twice a year-in December to June-City Onayash pays it to you every month. Happiness at each month end.

Eligibility :

- 1) Age : At least 18 years
- 2) Nationality : Bangladeshi

Availability :

All 84 of City Bank branches spread across the country.

What you need to do :

Just fill up the City Onayash account opening form and hand it over to our branch staff.

That's it! Enjoy saving in a unique way. !

Special Features:

- 1) Withdraw and deposit cash as you wish-without at all having your monthly interest earning eligibility.
- 2) No hidden or under closed fees or charges or profit-cutting.
- 3) Interest forfeiture rules of a common conventional savings account do not apply here. So, stay tension-free-100% .
- 4) Every month's interest earning goes into your account automatically. What better way to take care of you family's recurring monthly expenses?

Interest Rate: 3.00



City Shomridhdhi

City A unique offer from City Bank

City Shomridhdhi is an exceptional DPS product that is distinctly more attractive than the prevalent DPS products in the market. You receive a hefty sum at the end of the term against your monthly deposit of small installments. It's a perfect way to secure your financial future!

Features

1) No initial deposit required 2) Monthly installment deposit ranges from Tk. 500 to Tk. 20,000 3) Flexible tenor of 3, 5, 7 years

City Projonmo

City Projonmo - financial safety for your future generations backed by complete immense protection!

City Projonmo is a unique monthly deposit scheme that you open for your kids to safeguard their future against all uncertainties and risks. As a guardian of the child you can open this account which builds great & unmatched savings for you over the years. By the time your child is past his or her school age, there is this sufficient cash in your hand to take care of his / her higher education, marriage or other such large expenses. However, the most interesting part of this scheme is the full insurance protection that you automatically enjoy. This simply means, in case of death or total physical collapse of the parent or guardian, the bank will pay the full value of the scheme for the full term no matter in reality how many months or years have been actually completed by you.

City Ichchapurun

City Ichchapurun — great opportunity to earn against your savings every month!

This product allows you to earn interest and enjoy interest every month that accrues in your fixed deposit account, no matter what the term of the deposit is. It helps make your financial planning more disciplined, and your life more organized. While your fixed deposit remains untouched and well-kept for future, you keep on getting the profit on a monthly basis. What better way to take care of your monthly recurring expenses like children's education or school fees, house tutor's remuneration, utility bill payments, saving money in some DPS scheme?

CITY Visa Electron Debit Card - By your side, round the clock

Now comes the Visa Debit Card from City Bank. Your life, therefore, becomes hassle— free and safe; and it is Visa Electron branded, which makes you the proud owner of a meaningful plastic.

Features:

- 1) Cash withdrawal from 500+ Visa ATMs 24/7/3 65 all over the country
- 2) Shop and dine at hundreds of merchant Visa outlets all over the country 3) Balance enquiry
- 4) PIN Change
- 5) Mini statement
- 6) Cash withdrawal Taka 12 per transaction at 583 DBBL ATMs
- 7) Cash withdrawal Taka 10 per transaction at 110 Q-cash network ATMs

Eligibility:

If you are an individual and have a savings, current or STD account in CBL, you are eligible avail this card. Just drop in any nearby CBL branch, collect an application form and submit duly filled up form. Within shortest time you will get the card delivered at your mailing address or at your designated branch.



Visa local classic

This is a local Visa Credit Card which is valid only in Bangladesh.

It can only be used in local currency (BDT) within the country. This type of credit card has a limit ranging from BDT 10,000 to BDT 49,999. This type of card has designed for medium earner category customers.

Usage

Local Classic/ Silver Card (For Domestic use only)

Limit

Local Classic/ Silver Card BDT 10,000 — BDT 49,999

Visa classic dual

This is basically one plastic that has dual options to make transaction in two currencies. Its acceptance jurisdiction is in country and outside country in EDT and USD respectively. Classic dual is for the medium earner category customers. Its credit limit is USD 100 to 1000 and BDT 10,000 to BDT 49,999.

Usage

Dual Classic/ Silver Card (For both International & Domestic use)

Limit Dual Classic/Silver Card BDT 10,000 — BDT 49,999 US\$ 500 — USS\$ 1,999

Visa gold local

This type of card is taka card of which acceptance jurisdiction is only in Bangladesh and transaction currency is EDT The differences between these two cards are higher credit limit than classic card. Credit limit of Visa Gold card is ranging from BDT 50,000 to EDT 5, 00,000. This type of card has been designed for the higher earner category customers.

Usage

Local Gold Card (For Domestic use only)

Limit

Local Gold Card BDT 50,000 — BDT 500,000

Visa gold dual

This is a high value dual card remaining other features same with classic dual. Gold dual is also for the higher earner category customers and its credit limit is USD 1,001 to 4000 and BDT 50,000 to BDT 500,000. A secured dual card's limit will be maximum USD 28,000 against lien on RFCD or ERQ account.

Usage Dual Gold Card (For both International & Domestic use) Limit

Dual Gold Card BDT 50,000 - BDT 500,000 US\$ 2,000 — US\$ 3,000

Credit Cards:

- The American Express Credit Card
- The American Express Gold Credit Card.

Corporate Cards:

- The American Express Corporate Card
- The American Express Gold Corporate Card.

The American Express Credit Card

Your American Express Credit Card gives you the following benefits:

Complimentary companion Mercedes Benz coach return tickets from Dhaka to Cox's Bazaar on Baghdad Express

Complimentary companion tickets for entry & all rides for Fantasy Kingdom and Water Kingdom

6% cash back at Agora Superstores & Nandan Mega shops

Travel Emergency & Medical Assistance abroad*

Double Benefit City Shield & All Accident Insurance

Available only for American Express Credit Card member — Dual Currency

The American Express Gold Credit Card

Your American Express Gold Credit Card gives you the following benefits:

- Complimentary companion return ticket from Dhaka to Kolkata on Jet Airways Complimentary buffet at The Westin Dhaka round the year
- Complimentary access to the City Bank American Express lounge at Zia airport Complimentary access to country's first Fast Track channel at Zia airport immigration
- 6% cash back at Agora Superstores & Nandan Mega shops
- Travel Emergency & Medical Assistance abroad
- Double Benefit City Shield & All Accident Insurance

|| CORRESPONDENCE RELATIONSHIP || 2.10

City Bank Limited established local correspondent arrangements with Uttara Bank's sixty four branches, thus covering almost the entire country and facilitating the ability to meet taka transaction requirement for the customers. The bank established correspondent relationships with a number of foreign banks, namely CITI Bank NA, Bank of Tokyo, and Standard Chartered Bank, in New York, Tokyo, Calcutta and London. During this period the Bank has set up letter reimbursing banks. The bank maintains a need based correspondents as advising and reimbursing banks. The bank maintains a need

Corresponding relationship policy, which is gradually expanding.

II OTHERSERVICE II 2.11

Consistent with the modern edge and competing in the competitive market, City Bank Limited has introduced some innovative banking services that are remarkable in a

Country like Bangladesh. The services offered by the bank are as follows:

On-line Banking: The bank has set up Wide Area Network (WAN) across the country within its branches to provide on-line branch banking facility to its valued customers. The service named “Financial Core” has opened up several possibilities of improved customer services. Under this facility client of one branch are able to do banking transaction at any other branch of the bank. The bank hosted its Web Site (www.thecitybank.com) to facilitate dissemination of information about the banking services and facilities of The

City Bank Limited all over the world.

Information Technology: in Banking Operation City Bank Limited has adopted automation in banking operation from few months ago. The main objective of this automation is to provide efficient and prompt service to its valued clients. At present all the branches of the bank are computerized under 37 branches are operated through Financial Core operating system to provide best security to the information. City Bank Limited is providing comprehensive range of banking services with utmost care and efficient to its customers. Auto Teller Machine is used to count money properly to save client’s valuable time as well. The customer can draw money/ cash from their account within a minute. SWIFT Service City Bank Limited is one of the first few Bangladesh Banks to obtain membership of SWIFT (Society for Worldwide Inter-bank Telecommunication). SWIFT is a members’ owned cooperative which provide a first and accurate communication network for financial transaction such as Letter of Credit, Fund Transfer etc.

CHAPTER-3

TOPIC ANALYSIS AND DISCUSSION

|| TOPIC ANALYSIS AND DISCUSSION || 3

Retail lending has been zooming ahead, driving a banking-sector boom since the beginning of the decade. Retail lending has changed dramatically in the last couple of decades, moving from a largely intuitive process to an increasingly automated one. Managing a retail loan portfolio successfully depends on properly developing, deploying, and integrating a wide range of risk management and operation models. These modeling activities need to be coordinated across a range of loan products and across marketing, credit, collections, operations, and M15. Retail loan is offered to individuals for some prearranged purposes and is to be repaid by equated monthly installments. Retail finance is one of key business pillar of retail banking which can assist retail bank to boost the lending business. City Bank is stepping in the realm of retail lending. Before offering the retail loans, City Bank needs to roll out credit process manual for Retail Finance Center (RFC), centralized retail risk management body. To ensure streamlined credit process for retail loan products, proposed credit process manual will play a significant role. Therefore, they are also introducing new sort of retail loan products to maximize banks profitability and ensure a brand identity.

To support business goal, capacity building is essential. Proposed credit process manual discourses the different credit and credit operation process to ensure capacity bridling, asset quality and ensure business growth.

My topic is “An Exploratory Study on Retail Lending and Customer Satisfaction Level of Retail Finance Center, City Bank Limited”. From this report we will be able to get current information regarding the satisfaction level of CBL’s existing customer. We

could also gain some knowledge about how the bank’s clients feel about them and how

Should the employees change the way of treating a client if needs be. Moreover, we will be acquainted with the customer’s expectations from the Bank as well. In the RFC, I found City bank offering two types of product. Like retail loan, credit card. Retail Loans are of

1. CITY SOLUTION 2. CITY DRIVE

II INTRODUCTION TO TWO TYPES OF LOAN II 3.1

3.1.1 CITY SOLUTION:

3.1.1.1 Background:

Over the last few years, there has been a sea change in the mindset our consumers. Retail Credit, once considered unreachable, is today a means of fulfilling the growing aspirations of Bangladeshi middle class, especially the growing population of the 25-44 age groups. The decline in corporate credit off take forced banks to increase their presence in the retail finance market. The rise in income levels, together with fall in interest rates and growing competition, has increased the affordability of loans for borrowers. Today, some in the country are emerging as leaders in the retail finance market. Moreover, retail banking it has now- at a very rapid pace — become the major revenue line for most of the top banks in the country. At City Bank, we want to offer the best-in-class services, innovative lending products and financial solutions for customers their personal financial requirement. To meet personal needs of any credit worthy individuals, we are launching City Solution, any purpose unsecured personal loan.

Customers like to enjoy personal loan to accommodate the personal financial requirement. Consequently, personal loan got substantial momentum in the market. Most of the banks are focusing this product for increasing core retail lending base of the bank.

This product will be a one of most vital lending products for retail lending.

3.1.1.2 Why City Solution?

Personal loan occupies major share in the retail loan portfolio in the SCB, HSBC and EBL . Personal loan serves the multiple life style purpose of customers. With City solution, we can accommodate personal financial needs of customers.

- With City solution we are introducing personal loan takeover option first time in the country which will ensure first mover's advantage for us.
- Presently, we have a consumer credit scheme offering maximum loan amount of Tk. 1.25 lac. Nature of consumer credit scheme and loan amount cannot serve the loan purpose of customer. We are focusing retail bank products in the Bank.

To create market buzz and substantial retail loan portfolio growth, City solution will play the vital role. With launch of, city solution, new booking of consumer Credit will be stopped.

3.1.1.3 What is City Solution?

City Solution is an any purpose unsecured and terminating loan facility (EMI Based) for any legitimate purpose. Bank would finance against gross monthly income of the any credit worthy individual. To meet life style needs of the credit worthy individual and to capitalize the vast market gap, this is a suitable unsecured retail loan product.

3.1.1.4 Preferred Corporate Organizations (PCO):

Permanent employees of the following organization may enjoy city solution up to tk. 3 lac without any personal guarantee. For above tk. 3 lac, personal guarantor will be required.

This PCO list will be updated time to time upon getting recommendations from sourcing channels with justifications.

SL.NO	NAME OF THE CONCERN	TYPE OF CONCERN
1.	AKTEL(TMIB)	MNC/LLC
2.	ALICO(HEAD OFFICE)	MNC
3.	All Foreign Embassies(Only local Staff)	Embassies
4.	All UN Agencies	UN Agencies
5.	Asian Paints	MNC
6.	Aventis	MNC
7.	Bangla link (Orascom)	Telecom Operator
8.	Bangladesh Oxygen Ltd(BOL)	MNC
9.	Bata	MNC
10.	Berger Paints	MNC
11.	British American Tobacco BD Ltd.	MNC
12.	Cairn Energy	MNC
13.	CEMEX	MNC
14.	Chevron	MNC
15.	City Cell (PBTL)	Telecom
16.	Coats Bangladesh	MNC
17.	Daewoo(BD) Co. Ltd.	MNC
18.	DHL Worldwide	MNC
19.	FedEx	MNC
20.	Grameen Phone	Telecom
21.	IDLC	Financial Institution
22.	Nestle	MNC
23.	Singer BD Ltd.	MNC
24.	Unilever BD Ltd.	MNC
25.	Novartis	MNC
26.	Surma-lafarge	MNC
27.	Warid Telecom	Telecom
28.	Private and Foreign Bank with good rating	Banks
29.	Hartz	MNC

3.1.2 CITY DRIVE

Retail Banking it has now- at a very rapid pace become the major revenue line for most of the top banks in the country. At City bank, we want to provide the best-in-class services. Innovative products and financial solutions from smart outlets-al with a big smile that conveys and generate happiness all the way. To meet personal needs of any credit worthy individuals, we need to introduce some contemporary asset products line like City Drive.

Customers like to enjoy personal auto loan to accommodate the transportation needs, Consequently, auto loan got substantial momentum in the market. Most of the banks are focusing this products for increasing core lending base of the bank. This products will be a one of most vital lending products for retail lending.

3.1.2.2 Industry Comparison:

Major key players of auto loan are SCB, HSBC, BRAC Bank and Eastern Bank. They are offering the loan facility under the following criteria:

Category	SCB	HSBC	Eastern Bank	Brac Bank
Loan amount	Minimum.12lac Maximum tk. 20 lac or maximum 20 times gross monthly income whichever is lower	Minimum.1 lac and Maximum tk. 20 lac or maximum 8 times gross monthly income whichever is lower	Minimum.3.5 lac Maximum tk. 20 lac or maximum 15 times gross monthly income whichever is lower	Minimum.2 lac Maximum tk. 20 lac or maximum 15 times gross monthly income whichever is lower
Minimum monthly income	Tk. 25,000	Tk. 20,000	Tk. 30,000	Tk. 30,000
Rate of Interest	15 to 17 %	11% to 16 %	14.5 %	14% to 18 %
Processing Fee	1 %			
Personal Guarantee Req.	Yes	No	Yes	Yes

Table 3.3: Industries comparison of auto loan among some Banks.

3.1.2.3 Why CBL Drive?

Auto loan is one of key retail lending products. Auto Loan occupies significant share in the retail loan portfolio in the SCB, HSBC and BRAC. Auto loan serves the purpose of obtaining individual personal vehicle need. With City Drive we can accommodate Financial need of customers to procure vehicle.

- Presently, we have an Auto Loan Scheme under retail loan offering maximum loan amount of Taka 15 lac. We are offering auto loans very small in number with lower the amount allowed by the Bangladesh Bank. So loan amount cannot serve the loan purpose

Of customer. We are focusing retail bank products in the Bank.

3.1.2.4 What is CITY DRIVE?

City Drive is a terminating loan facility (EMI based) for the purpose of financing purchase of brand new and reconditioned but unregistered automobiles for personal use

Only, under an Equated Monthly installment based repayment plan.

|| CREDIT PROCEDURE OF RETAIL FINANCE CENTER II 3.2

3.2.1 OVERVIEW :

Retail lending has been zooming ahead, driving a banking-sector boom since the beginning of the decade. Retail lending has changed dramatically in the last couple of decades, moving from a largely intuitive process to an increasingly automated one. Managing a retail loan portfolio successfully depends on properly developing, deploying, and integrating a wide range of risk management and operation models. These modeling activities need to be coordinated across a range of loan products and across marketing, credit, collections, operations, and M18. Retail loan is offered to individuals for some prearranged purposes and is to be repaid by equated monthly installments. Retail finance is one of key business pillar of retail banking which can assist retail bank to boost the lending business. City Bank is stepping in the realm of retail lending. Before offering the retail loans, City Bank needs to roll out credit process manual for Retail Finance Center (RFC), centralized retail risk management body. To ensure streamlined credit process for retail loan products, proposed credit process manual will play a significant role.

Therefore, we are also introducing new sort of retail loan products to maximize banks profitability and ensure a brand identity. To support business goal, capacity building is essential. Proposed credit process manual discourses the different credit and credit

Operation process to ensure capacity bridling, asset quality and ensure business growth.

3.2.2.1 Target Customer: The name list of the target market includes:

2.1 **Salaried Executive:** Corporate executives of Multinationals, UN bodies, Large Local corporate, Medium & Small corporate bodies, diplomatic houses, government bodies, Private entities etc.

2.2 **Business person:** Applicants may be proprietor of sole proprietorship firm, partner of partnership firm and/or director of a private & public limited company.

2.3 **Self Employed:** Individuals making a living from their technical expertise, i.e.

Medical practitioner, engineers, architects etc and free lancers like consultants, landlords etc., who have, an established source of income.

3.2.2.2 Non Target Customer

- CBL Negative listed individuals.
- Journalist of reasonably lower level & non reputed publications.
- Lawyers
- Employees of the firm which has a poor repayment history in business loan with The City Bank.
- Employees of non-reputed Proprietorship Firms & Partnership Firms. Officials of law enforcing agencies.
- Individuals with known criminal records.
- Politicians & Individuals having politically affinity.
- Travel agents and C & F agents of lower level.
- Defense officials below Major level.
- Mariners
- Individuals whose personal and business loan performance is poor.
- Public Figures and media personality.

3.2.2.3 Out of Area Customer:

Loans are offered only to applicant's whose office or residence is located at cities

Where we have branch representation. However, this may be waived for salaried

Executives whose salary a/c is with us, but office and residence is located outside cities

With our branch representation.

3.2.2.4 Non Resident Customer:

Loans to nonresident Bangladeshi (i.e. wage earners) are allowed for 100% cash covered

Facilities only.

3.2.3 DISTRIBUTION CHANNEL AND SOURCING METHOD

3.2.3.1 Distribution Channel: All loan applications are mainly sourced through following distribution channels:

- Directs Sales Team
- Branches/Kiosk

3.2.3.2 Methodology for Sourcing the Customer:

Direct Sales Team: Customers in this segment are tracked by DSE themselves. DSE source the loan/finance application in ways:

a) Sales Officer/Manager obtain list of local corporate and multinational corporate bodies and hand over to DSEs. DSEs set up appointments in these companies and visit the appropriate department from where a list of employees is obtained. Potential Customers are tracked down from the obtained list of employees and they are contacted either through phone calls or when the DSE visits the organization. DSEs reach the customers by making phone calls or by random visits to various shops, factories, trading agencies, business firms, consulting firms etc. Those customers are located by DSEs, when they visit various individual professionals at their chambers. Many customers are located through references from existing customers in this segment's reach the customer

by making cold calls, through references from existing customer or by random selection.

Branch: Customer visits the Branch and approach for the loan/finance. Customer is contacted by CSO/RM/SSM over phone and approached for the loan/finance. Later

Customer visits the branch and-performs necessary formalities to take the loan/finance.

3.2.4 APPLICATION PROCESS FLOW

3.2.4.1 Application Process by Branch and Sales:

a. Customer completely fills-up the loan application pack (LAP) and drops it to the sources who forward the same to RFC. Respective Managers of sourcing channels will take extra measures to check whether the application form is fully filled up and there is no overwriting or amendment without customer signature.

b. Managers of sourcing channel will verify customer signature in the application form, mark “original seen” in the photocopied documents before sending the LAP to RFC and will fulfill the documentation checklist attached in the LAP (Loan Application Pack) through branch.

3.2.4.2 Application Process by Retail Finance Center (RFC) MIS:

RFC MIS Officer will receive the applications and give input in the daily MIS.

b. MIS officer will put unique serial or tracking number on the application and hand over the applications to CPV agents for verification.

c. MIS officer will distribute the LAPs among the analysts.

(1. Send daily status report to sourcing channels via e-mail.

e. MIS officer will receive loan applications from sources and distribute the LAPs to credit analyst.

f. MIS officer will hand over the copy of LAPs to the CPV agent for verification purpose and will receive the same from CPV agents.

g. MIS officer will send back the LAPs to the source as and when advised by credit

Analyst.

h. Analyst will pre-screen the LAP and if any discrepancy is found will send back to source for further review.

i. Credit Analyst will analyze whether application meets PPG criteria, documents

Requirement and prudential regulations of Bangladesh Bank and will recommend for approval of the applications on appropriate cases otherwise recommend for decline.

j. Credit analyst will perform de-duplication and negative check list, prepare approval sheet.

k. Credit analyst can return the LAP back to source for any document deficiency and credit analyst can send any query or ask for any clarification from source

l. Manager RFC/HORFC/HORB/DMD/MD will provide final approval decision as per their DLA.

m. Manager RFCH-Lead of RFCHJORB/DMD/MD will approve or decline the applications as per delegation of lending authority (DLA).

3.2.4.4 Approval Status and M18:

MIS will update the status of LAPs if any loan is approved or declined by the appropriate DLA and M18 will inform the branches accordingly via daily status. MIS will inform the branches application approval status along with loan amount, tenor, approval conditions

to sources on daily basis.

3.2.4.5 At Asset Operations:

Once any credit facility is approved, sourcing channels and asset operation will get

Through disbursement process as mentioned below:

Documentation Check and Disbursement Process

- Sources will arrange to meet approval conditions and send all aforesaid disbursement to Asset OPS for disbursement. I Officer, loan documentation will receive loan documents from the Branch.

- Officer loan documentation is authorized to review documents to ensure that all

Documents and sign are in order.

3.2.5 CREDIT ASSESSMENT PROCESS

3.2.5.1 Credit Decision:

The Credit Analysts will assess the income of the applicant based on the income

Assessment guideline provided in Annexure-III. However a Credit Analyst may also

Decide to defer an application back to the source or hold prior to make any

Approve/decline decision. So, in effect a credit analyst can recommend any one of three

Decisions:

- Approvals
- Declines
- Return to Source/Hold

A. Approval:

▫ After assessment if it is found that a loan application meets all the PPG criteria, no default history and complied with BB guide line, Credit Analyst will prepare approval sheet considering all the product parameters as detailed in PPG.

▫ MIS officer will receive the LAP from the approval authority and update the M18 and preserve the LAP in vault.

▫ As soon as Auto Loan is approved, officer loan documentation will prepare four sets of “Purchase Order” (facility confirmation letters) following the approved loan amount and will get the same signed by concern credit analyst. , addressed to customer, vendor and BRTA, and forwards it to the source by maintaining tracker sheet. One office copy of the same will be kept

in the LAP. The letters are later Received by the vendors or authorized representatives through the Branch.

a) Decline

- b) Credit Analyst may decline the loan application on the ground of ndn compliance with PPG criteria, poor repayment history of loan/credit card, presence in negative list

and de-duplication, providing fraudulent documents or negative information.

b) Return to source/Hold/Deferral: If an application is sent to RFC without all necessary documents credit analyst can return the LAP back to source or can hold the LAP by sending mail to the Respective manager (RM/STM) of sources informing the query or discrepancy

B. The source contacts the customer to collect the required documents or for the query. If the defer reasons are addressed; the source will re-send the document back to RFC for further processing. Fulfillment of the query and address of

Discrepancy, credit analyst will further process the lap for credit decision

3.2.5.2 Multiple Exposures and Top up Criteria:

Multiple Exposures: Aggression of multiples retail loan exposures is regarded as multiple exposures. For example, customer enjoying a Car Loan of Tk 15 Lac, applied

for a personal of Tk. 5 lac. Multiple exposures will be Tk 20 lac.

Top Up: A top-up loan is an additional loan extended to the borrower under same product nature. For example, a customer availed personal loan of Tk 5 lac and now he/she applied for another Tk 3 lac. This additional amount will be treated as top up loan. All unsecured loan will be treated as similar product excepting Auto Loan.

When applying for a multiple exposure and top up, the following criteria will apply: Customer must pay minimum 6 installments of existing loan to avail top up loan.

For multiple exposures, customer availing car loan may apply for personal loan (life style loan, salary loan, professional loan) regardless of time frame of existing facility. No credit facility is delinquent (30 DPD and above) at the time of application of top up or multiple exposure.

Maximum 60 + DPD in last 6 months.

3.2.5.3 Aggregation of Exposure: Loan exposure (existing plus proposed) must not cross the maximum product ceiling. Product wise DLA must be considered while sanctioning new exposure to the customer under similar products. For example, if customer has been enjoying Tk 6 lac personal loan which was approved by Head of RFC (DLA Taka 7 lac) and applies for additional top up to Taka 3 lac will require the approval of Head of Retail Banking/DMD (Business)/MD (DLA up to Taka 10 lac) since both facility constitute loan amount of Taka 9 lac under single product which is beyond the DLA of Head of RFC.

Policy in respect to Aggregation of Exposure:

- All exposure in personal name should be aggregated; under no circumstances will the aggregate unsecured personal unsecured loan limit cross Taka 10 lac.
- Guarantee amount will be aggregated with guarantor's personal exposure.
- Spouse's exposure will be aggregated in case of joint application with spouse or if

Exceeding exposure is being availed jointly with spouse.

3.2.5.4 Reassessment: Re-assessment request of sourcing channels of declined file only be conducted upon providing memorandum of reassessment (MOR) by the RO/RM/STM with strong justification in favor of reassessment and MOR should be recommended by SSM/ Cluster Manager/ Head of Sales. After re- assessment the LAP can be Approved/Declined as per DLA.

- No re-assessment will be conducted if the LAP is declined on integrity ground of

The applicant, adverse CPV and CIB.

3.2.6 LOAN BALNCE TRANSFER OR TAKE OVER PROCESS :

Customers enjoying EMI based personal loan may enjoy the facility of Loan Balance Transfer. Regular loan application process will be followed in this case.

Features and eligibility of balance transfer are as follows:

Eligibility Criteria

- Minimum 6 loan EMI repayment with existing bank.
- Existing loan status must be regular and account status never went to 30 DPD+ during last 6 months.
- Approved loan amount may be higher than take over loan amount.
- Take over amount will be equivalent to existing loan outstanding with other bank and is to be transferred by respective branch through issuance of banker's cheque/ pay order in favor of customer's existing bank.
- All income and DBR criteria as per guideline mentioned at later section.

Required document from the Applicant

- ▶ Income and identification documents as applicable as per guideline'
- ▶ Bank statement or loan statement showing last 6 EMI payments with loan outstanding status.
- ▶ Loan settlement letter issued by other bank is to be sent to RFC by branches.

3.2.7 LOAN KYC

Loan KYC (Know Your Customer) will be required for any unsecured retail loan. Purpose of loan KYC is to focus on the following key areas:

- Background (family/ parents/ educated or ‘experienced- wise’ person).
- Job/Business Standing (Job Position & job history /nature of business in details trader/producer, major items, annual sales, stock/receivables etc.).
- Life Style (marriage record/children/travel record/quality of life/taste of car/dress/residence).
Loan Behavior & Willingness to repay (loan repayment record & seriousness/commitment to repay proposed loan).
- Net worth of the Applicant (cash/deposit/shop ownership/vacant land/investment in business etc. i.e. total assets less liability).
- Guarantor’s Status (Social standing, willingness & ability to stand as guarantor

Where applicable).

Loan KYC will be prepared by RM/STM and to be recommended by SSM/Cluster Sales Manager fNSM /Head of Sales. KYC rating or performance of customer will have

Following segments:

- Excellent
- Satisfactory
- Average
- Low

Applicants should get minimum average rating in all key areas of KYC. Any low

Rating will be treated as exception and will require approval on exception,

3.2.8 INCOME & 1D DOCUMENT:

- › Photograph and business card
- › Photo ID/Voter ID/ Driving license/ Copy of Passport
- › Bank Statement for last 6 months
- › Copy of TIN related doc
- › Letter of Introduction (LOI) from applicant's employer or salary certificate or pay slip along with major information like joining date, job status and salary break up
- › For business person copy of Trade license/Memorandum of Articles/Memorandum of Association
- › For professionals, copy of professional certificate

3.2.9 GUARANTOR :

1 Personal Guarantee will be required for any unsecured CBL retail Loan

3.2.9.1 Eligibility of guarantor:

Any salaried executive deemed acceptable to CBL or; Professionals (Doctors, Chartered Accountants, and Engineers etc.) or; Reputed Businessman acceptable to CBL. A guarantor can provide personal guarantee up to TK 10 lac for unsecured loan (excepting car loan) including his her own exposure.

'CBL staff cannot give guarantee against any retail loan.

For Auto Loan, spouse or immediate relatives will be preferred.

3.2.9.2 Required guarantor's Documents

- TIN
- Photograph and business card
- In case immediate relative, TIN related document will not be required

3.2.9.3 Location of the guarantor:

Guarantor's residence or office must be located in cities where we have branch representation. However, out of area guarantor is acceptable, if he/she has an account

Relationship with us.

3.2.9.4 Assessment of credit worthiness of guarantor:

Since Personal Loans are approved based on applicant's credit worthiness and guarantee is taken only as a secondary recourse, assessment of guarantor's credit worthiness is not assessed. However, it is our assumption that the criteria We have set out to become

eligible to be a guarantor are reflective of their credit worthiness.

3.2.8.5 Waiver of guarantor:

Guarantor will not be required for the following segments

- CBL staff
- Employees of POL list and intended to loan amount not exceeding EDT 3 lacks 100%

Cash secured loan facility.

3.2.10 EXCEPTIONS MANAGEMENT:

Exceptions are defined as the permissible deviation defined in PPG. Source receives the application from the customer and checks to see whether there is enough justification to recommend the loan under exception level. If satisfied, source forwards the loan application to RFC. One person should recommend and a Manager should support the loan application that falls under exception level criteria. In absence of any Manager's support, Credit Analyst may send back the application or recommend to decline. It is possible that source may send applications to RFC without recommending and supporting for the exception level. In that case, RFC based on the strength of the proposal, may underwrite the loan as per individual's DLA and exception waiver authority.

Approval/deferral/decline process will continue for any decision.

3.2.11 DELEGATION OF LENDING AUTHORITY AND REVIEW PROCESS

For City Solution: Like all other unsecured Retail Loan of City Bank, City Solution applications will be scrutinized, verified, processed and disbursed by the Retail Finance Center. Approval authority will remain with Credit Manager, Manager RFC, Head of Retail Finance Center, Head of Policy and Analysis, Head of Retail Banking, Deputy Managing Director (Business) and the Managing Director.

Approval authority at every stage will be guided by the “Permissible Exceptions” grid given in the previous section. Once a loan is approved, it will remain valid for

Disbursement until next 30 days, from the date of approval.

Loan Limit Approval Authority for CITY Solution is as follows:

Loan Amount	Approval Authority
Up to Tk 3 lac	Credit Manager
Up to Tk 5 lac	Senior Manager/Manager- RFC
Up to Tk 7 lac	Head of RFC/ Head of Policy and Analysis
Up to Tk 10 lac	Head of Retail Banking /Deputy Managing Director(Business)/ Managing Director

Table 3.4: Loan limit approval authority for City Solution

Loan Limit Approval Authority for City Drive is as follows:

Loan Amounts	Approval Authority
Up to Taka 5 lac	Credit Manager
Up to Taka 10 lac	Head of RFC/ Head of Policy and Analysis
Up to Taka 15 lac	Head of RFC/ Head of Policy and Analysis
Up to Taka 20 lac	Head of Retail Banking /Deputy Managing Director (Business)/ Managing Director '

Table 3.5: Loan limits approval authority for City Solution

Note:

1. DMD (Business)/MD is authorized to cancel the approving authority of the down level officials at any time to be decided by them.
2. DMD (Business) IMD reserves the right to exclude any official from above approval chain or include any new official depending upon incumbent's credit experience and level of comfort that the DMD (Business)/MD draw over the incumbent.
3. Approval authority of assistant/associate credit manager or credit manager (personal and auto loan) will come into effect upon getting instruction from Head of Retail Finance/ Head of Retail Banking depending upon incumbent's credit skill and experience. Only one credit manager of personal and auto loan analyst team will have approval authority.
4. Head of Policy and Analysis can exercise the approval authority in absence of Head of RFC.

3.2.12 TURN AROUND TIME(TAT)

RFC will ensure approval decision of personal loan within 72 hours and auto loan for 48 hours. However, this will not be applicable if CPV of bank statement cannot be done, and in case authentication is unreasonably withheld by the statement issuing Bank. TAT will be counted from the receiving time of applications at RFC end_ TAT for application received after 11:30 am will be counted from the next working day.

Disbursement TAT will be considered 24 hours from the time of receiving all required documents from source end. If any document deficiency found at asset ops end, this TAT will not be applicable. TAT for document received 11:30 am will be counted from The next working day.

3.2.14 CIB PROCESS :

A> Source obtains undertaking from applicant to request for CIB report from the Central 1 Bank and submits the same to Credit Administration CIB section.

B > Credit Administration forwards the requests to the Central Bank.

C> Upon receiving a reply from the Central Bank, Credit Administration forwards a copy of CIB reports to sources or RFC.

D> Officer at Asset OPS after receiving the CIB report from the source, get the clearance from the respective credit analyst. If found clean or nil and all other. Documents are in Order, loan is disbursed as per the disbursement process.

3.2.15 Negative CIB report:

As a part of ‘Credit Approval Condition, if the CIB status is anything other than ‘Clean’ or ‘Nil’ (e.g. Bad Loss, Doubtful, etc.) the credit analyst will subsequently decline the application and ask the MIS to black-list the customer depending on the severity of report.

3.2.13.2 CIB Report-Dispute Resolution:

Dispute

Sometimes customer may challenge CIB report which may not be related to him due to different reasons. The reasons for dispute may be inclusive (but not exhaustive) of the following:

1. Different persons in the same name.
2. CIB report is related to customer’s previous organization which was not updated in Central Bank’s record etc.
3. Loan was regular but reported as irregular.

3.2.14 CONTACT POINT VERIFICATION (CPV)

While considering proposals for any exposure, banks should give due weight age to the CPV report of the borrower’s personal, work or business details and same as the

Guarantors. This CPV will be conducted by market tested and reliable third partly agents.

To organize and streamline the CPV report following six types of verification guidelines details the process for CPV report. CPV Policy and Process Guideline describe the whole process.

- Contact Point Verification
- Bank Statement Authentication
- Credit Report
- Rent Verification
- Guarantor’s Information
- Car Value Verification

Total CPV process will be based on CPV Policy and Process Guideline of CBL.

3 .2.15 NEGATIVE LIST CHECKING AND WITHDRAWAL

Employer negative list:

To withdraw from employer negative list, SSM/HO Sales recommendation is required with proper justification if the negative listing was due to some employee related problem. After proper investigation, if it is found to be genuine, HORFC may withdraw the employer from negative list with proper steps to mitigate risks i.e. Provide loans

Against EOSB, lower tenor, lower loan size, high security ratio, low LTV etc.

Individual Negative List:

Customer may be withdrawn from negative list for different reasons :

- A. wrong bank statement verification report
- B. wrong of negative CIB report
- C. wrong CPV report or
- D. The previous poor borrowing history which is not related to customers

Willingness, etc.

Automobile Dealer negative list :

Automobile Dealer may be withdrawn from the negative list. The process will be as

Follows:

- Owner(s) of Automobile Dealer will send an apology letter to HO Sales/SSM describing the position and confirm that they will not do the bad practice in future.
- HO Sales/SSM if satisfied will recommend withdrawing from negative list with detailed justification and forward to HORFC.
- HORFC may withdraw the dealer from negative list based on the recommendation from HO Sales/SSM.

Activities of that dealer (withdrawn from negative list) will be closely monitored. If any further instance is found in future, the dealer will again be black-listed permanently.

CHAPTER-4

CUSTOMER SATISFACTION LEVEL OF RETAIL

FINANCE CENTER

|| CUSTOMER SATISFACTION LEVEL OF RETAIL FINANCE CENTER || 4

It is not very long RFC has come into operation as a separate division of CBL. This

Department basically deals with City Solution, City Card and City Express. By studying the following sessions, we will be able to get a comprehensive knowledge whether the

Existing customers of RFC are satisfied or not.

4-1 SURVEY:

A survey has been conducted on 15 consumers who are already City Solution customers.

The survey mostly taken by phone and some are taken by face to face interview.

Sample Questionnaire:

A sample questionnaire of the survey is given in the appendix A-VII.

4.2 HYPOTHESIS:

City Solution is relatively new in the market. It should be found out that whether Q

Customers are happy and comfortable with the, policy the bank has. It is thought that the

Customers may be happy with the product and service. The hypothesis for the research is

Given below.

Null Hypothesis: City Solution customers are satisfied with the product.

Alternative Hypothesis: City Solution customers are not satisfied.

4.3 City Foreign Remittance:

By your side - all the way

The city Bank's Foreign Remittance unit meets growing customer needs for fast, secure & easy money transfers to an extensive range of destinations. Being a committed bank to its customers, we go all the lengths to remit your hard earned money safely to your loved ones. With us, apart from a range of high-class modern remittance solutions, you will get peace of mind which we believe counts to most.

Facility

City Bank Limited has 83 online branches across the country, Besides, the Bank has a strong remittance network with other major banks of the country. Therefore, wherever your account is, we are able to send your money instantly.

If you are a City Bank account holder, then please visit any of our branches. Our Foreign remittance service personnel will be there to help you out. If you are not an account holder, then please open an account of your choice with us to receive your remittance at earliest convenience.

CBL understands the value of your precious time. That's why have made the payment procedure simple & easy. You have the privilege of enchasing the remitted money instantly from your branch counter Without going through any hassle. That is to say, if you are an account holder of City Bank, we can instantly credit the money to your account or pay cash to the receiver.

So, place your trust with City Foreign Remittance Service. Send your money to your loved ones & experience peace of mind

FINDINGS FROM THE DATA ANALYSIS: 5.1

This study finds out some problems on RFC. Those problems are:

1. It has been found that the relationship between RFC and source (BSSM and sales officers) is not so good. BSSM and sales officers said that they don't get adequate support from the RFC of The City Bank Ltd.
2. It is revealed that the retail products of The City Bank Ltd were not developed based on the needs and wants of the customers.
3. It is observed that Credit analyst of RFC is ineffective to analyze consumers' financial ability. BSSM and sales officers said that Credit analyst team is an important part of RFC. But sometimes they failed to analyze application PPG criteria, documents requirement and prudential regulations of Bangladesh Bank properly.
4. It has been found that Interest rate of retail lending products of the City Bank Ltd is higher than other banks in Bangladesh. For example, interest rate on auto loan of The City Bank Ltd is 15% to 16% but interest rate on auto loan of HSBC is 11% to 16%. Interest rate problem is another problem of The City Bank Ltd.

|| RECOMMENDATIONS II 5

- The interest rate in City Bank Limited is now 18%, which is very high for the customers. Interest rate should be reduced to attract more customers and raise the satisfaction level significantly.
- The employees of RFC especially the MIS division should be more cooperative with the customers over phone when applicants are looking for the necessary information.
- A new internal division can be opened for information deliver in RFC.
- HR should be more concerned about to train the sales team.
- The disburse time in the City Bank Limited is very lengthy. It should be reduced and the customers should get their service at a shortest possible time.
- The application process time is very lengthy. The time required for the applications should be reduced as well.
- Debt burden ratio should be relaxed especially in case of highly potential and successful business personnel.
- The loan processing fee should be reduced.

|| CONCLUSION || 6

It is revealed from the above presentation that in 2008, the bank has achieved remarkable success in various financial activities as well as in bank's business. During the year under report the bank has earned commendable operating profit and also attained capital adequacy. Substantial amount has been recovered from classified loan because of

Appropriate action in this regard.

For significant performance, the bank has earned national and international recognition. The

City Bank Limited was one of the twelve Bangladeshi banks among the five hundred banks in Asia for its assets, deposit and profit as evaluated by "Asia Week" in the year 2000. Besides that bank received "Top Ten Company Award" from the Prime Minister of the Peoples Republic of Bangladesh in the year 1992-1993 which was declared by

Securities and Exchange Commission.

Needless to mention that continuous support and extended by our valued clients, shareholders, sponsors, business associates and well wishes played a vital role behind these operating results and the Board of Directors express felicitation to them in this regard. Early in 2008, new CEO has joined to existing team and in 25th silver jubilee celebration a new logo with utterly new concept is introduced. Consequently, the directors acknowledge with gratitude the valuable guidance and co-operation received from the Ministry of Finance, Bangladesh Bank and Securities and Exchanges Commissions. The directors place on record their depreciation for the dedicated services

rendered by the executives, officers and staff members of the bank.

***REFERENCES ***

TEXTBOOKS

- » Murray R. Spiegel & Larry Stephens, Theory and Problems of Statistics, 3rd Edition, McGraw-Hill, 1999.
- » Naresh k. malhotra, Marketing research, edition

OTHER PUBLICATIONS

- ▶ Brochures and publications of CBL products
- ▶ Annual report of the year 2009 of CBL
- ▶ Credit Card Brochures and pricing guides of different issuers

WEBSITES (U RLS)

Some websites are visited for collecting some secondary data, which are:

- <http://www.thecitybank.com/>
- <http://www.visa.com>

10. Are you satisfied with the processing time taken in case of your loan ?

a) Highly Satisfied b) Satisfied c) Neutral d) Dissatisfied e) High dissatisfied

11. How quickly do you want the loan ?

a) Within 1 week b) Within 2 week 0) Within 1 month d) Within 2 month e) Doesn't matter

12. According to your background, you should get more money as a retail loan

a) Strongly agree b) Agree c) Neutral d) Disagree e) Strongly disagree 13. In which area(s) do you want that they should take care of? a) Interest rate b) loan tenor 0) Required documents d) Loan processing time e) Processing Fee

14. Would you suggest CBL to others for Personal loan ?

a) Highly Recommended b) Recommended 0) Neutral d) Prohibit e) Negative word

15. Select the terms that you are aware of

0 Debt burden Ratio — DBR o Equated monthly Installment — EM 0 Know your Customer - KYC