



**An Empirical Study of Premium Banking Services of BRAC Bank  
Limited**

**Submitted by**

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**Submitted to**

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## Letter of Transmittal

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BRAC University  
66, Mohakhali, Dhaka, 1212.

### **Subject: Letter of Transmittal**

Dear Sir,

With due respect, I am glad to submit my internship report as I have been assigned to prepare as a partial requirement of the degree. Now I am looking forward for your kind appraisal regarding this project.

While preparing this report, I worked as an intern in BRAC Bank Ltd. under the supervision of Mr. Clary Robin Baul, Associate manager, Business Development, Customer Experience.

This report contains a comprehensive study on Premium Banking of BRAC Bank Ltd. It was a great pleasure for me to have the opportunity to work on this project.

I strongly believe that this report will satisfy your requirements and expectations.

Thank You

Sincerely Yours

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Jinnah Barkatul Alim

ID: 14264026

## Declaration

I am **Jinnah Barkatul Alim**, a student of Master of Business Administration (MBA) program of BRAC University. As a partial fulfillment for the requirement of the MBA program I have performed the internship in exploring the activities of BRAC Bank Limited at Head Office, Gulshan-Tejgaon Link Road.

I hereby declare that the report titled “**An Empirical Study of Premium Banking Services of BRAC Bank Limited**” is prepared and completed by me under the supervision and guidance of Khan MD. Raziuddin Taufique, Ph.D, Assistant Professor, BRAC University.

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Jinnah Barkatul Alim

ID: 14264026

Program: MBA

## **Acknowledgement**

First of all, I am grateful to Almighty Allah for giving me the skill and strength to complete this work. Then, I wish to offer my heartiest gratitude and profound respect to my supervisor Khan. MD. Raziuddin Taufique Ph.D, Assistant Professor, BRAC Business School, BRAC University, for giving me the opportunity to work with him and for his continuous guidance, suggestion and wholehearted supervision throughout the progress of this work.

Then, I would like to convey my heartiest gratitude to Mr. Clary Robin Baul, Associate Manager, Business Development, Customer Experience, BRAC Bank Ltd. Without his support and guidance the completion of this report would not be possible. Lastly, I would like to thank all the employees of BRAC Bank to whom I worked with, for their continuous support to me.

## **Executive Summary**

After starting its journey in 2001, BRAC Bank has now established itself as one of the leading banks in Bangladesh. This has been possible only because of their excellent banking services and prudent strategies taken by authorities. Like other banks they have Retail banking, Wholesale banking, SME banking etc. Under retail banking they have premium banking for their premium customers. There are certain criteria for the customers to become premium customers. Like BDT 40 lacs and above in CASA or BDT 75 lacs or above in TDA. Premium customers enjoy some premium services in BRAC Bank. For example, Pick and Drop service, under this service customer enjoys vehicle support from BRAC Bank to reach or come from airport. Another service BRAC Bank provides is Meet and Greet service. Under this service, customer can have hassle free travel and avoid botheration in the times of check in and check out. Premium customers also can enjoy the premium lounges in different airports in the world. BRAC Bank also has yearly health voucher for their premium customers. They can have a thorough health check up in Apollo and United hospitals totally free of cost once a year. Other than that premium customers receive birthday cakes each year with bouquet. It is obvious that these premium services are going to add some extra cost in the balance sheet of BRAC Bank. But I have tried to find out whether these services only increasing burdens for the bank or bringing some benefits instead. After detail study I have found that after adding these special services, the growth rate of premium customers increased by 11.64%. Similarly, the growth rate of premium deposits also increased by 11.68% after adding these services to premium banking. These services not only increased the number of premium customers and deposits but also improved the brand value of BRAC Bank comparing other banks in the country.

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# Chapter 1

## Introduction

Banking began with the first prototype banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods between cities. This began around 2000 BC in Assyria and Babylonia. Later, in ancient Greece and during the Roman Empire, lenders based in temples made loans and added two important innovations: they accepted deposits and changed money. Archaeology from this period in ancient China and India also shows evidence of money lending activity.

The origin of modern banking can be traced to medieval and early Renaissance Italy, to the rich cities in the center and north like Florence, Lucca, Siena, Venice and Genoa. The earliest known state deposit bank, Banco di San Giorgio, was founded in 1407 at Genoa, Italy.

At present bank is not only a place to keep money safe. It plays a very important role for the economic development of the country. Nowadays, banks have added new dimensions to its activity to abreast with the demand of time. For instance, we can cite the example of BRAC Bank, one of the leading banks currently in the country; has different sections of banking like Premium, Supreme etc. Bank has its own criteria for its customers to become a Supreme or Premium customer and once a customer fulfills that criterion than s/he can enjoy the special privileged services from the bank authority. For an example, in BRAC Bank Premium customers can enjoy privileged services like Buy One Get One offer, Buy One Get Two offer in many prominent hotels and restaurants. Not only that but also premium customers of BRAC Bank get free health check up voucher once a year. With this facility they can have a thorough health check up free of cost. Whenever a premium customer of BRAC Bank travels abroad, s/he gets a free Pick and Drop service from the bank whenever necessary. At the same time customer also gets a Meet and Greet service, that makes the travel more hassle free. For the premium customers of BRAC Bank, this is not the end of the story; they also get the access of PB lounges in different airports of the world. There is no doubt that these special services provided by banks increased total costs of the bank. But it has not only increased the cost but also increased the brand value of the bank and at the same times customer's deposits to the bank. These have contributed to increase the overall profitability of the bank and made the foundation of the bank stronger than before.

## **Chapter 2**

### **History of BRAC Bank**

BRAC Bank Limited, with institutional shareholdings by BRAC, International Finance Corporation (IFC) and Shore cap International, has been the fastest growing Bank in 2017. At the year end of 2016, BRAC Bank had recorded a 10.74% growth in assets, and a 17.76% growth in liabilities and 83.14% growth in profitability. A fully operational commercial bank, BRAC Bank focuses on pursuing unexplored market niches in the Small and Medium Enterprise Business, which till now has remained largely untapped within the country. The management of the Bank believes that this sector of the economy can contribute the most to the rapid generation of employment in Bangladesh.

BRAC, a national, private organization, started as an almost entirely donor funded, small-scale relief and rehabilitation project initiated by Sir Fazle Hasan Abed to help the country overcome the devastation and trauma of the Liberation War and focused on resettling refugees returning from India. Today, BRAC has emerged as an independent, virtually self-financed paradigm in sustainable human development. It is one of the largest Southern development organizations and working with the twin objectives of poverty alleviation and empowerment of the poor.

#### **Vision**

“Building a profitable and socially responsible financial institution focused on Markets and Business with growth potential, thereby assisting BRAC and stakeholders build a just, enlightened, healthy, democratic and poverty free Bangladesh.”

#### **Mission**

- ❖ Sustained growth in small & medium enterprise sector.
- ❖ Continuous low cost deposit growth with controlled growth in Retained Assets.
- ❖ Corporate Assets to be funded through self-liability mobilization.
- ❖ Growth in Assets through Syndications and Investment in faster growing sectors.
- ❖ Continuous endeavor to increase fee based income.
- ❖ Keep our Debt Charges at 2% to maintain a steady profitable growth.

- ❖ Achieve efficient synergies between the bank's Branches, SME Unit Offices and BRAC field offices for delivery of remittance and Bank's other products and services.
- ❖ BRAC field offices for delivery of Remittance and Bank's other products and services
- ❖ Manage various lines of business in a fully controlled environment with no compromise on quality.
- ❖ Keep a diverse, far flung team fully motivated and driven towards materializing the bank's vision into reality.

### **Corporate Values**

Our Strength emanates from our owner – BRAC. This means, we will hold the following values and will be guided by them as we do our jobs:

- ❖ Value the fact that we are a member of the BRAC family.
- ❖ Creating an honest, open and enabling environment.
- ❖ Have a strong customer focus and build relationships based on integrity, superior service and mutual benefit
- ❖ Strive for profit & sound growth
- ❖ Work as a team to serve the best interest of our owner
- ❖ Relentless in pursuit of business innovation and important
- ❖ Value and respect people and make decisions based on merit
- ❖ Base recognition and reward on performance
- ❖ Responsible, trustworthy and law-abiding in all that we do

### **Corporate Social Responsibility (CSR) of BRAC Bank**

Since the inception as a responsible corporate body **BRAC Bank Limited** has undertaken various initiatives considering the interest of customers, employees, shareholders, communities and environment. These initiatives go beyond the statutory obligation/mandatory compliances to voluntary activities that promote sustainable development. BRAC Bank's vision which focuses on double bottom line that it should make decisions based not only on profit but also based on social and environmental consequences is closely linked to the principles of CSR. BRAC bank

"Green Banking" is one of the innovative CSR policies which aims to reduce the use of paper which is good for environment.

### **Achievements and Award**

- BRAC Bank wins prestigious 'Sustainable Marketing Excellence Award' from CMO Asia on July 31, 2014.
- Best managed Bank Award 2011 - 2013 from Asian Banker.
- Best Retail Banker Award 2011 from Asian Banker.
- FT-IFC Sustainable Bank of the Year 2010 (Emerging Markets, Asia).
- IFC awarded BRAC Bank as the Most Active Global Trade Finance.
- Program (GTFP), Issuing Bank in South Asia in 2010.
- Member of Global Alliance for Banking on Values (GABV).
- ICAB National Award 2011.
- DHL-Daily Star Bangladesh Business Awards 2008.
- NBR National Award as the Highest VAT payer for the financial year.
- bKash (Mobile banking service) Ltd.
- BRAC IT Services Limited (BITS)

### **Goal of BRAC Bank**

BRAC Bank will be the absolute market leader in the number of loans given to small and medium sized enterprises throughout Bangladesh. It will be a world-class organization in terms of service quality and establishing relationships that help its customers to develop and grow successfully. It will be the Bank of choice both for its employees and its customers, the model bank in this part of the world.

### **Nature of Business**

A fully operational Commercial Bank focuses on pursuing unexplored market niches in the Small and Medium Enterprise Business, which hitherto has largely untapped within the country. The Bank is also actively involved in retail banking and has a broad range of consumer loans ranging from personal loans up to auto loans to debt & credit cards. Furthermore the Bank has

gained a strong market share in the global money transfer market or remittance through significant tie-ups with major international money transfer agencies. In the last two years, BRAC Bank has also participated in providing large syndication loans in association with other National Commercial Banks in the country. Today BRAC Bank is considered as fourth generation bank extending full range of banking facilities by providing efficient, friendly and modern fully automated on line service. Since its inception, it has introduced fully integrated online banking service to provide all kinds of banking facilities from any of its conveniently located branches.

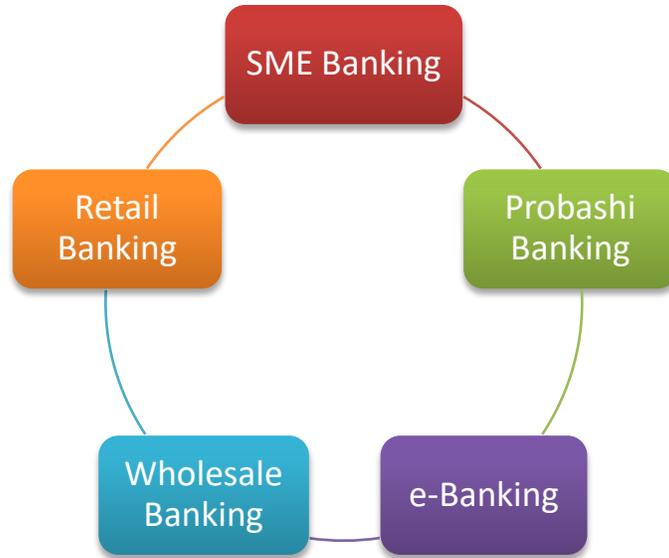
### **Subsidiaries of BRAC Bank Ltd. (BBL):**

BBL expands its horizon through subsidiaries and those are mentioned here-

<b>Subsidiaries of BBL</b>	<b>Description</b>	<b>Logo</b>
BRAC EPL Stock Brokerage Limited	It is one of the leading stock brokers in the country. BRAC EPL Stock Brokerage Limited has membership at both of the country's stock exchanges; the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE).	
BRAC EPL Investment Limited	BRAC EPL Investment Limited delivers a whole range of Investment Banking services such as Issue Management, Corporate Advisory, Corporate Finance, Underwriting and Portfolio Management.	
BRAC SAAJAN Exchange Limited	BRAC Saajan Exchange Limited mainly provides remittance services to the large Bangladeshi Communities living in UK.	
bKash	bKash Limited directs with an objective to ensure access to a broader range of financial services through mobile fund transfer facility for the people of Bangladesh specially to serve the low income people.	
BRAC IT Services Ltd. (biTS)	It is an IT Solution and Services company and now it strives to become the most trustworthy company in Bangladesh for delivering technology solutions.	

**BRAC Bank Ltd. (BBL):**

BBL consists with five major business divisions and these are mentioned here by a chart–



➤ **SME Banking of BBL**

BRAC Bank is mainly famous for the SME division as it is the bank that took a significant step to break away from usual tradition and tapped into the true suburb entrepreneurial initiatives. BRAC Bank is country’s largest SME financier as it has made more than 410,817 dreams come true with over 220,139 million of loan disbursed till date.

Loan Products	Deposit Products
<ul style="list-style-type: none"><li>• Anonno Rin</li><li>• Apurbo Rin</li><li>• Prothoma Rin</li><li>• Shomriddhi Rin</li><li>• Sompod Rin</li><li>• Shokti Rin</li></ul>	<ul style="list-style-type: none"><li>• Prapti Current Account</li><li>• Prachurjo Fixed Deposit</li><li>• Shonchoy SME Deposit</li></ul>

**SME Products (Source: SME Products)**

➤ **Retail Banking of BBL**

Retail banking division of BBL is again divided into three sub division based on different customers segment and there are-

- Premium Bankings
- Supreme Banking
- Excel Banking
- Easy Banking

**Products of Retail Banking**

Deposit and loan products offered by BBL are as follows-

**Deposit Products of Retail Banking**

<b>Deposit Products</b>		
<b>Savings Account</b>	<b>Current Account</b>	<b>Term Deposit</b>
<ul style="list-style-type: none"> <li>➤ Triple Benefits Savings Account</li> <li>➤ Savings Classic Account</li> <li>➤ Aporajita Account</li> <li>➤ Future Star Account</li> </ul>	<ul style="list-style-type: none"> <li>➤ Current Classis Account</li> <li>➤ Current Plus</li> <li>➤ EZee Account</li> <li>➤ Salary Account</li> <li>➤ Campus Account</li> <li>➤ Resident Foreign Currency Deposit(RFCD) Account</li> <li>➤ Foreign Currency Account</li> </ul>	<ul style="list-style-type: none"> <li>➤ DPS</li> <li>➤ Fixed deposit General</li> <li>➤ Flexi DPS</li> <li>➤ Interest First Fixed Deposit</li> <li>➤ Abiram Fixed Deposit</li> <li>➤ Unit Fixed Deposit</li> <li>➤ Non-Resident Foreign Currency (NFCD) Account</li> </ul>

➤ **Wholesale Banking of BBL**

BRAC Bank’s Corporate Banking sector provides banking services and financial partnership to different corporate bodies and institution of the country. With the expertise and dedication, Wholesale Banking Division aims to provide the best possible services to the customers to achieve success.

## Wholesale Banking Products

<b>Products</b>		
<b>Corporate Banking</b>	<b>Cash Management</b>	<b>Custodial</b>
Loan		
<ul style="list-style-type: none"> <li>➤ Overdraft</li> <li>➤ Short term loan</li> <li>➤ Lease finance</li> <li>➤ Loan against trust receipt (LATR)</li> <li>➤ Work order finance</li> <li>➤ Emerging business</li> <li>➤ Syndication</li> <li>➤ Term loan</li> <li>➤ Project finance</li> <li>➤ Bill purchase</li> <li>➤ Bank Guarantees</li> </ul>	<ul style="list-style-type: none"> <li>➤ Cash and Trade Unit</li> <li>➤ Liability Products</li> <li>➤ Securities Services</li> </ul>	<ul style="list-style-type: none"> <li>➤ Probashi Biniyog</li> </ul>
Trade Finance		
<ul style="list-style-type: none"> <li>➤ Letter of Credit(LC)</li> <li>➤ Letter of Guarantee (LG)</li> </ul>		

### ➤ **Probashi Banking of BBL**

Probashi Banking division not only works for disbursing remittance of Non- Resident Bangladeshi (NRBs) but also offers them “One stop banking solution” to create a favorable environment and opportunity for the NRBs to make long term financial contributions in the socio economic development of the nation.

<b>Accounts and Deposits</b>	<b>Investments</b>
<ul style="list-style-type: none"> <li>➤ Probashi current Account</li> <li>➤ Probashi Saving Account</li> <li>➤ Probashi Fixed Deposit</li> <li>➤ Probashi Abiram</li> <li>➤ Probashi DPS</li> </ul>	<ul style="list-style-type: none"> <li>➤ Wage Earner’s Development Bond</li> <li>➤ US Dollar Investment Bond</li> <li>➤ US Dollar Premium Bond</li> <li>➤ Probashi Biniyog</li> </ul>

➤ **E-Banking**

BRAC Bank limited has introduced e-commerce program in Bangladesh for first time for all VISA & MasterCard cardholders. It provides customers in many ways such as maintaining online business, making transactions through website.

E-Banking comprises with the four segments and they are mentioned here-

- E- Commerce
- SMS Banking
- Internet Banking and
- Call Center

That's all about the products and services of BRAC Bank Ltd.(BBL) that offers to people and to get benefit from these products and services. BBL believes that they have a social responsibility towards people they deal with and places they operate in. In this regard BBL has taken initiative to "Green Banking" that emphasizes on long term programs rather than short term ones for holding impact on people and society.

## Chapter 3

### Retail Banking

Retail Banking is known as general banking where the individual customers get services time to time from the local branches of the larger commercial banks. In BRAC Bank Retail section has been divided into four parts –

- **Distribution** – Serve the acquired customers
- **Sales** – Business acquisition.
- **Non Funded Business, Alternate Delivery Channels, Priority Banking**
- **Phone Banking**

They are interdependent and work closely with each other. Retail offers different types of competitive banking products to the customers. The retail division of the BRAC Bank also offers some special types of deposits and loan scheme for the customer attention. Retail banking is when a bank executes transactions directly with consumers, rather than corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards. The term is generally used to distinguish these banking services from investment banking, commercial banking or wholesale banking. It may also be used to refer to a division of a bank dealing with retail customers and can also be termed as Personal Banking services. Retail Banking Operations (RBO), an integral part of retail banking, complement the ever flourishing retail business through account opening, customer statement generation, inter- bank cheque clearing, ATM & credit card production, cheque-book production and processing government bond and SME Banking.

### 3.2 Retail banking Products

**In retail banking BRAC Bank has three types of products**

- ✓ LoanProducts
- ✓ Cardsproducts
- ✓ Deposit products

**a) In Loan products they have**

- ✓ Doctors Loan
- ✓ Personal Loan(Salary/Business)
- ✓ Home Loan
- ✓ Auto Loan
- ✓ Secured Loan
- ✓ Over Draft

**b) In Cards products they have**

- ✓ ATM Debit card
- ✓ Credit Card
- ✓ Hajj Card
- ✓ Travel Card
- ✓ Krishok Card
- ✓ Gift Card

**c) In deposit products they have**

- ✓ Current account
- ✓ Saving Account
- ✓ Salary Account
- ✓ Short term deposit Account
- ✓ Ezee Account
- ✓ Campus Account
- ✓ Aporajita Account
- ✓ Residence Foreign Currency Account
- ✓ Non- Residence Foreign Currency Account
- ✓ Tripple Benefit Savings Account
- ✓ DPS
- ✓ Abiram Fixed deposit

- ✓ Interest first Fixed deposit
- ✓ General Fixed deposit
- ✓ Special Fixed deposit
- ✓ Fixed deposit

## **Loan Products**

With 157 outlets, over 350 ATMs and over 700,000 plastics in the market, BRAC Bank offers a wide range of financial solutions to meet everyday needs. Like home loan, car loan, or simply a quick loan.

## **Deposit products**

With 157 outlets, over 350+ ATMs and over 30+ CDM's around in the Bangladesh, BRAC Bank offers a wide range of financial solutions to meet peoples everyday need.

- I. Savings Account
- II. Current Account
- III. Term Deposits

## **Savings Account**

### **Triple Benefits Savings Account**

Triple Benefits Savings Account offers a high rate of interest. Interest is credited to the account every month on average monthly balance. The minimum balance required for account opening is BDT 10,000

Monthly average balance of BDT 50,000 & above will be eligible for interest. Interest forfeiture rules are not applicable for this account. There is no Annual Debit Card Fee, if yearly average balance BDT 50,000 or above is maintained, otherwise BDT 600+VAT will be charged on anniversary. There is no Half Yearly Account Maintenance Fee for this account if half yearly average balance is BDT 50,000 & above. However, BDT 300 + VAT will be charged if half yearly average balance is above BDT 25,000 to below BDT 50,000; BDT 100 + VAT will be charged if half yearly average balance is above BDT 5,000 to BDT 25,000. The account offers the first cheque book of 12 pages free of charge.

### Savings Classic Account

Savings Classic Account offers interest rate up to 7% p.a. The minimum balance required for account opening is BDT 5000. Monthly minimum balance of BDT 50,000 & above will be eligible for interest. Half Yearly Account Maintenance Fee is BDT 300 + VAT if half yearly average balance is above BDT 25,000 and BDT 100 + VAT if half yearly average balance is above BDT 5,000 to BDT 25,000. Annual Debit Card Fee is BDT 600 + VAT. The account offers the first cheque book of 12 pages free of charge.

### Future Star Account

Future Star Account is designed to inculcate savings habit among children below 18 years of age. Parents can save for their children's future in this Savings Account. A minor can open this account jointly with his/her legal guardian. The legal guardian can operate this account on behalf of the minor. For example: If Mr. "X" wants to open a Future Star Account for his 6 years old daughter "Y", then the account title will be "Y ( Minor)" .

### Account Features

- Only 100 Tk opening balance
- No Account Maintenance Fee
- Up to 8% interest on account balance subject to fulfillment of criteria.

Monthly Average Balance	Interest Rate
Below BDT 50,000	4%
BDT 50,000 to less than BDT 1 lac	6%
BDT 1 lac and above	8%

- Interest is accrued on monthly average balance and applied to customer account monthly
- Visa/MasterCard Debit Card facility
- Countrywide online banking facility through 155 Branches & 320 + ATMs
- No need to go to school for Tuition Fee payment. Fee will be automatically collected from account
- Automatic Transaction Alert to Parent's Mobile
- Internet Banking, SMS Banking, e-Statement facility
- The monthly Combined limit of withdrawal is BDT 2,000 through ATM and POS.
- 24 hr Call Center

### **Future Star Privilege Card**

With every FSA Account, the minor will get a privilege card for free and can use this privilege card for getting attractive discounts at various outlets. Privilege Card is not an ATM Card/Credit Card and cannot be used to make payments at merchant outlets. For making payment customer needs to use Cash/ Debit Card/ Credit Card.



## **Current Account:**

### **Current Classic Account**

Current Classic Account is a non interest-bearing account with cheque book & VISA Debit Card facility. The minimum balance required for account opening is BDT 5,000. The account has a maintenance fee of BDT 500 + VAT for every half year and Annual Debit Card Fee is BDT 600 + VAT. The account offers the first cheque book of 12 pages free of charge.

### **Current Plus Account**

Current Plus Account offers you the freedom of unlimited transactions. There is no Intercity Transaction Fee for this account. The minimum balance required for account opening is BDT 25,000. There is no Annual Debit Card Fee. If yearly average balance BDT 25,000 or above is maintained, otherwise BDT 600+VAT will be charged on anniversary. The account has a Half-Yearly Account Maintenance Fee of BDT 500 + VAT. However, the fee will be waived if the account maintains an average balance of BDT 25,000 or above for the last six months. The account offers the first cheque book

of 25 pages free of charge.

### **Key Features**

- Account opening balance : BDT 25,000 only
- No intercity transaction fee
- No Debit Card fee, subject to fulfillment of criteria
- No upfront fee
- First cheque book of 25 pages for free

### **EZee Account 'Banking That Sets You Free'**

EZee Account is a non-cheque interest-bearing current account for small savers who need frequent transactions. No need to write a cheque or stand in queue to draw your money from BRAC Bank. You get a Debit Card to operate your account. This is a non-interest bearing account and there is no Account Maintenance Fee. Annual Debit Card Fee is BDT 600+ VAT. This is a non-cheque book account. However, a guest can avail special account payee cheque book as per Schedule of Charges.

The minimum account opening balance requirement is BDT 2,000.

### **Salary Account**

Salary Account is a non-cheque book individual account for employees of different Corporate Houses, offered to facilitate the disbursements of their monthly salaries. Employees of MNC/LLC/MID CORP/NGO/Large proprietorship/Partnership firm, other than foreign nationals are eligible to open this account.

Interest rate for Salary Account is 4% p.a. Any balance greater than zero will be eligible for interest. Interest calculation will be based on Daily Balance and Interest payment will be made half-yearly. There is no Annual Account Maintenance Fee in Salary Account. Annual Debit Card Fee is BDT 300 + VAT. Cheque Book facility is also available for this account.

### **Eligibility**

The organization needs to have a minimum of 10 employees and a payout of BDT 1 lac per month and an average salary per employee of BDT 10,000 per month.

## **Key Features**

- 4% interest on any deposit amount(\*On daily balance)
- No Account Maintenance Fee
- No minimum balance required
- Partial waiver on VISA Debit Card
- Cheque book facility
- Loan facility at preferential rates (Personal loan, Home loan, Auto loan)

## **Campus Account**

Campus Account is an interest-bearing current account exclusively offered for university students with an interest rate of 4% p.a. The minimum balance required for account opening is BDT 500. Any balance greater than zero will be eligible for interest. There is no Account Maintenance Fee. Annual Debit Card Fee is BDT 300 + VAT. However, a guest can avail special account payee cheque book as per Schedule of Charges.

### **Term Deposits:**

#### **Deposit Premium Scheme (DPS)**

##### **❖ Your small savings can build a shining future**

BRAC Bank introduces the Deposit Premium Scheme (DPS) – a truly special savings plan that allows you to save on a monthly basis and get a handsome amount at maturity – BRAC Bank DPS account gives you the convenience of saving regularly in line with your monthly income stream. So, if you want to create a big savings to fulfill your cherished dream. DPS is the right solution.

##### **❖ Installment sizes and DPS term**

We have a range of options for both installment size and maturity. The monthly installment can be as low as BDT 500 or any multiples of it i.e. BDT 1,000, BDT 2,500, BDT 5,000 and so on.

You are also free to choose the maturity of your DPS. You may select a period of 4/7/11 or 14 Years, depending on your convenience.

##### **❖ Get a Savings Account and an On-Line Banking Facility**

Unlike other banks, BRAC Bank gives you the luxury of choosing any day of the month as your installment date. Moreover, with a DPS at BRAC Bank, you will also have a Savings Account with personalized cheque book and receive on-line banking facility.

##### **❖ Auto-Transfer Facility**

Managing your DPS had never been so easy. You don't have to stand in long queues to deposit your installment every month. you can always deposit more than one installment in your savings account and

we will automatically transfer the installment to your DPS account on due dates.

### **Fixed Deposit General**

Fixed Deposit General is a non-transactional account that gives interest and principal at maturity. Minimum amount required to open the General FD account is BDT 10,000. FD General can be opened for 1/3/6/12/24/36 months. Interest is paid on maturity, calculated on 360 days, as per the Interest Rate Matrix. This account is available on a roll over basis until the customer confirms its closure. As per prevailing Bangladesh Bank guideline Government Tax/Excise Duty shall apply to the interest amount.

### **Flexi Deposit Premium Scheme (Flexi DPS)**

Flexi Deposit Premium Scheme is a non-transactional account that a customer uses for interest earning and savings purposes through monthly installment basis. Minimum amount required to open an FDPS account is BDT 500 and its multiples. FDPS can be opened for 1/2/3/4/5/6/7/8/9/10 years. This account is available on a roll over basis until the customer authorizes its closure. Interest is accrued to the FDPS account on monthly basis.

### **Interest First Fixed Deposit (IFFD)**

Interest First Fixed Deposit is a non-transactional account that a customer uses for interest earning in advance and savings purposes. The unique feature of this product is that interest is given upfront, at the time of opening the fixed deposit. Minimum amount required to open an IFFD account is BDT 10,000. IFFD can be opened for 3/6/12 months. Interest (after the adjustments of Government tax as per prevailing Bangladesh bank Guideline on the interest amount) is immediately transferred to the link account, as per the Interest Rate Matrix.

### **Freedom Fixed Deposit (FFD)**

Freedom Fixed Deposit is a non-transactional account that gives interest quarterly to the link account automatically. Minimum amount required to open the FFD account is BDT 10,000. FFD can be opened for 6/12/24/36 months. This account is available on a roll over basis until the customer confirms its closure. Interest is paid on a quarterly basis after adjusting Government tax as per prevailing Bangladesh bank Guideline on the interest amount, as per the Interest Rate Matrix

### **Abiram Fixed Deposit**

Abiram Fixed Deposit is a non-transactional account that deposits interest monthly to your existing current or savings account. Minimum amount required to open an Abiram FD account is BDT 10,000. Abiram FD can be opened for 1/2 years. This account is available on a roll over basis until the customer confirms its closure. Interest is paid on a monthly basis after adjusting Government tax as per prevailing Bangladesh bank Guideline on the interest amount, as per the Interest Rate Matrix.

### **Unit Fixed Deposit**

You can partially encash your Fixed Deposit even before it reaches maturity The remaining (i.e. non-encashed) amount of Fixed Deposit will be continued to earn interest at the initially agreed rate for the rest of the tenure. Opportunity of earning interest on your partially encashed amount  
Example: If you open a Unit Fixed Deposit of BDT 1 crore for 1 year at 12% interest rate and encash BDT 40 lac after 6 months, then BDT 40 lac will get 5.5% interest rate for 6-month period. Non-encashed amount of BDT 60 lac (i.e. BDT 1 crore – BDT 40 lac) will be continued for the rest of the tenure at 12% interest rate.

### **Key Features**

- ✓ Only BDT 10,000 is required to open this Fixed Deposit
- ✓ Each Bangladeshi taka will be considered as One Unit (BDT 1 = 1 Unit)
- ✓ No ceiling on maximum amount of Fixed Deposit
- ✓ 12 months tenure
- ✓ Attractive interest rate
- ✓ Loan facility against lien on Fixed Deposit

## **Retail Banking Division of BBL**

Retail banking division of BBL is again divided into three sub division based on different customers segment and there are-

- Premium Banking

- Supreme Banking
- Excel Banking
- Easy Banking



### **Premium Banking**

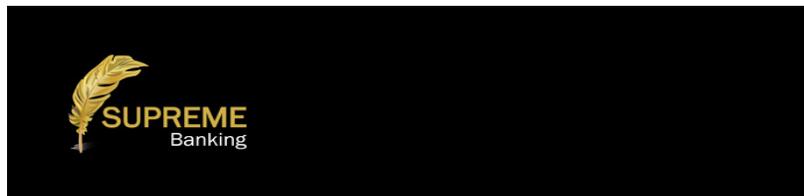
Premium Banking is BRAC Bank’s top tier retail segment designed exclusively to cater to the Bank’s High-net-worth or High Value (HV) customers.

- **Eligibility for Premium Banking Segment:**

Total deposit balance needs to be BDT 50 Lac or above for becoming a member of the premium banking segment.

### **Supreme Banking**

Our Supreme Banking Segment comprises of an exclusive customer group. BRAC Bank Supreme Banking provides exclusive banking service to eligible customers who desire privilege in their day to day banking activity.



### **✚ How to become a Supreme Customer**

- ➔ To become a member of the Supreme Banking segment, your average deposit balance needs to be between BDT 10 Lac to below BDT 50 Lac.

## **Benefits**

Our Supreme customers are entitled to the following exclusive benefits:

- Supreme Debit Card.
- Dedicated Relationship Managers in **selected branches**.
- Exclusive Service & Cash counters in **selected branches**.
- Faster service arrangement by Customer Service Managers in non branded branches.
- Pre-Approved Credit Card.
- Personalized birthday wishes & surprises.
- Invitation to exclusive events & parties.
- Festival greetings & gifts.
- Continuous special occasion based offers.
- Privileges and benefits with 200+ of our partners across the country.

## **Privileges and Value Propositions**

As a Supreme Banking customer you will now enjoy differentiated services that focus on enhancing the quality of your banking experience with us.

- Relax comfortably while traveling with free access for up to 2 people at Balaka VIP Lounge inside Hazrat Shahjalal International Airport, Dhaka.
- Ease yourself at Grand Sultan Tea Resort & Golf-55% off on room rent, 10% off on food items.
- Supreme Banking customers will receive unbeatable Supreme offers from popular restaurant of lifestyle outlets.

Any day-end balance will be eligible for interest. There is no Yearly / Half Yearly Account Maintenance Fee. Annual Debit Card Fee is BDT 300 + VAT. This is a non-cheque book Account. However, a guest can avail special account payee cheque book as per Schedule of Charges.

## **Current Account**

### **Current Classic Account**

Current Classic Account is a non interest-bearing account with cheque book & VISA Debit Card facility. The minimum balance required for account opening is BDT 5,000. The account has a maintenance fee of BDT 500 + VAT for every half year and Annual Debit Card Fee is BDT 600 + VAT. The account offers the first cheque book of 12 pages free of charge.

### **Current Plus Account**

Current Plus Account offers you the freedom of unlimited transactions. There is no Intercity Transaction Fee for this account. The minimum balance required for account opening is BDT 25,000. There is no Annual Debit Card Fee. If yearly average balance BDT 25,000 or above is maintained, otherwise BDT 600+VAT will be charged on anniversary. The account has a Half-Yearly Account Maintenance Fee of BDT 500 + VAT. However, the fee will be waived if the account maintains an average balance of BDT 25,000 or above for the last six months. The account offers the first cheque book of 25 pages free of charge.

### **Key Features**

- Account opening balance : BDT 25,000 only
- No intercity transaction fee
- No Debit Card fee, subject to fulfillment of criteria
- No upfront fee
- First cheque book of 25 pages for free

### **EZee Account 'Banking That Sets You Free'**

EZee Account is a non-cheque interest-bearing current account for small savers who need frequent transactions. No need to write a cheque or stand in queue to draw your money from BRAC Bank. You get a Debit Card to operate your account. This is a non-interest bearing account and there is no Account Maintenance Fee. Annual Debit Card Fee is BDT 600+ VAT. This is a non-cheque book account. However, a guest can avail special account payee cheque book as per Schedule of Charges.

The minimum account opening balance requirement is BDT 2,000.

### **Salary Account**

Salary Account is a non-cheque book individual account for employees of different Corporate Houses, offered to facilitate the disbursements of their monthly salaries. Employees of MNC/LLC/MID CORP/NGO/Large proprietorship/Partnership firm, other than foreign nationals are eligible to open this account.

Interest rate for Salary Account is 4% p.a. Any balance greater than zero will be eligible for interest. Interest calculation will be based on Daily Balance and Interest payment will be made half-yearly. There is no Annual Account Maintenance Fee in Salary Account. Annual Debit Card Fee is BDT 300 + VAT. Cheque Book facility is also available for this account.

### **Eligibility**

The organization needs to have a minimum of 10 employees and a payout of BDT 1 lac per month and an average salary per employee of BDT 10,000 per month.

### **Key Features**

- 4% interest on any deposit amount(\*On daily balance)
- No Account Maintenance Fee
- No minimum balance required
- Partial waiver on VISA Debit Card
- Cheque book facility
- Loan facility at preferential rates (Personal loan, Home loan, Auto loan)

### **Campus Account**

Campus Account is an interest-bearing current account exclusively offered for university students with an interest rate of 4% p.a. The minimum balance required for account opening is BDT 500. Any balance greater than zero will be eligible for interest. There is no Account Maintenance Fee. Annual Debit Card Fee is BDT 300 + VAT. However, a guest can avail special account payee cheque book as per Schedule of Charges.

### **Term Deposits:**

## **Deposit Premium Scheme (DPS)**

### ❖ **Your small savings can build a shining future**

BRAC Bank introduces the Deposit Premium Scheme (DPS) – a truly special savings plan that allows you to save on a monthly basis and get a handsome amount at maturity – BRAC Bank DPS account gives you the convenience of saving regularly in line with your monthly income stream. So, if you want to create a big savings to fulfill your cherished dream. DPS is the right solution.

### ❖ **Installment sizes and DPS term**

We have a range of options for both installment size and maturity. The monthly installment can be as low as BDT 500 or any multiples of it i.e. BDT 1,000, BDT 2,500, BDT 5,000 and so on.

You are also free to choose the maturity of your DPS. You may select a period of 4/7/11 or 14 Years, depending on your convenience.

### ❖ **Get a Savings Account and an On-Line Banking Facility**

Unlike other banks, BRAC Bank gives you the luxury of choosing any day of the month as your installment date. Moreover, with a DPS at BRAC Bank, you will also have a Savings Account with personalized cheque book and receive on-line banking facility.

### ❖ **Auto-Transfer Facility**

Managing your DPS had never been so easy. You don't have to stand in long queues to deposit your installment every month. you can always deposit more than one installment in your savings account and we will automatically transfer the installment to your DPS account on due dates.

## **Fixed Deposit General**

Fixed Deposit General is a non-transactional account that gives interest and principal at maturity. Minimum amount required to open the General FD account is BDT 10,000. FD General can be opened for 1/3/6/12/24/36 months. Interest is paid on maturity, calculated on 360 days, as per the Interest Rate Matrix. This account is available on a roll over basis until the customer confirms its closure. As per

prevailing Bangladesh Bank guideline Government Tax/Excise Duty shall apply to the interest amount.

#### **Flexi Deposit Premium Scheme (Flexi DPS)**

Flexi Deposit Premium Scheme is a non-transactional account that a customer uses for interest earning and savings purposes through monthly installment basis. Minimum amount required to open an FDPS account is BDT 500 and its multiples. FDPS can be opened for 1/2/3/4/5/6/7/8/9/10 years. This account is available on a roll over basis until the customer authorizes its closure. Interest is accrued to the FDPS account on monthly basis.

#### **Interest First Fixed Deposit (IFFD)**

Interest First Fixed Deposit is a non-transactional account that a customer uses for interest earning in advance and savings purposes. The unique feature of this product is that interest is given upfront, at the time of opening the fixed deposit. Minimum amount required to open an IFFD account is BDT 10,000. IFFD can be opened for 3/6/12 months. Interest (after the adjustments of Government tax as per prevailing Bangladesh bank Guideline on the interest amount) is immediately transferred to the link account, as per the Interest Rate Matrix.

#### **Freedom Fixed Deposit (FFD)**

Freedom Fixed Deposit is a non-transactional account that gives interest quarterly to the link account automatically. Minimum amount required to open the FFD account is BDT 10,000. FFD can be opened for 6/12/24/36 months. This account is available on a roll over basis until the customer confirms its closure. Interest is paid on a quarterly basis after adjusting Government tax as per prevailing Bangladesh bank Guideline on the interest amount, as per the Interest Rate Matrix

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#### **Unit Fixed Deposit**

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### Key Features

- ✓ Only BDT 10,000 is required to open this Fixed Deposit
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- Excel Banking
- Easy Banking



### Premium Banking

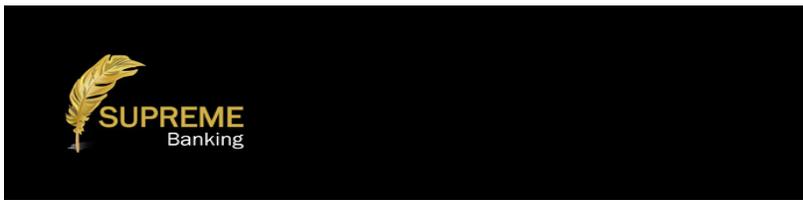
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Our Supreme Banking Segment comprises of an exclusive customer group. BRAC Bank Supreme Banking provides exclusive banking service to eligible customers who desire privilege in their day to day banking activity.



✚ **How to become a Supreme Customer**

→ To become a member of the Supreme Banking segment, your average deposit balance needs to be between BDT 10 Lac to below BDT 50 Lac.

✚ **Benefits**

Our Supreme customers are entitled to the following exclusive benefits:

- Supreme Debit Card.
- Dedicated Relationship Managers in **selected branches**.
- Exclusive Service & Cash counters in **selected branches**.
- Faster service arrangement by Customer Service Managers in non branded branches.
- Pre-Approved Credit Card.
- Personalized birthday wishes & surprises.

- Invitation to exclusive events & parties.
- Festival greetings & gifts.
- Continuous special occasion based offers.
- Privileges and benefits with 200+ of our partners across the country.

### **Privileges and Value Propositions**

As a Supreme Banking customer you will now enjoy differentiated services that focus on enhancing the quality of your banking experience with us.

- Relax comfortably while traveling with free access for up to 2 people at Balaka VIP Lounge inside Hazrat Shahjalal International Airport, Dhaka.
- Ease yourself at Grand Sultan Tea Resort & Golf-55% off on room rent, 10% off on food items.
- Supreme Banking customers will receive unbeatable Supreme offers from popular restaurant of lifestyle outlets.

A Supreme customer would be able to avail the following exclusive offers mentioned underneath by showing their Supreme Debit Card.

- Restaurants
- Lifestyle Stores
- Health
- Hotel, Resorts & Airlines

### **Excel Banking**

As our Excel Banking customer, we recognize your need for convenient banking solutions and strive to provide you with outstanding privileges and offers.



## **How to become an Excel Customer**

To become a member of Excel Banking segment, your 6 month average deposit balance needs to be BDT 50,000 to less than BDT 10 Lacs. Excel Customers are eligible for BRAC Bank VISA/MasterCard Gold Credit Card.

## **Benefits**

All Excel Banking Customers are entitled to the following benefits:

- Customer Service through Branches, SME Service Centers, SME/Krishi Branches, Apon Shomoy Centers, ATMs.
- Excel VISA Debit Card
- Privileges and benefits with 200+ partners across the country
- Weekend and Monthly Offers at various Restaurants and Lifestyle outlets.

## **Privileges and Value Propositions**

-  Restaurants
-  Clothing
-  Ice Cream and Bakery
-  Hotel
-  Lifestyle Outlets

## **Easy Banking**

All other accounts below BDT 10 lacks is considered in this section. Customer can experience the ease of banking while using our ATM, Cash Deposit Machines, Internet Banking, e Commerce and many more facilities. To convince the customer to maintain higher balance in their account so that they can be promoted to upper segments.



#### **Travel Related Services (TRS):**

Travel Related Services deals with the sale of Cash FCY against Individual's Travel Quota and Medical File. This entitlement is for a Calendar Year i.e. from 1st January to 31st December.

#### **Required Documentation for Medical File -**

- ⇒ Valid Passport with Visa (Parent's Passport for Infant)
- ⇒ Photo copy of Air ticket/ Bus ticket (Original needs to be shown)
- ⇒ Invoice from prospective hospital
- ⇒ Recommendation letter from personal physician
- ⇒ Related medical documents (Prescriptions, Diagnosis Reports etc.)
- ⇒ Previous overseas medical treatment documentation (If any) & Proof of treatment (After return from abroad).

#### **Education Related Services (ERS):**

BRAC Bank ERS offers 'Student File' services which eases educational related financial transactions abroad. Student File opening is a mandatory requirement set by Bangladesh Bank for Foreign Exchange transfer to other countries. Through opening Student File, educational related expenses can be remitted abroad.

#### **BRAC Bank Student File**

- Easy transfer of Tuition Fess & Living expenses
- Faster processing of Student File

- Flexibility of Foreign Currency endorsement
- One Stop Service at Student Service Center
- Dedicated service desk in branches
- Competitive Exchange Rate

 **Eligibility**

Students who have taken admission in regular courses such as undergraduate, post graduate, language course pre-requisite to bachelor degree & professional diploma/ certificate courses in recognized institutions abroad

 **Student Quota**

Education Cost & Living Cost as per estimate furnished by Foreign Institution/University and USD 200 or equivalent for transit expenses.

 **Services offered**

- Student File Opening

## Chapter 4

### Premium Banking Service

Premium Banking is new service that provides customer with a comprehensive range of products and services, developed specially with customer's superior needs in mind. Premium Banking is a personalized and privileged service that aims to provide customized banking solutions to simplify a customer's life. High-net-worth customers and other VIPs comprise the target market.

Premium banking setup commenced in March 2006, and the design and approval of the various aspects of this new department and service were undertaken over the next six months. It was officially launched on 24<sup>th</sup> September 2006 and within a small period of time this service became very popular among a particular segment of customers.

Premium Banking highlights the importance of a small customer segment, which holds a major stake of BRAC Bank's retail portfolio. By providing relationship –based services to this customer segment, Premium Banking safeguards Bank's Retail and SME portfolios and add to an increase in the Bank's liability base.

Premium Banking is BRAC Bank's top tier Retail segment designed exclusively to cater to the Bank's High-net-worth or High Value (HV) customers. As our Premium Banking customer, your banking services will be approached in a more personalized, prioritized and privileged manner. Here, all financial requirements of the customers are met with top priority.



## **Eligibility**

To become a member of the Premium Banking segment, your total deposit balance needs to be BDT 40 lacs or above in savings or current account and 75 lacs and above in term deposit account.

## **Benefits**

All Premium Banking Customers are entitled to the following benefits:

- State of the art banking services from our Premium Banking lounges.
- Dedicated 'Relationship Managers'.
- Personalized banking services.
- Pick and Drop services from airport.
- Meet and Greet services in airport.
- Free health voucher once a year.
- Platinum Debit Card & Premium Cheque Book.
- Complimentary Platinum Credit Card.
- Personalized birthday wishes & gifts.
- Invitation to exclusive events, parties & seminars.
- Festival greetings & gifts.
- Special occasion based offers.
- Privileges and benefits with 200+ of our partners across the country.

## **Privileges and Value Propositions**

As our Premium Banking customer you deserve the very best. Sail on a journey of excellence with our exclusive privileges and wide array of special products, services and benefits.

Our carefully selected partnerships offer unique privileges catering to your Healthcare, Hospitality, Travel, Entertainment & Lifestyle requirements:

### ➤ **Healthcare**

- FREE yearly Master Health Check-up at Apollo Hospitals, Dhaka.
- FREE yearly Health Check-up at United Hospital, Dhaka.

➤ **Hospitality**

- FREE access for up to 2 persons at the Balaka VIP Lounge at the Hazrat Shahjalal International Airport, Dhaka.
- FREE Meet & Greet protocol assistance services at the Hazrat Shahjalal International Airport, Dhaka.
- Buy 1 Get 1 FREE buffet at The Westin Dhaka exclusively for Premium Banking customers. Also, enjoy:
  - ✓ 50% DISCOUNT on space rent at the “Grand Ballroom”.
  - ✓ Exclusive “Deluxe Room” rental at BDT 14,999/- Net. (Including complimentary Breakfast for 2 persons).
  - ✓ 20% Discount on SPA.
  - ✓ 10% Discount on dining.
- FREE “Airport pick and drop” service from Europcar.
- Buy 1 Get 1 FREE buffet at Rose View Hotel, Sylhet.
- Buy 1 Get 1 FREE buffet (on lunch and dinner) at Hotel Sarina, Dhaka.
- Buy 1 Get 1 FREE buffet (on lunch and dinner) at Ambrosia Restaurant, Chittagong
- Buy 1 Get 1 FREE buffet (on lunch) at Village Restaurant, Dhaka.
- Buy 1 Get 1 FREE buffet at Peninsula Hotel, Chittagong.
- 40% discount on Rooms rates at Four Points by Sheraton, Dhaka. Also enjoy:.
  - ✓ 20% discount on A-la Carte dining at the Eatery Restaurant.
  - ✓ Special weekend package on Executive Suites at USD 200++ (Including complimentary Breakfast for 2 persons, usage of Gym, Swimming pool with Jacuzzi, Sauna and Steam).
- 30% discount on Rooms, Suites and Villas at the DuSai Resort & Spa in Moulvi Bazaar, Sylhet. Also enjoy:
  - ✓ 15% discount on Dining.
  - ✓ 20% discount on SPA.
- Up to 40% discount on Room rates at Six Seasons Hotel, Dhaka. Also enjoy:
  - ✓ 30% discount on Board Room rent.
  - ✓ 25% discount on rental of Conference/Seminar/Workshop facility.
  - ✓ 20% discount on rental of Wedding/Party halls.

- ✓ 20% discount on SPA/Gym/Pool facilities.
- ✓ 10% discount on dining.

## **Lifestyle**

- Up to 38% discount on diamond jewelry from Al-Hassan Diamond Gallery Ltd.
  - ✓ 50% OFF on personalization (emboss/engrave on jewelry).
  - ✓ 20% OFF on making charge of diamond jewelry.
  
- Up to 20% discount at Laundrette laundry service.
- 20% discount on dining at Hotel Agrabad, Chittagong at the followings restaurants: East Pan Asian, Cinnamon Restaurant, and Arabian Lounge.
- Up to 12.5% discount on various packages from Ikebana.
  - ✓ Wedding events & related services.
  - ✓ Fresh flower baskets, Birthday & Anniversary bouquets, and other related items.
  - ✓ Gift hampers; get well Fruit Basket, and other related items.
  - ✓ Dry flower arrangements.
  - ✓ Landscaping and Fountain arrangements.
  
- Discounts ranging from up to 20% on various restaurants.
 

Khana Khazana, Saltz, El Toro, CFC (California Fried Chicken), Glasshouse Brasserie, Lime Tree, Barbecue Flames, Tastebud, Baburchi Resturant, Angaar.
  
- Discounts ranging from up to 20% on various lifestyle outlets.
 

Menz Klub, the Baby Shop, Khan Brothers.

## **Other Eligibility Criteria**

Premium Banking may also be offered to very important or socially influential persons in lieu of the minimum balance. Head of Retail Banking retains the authority to approve applications for this service to any such persons, on a case-by-case basis. This will help to safeguard and

maintain relationships with key persons who may directly or indirectly affect the bank's reputation in the industry.

## Chapter 5

### Project Part

#### **Problem Statement:**

For their Premium Banking Section BRAC Bank provides some special services. For instance, Pick and Drop service, under this service BRAC Bank provides vehicle support to their premium customers to pick them or drop them in airport. Then they have special health voucher for their premium customers. Under this privilege a premium customer can avail a free health check up once a year. After that BRAC Bank delivers birthday cake with bouquet to their premium customers. These services add some extra cost to the balance sheet of the Bank. The purpose of this research is to find out, are these services only increasing burdens or bringing some benefits to the bank?

#### **Objective:**

The objective of this research is to find out the contribution of premium banking services to increase the number of premium customers, deposits and overall bank's performance.

#### **Literature Review:**

Premium banking is not a very addition to banking system. If we look back to the history of banking then we will find that the first banks in Venice were focused on managing personal finance for wealthy families. Traditionally, private banks were linked to families for several generations. They often advised and performed all financial & banking services for families. Historically, private banking has developed in Europe. Some banks in Europe are known for managing assets of some royal families. The assets of the Princely Family of Liechtenstein are managed by LGT Group. The assets of the Dutch royal family are managed by MeesPierson. The assets of the British Royal Family are managed by Coutts.

At present premium banking is a modified form of *private banking*. It offers some special services to the wealthy customers of bank. Every bank has a certain criterion for customers to become premium customers. If a customer fulfills that criterion s/he can become a premium customer and enjoy privileged services. For instance, Standard Chartered Bank in India offers services to its premium customers like complimentary Priority Pass along with Super Value Titanium credit card that allows access to 800+ airport lounges worldwide with one free usage per month, 25% discount on locker fee, 50% waiver on processing fee for mortgage, additional

0.5% interest rate on Term Deposits for senior citizens etc. Barclays Bank in England has a premier banking section and offers services like free daily treats to its premier customers and their families as well as discounts on dining and days out. These premium services contributed greatly to increase bank's brand value and overall premium deposits of the bank.

### **Methodology:**

The study requires a systematic procedure from selection of the topic to preparation of the final report. To perform the study, the data sources were to be identified and collected, classified, analyzed, interpreted and presented in a systematic manner and key points were to be found out.

### **Sampling:**

To conduct this study I collected sample data from annual reports of BRAC Bank in most of the cases. At the same time my supervisor helped me a lot to collect data of premium banking as these data are confidential.

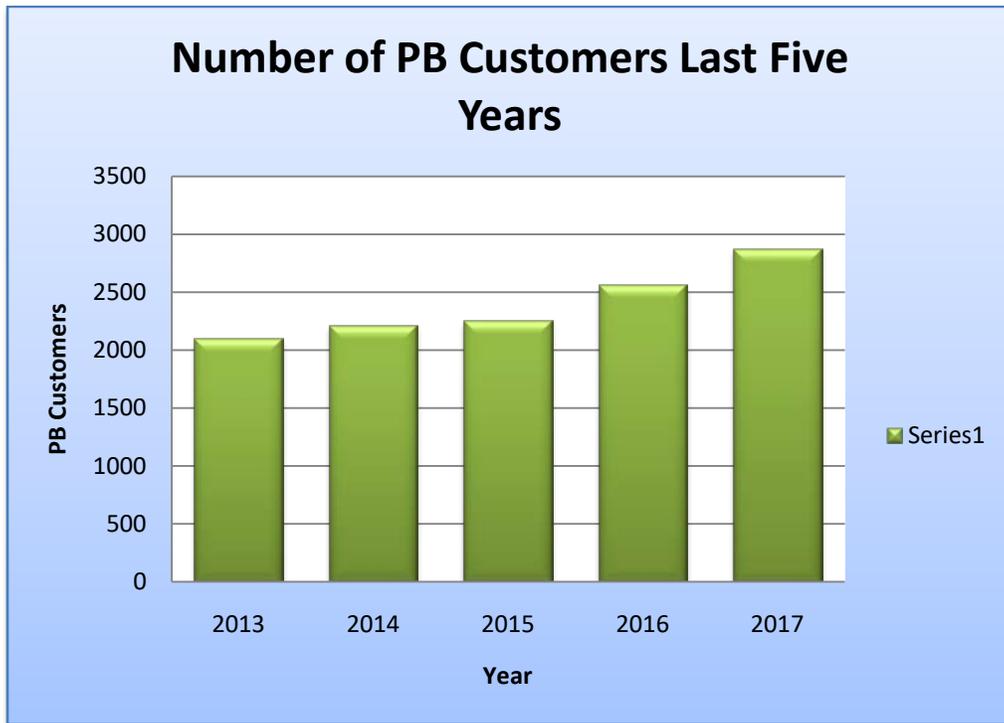
For this study I collected data of last 5 years.

### **Data Collection & Analysis:**

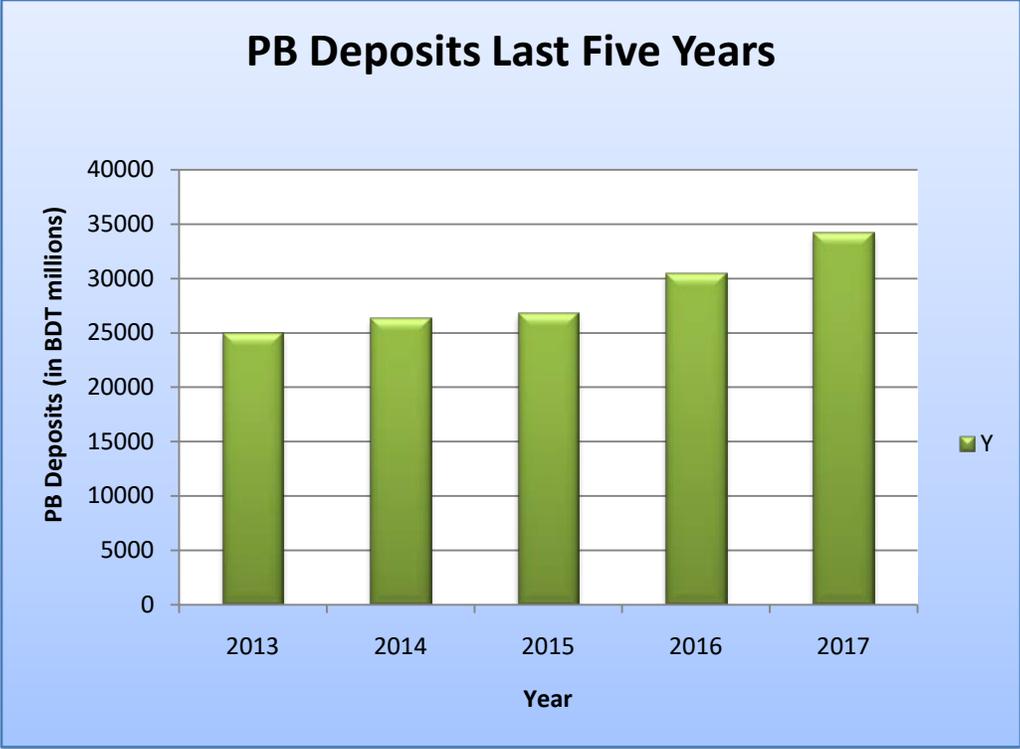
After collecting data I have analyzed the data thoroughly and performed a comparative study among them. I have used Microsoft Word, Microsoft Excel to analyze the data. Based on my analysis, I have made my findings, recommendation and conclusion. And finally I will present my research in front of the audience.

**Findings:**

Before 2015, premium customers of BRAC Bank used to get very limited services including PB lounges and others. In 2015, services like Pick and Drop, Meet and Greet, Health Voucher etc. introduced by BRAC Bank for its Premium Customers. Below are the data of last five year's Premium Customers of BRAC Bank:



Similarly, I have studied the Premium Customer's deposits last 5 years and the results are as shown below:



I also tried to figure out the bank’s profitability after 2015. Though, this is not directly related with Premium Banking but after my analysis I have found the below figure:



**Discussion:**

It is evident from the above figures that the Special Premium Banking Services played a very significant role to increase the number of premium customers and their deposits. From the above figures we can see that after 2015 growth rate of premium customers and their deposits are more than 13% whereas it was merely 5% after the year 2013. And at the same time growth rate of bank's overall profitability also increased after 2015 though it is not directly related with premium banking. To sum up, it can be said that the privileged services of premium banking attracted customers a lot and enthused them to deposit money in BRAC Bank.

## **Conclusion & Recommendation:**

With the changing pace of time everything changes and same with banking. Nowadays only providing loans and keeping money or ornament safe in the vault are not enough to be alive in the industry. Now people want more and those who can fulfill this thirst, rules. For instance, in banking industry currently there is a high competition in Bangladesh. Each bank has their own special offers for their customers. And not only local banks, foreign banks are also in the market with their luring offers and BRAC Bank has to compete with local and foreign banks both. That is why to compete with them, Premium Banking can be an important weapon. It can help BRAC Bank to be distinguished than others. Although other banks do have premium services for their customers but BRAC Bank can be unique by providing unique premium services to their customers. It is obvious from the above study that privileged services of premium banking helped to increase number of premium customers and deposits. But not only for the sake of profit but also to be competitive in the market and to be abreast with the modern time, this section is essential. And so far BRAC Bank is doing pretty well in Premium Banking and hopefully will be better in near future.

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