

Report On
“Impact of General Banking System upon customers of United
Commercial Bank Limited”

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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BRAC University

Letter of Transmittal

Intiaz Alam Nayeem

Lecturer

BRAC Business School

BRAC University

66, Mohakhali, Dhaka-1212

Subject: Submission of Internship report

Dear Sir,

It is my pleasure to submit my internship report regarding “Impact of General Banking System upon customers of United Commercial Bank Limited”, where everything has been accomplished under your kind guidance.

I have endeavored my best to finish this report with the fundamental data prescribed proposition in a notable compact and comprehensive way as feasible.

I believe that the report will meet the desires.

Sincerely yours,

Golam Moinuddin Chowdhury

15204027

BRAC Business School

BRAC University

Date: June 20, 2020

Non-Disclosure Agreement

This understanding is made and entered into by and between United Commercial Bank and the undersigned student at BRAC University named Golam Moinuddin Chowdhury for the commitment of avoiding the unapproved divulgence of confidential data of the organization.

.....

United Commercial Bank

.....

Golam Moinuddin Chowdhury

Acknowledgement

I would like to start by expressing gratitude toward All-powerful ALLAH for showering me with the capacity and strength to fulfill my internship report and my internship tenure at United Commercial Bank Limited.

It is my pleasure to recognize the unlimited help and moral support of my respected advisor Imtiaz Alam Nayeem, Lecturer of BRAC Business School. It is conceivable for his familiar direction that I may carry out this project in time. I feel honored to get a chance in general banking sector of United Commercial Bank LTD as an intern. I couldn't have been successful in my internship without the support of the whole general banking department. This is my pleasure to show my gratitude to my main supervisors Zahangir Alam Khan. Apart from this my gratitude is also for the other supervisors MST. Shahina Afroz Khan, Annur Hossain, Tasneem Marjana and Zasiah Chowdhury for giving me endless support and for motivating me throughout my internship tenure.

Lastly, I need to appear my commitment to all the individuals who have made a difference me with data and any sort of questions with respect to my report.

Executive Summary

Having a great commitment towards financial and social advancement of Bangladesh, United Commercial Bank (UCB) began its excursion in June, 1983 and after that it has been established itself as one of the prominent banks in the nation. This internship report is intended to get a detailed proposition of the impact of general banking system upon its customers. It likewise endeavors to catch the methodology practice in UCB corresponding to client handling. Doing analysis thoroughly in financial performance of UCB it has been found that there is still room for improvement to increase the effectiveness of their general banking system for the clients. Through the questionnaire based survey it's almost ascertain UCB is performing great in most of the parameters in terms of customer satisfaction but is penetrable UCB will definitely want to try to add more notable features in their general banking system to get more attraction from the customer under their umbrella.

Keywords: United Commercial Bank, General Banking System, Financial Performance Analysis, Customer Satisfaction.

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List of Acronyms

UCB United Commercial Bank

Chapter 1

Overview of Internship

1.1 Student Information

Name: Golam Moinuddin Chowdhury

ID: 15204027

Program: BRAC Business School

Major: Marketing

1.2 Internship Information

1.2.1 Period, Company Name, Department, Address

Period: February 9, 2020 – May 9, 2020

Company Name: United Commercial Bank Limited

Department: General Banking

Address: House no-12, Road no-5, Mirpur Road, Dhanmondi R/A, Dhaka-1205

1.2.2 Internship Company Supervisor's Information

Name: Zahangir Alam Khan

Position: Assistant Vice President

1.2.3 Job Scope

Job description consists of the duties and responsibilities needed to perform a certain role. The job scope that I was got in my respective organization was much broader. My duties

responsibilities were to assist my supervisor in day to day activities. There were certain responsibilities which were done by my supervisor on a daily basis and my duties were to assist her and complete the assigned tasks properly. My duties and responsibilities are given below:

Opening Bank Account

One of the major duties was to help the clients to open a bank account. Generally, clients who came to open a savings account were handled by me initially. To open a savings account, two passport size pictures and photocopy of NID of the client and one passport size picture and photocopy of NID of the nominee of the client is required. Some basic information on the account opening form were required of the client. There were few more accounts that clients could open and those were: Current Account, UCB NRB Savings, UCB Woman's Savings account and UCB youngster savings account etc.

Dealing with Cheque Issues

There were two types of cheques that I had to deal with and those were clearing cheque and return cheque. My responsibility was to put seals on the cheques which were crossing seals, payees seals etc.

Delivering Cheque Books

I had to deliver cheque books to the customers by cross checking their name from the list in database and if someone fail to collect the cheque book in due time I had to update the database with the names in the excel sheet so that we can track those due cheque books after a certain time.

1.3 Internship Outcomes

1.3.1 Student's Contribution to the Company

As an intern my role is to assist my supervisor. I was advised to my regular office work under the direction of my supervisor. First of all, I had to communicate directly with clients who are there at branch office of UCB for different financial purpose. My primary contribution was to find out what kind of services they are looking for. Then I need to identify the customer demand and classify their demand as bank account management, cash management and clearance of cheques, debit or credit card section. This according to the different section my secondary contribution was to collect their necessary information as well as necessary documents. After gathering all of these my next job was to put those information in the central database.

1.3.2 Benefits to the Students

Basically an internship program is a great way for the undergraduate students to obtain valuable work experience. As an intern I got the opportunity to familiar with the working culture of a financial institution. I have learned some of my very good strength and weaknesses during my internship. I almost got daily feedback from my supervisor which actually helped me to perform more efficiently. Getting feedback and embracing the mistake offered me a unique learning opportunity that may not have again as a working adult. This internship program have allowed me to test out my specific techniques that I learned in the classroom before. In a broader perspective working in UCB helped me to enhance my skills like professionalism, leadership and communicating effectively. Working in this financial institution also enhance my social media outreach.

1.3.3 Problems / Difficulties

The goal of my internship is to know the behavior and actions of the banking system of UCB. Still I had to face some of the difficulties during my internship period.

First of all, time management is a big issue of concern. As the coronavirus COVID 19 pandemic is going on it was not that much of possible to cover the performance of banking system of UCB fully. Nevertheless, before the spreading of this pandemic I got chance to work along with my supervisor, from there I got the maximum essential idea of the general banking system.

Secondly, some of the company's information are not available to access for an intern which is very obvious. Nonetheless I got the full cooperation of my supervisor as well as my other colleagues to obtain what I wanted to learn.

1.3.4 Recommendations

Though I got almost all the support which I needed during my internship period still there are something to improve for a financial institution, that all I can say from the perspective of an intern. Company may give a few more exposure to an intern which will boost up the confidence level of an intern. As I have been working in a financial institution I can say UCB may engage their intern in different department of their banking system which might help an intern to get an excellent overview of the whole general banking system. This type initiative may help any intern in their next stage of career.

Chapter 2

United Commercial Bank

2.1 Introduction

After completing all courses of the business program, an internship program is required as a part of our academic program. Internship program provides students with a real life handful job experience by which one can learn a lot of new things and gain broad knowledge of business functions that are going to be helpful for future.

As part of the required program, United Commercial bank Limited (Mirpur Road branch) has provided me with the internship opportunity. UCB was established in 26th June, 1983. UCB is mainly a private (non-government) bank. A part of a bank's share is owned by the government.

In terms of private commercial banking sector in Bangladesh UCB holds one of the biggest positions.

Objective

While working here in UCB I have learned details about banking functions especially about general banking. How UCB runs the overall operations is one of the major objectives of this paper. The main targets of this report are:

- To give an overview on general banking of UCB
- To provide a marketing interpretation of UCB
- To provide an overview on management practices of UCB
- To provide an competitive analysis of the industry of UCB

Methodology

There are two kind of data in methodology normally like primary and secondary data. These two origins of data was used for the methodology part of this report.

Primary data

Primary data were collected from my respected supervisors and also from the regular customers who had visited the bank several times to make their transactions.

Secondary data

The official website of United Commercial Bank Limited is the source of secondary data. Also different online reports, news portals, research papers were used to collect data.

Scope

Although the work scope of UCB is broad to an extent my scope of work has some boundaries. As an intern my work scope did not directly involved the client or customers in some scenario but I was there to assist my supervisor.

Limitations

This report was prepared under some major limitations. The organization has also restrictions upon sharing of the internal information with interns. So many of the confidential information was not shared which were required for the preparation of report. Furthermore, there was not sufficient information in the website of UCB.

So these are few of the limitations that I faced while preparing the report.

2.2 Overview of the Company

United Commercial Bank Limited

United Commercial Bank is that kind of bank in Bangladesh which is growing fast. UCB is enlisted in both of the biggest stock markets, Dhaka Stock Exchange and Chittagong Stock Exchange. The founder of this bank was Mr. Akhtaruzzaman Chowdhury Babu who was also a politician of Bangladesh Awami league. Mrs. Rukhmila Zaman is the Chairman of United Commercial Bank.

The journey of UCB started from 26th of June 1983. After starting their journey they have managed to make them as driving force in Bangladesh in terms of banking. As per UCB Corporate Information, 2019, they have in total 195 branches all over Bangladesh and also have 521 ATM booths, 2 SME centers, 1 Off-shore banking unit in several places of the country.

UCB have 4988 employees who are working hard to make their position strong in the banking sector. They have started their journey with 35.50 million in hand with a target to provide customer services. Their corporate head office is located in Gulshan Avenue, Dhaka.

UCB has made tremendous success in the past decade through its strong administration, dynamic practices, effective methodology and define high-yielding Management. It has segmented their operations in numerous banking areas like Corporate banking, Off-shore banking, Retail banking, SME banking, Remittance (incoming-outgoing) etc. To help in improving the economic condition of the country, UCB is also providing import-export loans to suitable applicants. It has been making amazing success in providing customers with card services since the year 2006. After producing their card service, UCB became one of the leaders in the market having 4000 card holders.

2.2.1 Vision, Mission, Core Values

Vision

Its vision is to be the best in all terms, economical comprehensive business development by guaranteeing productivity, administrative consistence, great resource quality, mix of understanding and expert abilities predictable profitability and obviously great administration.

Mission

To provide financial services that make oversee and increment our client's wealth while improving the personal satisfaction in the networks we serve.

Core Values

Core values of UCB are:

- Putting customers first
- Emphasizing on professional morals
- Keeping up quality at every level
- Emphasizing on being capable citizen
- Doing what they trust in
- Cultivate equal participative administration

2.2.2 Brand

Logo

UCB has re-launched their logo on 17th September, 2015. The new logo has been made keeping in mind the caring attitude that the bank is nurturing that promotes harmony, affliction and evolution. The new symbol shows two hand coming together which resembles that one hand is being held and supported by another hand.



Figure 1: UCB Logo



Figure 2: UCB Logo

2.2.3 Organogram

Every bank has their own organogram followed by all over their operations. The bank is followed by a group of Board of Directors. Then there are different committees depending on different departments. Each of the divisions has a Head of the division followed by Vice Presidents, Assistant Vice Presidents and rest of the designations.

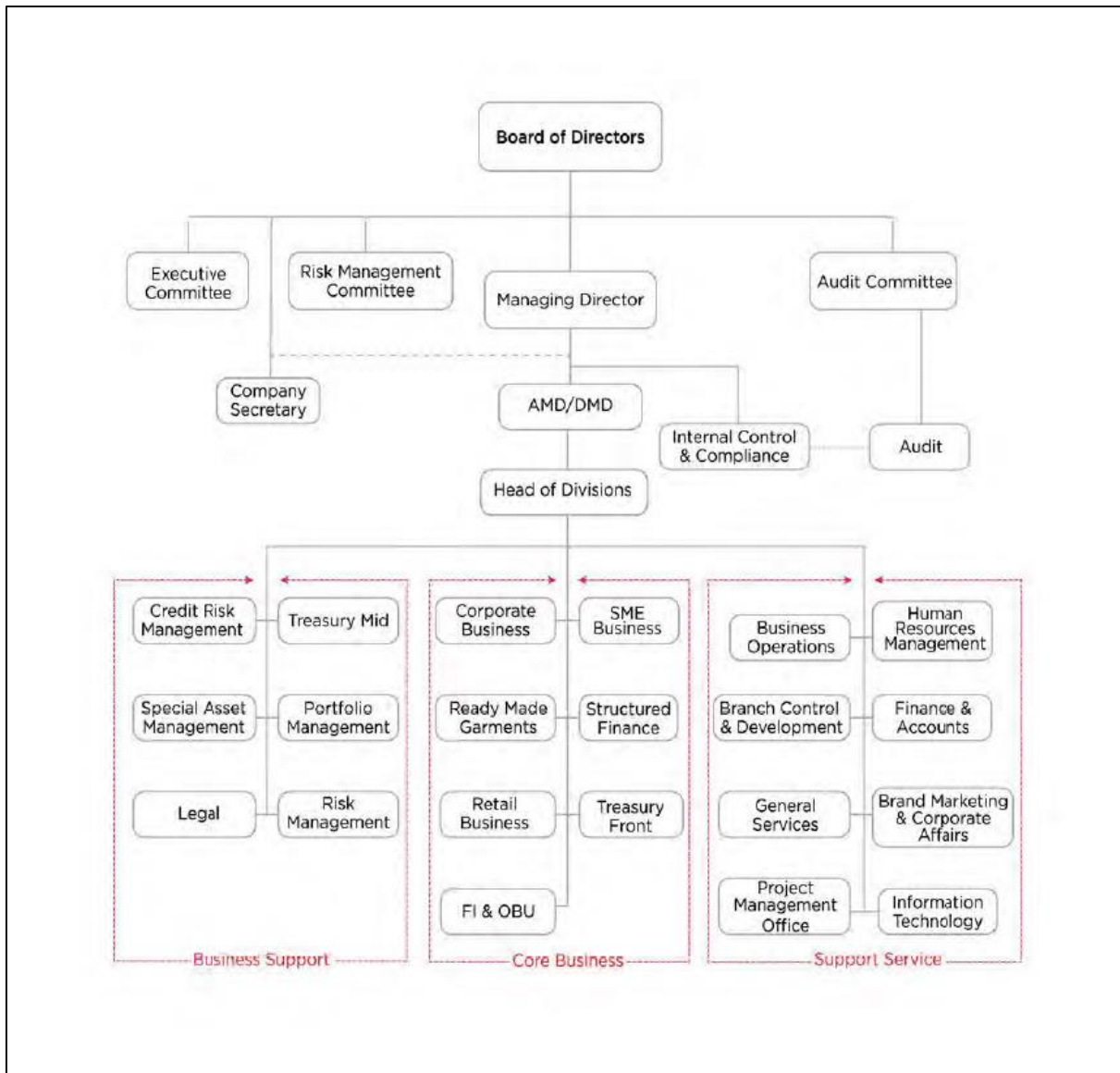


Figure 3: Organogram of UCB

2.2.4 Products and Services

UCB has made tremendous success in the past few years in creating a stronger customer base. UCB has updated their products and service offerings according to the demand of the customers which has made them successful in the banking industry. There are various banking services it has been providing. Some of them are:

- Retail Banking
- NRB Banking
- SME Banking
- Corporate Banking
- Imperial Banking Services
- Upay
- Ucash

Retail Banking

Retail banking means dealing with the customers directly or customer banking. UCB's retail banking service has very unique service offerings and products. Under retail banking service, customers can open different accounts for instance Savings account, Current account, Dynamic benefits savings, NRB savings, Women's savings, Youngsters savings etc. They offer Fixed Deposit services, DPS, Loans and Cards like Debit, Credit cards services to customers.

NRB Banking

UCB has been providing NRB banking services to non-resident Bangladeshi. Along with that they also provide NRB DPS service and Locker, Remittance and SMS banking services.

SME Banking

SME Banking services are given to little and medium ventures and proprietors of the SME organizations. UCB is providing SME banking services with a wide range of offerings. They provide SME Loans, Deposits and many other SME facilities to customers with various range of benefits.

Corporate Banking

Corporate Banking services are one of the major attractions of UCB. Corporate banking services are divided into three parts, corporate banking loans, Off-shore banking and Structured Finance. Export-Import loans, House building loans, industrial loans are all part of corporate banking loans and UCB provides such loan offerings to deserving candidates. Moreover, Off-shore banking services and other financial services are also part of their offerings to customers.

Upay

Upay is basically a new system of payment introduced by United Commercial Bank LTD in the form of digital platform. Using Upay, people can pay anytime staying anywhere of the country. To cope up with the digital world organizations are having to introduce digital systems to satisfy customer needs and Upay is such product of UCB. Through Upay people can make payments of products and goods. Moreover people can make bill/payment and do recharge as well. Because of Upay people do not need to carry cards with them all the time as they need to use this through a mobile app.

Ucash

By opening an Ucash account people can do mobile banking by staying at their home. At first they need to go through some procedures to open an Ucash account. With the help of nearest Ucash agent once, people open an Ucash account and can do all banking transactions by sitting at their home. This is really very helpful for those people who cannot go to bank every time because of their busy schedule. People can do transaction through Ucash from anywhere in Bangladesh.

2.3 Management practices

In banking sector any organization's success evaluated on the basis of how much their management is strong or how capable they are in banking activities. For a long period of time United Commercial Bank (UCB) are providing support to their clients effectively. As a result they have earned the faith of their customers. It was only possible because of having a very good management of UCB. Moreover, the members of the management of UCB are solely responsible for bringing success to the organization and making it reach at the top among many other commercial banks.

BOARD OF DIRECTORS

CHAIRMAN



Mrs. Rukhmila Zaman

Mrs. Rukhmila zaman, the chairman of United Commercial Bank Limited is a young women entrepreneur of this country. She also manages several organizations who works for women to upbringing them in the society.

Besides UCB, she is also on the board of director's position of Aramit power Ltd. Aramit Thai Aluminum Ltd etc.

VICE CHAIRMAN



Mr. Bazal Ahmed

Mr. Bazal Ahmed is the honorable Vice Chairman of United Commercial Bank Ltd. He is a son of Late M.A Bari who was a sponsor director of this bank. Mr. Ahmed is an entrepreneur and also a managing director of Taj accessories (Pvt). Ltd and Saikat textile which is now one of the leading enterprise in garments sector in Bangladesh. He also have a good reputation in doing a lot of social beneficial work for this society.

DIRECTOR

CHAIRMAN, EXECUTIVE COMMITTEE



Mr. Anizuzzaman Chowdhury

He is a young industrialist of this country. He is the chairman of executive committee of UCB and also a member of risk management committee of this bank. He has a huge contribution

towards this bank. He was born in a respective Muslim family of Chittagong and has completed his graduation in business administration from Palm Beach Atlantic college of USA.

INDEPENDENT DIRECTOR CHAIRMAN, AUDIT COMMITTEE



Akhter Matin Chaudhary

Mr. Chaudhary completed his chartered Accountant from United Kingdom in 1976. And he worked in many organizations there came back to Bangladesh in 1987 and joined BOC Bangladesh Ltd.

He has a keen interest in lectures. He also give lectures to MBA and EMBA students of BRAC University. He was also on the board of advisor in BRAC Business School.

The whole management team of UCB has a great contribution in the overall success of the organization. As leaders, the management team has been successful in creating long term relationships and has been able to create effective communication ways among the employees. They have amazing roles in motivating employees regularly to work for a better future for the betterment of the organization as well as of their own personalities. UCB has provided employees with opportunities to grow as an individual. Team work has been given utmost priority for all employees. Assigned managers are responsible for the improvement of the employees working under them. Each employee has a scope of communicating freely with their

respective line managers. Managers are chosen based on their leadership skills so that they can lead a team towards success for organization's betterment.

UCB has been leading their employees by setting examples through their leaders. Their management team comprises of great leaders of the industry. Employees get highly motivated from them. Moreover, the positive environment it has established motivates employees as well. Every employee is accountable to their line managers for their work so the employees have been well trained to be transparent about their work to the managers as well as towards clients. They have been successful in creating a sense of trust among their clients. This is how the management of UCB is contributing in the organization's success.

2.4 Marketing Practices

There are few major parts in marketing among them branding and promotions are most important. According to these, people will be able to know about the product or the organization. So to get success or to reach to the customer marketing practice is a very important part for any individual.

UCB always has a great interest in Cricket. They sponsored some International Cricket Tournament. This was a part of their promotional activities. By doing this they have played a massive role to development of Bangladesh Cricket. Recently Zimbabwe Cricket team have visited Bangladesh for playing an ODI series of 3 matches and a T20I series of 2 matches. This tour was started in February 18th and ended in March 11th. Bangladesh have won both series in a quite good margin. UCB was the title sponsor of this series.



Figure 4: Marketing Campaign by UCB

Besides this UCB have some other ways also to do their promotions. They sometimes gives advertisement to papers and they also do their promotions by few online media also.

2.5 Financial Performance & Accounting Practices

2.5.1 Understanding Financial Performance & Accounting Practices

Financial Performance is a vigorous study on how effectively an organization can utilize resources through the key technique of business and generate revenues. It is used to measure the financial health of any organization over a given period.

Financial performance of any particular organization is used to analyze similar organization across the same industry. For the stakeholders and investors financial performance report of any company is helping to take decision regarding investment.

There are numerous approaches to gauge financial performance, anyway it is important to take all measure in consideration. For example revenue of operations, operating income or cash flow of operations are operated to identify the financial performance of a company. Moreover any investor or the analyst need to take fiscal reports into consideration to find out margin growth rates or declining debts to get the knowledge of financial performance of a company.

Financial performance distinguishes how well an organization produces revenues and deals with its liabilities, assets and financial interest of its accomplices.

On other hand, accounting practice is a normal way wherein the financial activities of everyday of a business substance are assembled and recorded. An organization's accounting practice alludes to the technique by which its accounting approaches are executed and clung to on a routine basis, ordinarily by an account. Accounting practice alludes to the ordinary, handy use of accounting or evaluating approaches that happens inside a business.

Accounting practice produce all kind of financial reports and these can be utilized inside by the executives or remotely by different partners including financial specialists or tax authorities.

2.5.2 Areas of Financial Performance & Accounting Practice

Analysis

Any finance related expert frequently study the organization's creation and productivity execution (full scale business execution), profit execution, liquidity execution, working capital execution, fixed assets execution, finance stream execution and social execution. Normally to analyze the financial performance of any financial institution some the financial ratio are examined. There are so many ratios of financial analysis.

Based on this a financial performance analysis has been performed on some parameter described at the below considering the five years annual report of UCB (2014 to 2018).

2.5.3 Total Asset

In every year the total assets of UCB is increasing by million. Here all the data are basically shown in million. In 2014 the total assets is almost 266,100 million. In the next five year it has grown to almost 400 thousand million taka. So as a financial institution UCB has developed their assets in every year and thus become one of pioneer bank in Bangladesh.

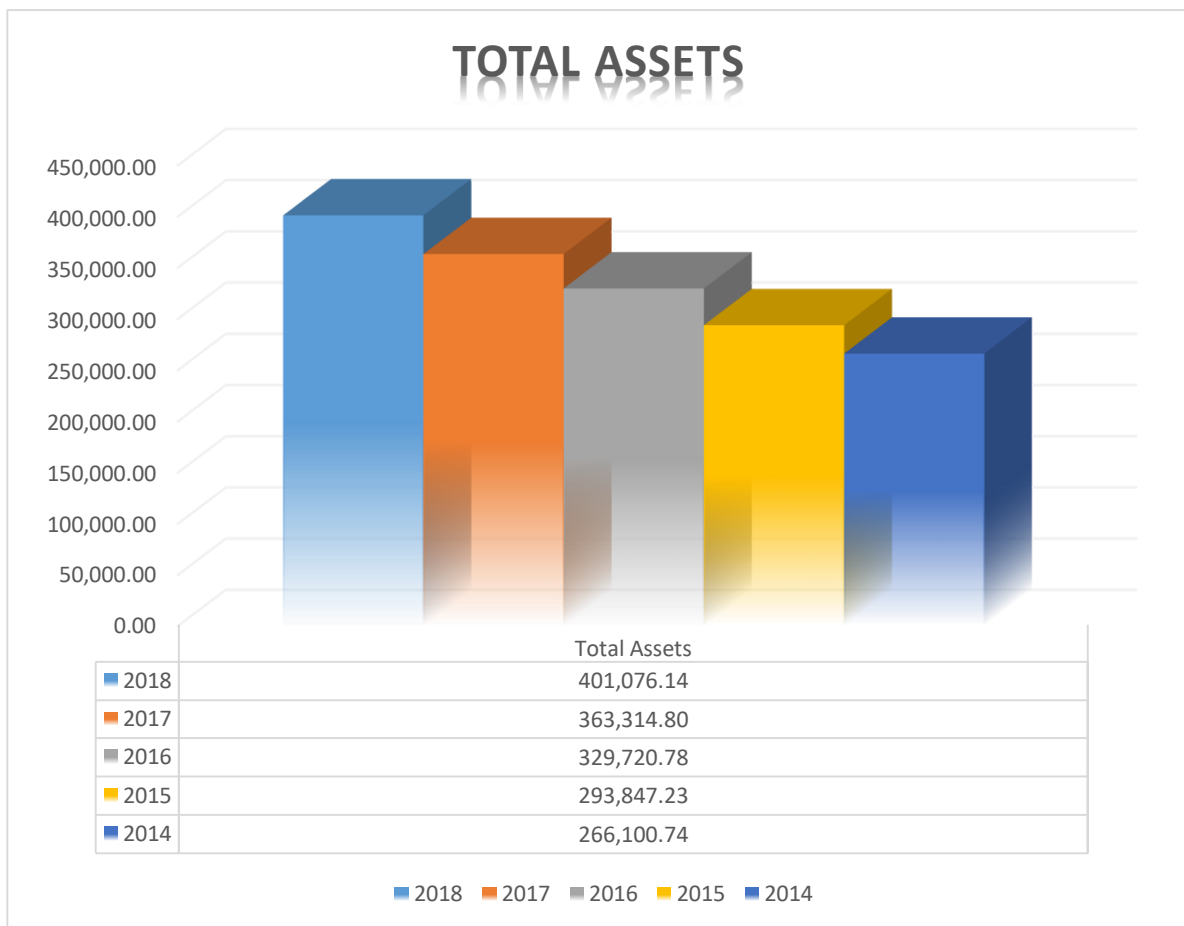


Table 1: Total Assets

2.5.4 Net Profit

As the year goes by there is both a decrease as well as increase in the net profit category if we compare the financial report from the year of 2014 to 2018. This net profit of UCB don't follow

any linear pattern if we look very closely. In 2014 the profit is almost 3,668 million whereas the following year it went up to almost 4 thousand million. On the other hand the next year from 2015 profit is decreasing rapidly to 2,433 million and in the year of 2018 it again bumped into almost 2,526 million taka.

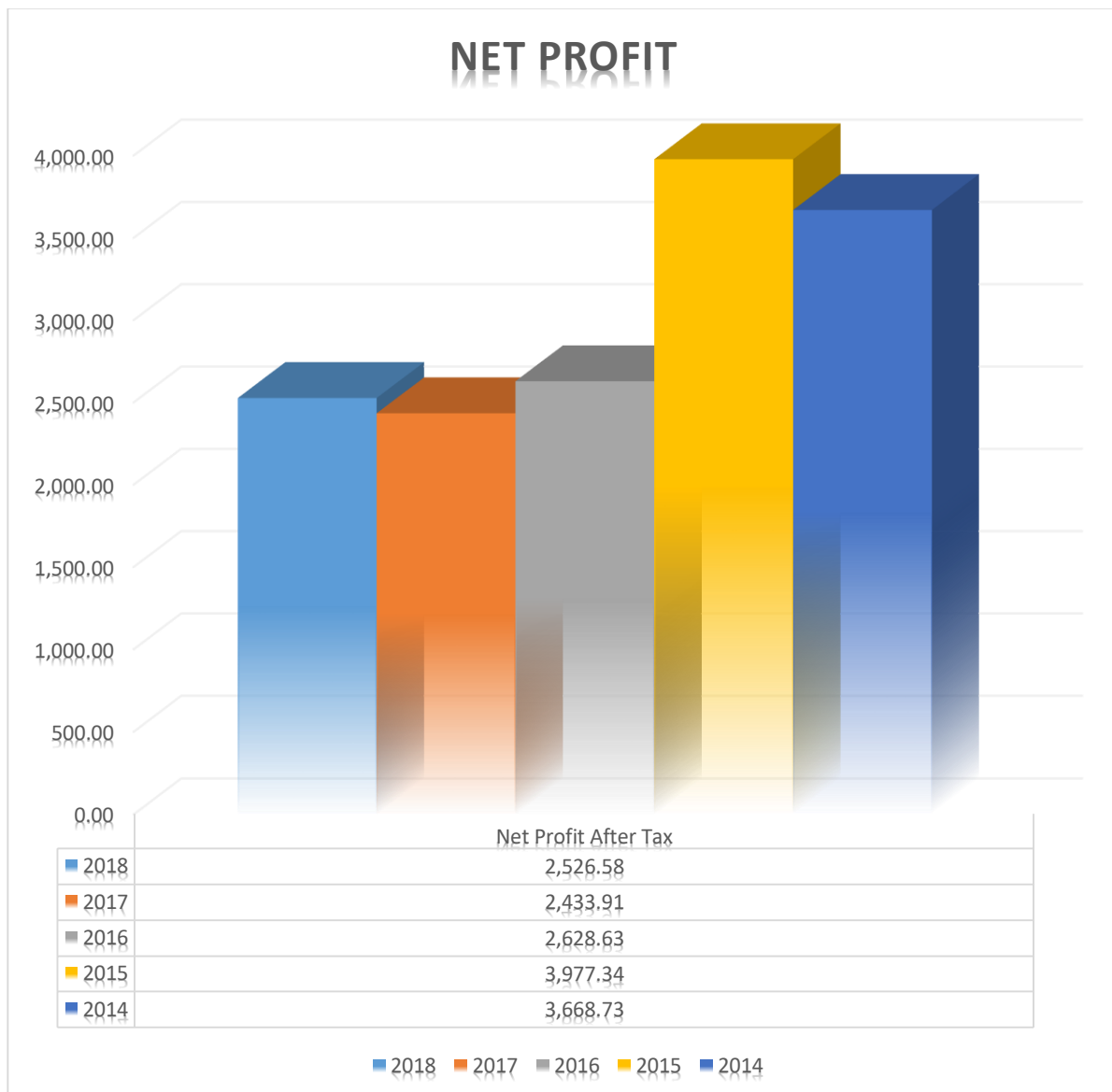


Table 2: Net profit

2.5.5 Earnings Per share (EPS)

Basically the earnings per share (EPS) serves the direct indication of an organization's profitability. This can be determined by dividing the organization's net income with the number of outstanding shares the company holds. The more the earnings per share of an organization, better is its profitability. Now if we look the EPS of UCB for last 5 years it is easily said that this company's profitability is not doing great compare to the previous year. Among this 5 years the higher earnings per share is in 2014 which is 4.39 but surprisingly in 2018 it came down to 2.4 which might be a concerning issue for the management of UCB.

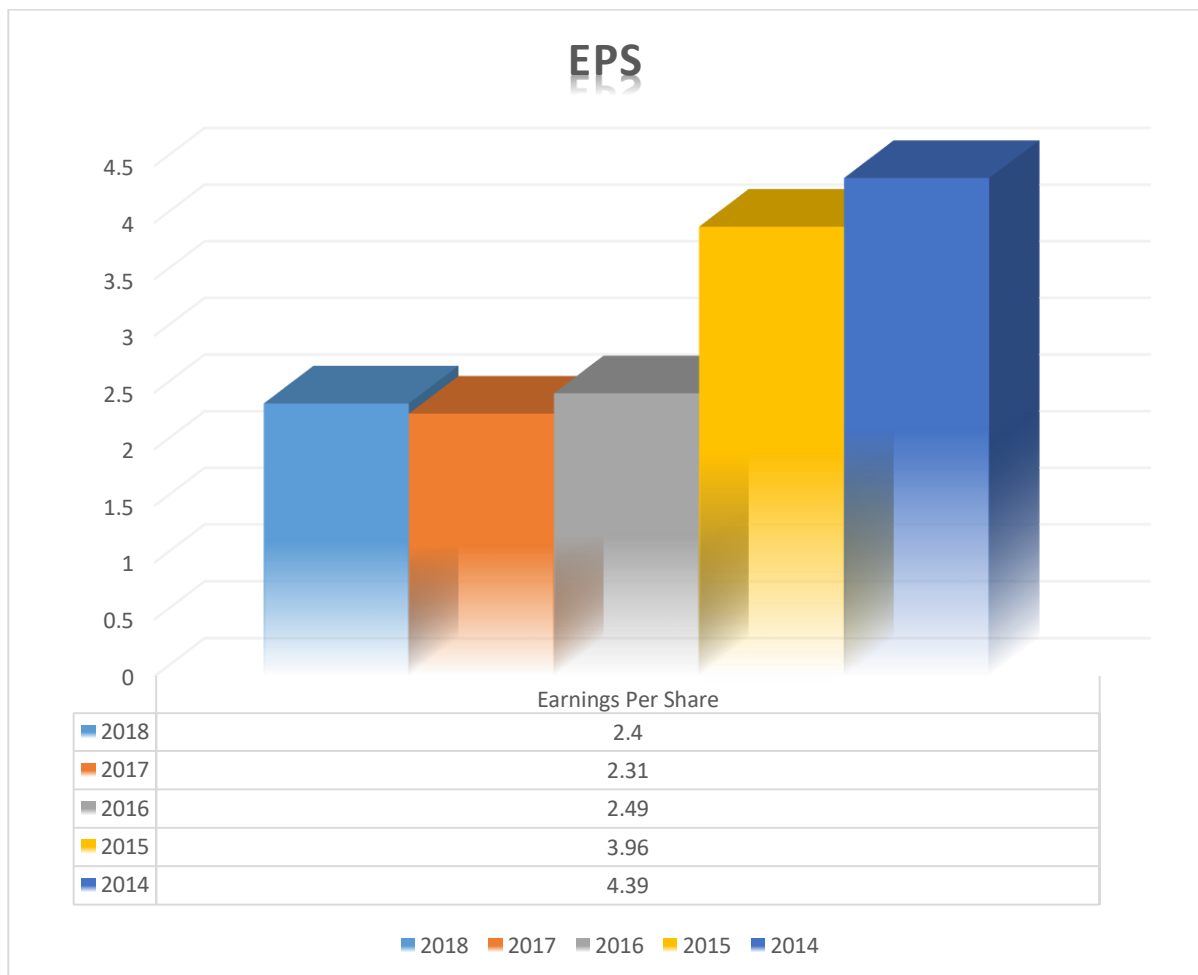


Table 3: Earnings per share (EPS)

2.5.6 Return on Equity (ROE)

Return on equity (ROE) evaluates how enough the administration is using an association 'assets for making benefits. A rising ROE proposes that an affiliation is amplifying its advantage age without requiring as much capital. A higher ROE is normally better while a falling ROE may demonstrate a less proficient use of equity capital. Now looking at the ROE of UCB over the period of 5 years it will not give us that much good vibe. The reason behind this, in the year of 2018 the value of ROE was 9.27 whereas it was almost double in the year of 2014. So the profit generation of UCB with using much capital is not looking good.

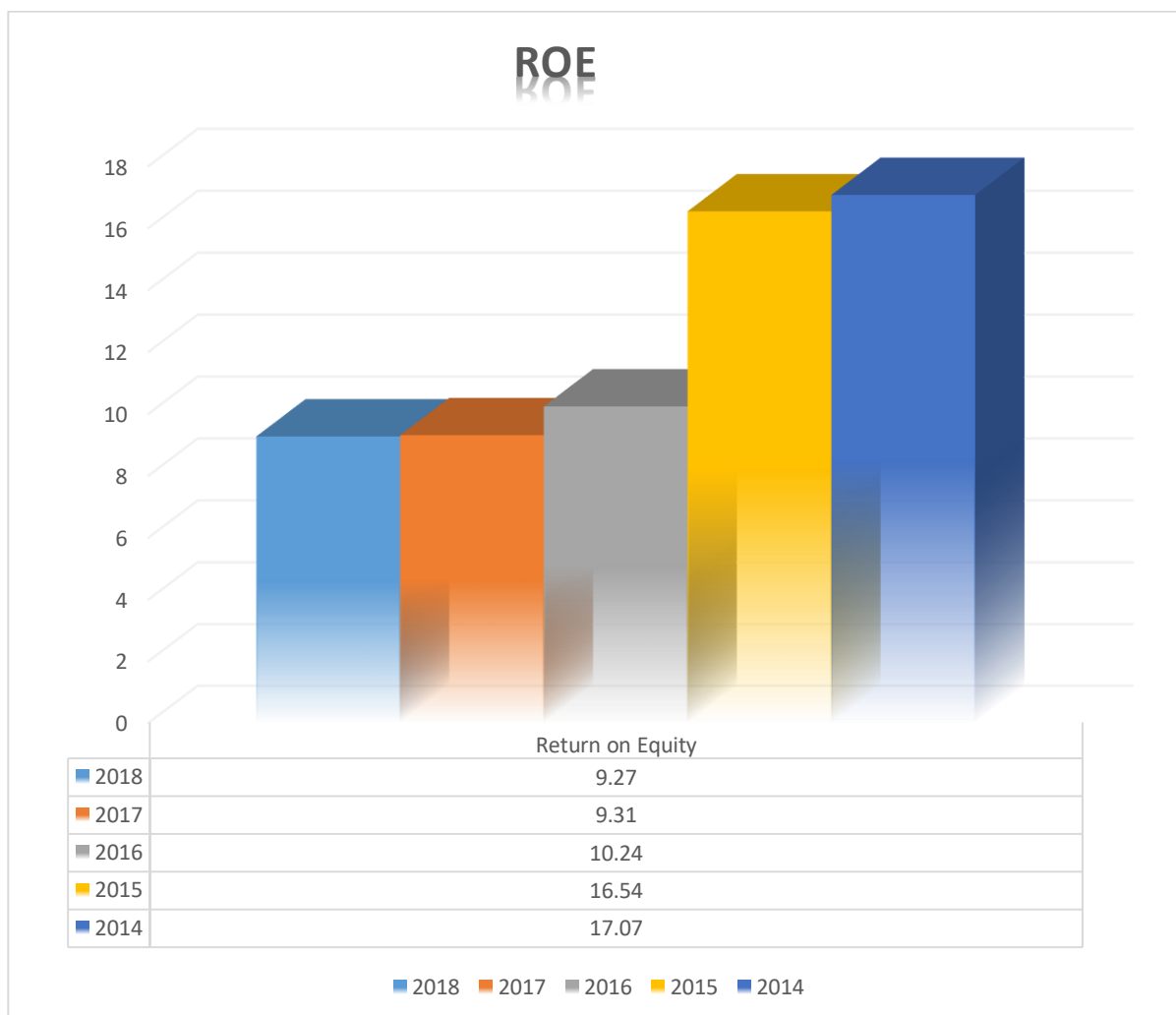


Table 4: Return on equity (ROE)

2.5.7 Return on Assets (ROA)

Return on Assets (ROA) is a marker of how well an association utilizes its advantages, by choosing how advantageous an association is similar with its total assets. ROA is best used when taking a gander at similar associations or standing out an association from its past exhibition. The more the ROA number is the better the company is, which indicates the organization is procuring more cash on less investment. Higher ROA indicates more asset efficiency. Again unlike ROE, the return on asset (ROA) value is not showing the greater asset efficiency in terms of consecutive 5 years. In 2014 the value of ROA of UCB is 1.49 and it is decreasing year by year. In the year of 2018 it came down to .66 which indicates that the company is not producing more money without using more investment.

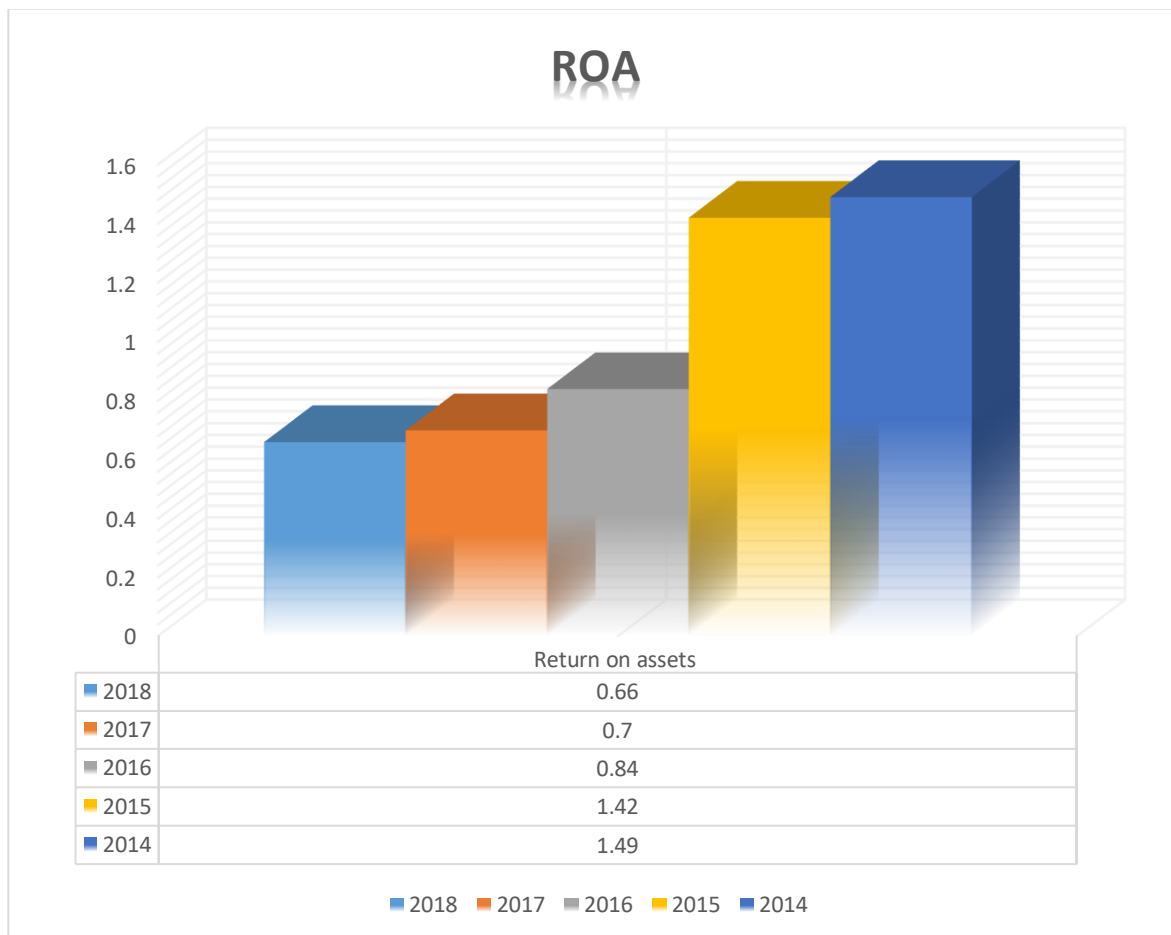


Table 5: Return on assets (ROA)

2.5.8 Cost Income Ratio

Cost income ratio shows an association's costs relating to its income. This proportion gives the financial specialists a thought of how gainfully the organization is being run - the lower it is, the more advantageous the organization will be. Taking a closer look we can see that the cost income ratio is increasing over the years for UCB where it requires to be decreasing. In 2014 the cost income ratio is 42.67, going forward it is visible that is moving up and in the year of 2018 it is 58.74 which may not give positive vibe to the investors.

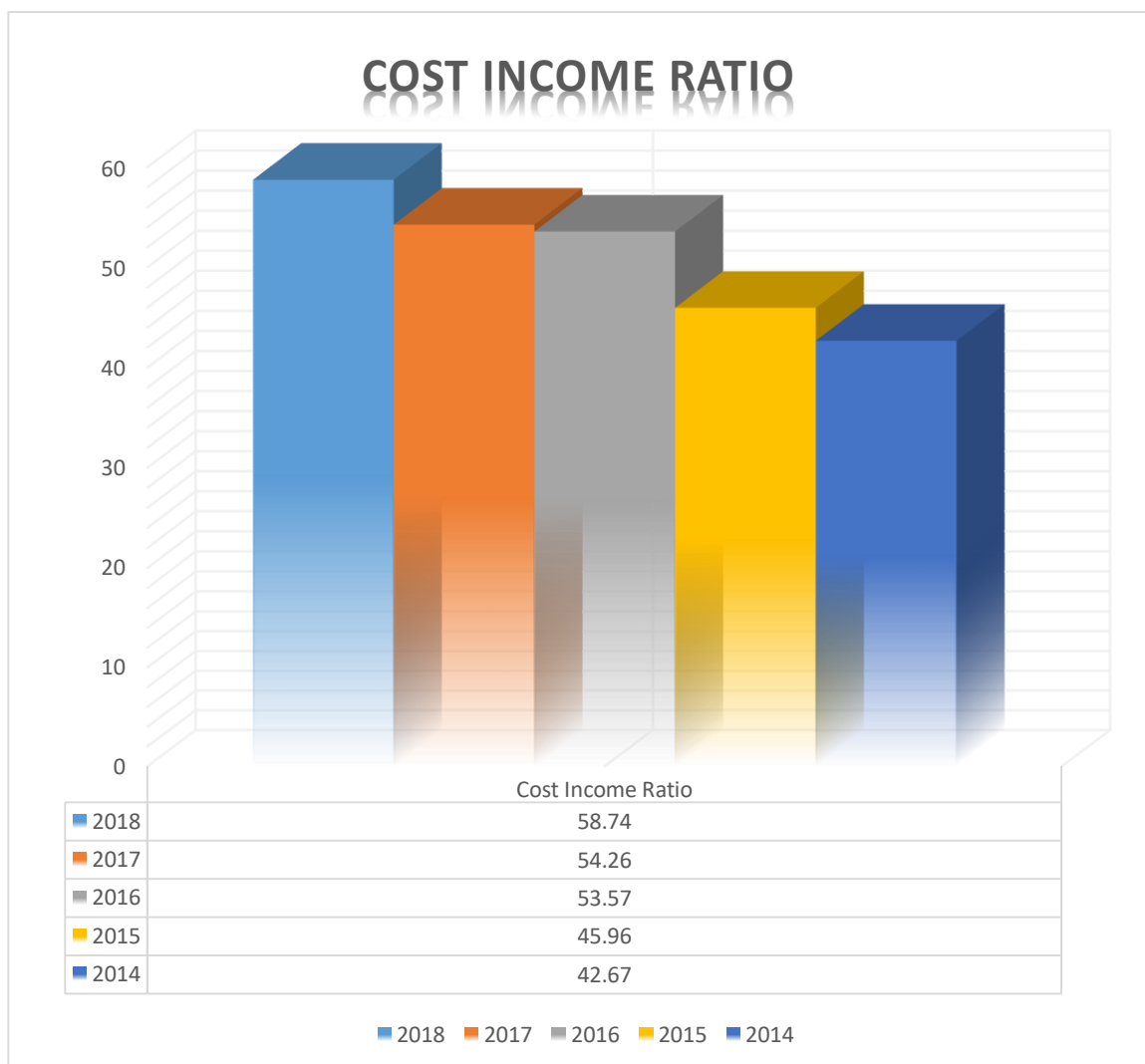


Table 6: Cost income ratio

2.6 Operations Management and Information System Practices

2.6.1 Understanding Operation management

Operations management is the administration of vital approaches to form the foremost hoisted level of adequacy conceivable interior a company or organization. Operations management consolidates utilizing assets from staff, materials, and development. The manager of operations often pick up, make, and pass on things to clients subject to client needs and the limits of the affiliation.

Operations Management in financial institutions centers around the specific difficulties and new patterns the operations manager needs to address, which includes an exercise in careful control between cost optimization and developing business necessities. Banking operations have been created from information passage and mass labor-intensive procedures to profoundly robotized process controlled situations. This work includes a blend of useful and scholarly components; it is intended to add to better working activities divisions by giving the apparatuses to actualize hypothetical ideas in genuine circumstances, demonstrated in day by day practice.

2.6.2 Operation Management at UCB

As a totally approved business bank, UCB is being directed by a particularly capable and gave bunch with long association with banking. They continually focus on comprehension and foreseeing client needs. As operation administration could be a strategy that incorporates organizing, sorting out, overseeing, controlling and overseeing the creation and fabricating processes the operation management team of UCB have a clear look on this issue and their team try to accomplish those task within their manpower. Operation mangers are driven by the head of the every department in UCB. The operation management crew of UCB is the way to improve the general profitability of the bank. The profitability gives an unmistakable extent of

the capability of the chief fair as the agents. As whole operation management team centers around the control on utilizing the available resources within the most perfect way to achieve extreme targets, so by the day's end it upgrades the general efficiency. With its strong promise to the financial improvement of country, this Bank has just built a particular imprint within the space of Private Segment Keeping money through customized administration, creative execution and effective methodology. This kind of success is all possible for the enthusiastic operation management team of UCB. At here manager come up with new idea to control between the cost optimization and developing business necessities and moreover their ideas are appreciated by their superiors.

2.6.3 Understanding Information system practices

For establishing a great relationship of business information system practices plays a vital role in the banking sector nowadays because the world is moving with the advancement of technology. Every section of banking sector fully depends on information system practices because of having the ability of storing critical information of data. Moreover to create the bonding between financial institution data sharing among those institution is necessary where information system is taken into full consideration. Not only the financial institution but also the central bank are using this practices of information system. With the help from information system practices organization are being digitalized themselves fully and thus provide service to their customer according the need of customers. Thus information system practice help the financial institution to earn the credibility from their customer. As a result those institution try to reform themselves as the customer oriented institution. Moreover, the utilization of the capacities of Information frameworks and advances brings out advancement in business structures. Nonetheless practising information system inside the organization

helps to grow the habit of incorporating the latest developments and trends to flourish business.

2.6.4 Information system practices at UCB

No doubt with keeping pace with the modern world UCB has established itself as a tech savvy organization. UCB is using the latest database, world proven infrastructure, network, hardware, application etc. Their all system and services are monitored centrally by a computerized system. With the help of information system UCB are providing the following facilities and services to their customers:

- ✓ Central MIS System
- ✓ Mobile Financial System
- ✓ Online Banking
- ✓ Switching and Debit & Credit Card management system
- ✓ Core Banking System (CBS)

2.7 Industry and Competitive Analysis

SWOT analysis of UCB

Industry & competitive analysis is a piece of any system advancement in firms and different organizations. There are number of methods are commonly used to perform the industry and competitive analysis. Among them SWOT analysis is most common to use. For the competitive analysis of UCB SWOT method are used. SWOT analysis is done so that a firm can know it's internal as well as the external strengths and weaknesses also the environmental opportunities and threats that a firm is facing. And firms do this so that they can take some measuring steps on the basis of that. In case of considering UCB as a business firm and do a SWOT analysis then the scenario will be as follows:

<p style="text-align: center;"><u>Strengths</u></p> <ul style="list-style-type: none"> ❖ Always ready to serve the customers and that works as a positive sign for this bank. ❖ Maintain good relationship with the new as well as the old customers. ❖ Products are customer based. ❖ Also has online banking services. ❖ Has a good reputation in the market. ❖ Not like any other banks, they have a friendly working environment. 	<p style="text-align: center;"><u>Weaknesses</u></p> <ul style="list-style-type: none"> ❖ Their promotional activities are not up to the mark. ❖ They have insufficient amount of ATM booths ❖ They also don't have sufficient amount of branches. ❖ Lower interest rate on FDR and savings scheme comparing with other private banks.
<p style="text-align: center;"><u>Opportunities</u></p> <ul style="list-style-type: none"> ❖ Growing market. ❖ Should introduce Islamic banking section. ❖ Develop their IT system and SME banking system. Reliable to local public. 	<p style="text-align: center;"><u>Threats</u></p> <ul style="list-style-type: none"> ❖ Different attractive service of other banks. ❖ Political instability. ❖ Higher interest rate of the public banks. ❖ Plans and regulations of the govt.

2.8 Summary

As of late, Bangladesh has expanded in financial part yet there are bunches of issues because of administrative changes. Banks are expanded in number last numerous a long time and they are attempting to improve their advantage quality administration and show better money related execution. The focal point of the financial part would be the recuperation of the advances that has been made last piece of the earlier year through the national bank's catalog. Regardless, in banking industry, there are a couple of issues low quality resources, absence of good

administration, straightforwardness, responsibility and inadequacy of powerful risk management system. Besides that with the help of strong management team UCB are very much interested to create their reputation through extraordinary marketing policy in Bangladesh. Moreover, in term of their financial performance they are one of leading financial institutions inside Bangladesh because investors or the clients are very much keen to form a bond with UCB through financial activities. Though comparing the 5 years report the ROA, ROE or EPS rate are not satisfactory but it truly creates a healthy platform for the customers to keep faith in UCB. Apart from this, to keep pace with the modern advanced world UCB are now a tech savvy banking institution in the country which also adds a great value to the clients of UCB.

2.9 Recommendations

There are a few issues in banking industry in Bangladesh and Bangladesh Bank is attempting to lessen those issues. Despite the fact that they are attempting to diminish, there are immense issues that can't be controlled in a day or a year. Bangladesh bank needs to draw in their client and must have information about client what they need. There are number of banks that are not utilizing innovation. Bangladesh Bank needs to guarantee that they serve the client as quick as conceivable by utilizing innovation. They need to keep up or increment their notoriety. There are number of issues in credit the executives that they have to alleviate those issues by shaping solid administration and solid perception. In terms of UCB they might give a great importance to comparative analysis of their financial performance as this matters most to the customers.

Regardless of enormous accomplishment in various pieces of banking field, United Commercial Bank Limited needs to take a few activities for additional improvement and notoriety in its presentation.

Chapter 3

General Banking Activities of UCB

3.1 Introduction

All the basic banking functions starts with general banking in banking organizations. General banking is that type of banking which is directly related with customer care service. Everyone related with this service makes sure that every customer gets the best service from their bank. General banking is the initial point of every banking related services which is can be termed as Retail banking.

A bank's reputation will depend of their general banking section that how much better service they are giving to their customer and how much their customer reacts on that. So every bank must make sure that their general banking system and those people who are related to this part of their bank gives better service than any other bank to their customer. The reason behind this earning satisfaction of customer is one of the major issue in the field of banking.

General banking stuffs divided in some parts which every section work for the customer's satisfaction. Major general banking are following:

-Account Opening Section

-Clearing

-Cash

-Remittance

-Cards

Account Opening Section

Account opening section is the 1st customer service section of any bank. There are some junior officers who will help customers to open an account in the bank. To open an account a customer usually needs to give some basic information along with pictures and necessity documents of him and his nominee. If somebody opens an account he will get a cheque book by that he can deposit his money to the bank account and also can withdraw his money from his desire account. In some cases the account holder can have credit cards too by giving an extra charge so that he can take money from ATM booths in any emergency cases. There are few types of accounts it depends on customers need and necessity that which account will be suitable for him and in which account he will get his best service. Some types of accounts are:

-Savings Account

-Current Account

-Fixed Term Deposit

-Short Term Deposit

Savings Account

People usually opens a saving account to save some of their earning in this account and to get some interest from this to get benefits in future.

There are some divisions in savings account. Like- Individual account, Joint account and non-trading concern. Individual account is the account where only one person will make money transaction every time and another person will be related with this. And there will be nominee for this account he can be account holder's close person whose details will be given during the account opening procedure. Bank can contact with the nominee if in any emergency the account holder do not response. An on the other hand the joint account will be conducted by 2 or more

person where they will have equal rights to the fund. There will be a nominee as well in the joint account too.

Current Account

Current account is basically opened for them those who need to do regular money transactions for their business purpose because there is no extra charge is taken for their frequent withdrawals. And there is no extra interest is given in this current account. Usually any individuals, partnership firms, clubs or society opens current account.

Fixed term deposit (FDR) is basically maintained for a fixed time. And bank gives higher rate of interest for FDR. In this account minimum 10,000/= needs to get deposited to run this account.

And short term deposit (STD) is basically opened for abbreviate time and the rate of interest in this account is not fixed, it can vary time to time.

To open all these accounts the customers' needs to give some documents to the bank to get the security of their account. Bank also get help from this in some cases. Those documents are needed to open these accounts are:

- Two copy passport size picture of account holder.
- Copy of NID of account holder
- Tax identification number (If any)
- One copy passport size picture of the nominee.
- Copy of NID of the nominee

Cash

Since general banking is mainly about cash, so the cash department is obviously the most important part of a bank. Cash department deals with all the cash transactions of a bank and it is divided into two sections, one section receives cash and other section deals with cash payment.

Payment of Cash

Payments are only received against cheque. Before receiving any cash payment the in charge person notices few requirements such as:

-Valid date

-Signature verification

-Validity of business seal in case of business account

-If the total amount of cash is written correctly in numeric

Cash Receipt

Cash is deposited in this section by customers. Cash Receipts are accepted so it is very essential that the deposit slip has been written properly.

Clearing

Two junior officers are responsible for this clearing section, the junior officers mainly who open the account of the customer receives the customer's cheques and also clears these cheques too. There are two types of clearing, one is outward and other is inward.

Outward: Customers provide cheques for clearing

Inward: Bank receives cheques from other banks or customers to deposit in client's account.

Officers or the in charge person responsible for cheque clearing ensures crossing of cheques, approval and clearing the seal of the given cheques, giving input in database of the cheques, separating deposit slip from cheque, sorting cheque according to branch and lastly printing the confirmation sheet.

Cards

Debit and Credit cards are one of the major service offerings of any banking organization. UCB provides both of these services to customers. All general account holders have access to debit cards by which they can withdraw cash from ATMs. The credit card also provides customers with various facilities like international transaction facilities.

Remittance

Remittance is the most secure mean of moving resources beginning starting with one spot then onto the next. This mean of moving cash clears out the individual difficulties and the dangers in change of physical cash beginning to follow from one place to another. Remittance can be sent inside or outside of the nation. Remittance are of two categories:

-Foreign Remittance

-Local Remittance

Local remittance are transferred within the country and foreign remittance is transferred between countries.

3.2 Methodology

The methodology used for collecting information on general banking are primary and secondary data.

For primary sources, face to face interviews with employees have been conducted. Apart from that, a survey has been done for customer satisfaction analysis.

For secondary sources, previous reports on UCB, official website, brochures, journals has been used to collect information.

3.3 Analysis of Customer Satisfaction on UCB General Banking

3.3.1 Customer Satisfaction

Customers' fulfillers regarding a company's services, product offerings and capacities can be defined as customer satisfaction. A survey on customer satisfaction helps an organization to determine their service gaps and scopes of improvement. Any organization's basic goal is to satisfy their customers by providing best products and services. To get a clear idea of the customers' satisfaction provided by UCB it is essential for organizations to understand customers' needs and demands and act accordingly.

3.3.2 Survey Analysis

For the survey on customer satisfaction regarding general banking activities of UCB, total 50 responses were collected from different class of people.

- Age & Gender

Among the 50 respondents, 54 percent was male and 46 percent was female. Age range of the respondents were mostly 22-26, 40 percent of the respondents belonged to this range. 24

percent were aged in between 18 to 22, 20 percent were 26-30 and rest of the 16 percent were aged from 30 and above.

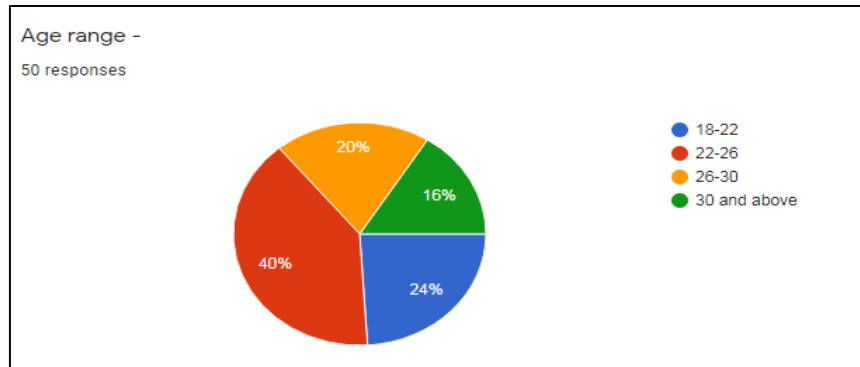


Figure 5: Age of respondents

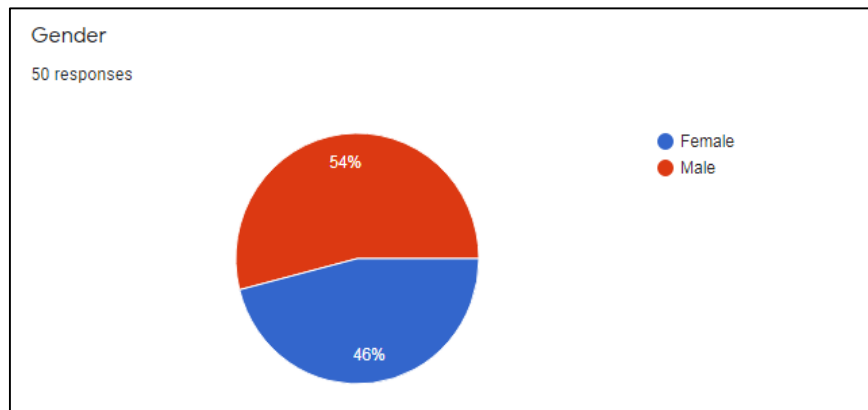


Figure 6: Gender of respondents

➤ Occupation

Respondents belonged to variety of professions. Most of the people are private service holders. Among the rest, there were students, consultants, self-employed, public service holder, Engineer, Businessman etc.

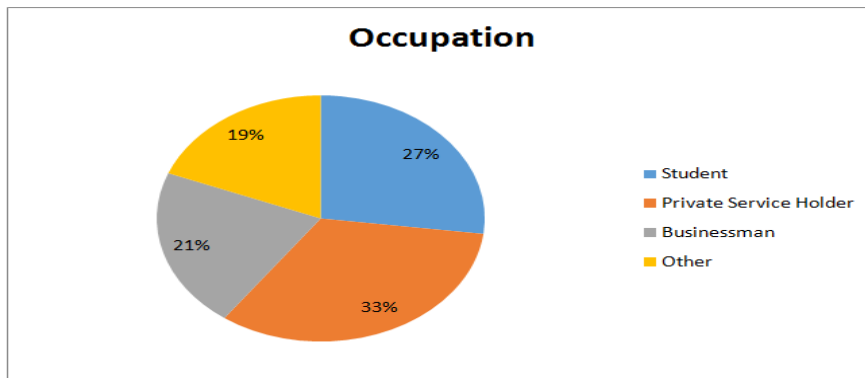


Figure 7: Occupation of respondents

- Do you have an account in United Commercial Bank (UCB)?

78 percent of the respondents have an account in UCB and rest of the 22 percent respondents negatively.

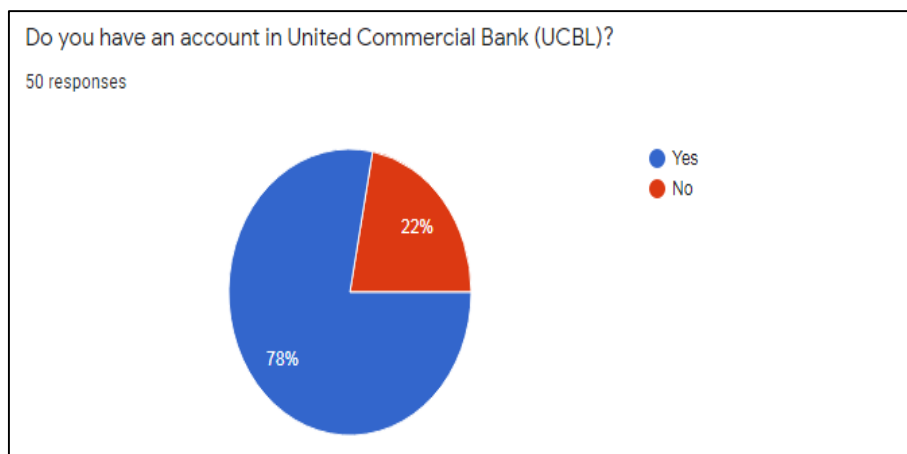


Figure 8: Types of account

- What type of bank account do you have in UCB?

Most of the respondents, around 35.6 percent have a savings account in UCB. Other than that, business account, fixed deposit account, salary account etc. are also popular among the respondents.

Now to find the overall Impact of General Banking System upon customers of United Commercial Bank Limited 10 specialized question were served in the parameter of Very satisfied to very dissatisfied. Those analysis are given below:

➤ Employee's responsiveness

Normally in a banking service employees are bound to very responsive to their customer or client for the sake of their service. In this service among the 46 responders more than half portion are quite satisfied with the employee's responsiveness. A very few like 7 responders are not satisfied.

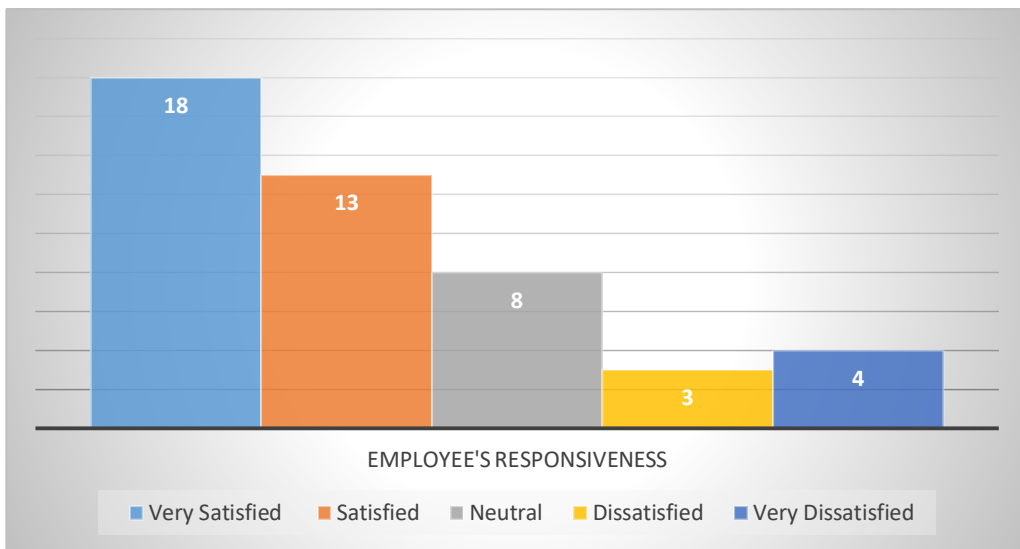


Table 7: Employee's responsiveness

➤ Employee's behavior

As customer oriented service the behavior of the employee are also a good parameter to determine the overall impact of general banking of UCB on customer. In this case it has been shown that 23 responders are very much satisfied where 10 are satisfied on employee's behavior which is great positive thing for the higher management of UCB as they will find their employee has driven UCB in good direction.



Table 8: Employee's behavior

➤ Credibility of UCB

Credibility means the quality of being trusted. As a financial institution UCB must have that goal to earn that quality from their customers. In a survey we found that UCB are going on a right path in terms of this parameter. Customer are welcoming this company in a good manner as we see from the survey almost 35 responders are satisfied regarding whereas a little portion is dissatisfied.

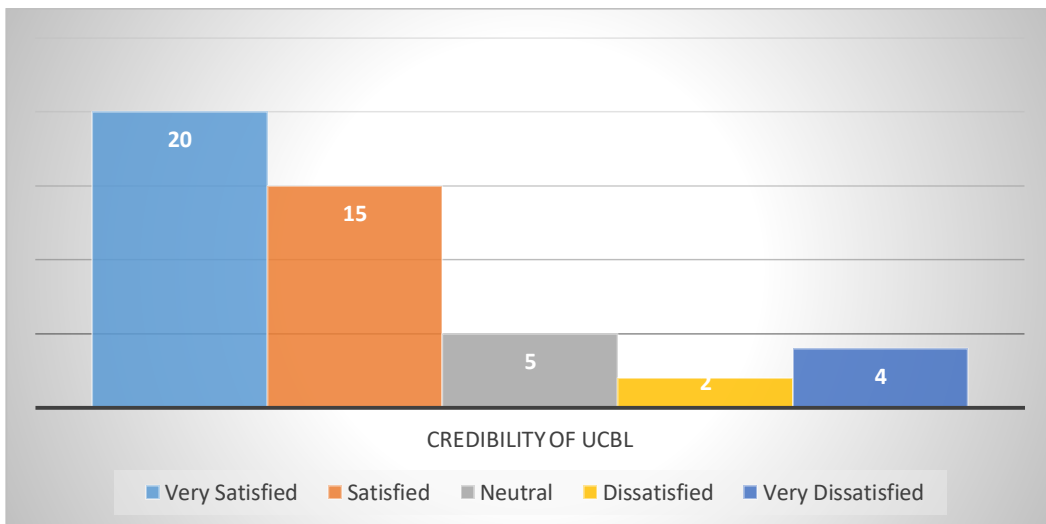


Table 9: Credibility of UCB

➤ Access to ATM booths

For the customer, access to ATM booths at everywhere is very important parameter as everyone don't want to face any hassle in terms transaction. So all the bank are allocating ATM booth here and there to gain the satisfaction of customer. From the survey it has been found that 18 responders are satisfied and 14 are fully satisfied where 9 are on neutral.

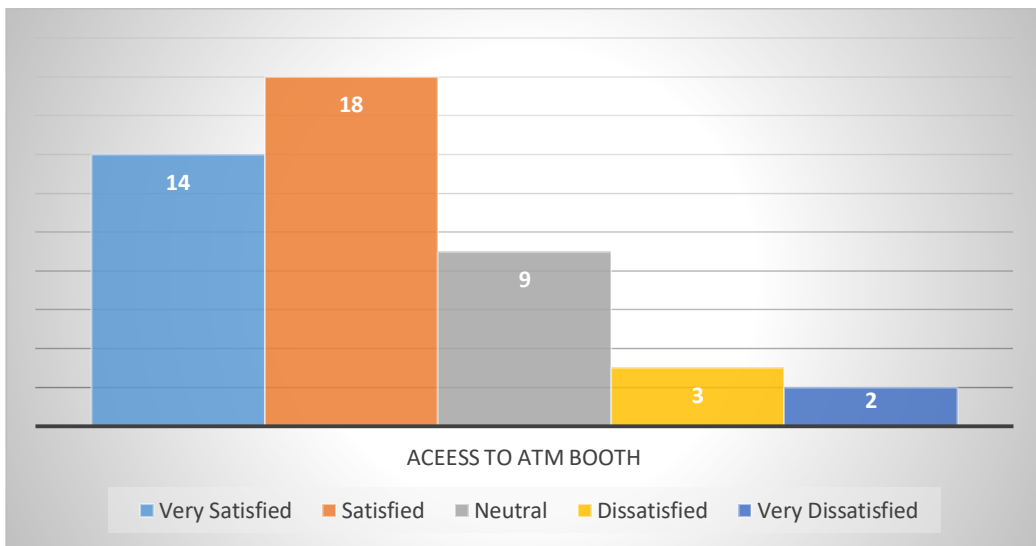


Table 10: Access to ATM Booth

➤ Employee's cooperativeness to solve any problem regarding banking services

Often customers face problem regarding banking services. So there is question whether the customers are satisfied with the employee's cooperativeness to solve any problem regarding banking service or not. From the survey it has been seen almost 31 are satisfied on this issue which is great advantage of UCB.

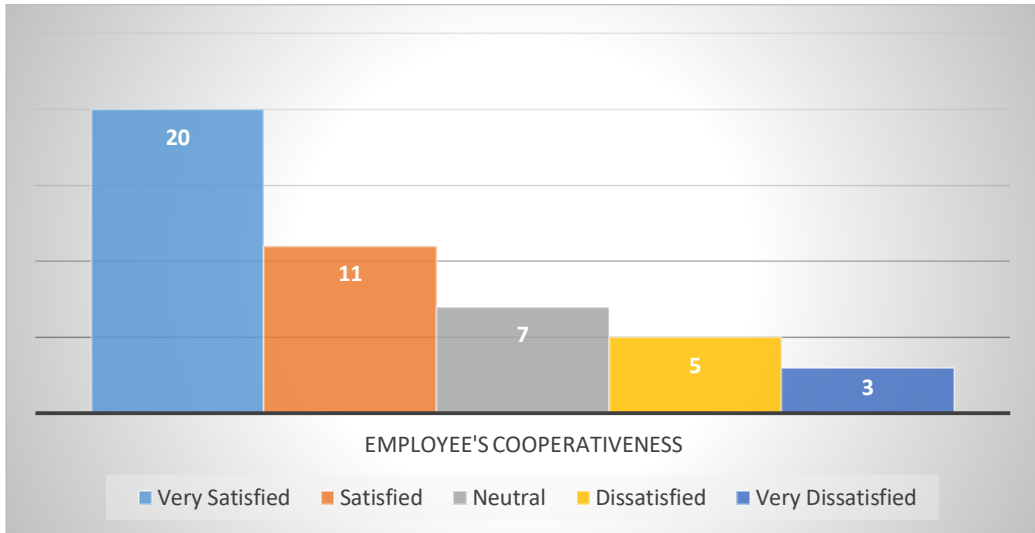


Table 11: Employee's cooperativeness

➤ Waiting time of receiving service

To receive the service customers often face delay in some institution but from the survey it is clearly shown that in UCB customer don't face this kind of hindrance but interestingly 10 responders said that they face delay which is an area of improvement of UCB.

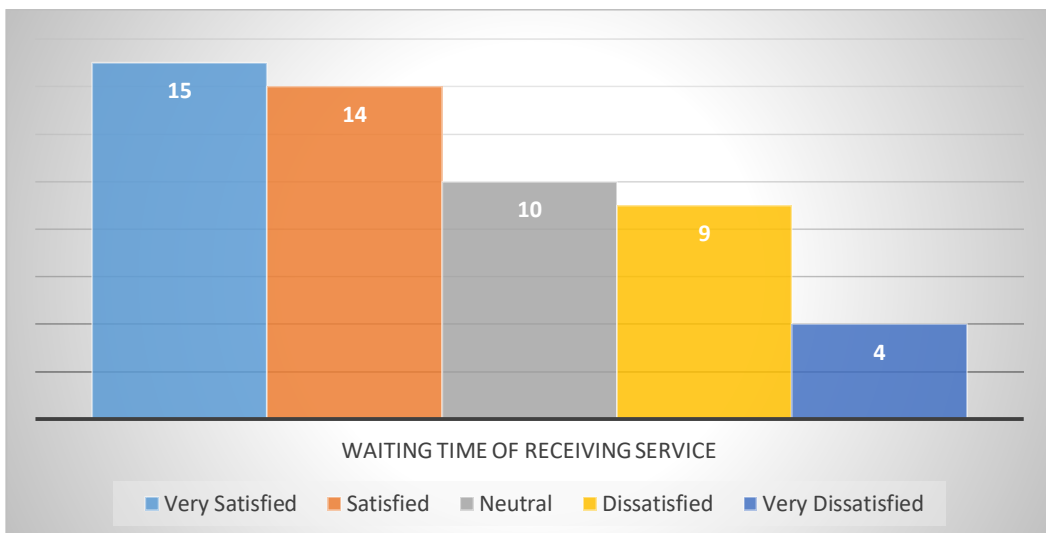


Table 12: Waiting time of receiving service

➤ Satisfaction on Customer service

Overall from the survey we got that people are very much satisfied with the service of the customer service department of UCB. As the aim of custom service department is to gain the satisfaction of customer almost 30 among 46 responders are satisfied but only 7 are not satisfied.

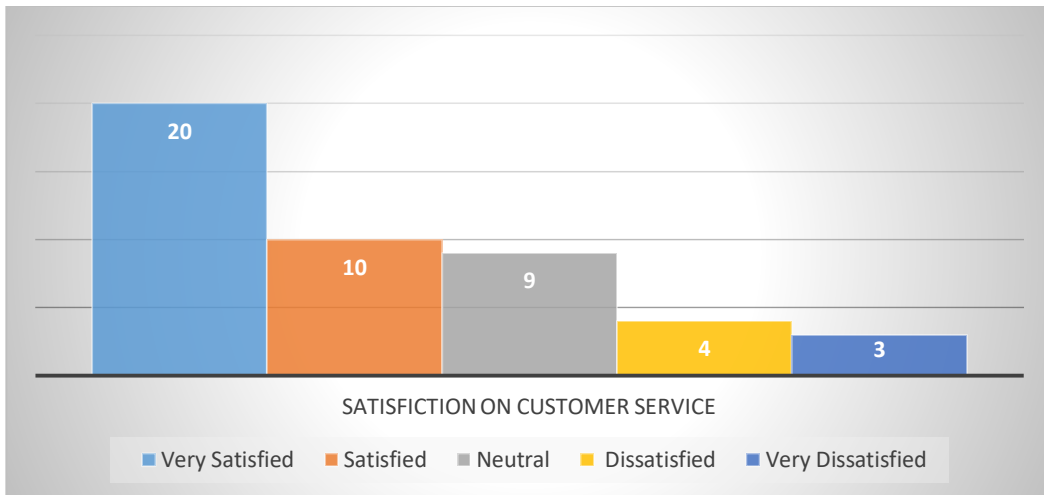


Table 13: Satisfaction on customer service

➤ General banking services

Whether the customers are fully satisfied or not on the general banking service is also another survey question. From the response it can be stated that 31 are fully satisfied but the remaining are dissatisfied or neutral.

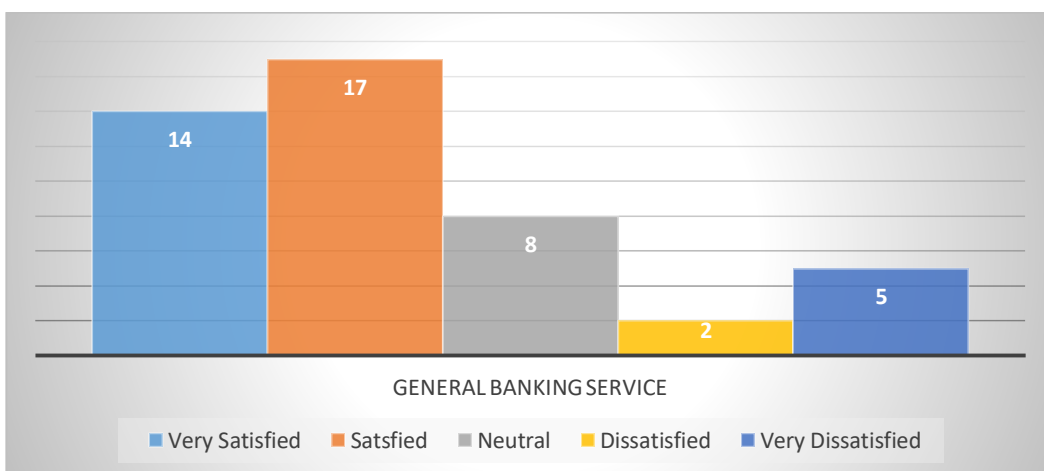


Table 14: General banking service

➤ Ease of banking

Ease of banking means whether the customer getting the service with knowing the full terms and condition or not, on other hand whether they are provided all kind of information regarding banking or not. Only 5 responders said that they are dissatisfied on ease of banking of UCB but almost 30 people are satisfied.

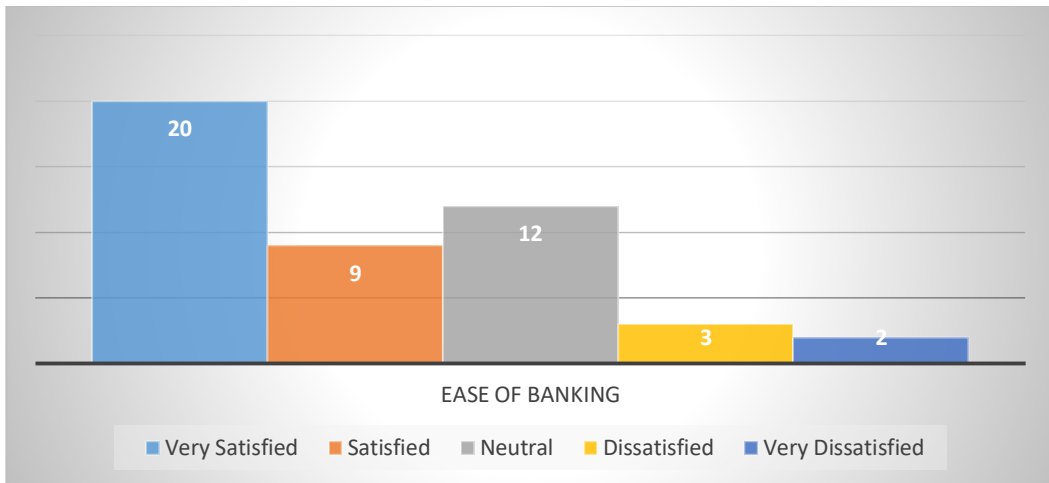


Table 15: Ease of banking

➤ UCB's concern about customers' future needs

Customer always want great service and they always want the banking institution will keep pace with all kind of advancement whenever needed. And from the survey responders said that UCB are hearing their future need because almost 35 responders are satisfied where only 6 are neutral and rest are dissatisfied among the 46 responders.

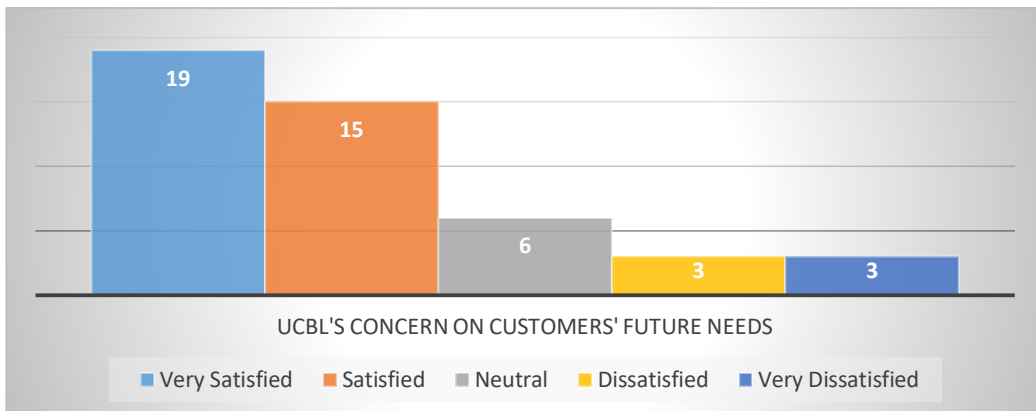


Table 16: UCB's concern on customers' future needs

➤ Have you heard about Upay?

Upay is a digital financial product of UCB which is a very popular source of transferring or sending money from one place to another. The reason behind asking respondents this question whether they had heard about Upay or not. Similarly it shows the success of UCB's marketing policies. 65.2 percent of the respondents have heard about this mobile financial service which shows UCB has been successful in creating a brand of their product. Rest of the 17.4 percent have not heard about it and 17.4 percent are not sure.

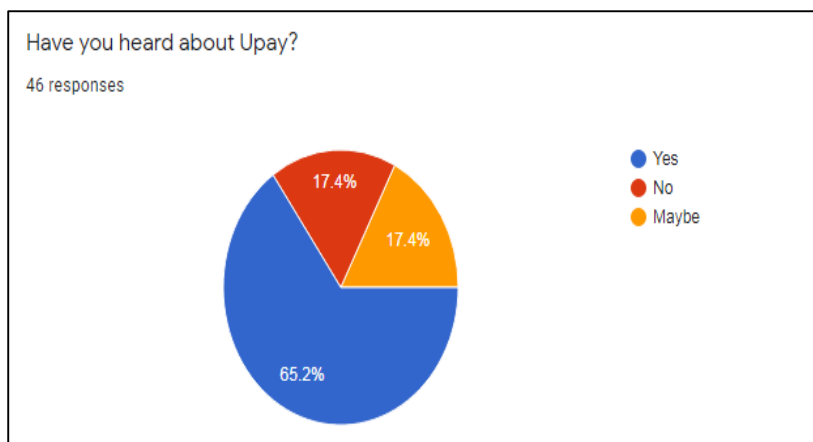


Figure 9: Upay account holder

➤ Would you prefer to switch your account from UCB to any other financial organization?

About 39.1 percent of customers seemed very satisfied with the service of the organization which showed in their responses because they do not prefer to switch their bank account from UCB. Rest of the 34.8 percent responded positively and other 26.1 percent are not sure about it.

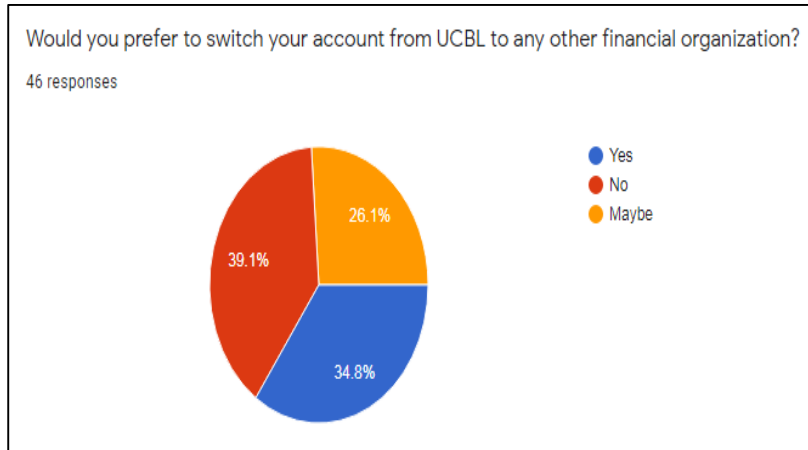


Figure 10: Switching account from UCB

- Express your level of satisfaction in terms of UCB's overall banking service -

The intention behind asking this was to know about the overall satisfaction level of customers regarding UCB's general banking activities. The percentage between very satisfied and satisfied is quite close. 37 percent of the customers seems very satisfied and 32.6 percent are satisfied. While rest of the 23.9 percent are neutral in their opinion. In a whole it can be said that customer are very much satisfied with the service provided by UCB which is a good indication for the management team.

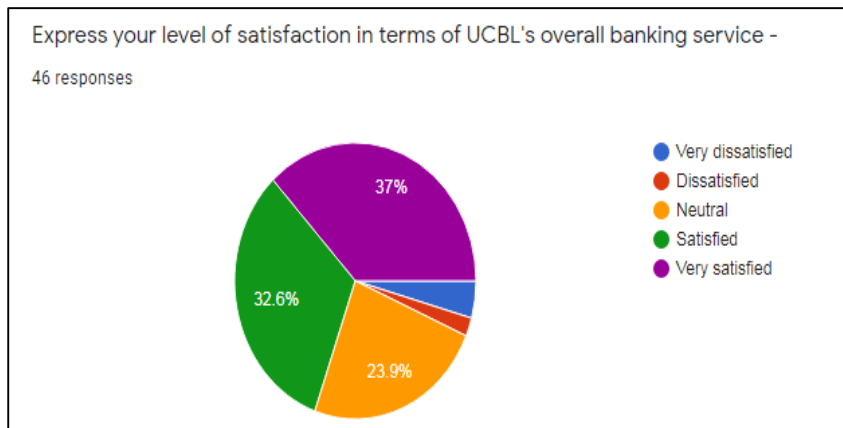


Figure 11: Level of satisfaction

3.4 Recommendations

United Commercial Bank has been progressing tremendously since the past few years. Bangladesh has a huge number of commercial banks operating successfully all over the country. In this competitive industry UCB has made a secure place in customers mind by providing services according to customer's needs and demands. However, inspite of being one of the leading banks of the country, there are few scope of improvements for United Commercial Bank to achieve greater success in the upcoming days.

- UCB should focus more on their recruitment process. For instance, more fresh talents should be given equal opportunity to work with UCB. More internship program should be introduced and interns should get extra exposure so that they can get the opportunity to learn and contribute more to the organization. New positions can be made available for young talents because fresh graduates have more knowledge upon the customers' needs since they belong to the new generation of people. They can bring up new ideas and contribute in making UCB reach to the top level.
- Upay is one of the most lucrative products of UCB. To cope up with the digital technologically advanced world, UCB has launched Upay to ease the way of financial transaction of customers. There are many other mobile financial services like Upay in the market produced by competitors. So, UCB must concentrate fully on developing this product with more lucrative features so that it brings out more potential customers to it. Furthermore, number of Ucash agents should be increased and made more available.
- The financial products of the bank should focus more on middle income people and students. According to the survey conducted, huge number of students have an account in United Commercial Bank but they do not find much attractive offers especially

targeted for the students. So they should try to improvise their service plan and target customers.

- One of the most important recommendation that UCB should focus on is, they should work more on their marketing strategies. They should target more on branding and promoting their digital products to attract new customers. For instance, a medium portion of the customers are not sure if they have heard about their digital product Upay or not which shows UCB has failed to promote Upay sufficient enough to capture customers minds. They should launch more campaigns in universities, private organizations.

3.5 Conclusion

United Commercial Bank has been a pioneer in the commercial banking sector of Bangladesh. Since its commencement it has been successful in reaching to the highest peak in the banking industry. This report has been created mainly focusing on the general banking services activities of UCB and how it is creating customer satisfaction by the services provided. So far it has transformed itself from old banking system to new digitalized banking organization. It is very essential to keep creating new lucrative products and update old products and services in order to get hold on the current customers and to attract new customers. UCB's effective management team has always focused on holding its place in the market by improving the service quality. UCB is determined to focus on improving the current gaps in their services and reach to the top in the financial industry of Bangladesh. The day is not very far when United Commercial Bank will be the best commercial private banks of the country and start their operations overseas as well.

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Appendix

Survey on “Impact of General Banking system upon customers of UCB”

Measurement scale:

- Very dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Very satisfied

Questionnaire:

Questions concerning Customer satisfaction -

1. Employee’s responsiveness
2. Employee’s behavior
3. Credibility of UCB
4. Access to ATM booths
5. Employee’s cooperativeness to solve any problem
6. Waiting time of receiving service
7. Satisfaction on customer service
8. General banking services
9. Ease of banking
10. UCB’s concern about customer’s future needs

11. Do you have an account in United Commercial bank (UCB)?

- Yes
- No

12. Have you heard about UPAY?

- Yes
- No
- Maybe

13. What type of bank account do you have in UCB? I.e. Savings account, fixed deposit account. _____

14. Would you prefer to switch your account from UCB to any other financial organization?

- Yes
- No
- Maybe

15. Express your level of satisfaction in terms of UCB's overall banking service –

- Very dissatisfied
- Dissatisfied
- Neutral
- Satisfied
- Very satisfied

Demographic Information:

16. Age range-

- 18-22

- 22-26
- 26-30
- 30 and above

17. Gender –

- Female
- Male

18. Occupation - _____