

Internship Report On

“An exploratory study to evaluate Prime Bank Limited’s Online Banking Service and finding out the outcomes due to Centralized IT Operation system in banking sector”





Report On

“An exploratory study to evaluate Prime Bank Limited’s Online Banking Service and finding out the outcomes due to Centralized IT Operation system in banking sector”

Submitted to
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9th January, 2013
Mr. Showvonick Datta
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Subject: Submission of Internship report

Dear Sir,

This is my great pleasure to submit the Internship report **“An exploratory study to evaluate Prime Bank Limited’s Online Banking service and finding out the outcomes due to Centralized IT Operation system in banking sector ”** .It is prepared depending on my three months long Internship program in the Prime Bank Limited at Mouchak Branch. This report has been prepared to fulfill the requirement of my internship program at my assigned organization in the Prime Bank Limited.

I have put my best effort to make this report a successful one. It has been joyful & enlightening experience for me to work in the organization & prepare this report. However this has been obviously a great source of learning for me to conduct similar types of studies in the future.

I would like to express my sincere gratitude to you for your kind guidance & suggestions in preparing the report. It would my immense pleasure if you find this report useful & informative to have an apparent perspective on the issue. I shall be happy to provide any further explanation regarding this report if required & please do not hesitate to call me if you have any query on this report or any other relevant matters.

Thanks and Best Regards,

Sadia Afrin

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Department: BBS

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ACKNOWLEDGEMENT

It is said that “Two heads are better than one”. So accomplishing a noble object is not possible as sole. This internship report is an accumulation of many people’s endeavor. I would like to express my sincere gratitude to everyone who contributed towards preparing & making this study successfully.

First of all I would like to express my Sincere & immense gratitude to my internship supervisor Mr. Showvonick Datta, Lecturer of BRAC Business School, BRAC University. I am deeply indebted to his whole hearted supervision to me during the Internship Period. His valuable suggestion & guideline helped me a lot to prepare the report in a well organized manner.

I would also like to thank the authority of Prime bank Limited for giving me the opportunity to do my internship in their well renowned bank. The experience & knowledge gained in Prime Bank Limited helped me to understand different elements related to my study. I would like to give thanks to:

- **Mr. Khondoker Fazle Haider**, Executive Vice President (Prime Bank Limited, Mouchak Branch)
- **Ms. Sharmina Banu**, Senior Executive Vice President (Prime Bank Limited, Mouchak Branch)
- **Mr. Tareq Bin Mamun**, Head of Foreign Exchange Department (Prime Bank Limited, Mouchak Branch)

In order to accomplish my report I also visited Eastern Bank Limited, Dutch-Bangla Bank Limited and One Bank Limited. So I would like to express my Sincere & immense gratitude to:

- **Mr Md. Shah Alam Howlader**, Vice President & Head of Centralized Clearing Cell & Internet-banking . (Prime Bank Limited)
- **Mr A.M .M. Moyen Uddin**, Head of Information Technology (Eastern Bank Limited)
- **Mr Md Abdul Kashem**, Head of Information Technology (Dutch Bangla Bank Limited)
- **Mr Md. Ahmed Zahingir Alam**, Assistant Vice President (One Bank Limited)

Executive Summary

Online Banking is the new method of banking using the new technologies available in the world today. Instead of travelling to a local branch of your bank, the Internet allows customers to do a wide variety of useful things with their accounts. Prime Bank Limited is one the pioneer bank who introduced online banking service in Bangladesh at the very beginning.

This report contains study on Prime Bank's online banking service. First part of the study contains information about online banking service of Prime Bank Limited. Prime Bank Limited started providing these electronic services as Internet Banking providing to over 13,000 numbers of accounts. Moreover they are now enable to provide "faster access" to 91 corporate customers. Second part of the study contains the evaluation of Prime Bank Limited Online Service by comparing it with other three private commercial bank (Eastern Bank LTD, Dutch Bangla Bank LTD and One Bank LTD). This approach is to find out how well Prime Bank's online service is performing in the market .

After the comparison the study shows that the Prime Bank Limited Online Banking Service is quite developed and performing well in the competitive market.

The second part of the study tries to figure out the outcomes of centralized operation system in the banking sector. Banks are considering that the centralized operation system will help them to improve their quality of service and accelerate the growth of their respective organization.

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1. Introduction:

The modern complex economic system cannot function without bank. The banking system has facilitated the personal transactions such as deposit and remittance of money, and lending and borrowing of money. It has made easier to develop agriculture, industry and trade. At the same time, it has helped to accelerate the pace of economic development. The bank helps in mobilization and allocation of scarce resources, which are essential for economic development.

Recent times in Bangladesh, private banking sector has been contributing a lot in the total economic growth in the country; and this sector has proven itself as a profitable venture with its superior products and customer services.

Bangladesh Bank (BB) has been working as the central bank since the country's independence. Its prime jobs include issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monetary matters. BB is also responsible for planning the government's monetary policy and implementing it thereby. The BB has a governing body comprising of nine members with the Governor as its chief. Apart from the head office in Dhaka, it has nine more branches, of which two in Dhaka and one each in Chittagong, Rajshahi, Khulna, Bogra, Sylhet, Rangpur and Barisal.

List of the Banks of Bangladesh:

- **Central Bank (Bangladesh Bank):**

Pursuant to Bangladesh Bank Order, 1972 the Government of Bangladesh reorganized the Dhaka branch of the State Bank of Pakistan as the central bank of the country, and named it Bangladesh Bank with retrospective effect from 16 December 1971.

- **State-Owned Commercial Banks:**

The banking system of Bangladesh is dominated by the 4 Nationalized Commercial Banks In which 3 is totally controlled by government and one bank (Rupali Bank) is controlled by both government and private sector., which together controlled more than 54% of deposits and operated 3388 branches (54% of the total) as of December 31, 2004⁺

- **Nationalized Commercial Bank of Bangladesh:**

- Sonali Bank,
- Agrani Bank,
- Rupali Bank.
- Janata Bank.

- **Private Commercial Banks**

Private Banks are the highest growth sector due to the dismal performances of government banks (above). They tend to offer better service and products. Now 31 private commercial banks are operating in Bangladesh. Here is the list -

- United Commercial Bank Limited
- Mutual Trust Bank Limited
- BRAC Bank Limited
- Eastern Bank Limited
- Dutch Bangla Bank Limited
- Dhaka Bank Limited
- Islami Bank Bangladesh Ltd
- Uttara Bank Limited
- Pubali Bank Limited
- IFIC Bank Limited
- National Bank Limited
- The City Bank Limited
- NCC Bank Limited

- Mercantile Bank Limited
- Prime Bank Limited
- Southeast Bank Limited
- Al-Arafah Islami Bank Limited
- Social Islami Bank Limited
- Standard Bank Limited
- One Bank Limited
- Exim Bank Limited
- Bangladesh Commerce Bank Limited
- First Security Islami Bank Limited
- The Premier Bank Limited
- Bank Asia Limited
- Trust Bank Limited
- Shahjalal Islami Bank Limited
- Jamuna Bank Limited
- ICB Islamic Bank
- AB Bank

Beside this on 2012 Govt. also permitted 6 new bank to operate.

- Union Bank
- Modhumati Bank
- The Farmers' Bank
- Midland Bank
- Meghna Bank
- South Bangla Agriculture and Commerce Bank

- **Foreign Commercial Bank**

Ten foreign commercial banks are operating in Bangladesh. These are -

- Citibank
- HSBC



- Standard Chartered Bank
- Commercial Bank of Ceylon
- State Bank of India
- Habib Bank Limited
- National Bank of Pakistan
- Woori Bank
- Bank Alfalah
- ICICI Bank

• **Specialized Development Banks**

Out of the specialized banks, two (Bangladesh Krishi Bank and RajshahiKrishiUnnayan Bank- only for the development of the agriculture of the north Bengal of Bangladesh) were created to meet the credit needs of the agricultural sector while the other two (BangladeshShilpa Bank (BSB) & Bangladesh ShilpaRinSangtha (BSRS) are for extending term loans to the industrial sector. The Specialized banks are:

- Karmasangsthan Bank
- Bangladesh Krishi Bank
- RajshahiKrishiUnnayan Bank
- Progoti Co-operative Landmortgage Bank Limited (Progoti Bank)
- Grameen Bank
- Bangladesh Development Bank Limited
- Bangladesh Somobay Bank Limited (Cooperative Bank)
- Ansar VDP Unnyan Bank
- BASIC Bank Limited (Bangladesh Small Industries and Commerce Bank Limited)

1.1 Origin of the Report

Theoretical knowledge does not highlight the reality as clear as practical knowledge. Theoretical knowledge is a guideline but practical knowledge is experience oriented. But both of them are equally important.

The internship report comprises a brief study on “Prime Bank Limited” during three months internship. The report is distributed in many parts according to the constructions of supervisor of report.

The purpose of study is to develop skills through learning various aspects of organization. The study enables to get command on bookish knowledge through practical approach and to understand the difference in both approaches. This thing increases the knowledge and brings betterment in working within organizational environment.

Prime Bank Limited (PBL) is a fast growing private sector bank in Bangladesh. In terms of quality services and value addition to shareholders, Prime Bank Limited is already maintaining its position at the top slot. The bank has already proved satisfactory progress in all areas of banking operation and it further expanded and consolidated its customer base both in of its core business and retail banking. Prime Bank Limited is determined to explore the different ways to accommodate with the needs of its clients.

This report was originated to have knowledge about the various aspects of “Online Banking Service” of Prime Bank Limited. I have done my internship in Prime Bank Limited, Mouchak Branch for the period of September to December 2012. I have partly worked in few departments of the branch but mainly focused in the Foreign Trade department. It has given me a chance to directly communicate and provide professional service to the bank clients. My report will focus on the different aspects of online banking service provided by the Prime Bank Limited with some comparison with other leading commercial private bank’s online services and the effect of centralization system on banking operation.

This report has been divided into two major parts:

❑ The Organization part

The organization part includes the company profile, different products and departments of PBL, i.e. an overall idea about the bank.

❑ The Project part

The project part is based on the exploratory study of Online Banking services of Prime Bank Limited and evaluate its service by comparing with other three private commercial banks in Bangladesh and also the effect of centralized operation system.

1.2 Objective of the Report

General Objective:

The general objective of this report is to prepare an internship report based on online services of “Prime Bank Limited.”

Specific Objective:

The specific objectives of the report are as follows:

- To present an overview of Prime Bank Limited.
- To describe my job part in Prime Bank Limited
- To Shed light on Online Banking Service of Prime Bank Limited
- To figure out the outcomes of centralized operation system
- Suggestion for the improvement of Prime Bank Limited.

1.3 Scope of the Report

The scope of this report is mostly limited to Prime Bank Limited website and websites Eastern Bank Limited ,Dutch-Bangla Bank Limited and One Bank Limited . There was narrow scope of doing outside surveys for example getting some help from secondary data of other banks.

1.4 Sources of data

The report is based on both primary and secondary sources of data information. Interviewing the some officers of the banks, and a questionnaire response are the primary sources of information. Furthermore, different publications of the bank, annual reports, and banks website were the secondary sources of data.

1.5 Methodology

The nature of this report is descriptive with some survey or using sampling method, observation method is used to complete this qualitative research. Most of the necessary information has been collected from websites ,face to face interviews and questionnaire responded by the officers working in banks. Some publications on online banking were also followed. My questionnaire is focused mainly on online banking service provided by the private commercial bank and effect of centralized operation system on it. But due to limitations my sample size four banks including Prime Bank Limited.

List of the Sample Banks are:

1. Prime Bank Limited
2. Eastern Bank Limited
3. Dutch Bangla Bank Limited
4. One Bank Limited

1.6 Limitation of the study

- ❑ Banks maintain strict confidentiality about providing their financial information; therefore it was quite difficult to obtain all the necessary data that was required to complete the report. Thus in those cases there could be a certain level of inaccuracy.
- ❑ Another important factor is that data are not structurally distributed in the organization; for that reason I have to depend on the secondary data like the Annual report.
- ❑ The nature of information of the project part is somewhat confidential and critical to analyze; it was quite difficult to have the sufficient knowledge and understanding in a short period of time.
- ❑ Publications on online banking are very limited
- ❑ The entire system is relatively new in Bangladesh..So sufficient data was not found on this topic

2. Company Profile

2.1 An overview of Prime Bank Limited:

Prime Bank Limited “A bank with a difference” is perfectly applicable; it’s fast growing ability and within a short period acquiring the position at the top slot in terms of quality service to the customers’ and the value addition to the shareholders prove its accuracy. As a Private Sector Bank, Prime Bank Ltd was incorporated under the Companies Act, 1994 on February 12, 1995.

Prime Bank Ltd. being a banking company has been registered under the Companies Act 1913 with its registered office at 5, Rajuk Avenue, Motijheel commercial area, Dhaka 1000. Later it was shifted to Adamjee Court Annex building, 119-120, Motijheel Commercial Area Dhaka -1000.

Prime bank has already made significant progress within a very short period of its existence. The bank has been already graded as a top class bank in the country through internationally accepted CAMELS rating. The bank has already occupied an enviable position among its competitors after achieving success in all areas of business operation.

Prime bank offers all kind of Commercial Corporate and Personal Banking services covering all segments of society within the frame work of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail banking and Consumer Banking right from industry to agriculture, and real estate to software.

Prime Bank, since its beginning has attached more importance in technology integration. In order to retain competitive edge, investment in technology is always a top agenda and under constant

focus. Keeping the network within a reasonable limit, its strategy is to serve the customers through capacity building across multi-delivery channels. Their past performance gives an indication of their strength. They are better placed and poised to take their customers through fast changing times and enable them compete more effectively in the market they operate.

2.2 Background of Prime Bank Limited:

Prime Bank Ltd was incorporated under the Company ACT, 1994 on February 12, 1995. On this day filed a duly verified, declaration in the prescribed form that the condition of section 150 (1) (a) to (b) of the said Act, have been complied with is entitled to commence business as public limited company. PBL being a banking company has been registered under the Companies ACT 1913 with its registered office at 5, Rajuk Avenue, Motijheel C/A, Dhaka 1000, Later it was shifted to Adamjee Court Annex Building, 119-120, Motijheel C/A Dhaka 1000.

The Bank Operates as a schedule Bank under banking license issued by Bangladesh Bank the central banking of the country on April 17, 1995 though opening its Motijheel Branch at Adamjee Court Annex Building, 119-120, Motijheel C/A, Dhaka 1000. A group of renowned industrialist, business house and professionals of the country is sponsored from the incorporation of the bank. Initially the bank was having authorized capital of TK 1000 million and paid up capital of TK 100 million sponsored by 22 members of Board of Directors.

2.3 Founders:

Prime bank Ltd. inaugurated its operation in 1995 with TK 100 million paid-up by a group of highly successful entrepreneurs' from various fields of economic activities such as Shipping, Oil, Finance, Garments, textile and insurance etc. It is a full licensed scheduled commercial bank set up in the private sector in pursuance of the policy of the Government to liberalized banking and finance service.

The founder chairman of the bank Dr. R A Ghani is a doctorate in science. He was a member of the board of directors of Bangladesh Bank and a former minister of Bangladesh. The Former Governor of Bangladesh Bank Mr. Lutfar Rahman Sarkar was the first managing director

of the bank. Highly professional people having wide experience in domestic and international banking are managing the bank. The bank has made significant progress within a very short time due to its very competent board of directors, dynamic management and introduction of various customer friendly deposit and loan products.

2.4 Prime Bank Exchange House:

Prime Bank (UK) Ltd. is committed to deliver remittance from NRBs in UK to every corner of Bangladesh rapidly with the best competitive exchange rate. With the view to evaluating its performance to the standard of the global financial organizations and internationalizing banking operations, this footstep of PBL would also act as a catalyst in accelerating the socio-economic development of Bangladesh. Strong IT platform powered by “Remit Fast”, remittance software developed by bank's own IT team. The officials were given by a British expert on Anti Money-Laundering and UK Regulations in addition to simulated training before processing live transactions.

Prime Bank (UK) Ltd. is the second fully owned Exchange House of Prime Bank Ltd. while prime Exchange Co. Pte. Ltd was established in Singapore in 2006, as the first owned Exchange Company of Prime Bank Limited and the first ever fully owned Exchange Company in Singapore by any private Commercial Bank of Bangladesh.

On 25th August 2009 Prime Bank Limited got approval from Bangladesh Bank to establish PBL Exchange (UK) Ltd. Soon it was incorporated with Companies house of England and Wales on 19th November, 2009. Prime Bank Limited obtained money Laundering registration on 13th April, 2010 issued by HM Customs and Excise and it got registration of Financial services Authority of UK on 14th May 2010. Finally the grand opening of PBL Exchange (UK) was held on 2nd, 3rd, and 4th of August, 2010.

2.5 Slogan:

“A Bank with a difference”.



2.6 Vision:

To be the best Private Commercial Bank in Bangladesh in terms of efficiency, capital

Adequacy, asset quality, sound management and profitability having strong liquidity.

2.7 Mission:

- To Build Prime Bank limited into an efficient, market driven , customer focused institution with good corporate structure.
- Continuous improvement of our business policies , procedures and efficiency through integration of technology at all levels.

2.8 Core Values:

- **For Customers**

To become most caring Bank-by providing the most courteous and efficient service in every area of business.

- **For Employees**

By promoting the well-being of the members of the staff.

- **For Shareholders**

By ensuring fair return on their investment through generating stable profit.

- **For community**

- ❑ By assuming role as a special responsibility corporate entity in a tangible manner through close adherence to national policies and objectives.
- ❑ Upholding ethical values.
- ❑ Constantly seeking to improve performance by aligning our goals with stakeholders' expectations because they value them.

2.9 Goals and Objectives of Prime Bank Limited:

- To build up strong pillar of capital.
- To promote trade, commerce and industry.
- To discover strategies for achieving systematic growth.
- To improve and broaden the range of product and services.
- To develop human resource by increasing employment opportunities.
- To enhance asset of shareholders.
- To offer standard financial services to the people.
- To create congenial atmosphere so that the client becomes interested to deal with the prime bank limited.
- To keep business morality.
- To develop welfare oriented banking service.
- To offer highest possible benefit to customers.
- As to its position among its counterparts is held high to let the viewers cast their very first look at it.

2.10 Organization Structure:

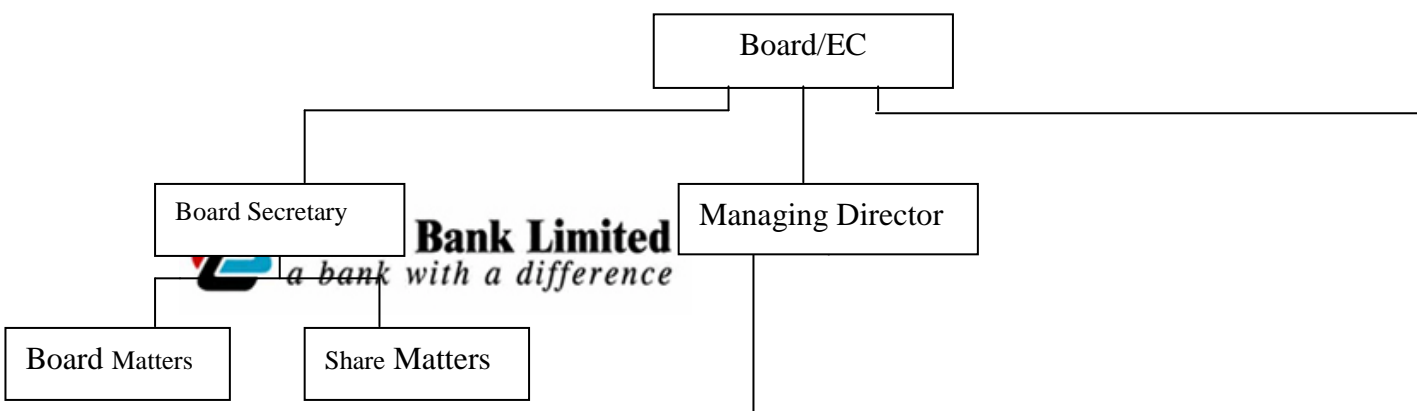
(A) Hierarchy of Prime Bank Limited

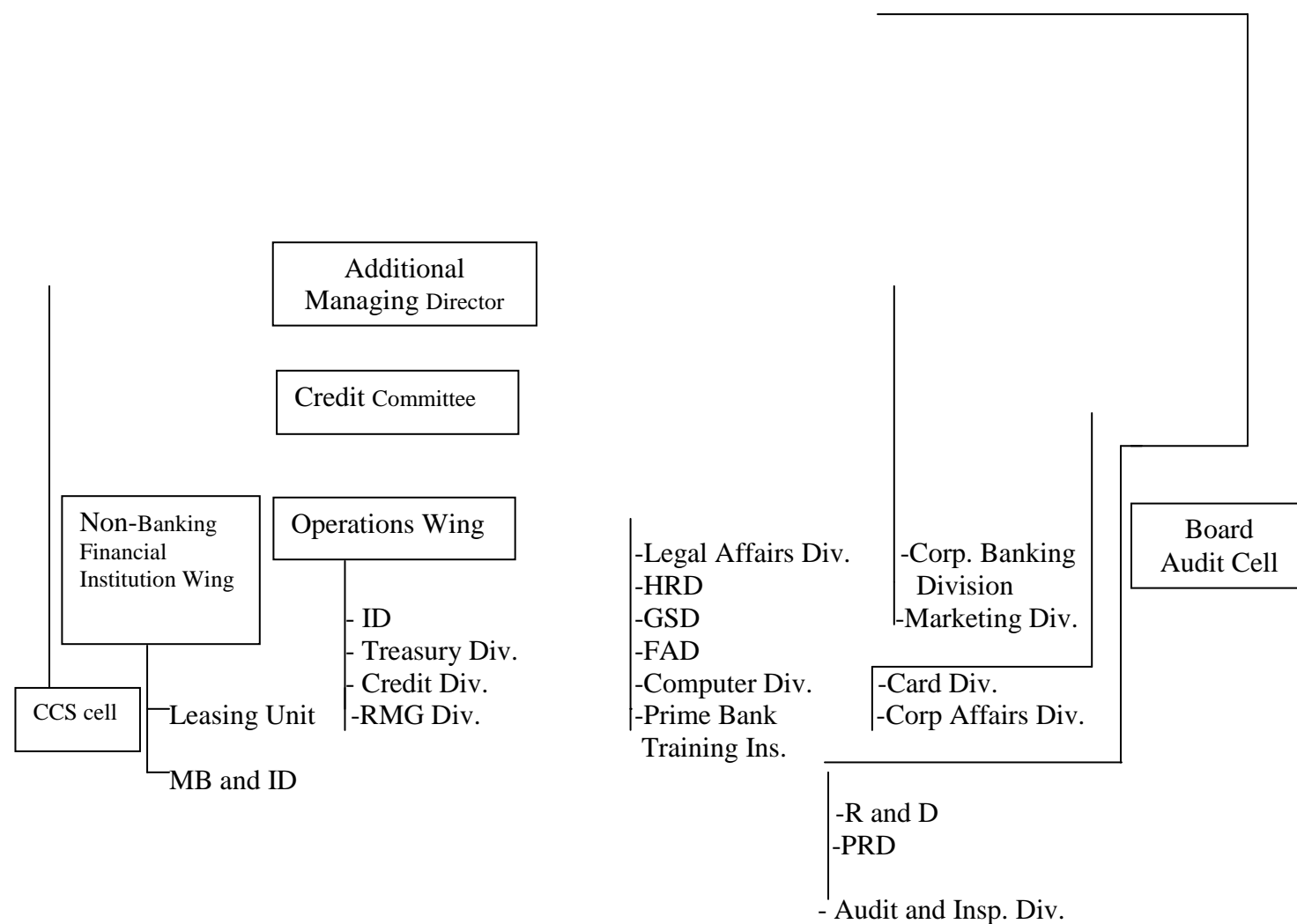
From the top to the bottom management body of Prime Bank Limited can be divided into four levels.



FIGURE: Hierarchy of Prime Bank Limited

(B) ORGANOGRAM OF PRIME BANK'S HEAD OFFICE





2.11 Company's Major Functions and Business:

The Prime Bank Ltd. focuses on a wide range of banking and financial services which include commercial banking, retail and SME asset management, Islamic banking, investment banking, merchant banking, and card business. Moreover, Prime Bank is a market leader in corporate to

consumer banking and retail lending to SME's in Bangladesh. Prime Bank's services and products are following.

Products & Services

Deposits

Local Currency Deposit Accounts

a) Conventional Banking

- Current Deposit
- Savings Deposit
- Short Term Deposit
- Non Resident Taka Account
- NR Investors Taka Account
- Security Deposit Receipt
- Deposit Under Scheme :
 - Contributory Savings Scheme
 - Lakhopoty Saving Scheme
 - Monthly Benefit Deposit Scheme
 - Double Benefit Deposit Scheme
 - Education Savings Scheme
 - Prime Millionaire Deposit Scheme
 - HBL Deposit Scheme

b) Islamic Banking

- Al-Wadiah Current Account
- Mudaraba Savings Deposit
- Mudaraba Short Term Deposit
- Convertible Taka Account
- Mudaraba Term Deposit
- Mudaraba Special Saving Scheme Deposit
 - Contributory Savings Scheme
 - Lakhopoty Saving Scheme
 - Monthly Benefit Deposit Scheme
 - Double Benefit Deposit Scheme
 - Education Savings Scheme
 - Hajj Deposit
 - Mudaraba Prime Millionaire Deposit Scheme
 - Mudaraba HBL Deposit Scheme

Foreign Currency Deposit Accounts

- Foreign Currency Account
- FCY Account under ERQ
- Resident FCY Deposit
- Non Resident Foreign Currency Deposit

Treasury

Primary Dealer Unit

- Treasury Bills

- Treasury Bonds
- REPO's
- Reverse REPO's

Forex & Fund Management

- SWAPS
- Import/Export Financing
- Custodian Services
- Money Market Lending & Borrowing

Special Services

Cash Services

- ATM Services
- Cheque encashment
- Foreign Currency

Fund Transfer

- Inter-Branch Money Transfer
- SWIFT
- Telegraphic Transfer
- Issuing and Encashing Foreign Drafts

Travel Services

- Traveler's Chaques

Value Added Services

- Locker Service
- Insured Deposit
- Senior Citizen Scheme

Credit Cards

- Visa Credit Card-Local
- Visa Credit Card-International
- Master Card-Local
- Master Card-International

Advances

a) Conventional Banking

- Packing Credit
- Loan Against Imported Merchandise (LIM)
- Letter of Trust Receipt (LTR)
- Payment Against Documents (PAD)

- EDF Loans
- Secured Overdraft (SOD)
- Inland Documentary Bills Purchased (IDBP)
- Cash Credit
- Loan General
- Lease Finance
- Hire Purchase
- Housing Loan-Commercial

- Retail Loans
 - Auto Loans
 - Home Loan (Swapna Neer)
 - Consumer Durable Loan
 - Doctors Loans
 - Marriage Loan
 - Travel Loan
 - Education Loan
 - Hospitalization Loan
 - CNG Conversion Loan
 - Advance Against Salary
 - Any Purpose Loan

Islamic Banking

- Bai-Murabaha
- Bai-Salam
- Quard
- Bills (Islamic)
- Bai-Muajjal
- Izarah

- HP under Sirkatul Milk
- Musharaka
- Term Investment-Retail
 - Seefa Investment Scheme
 - Ashbab Investment
 - Burrak Investment
 - Manjeel Home Investment
 - Musafir Investment
 - Education Investment
 - Hospitalization Investment
 - CNG Conversion Investment
 - Mehnah Investment Against Salary

Other Services

- Letters of Credit
 - Letter of Credit-Sight
 - Letter of Credit-Deferred
 - Back to Back L/C
- Letters of Guarantee
 - Advance Payment Guarantee
 - Bid Bond
 - Performance Bond
 - Payment Bond
 - Custom Guarantee
 - Retention Money Guarantee
 - Shipping Guarantee
 - Guarantee - Others



Along with this list of services, it plays Leading Role in Syndicated Financing. It has expertise in corporate credit and trade finance, made extensive market penetration with continuous growth in Corporate, Commercial and Trade Finance sectors. It has fully owned exchange houses at Singapore and UK focusing on remittance inflow to Bangladesh. Moreover, the bank is focusing on few strategic issues encompassing change management in the short to long period through the implementation of various policies, processes and activities to ensure continuous, sustainable and qualitative growth.

2.12 Capital Structure:

The bank is having an Authorized capital of Tk. 1000 million and a paid up capital of Tk. 600 million sponsored by 22 members of Board of Directors. The bank is manned and managed by experienced officers committed to provide a highly efficient, personalized and quality service. There will be no conventional system of clerk, guard and peon in the bank. The security aspects will be looked after and managed through private security agencies. The bank has a good number of professional managers to manage competitive and complex situation efficiency and effectively.

2.13 Assets and Liability:

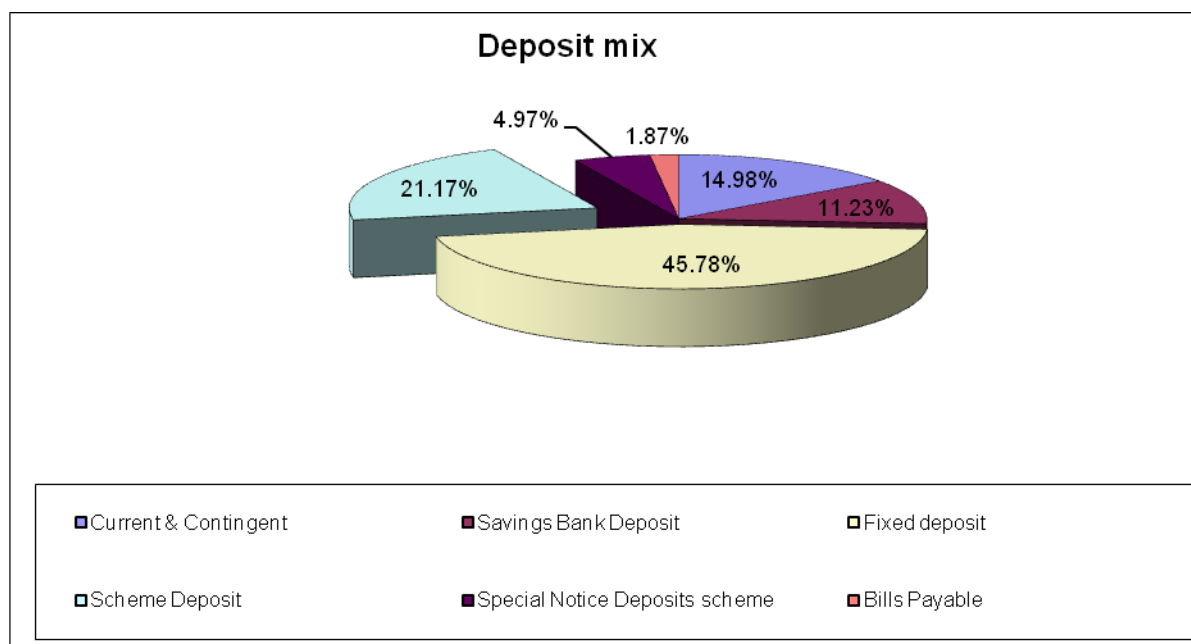
Prime Bank Limited ensures its available funds to meet obligation of maintaining Statutory Liquidity Ratio (SLR) and investments of liquid assets in a profitable manner. As per Bank Company Act 1991, 20 percent of profit before tax is required to be transferred to statutory reserve. As such an amount of Tk 1,358.80 million has been transferred to statutory reserve.

2.14 Deposit Performance:

The deposits of PBL grew by 28.29 percent in 2011. Customer deposits of the bank grew by 26.64 percent. The growth was supported by branch network and high standard service provided to customers along with liability campaign carried out by retail liability team for mobilization of no cost and low cost deposits

Deposit mix as on 2011 was as follows:

Items	Taka in million	Percentage of total deposit
Current and Contingent	23,934	14.98%
Savings bank deposits	17944	11.23%
Fixed deposits	73171	45.78%
Scheme Deposits	33836	21.17%
Special Notice Deposits	7938	4.97%
Bills Payable	2993	1.87%
Total	159816	100%



2.15 Consumer Credit:

Prime Bank Limited had a pioneer role in providing necessary finance to the fixed income group for buying items that are necessary for raising the quality of living. Over a period, other banks and financial institutions had copied the model of Prime Bank. The Bank had continued its focus on that market segment and future liberalized its policy for providing computers for home level usage, in particular for students. The bank recently had a successful consumer credit fair at Sheraton Hotel in Dhaka city.

2.16 Loans & Advances:

The bank is now applying a new system of credit risk management and lending procedures by stricter separation of responsibilities between risk assessments and lending decisions and monitors its exposure to particular sectors of economy on an ongoing basis.

2.17 Small Business Enterprise:

The Bank has all along encourages small and Medium Enterprise (SME). Agriculture and IT sectors both got priority from the Bank in line with national interest. The bank had also extended projects under syndicated financing arrangement with banks and financial institutions.

2.18 TRADE FINANCE:

Prime Bank Limited had all along put strong emphasis in trade services related areas and enlarged its capacity building to handle growing business volume. It has also strengthened support functions so that the Bank can be relatively an important player among the private sector banks in this area. Consequently, it has produced steady stream of revenues despite downturn in international trade.

2.19 Automation in Banking Operation:

Technology integration for automation of business process and procedures is an integral part of modern consumer service. Since the very beginning, Prime Bank Limited has made conscious effort for induction and up gradation of information technology at various levels to gain competitive edge over the others. Process of selecting top quality banking software was in an advanced stage and the Bank had already short-listed three solution form internationally reputed firms. Prime Bank Limited needed high performance, scalable online banking software so that customer services were rendered more efficiently and new products were deployed with little loss of time.

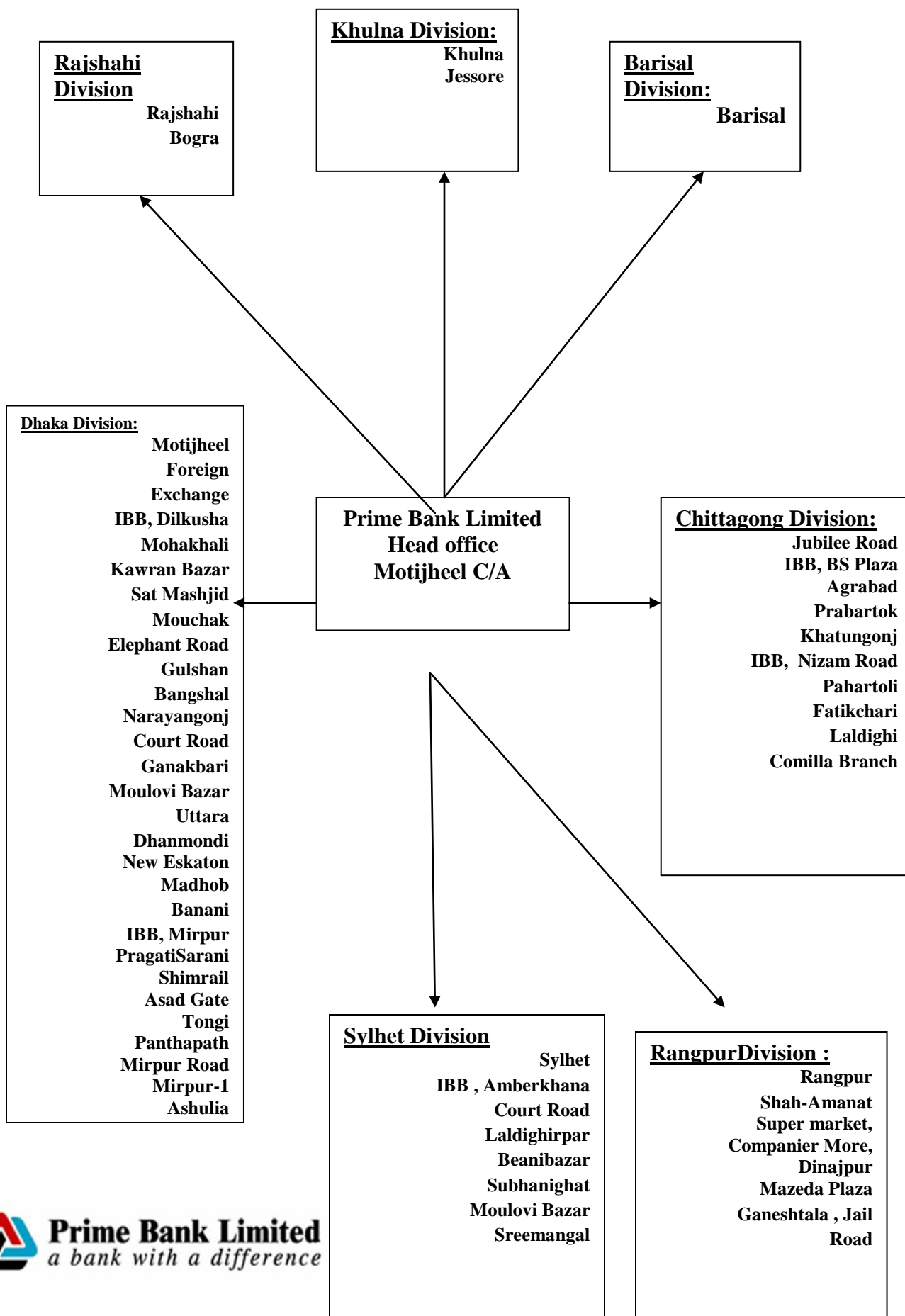
2.20 Prime Bank Limited at a Glance

01.	Date of Incorporation	12 th February, 1995
02.	Date of Commencement of Business	17 th April, 1995
03.	Capital Authorized	Tk. 10000 Million
	Paid-up Capital	Tk. 5778 Million (Dec-2010)
04.	Deposits	Tk. 124519 Millions
05.	Loans & Advances	Tk. 118,837.29 Millions
06.	Net Profit	Tk. 3003 Millions (Dec-2010)
07.	Loan as a % of total deposit	83.44%
08.	Global Reach	528 Correspondents Worldwide
09.	Number of Employees	2400 as on 2012
10.	Capital Adequacy Ratio	11.69%
11.	Liquidity Assets	25.76%
12.	Non Performing Loan	1.15%
13.	Return on Assets	2.10%
14.	Return on Average Shareholders Fund	21.6%

15.	Return on Investment	13.2%
16.	Earnings per Share (EPS)	5.69 (Tk.100.00 each share).
17.	Name of the Chairman Of PBL	Mr. Shirajul Islam Mollah
18.	Number of Branches	124
19.	Number of SME Branches	17
20.	It is a Publicly Traded Company	Share quoted daily in DSE & CSE
21.	Credit Card	Master Card, Platinum Card
22.	Banking Operation System	Both conventional & Islamic Shariah System
23.	Technology Used	Member of SWIFT Online Banking UNIX Based Computer System

2.21 Branches of PBL

PBL is one of the fastest growing banks in Bangladesh. Now 124 Branches are operating all over Bangladesh. Moreover 9 branches will open within three month. The networks of PBL engage itself for providing best quality banking service in retail, commercial, corporate and Islamic banking segments. The countries top enterprises, Multinational, local Corporation and Financial institutions are served by Prime Bank. With total asset based of BDT 110,437.10 million and annual turnover of BDT 1,743.68 million, PBL in Bangladesh is among the top performing local bank.



2.22 Functional Structure:

A) Assets and Liability Committee:

The management of Bank's asset and liability is managed by ALCO at Head Office. The committee general maps the Strategy for liquidity management, reduction of interest rate risk, market risk and maturity gap. In addition, ALCO provides the Bank continued access to different funds including interbank funds so that liquidity risk is low. The pricing policy for the different kinds of liability and assets is also determined in this committee.

B) General Service Division (GSD) :

Functions of GSD are classified as Establishment and General Banking.

Establishment:

Its main function related to procurement and supply of all tangible goods to the Branches of PBL. This includes:

- · Every tangible function of Branch Opening such as making lease agreement, interior decoration, etc.
- · Print all security papers and Bank Stationeries, forms and registers and distribute them to the branches
- · Import/ Procurement of various kinds of security papers
- · Purchase and distributions of all kinds of Bank's Furniture and furniture and fixture

- · Receives demand for car/vehicles, telephone etc. from the branches, division and sub divisions, and arranges purchase and delivery of them to the person/branch concerned
- · Install and maintenance of different facilities in the different Branches.

C) General Banking:

This sections issues power of attorney to the officers of the bank and maintains general correspondence with Bangladesh Bank and other Bank.

D) Functional Administrative Division (FAD):

Financial Administration Division deals mainly with the account side of the PBL.

E) Head Office Accounts:

It deals with all the Head Office transactions with banks and its branches and al these are controlled under the following heads:

- · Income, Expenditure positioning: All income and expenditures are maintained and posted with this head.
- · Cash Section: Cash sanction generally handles cash expenditure for office operations and miscellaneous payments.
- · Bills Section: This section is responsible only for inland bills.
- · Salary and Wages of the Employees: Salary and the Wages of the head office executive's officers and employees are given form this department.

- · Maintenance of the Employee Provided Fund: Here employee's PF accounts are maintained.

F) CONSOLIDATION OF BRANCH'S ACCOUNT:

All branches periodically send their income and expenditure, i.e. profit and loss accounts and head office make the consolidated statement of income and expenditure of PBL. This division also prepares different monthly, quarterly and half yearly statement and submits to Bangladesh

Bank .It also analyzes and prepares financial statement for the management

G) CREDIT DIVISION:

The main function of this division is managing Prime Banks Credit Portfolio. Other major functions are follows:

- · Receiving Credit proposals from Branches
- · Appraisal of the credit proposals with recommendation
- · Get approved form competent authority
- · Preparing sanction letters and sending them to the branches
- · Monitoring and follow-up of the loans and advances provided by the bank.
- · Set-up prices for credits and ensures effecting of them
- · Obtaining CIB Report and NOC for large loan proposals' from Bangladesh Bank

- · Preparing various statements for owned submission to Bangladesh Bank.

H) INTERNATIONAL DIVISION

This is the division that monitors and supervises the foreign exchange dealing of the banks. It makes the guidelines and frameworks for foreign dealings in compliance with rules and regulations prevailing in Bangladesh and abroad. It circulates the instructions Bangladesh Bank regarding dealing in foreign exchange. It maintains correspondences with foreign corresponding banks and exchange houses with which it has exchange arrangements/international trade. It maintains NOSTRO account with bank in abroad. It monitors the open position to keep it squared as per the instructions of Bangladesh Bank. It collects various statement/information form Authorized Dealer (AD) Branches, prepares consolidated statement for onward submission to Bangladesh Bank. Each and every day it fixes the foreign rates and send these to AD Branches and Bangladesh Bank. It takes part in foreign dealing with other banks at home and abroad.

I) TREASURY OPERATING DIVISION:

This division performs the works of money market operation. They borrow lend money on call basis.

J) COMPUTER/IT DIVISION:

Prime Bank Limited operates and keeps records of all its transactions, assets and liabilities in computer by using integrated software to maintain Client Ledger and General Ledger. The main function of this division is:

- Supply and installation of computer in different desks as per requirements;

- · Designing software to support the accounts operation;
- · Updating software if there is any lagging in the software;
- · Improvisation of software to get best possible output of that;
- · Train the concern executives and officers regarding the operation of newly developed software;
- · Hardware and software trouble shooting;
- · Provides up to dated CD's of online account to the branches;
- · Provides routine check-up of computers of different branches.

K) PUBLIC RELATION DIVISION:

The public relation division routine functions are:

- · Arrangement for publishing advertisements in the Newspaper and other media.
- · Inviting concerned one year of may occasion

L)MARKETING DIVISION:

This division involves two types of marketing.

- **Asset Marketing:**

Marketing of asset refers to making of various kinds of loans and advances. In order to perform this job they maintain communication with respective corporate clients, apprise them the

incentive of taking loan from Prime Bank Limited and finally approaches them to borrow form Prime Bank Limited In profitable projects.

➤ **Liability Marketing:**

It refers to marketing for collecting fund through buying of depositary products from the prospective large depositors. The marketing people communicate to the persons/organizations that have excess fund to deposit or invest. Inform them the opportunities attractive features of depositary products of Prime Bank Limited and request them to invest in Prime Bank Limited in various deposit schemes.

M)HUMAN RESOURCE DIVISION:

This division performs the activities related with administration and personnel. The main functions of the HRD are:

- · Selection and recruitment of new personnel
- · Prepare all formalities regarding appointment and joining of the successful candidates
- · Appropriate placement of the manpower.
- · Details with transfer, promotion and leave of the personnel
- · Training and Development of Human resources
- · Taking disciplinary actions when necessary
- · Keeping records and personal file for every employee

- · Taking measures for welfare of the employees
- · Arrange workshop, seminar etc. for the development of the employees

N) MONITORING AND INSPECTION DIVISION

The division works directly under the control of the Managing Director. This division is responsible to arrange periodical internal audit in each branch, to conduct special audit and to follow-up and monitor the bank's overall activities.

O) CREDIT CARD DIVISION

Prime Bank Limited obtained the membership of Master Card International in 1999. A separate division has been assigned to look after the operations of credit card. The principal duties of the division are to making of credit card to the potential buyers, issuing cards upon their request and providing prompt services that are required by the card holders. Currently Prime Bank Limited offers four types of cards that are Local Service Card, International Silver Card, Local Gold Card, and International Gold Card.

P) MERCHANT BANKING AND INVESTMENT DIVISION

Prime Bank Limited has been accorded license for carrying out operating as a Merchant Banker and Portfolio Manager by the Securities and Exchange Commission. This division deals with the activities related with the above. It is to be mentioned here Prime Bank Limited is expected to start operation in the areas of issues management, underwriting and portfolio management.

Q) BOARD AND COMPANY SECURITY DIVISION:

The main function of this division is: · Conducting meeting of the Board of Director Dealing with the issuance as required by Companies Act.

R) COMMITTEES AND GROUP DIVISION PROCESS:

The decision making process of the Bank involves the both democratic and consultative. Subordinates are given chance to participate in the goal determination of the Bank. They are given with responsibility too. There are three committees functioning in the Bank that are Policy Committee, Executive Committee and Management Committee.

➤ Policy Committee:

Committee members are drawn from the Board of Directors. The committee reviews all matters relating to principals, policies, rules etc. Decision taken by the policy committee reviews all the members relating to principles, policies, rules, etc. Decision taken by the policy committee requires approval of the Board.

➤ **Executive Committee:**

The executive Committee consists of the members of the Board of Directors. This committee exercises the power as delegated by the Board from time to time and approves all matters beyond the delegation of the Board.

➤ **Management Committee:**

The Management Committee consists of the Managing Directors and Head Office Executives. They discuss about the progress on portfolio functions, guidelines regarding deposits, lending, and different ideas and planning, gives decision/permission regarding various issues.

S) RESEARCH AND DEVELOPMENT DIVISION:

Research and Development is maintaining a separate division of Research and Development to innovate new products and services, to improve existing products and services.

T) Functions of the Branch

All Branches of Prime Bank Limited are divided into three Departments.

- General Banking Division
- Foreign Exchange Division
- Credit Division

2.23 SWOT Analysis of Prime Bank Ltd.:

SWOT is the acronym for Strengths, Weaknesses, Opportunities and Threats. It is an analytical framework to help summarize in a quick and concise way the risk and opportunities for any company across the value chain. Based on my observation of three months internship period the inner strength, weaknesses and the external opportunities and threats of Prime Bank Ltd. are described below:

Strength

➤ **Capital Adequacy:**

Prime Bank Ltd. is maintaining a strong capital base. By the end of 31 December 2011, capital adequacy ratio of the bank was 12.49.71% that is well above the stipulated requirements of 9%.

➤ **Customer Service:**

Prime Bank limited has a very good relationship with its customers. The bank considers in maintaining personal relationship with the clients. One of the main aim of the bank is to build long term relationship with the customer and to create value for them.

➤ **Efficient Administration**

Prime Bank Ltd. had an efficient administration. The work is done in a timely and systematic manner for which the efficient administration is responsible. There is close relationship between the employees and management though the chain of command is maintained strictly. Overall, there is a good balance between the administration and the employees.

➤ **Quality of Assets:**

The asset of PBL is of very high quality. The major portion of this asset is loan and advances.

➤ **Camel Rating**

PBL has Strong position in CAMEL rating.

Weakness

➤ **Promotion:**

When an employee gets a promotion to the next level, he/she gets more compensation. PBL is regular in giving promotion, but the employees get late effect of this promotion. Often there is a long gap, for example a six month gap in getting the effect.

➤ **Training:**

PBL has its own training institute PBTI (Prime Bank Training Institute) to strengthen the capabilities of human resources. However, it is not always possible to give through training. Especially, there is a lack of specific training for specific jobs. As a result, the employee has to learn things from the job by doing it practically

Opportunity

➤ **Branch Expansion:**

Prime Bank is growing quickly all over the country. Besides expanding in the urban areas, PBL has prospects to open more branches in sub-urban areas, which will eventually enhance the government effort at receiving rural economy as well as reaching more people by better service.

➤ **Training Facility:**

Prime Bank Training institute (PBTI) is supporting the bank by offering in house training courses, workshops and seminars. As the bank has its own training institute to enhance the

capability of human resources, PBL can use this opportunity to train their employees in specific areas and create specialized and expert people for the bank.

➤ **Banking Software:**

Prime Bank is still lagging behind in upgrading their software system. The bank has the prospect to select high quality banking software which will make the banking operations easier and smooth as providing quality service is one of the major goals of Prime Bank Limited.

Threats

➤ **Level of Competition:**

Competition is always a major threat for any organization. In recent years, the number of private bank is increasing. These banks always pose a threat for others by coming up with new product line, innovative technology, quality services, etc. thus the level of competition rises and creates threat for prime bank limited.

➤ **Technological Advancement:**

With time, technology is getting advanced and most of the private banks are upgrading their operating system to survive in the industry. PBL is lagging behind in this department and still mostly dependent on manual work rather than technology. Advancement of technology is posing great threat for PBL.

➤ **Compensation Package:**

Compared to other private banks of Bangladesh, the compensation of PBL is not so attractive. Though the employee of PBL gets fair financial and other benefits, the base pay is not sufficient. This poses a lot of threat on the employees of switching to other banks from PBL.

2.24 PEST ANALYSIS

Every organization operates in a larger macro environment of forces that shape opportunities and pose threats to the company. The four major forces, that is, Political, Economic, Social and Technological forces that affect the banks and the banking industry as a whole are discussed below.

Political Forces

The political forces include laws, government agencies and pressure groups that influence and limit various organizations and individuals in a given society. There are lots of rules and regulations created by the government for several reasons, first of all to protect companies from each other, to protect consumers from unfair business practices and to protect the interest of the society.

Political forces heavily affect the banking industry. The political situation is not stable in this country. Whenever a new Government comes, there is a change in interest rates of deposit, loans, etc. The tax situation is affected. There are new policies regarding Export, Import and other activities that might affect the industry negatively.

Economic forces

Economic forces are the factors that affect the consumer buying power and spending patterns, some countries have subsistence economies where the consumers consume most of their own agricultural and industrial output. At the other extreme there are industrial economies that constitute rich markets for many different kinds of goods.

Banking industry is directly related to the economic factors, especially the consumer spending and savings pattern. Spending is very deeply related to income. As family income rises, the percentage spent on food declines, percentage spent on housing remains almost constant and savings increase. That means with a strong economy in the country, the banking industry can expect the customers to deposit more.

There had been much change in the banking sector due to economic forces. The industry witnessed changes that stabilized wide swings in the call money market. Bangladesh Bank introduced long dated government bonds distributed by primary dealers. These bondholders can borrow by pledging these instruments. On May 31, 2003, Bangladesh pre-announced rate band for transaction with banks. There is excess liquidity in the banking sector as a whole but investors are discouraged to invest due to lack of security. Because of this reason, the banking industry might have a back push.

Social Forces

These are the forces related to society's basic values, perceptions, preferences and behavior. People grow up in a particular society that shapes their basic belief and behavior pattern. These forces affect the survival and success of an industry.

As banking industry is a service-based industry, it mainly deals with the people coming from various demography of a society. There are differences in the size, density, location, age, gender, race, occupation and other statistics of the human population. As a result, their perception and behavior patterns also vary. So it is a difficult task to deal with different target markets and to handle the social forces. For example, in many societies, there is no culture or trend to save

money. In those societies, they're in no culture or trend to save money. In those societies, it is hard for the banks to operate. Some religious societies might be against the banking business as it gets profit from the interest rates. There could be a behavior pattern among a group of people who are not risk takers. They might not take the risk of investing though they have surplus money. These social phenomenon's have great impact on the banking industry as a whole.

Technological Forces

It is a common saying that today's world is a world of technology and only those will survive who can be up-to-date with the technology. Technological forces are those that create new advancement, create innovative products and market opportunities. Technology has released wonders as well as blunders. The attitude of the people depends on whether people are more impressed with its wonders or its blunders.

Like any other industry, technology has deep impact in the banking industry. Using technology, banking has become fast, smooth, and less risky and easier, the credit card, banking software's has made banking operation much easier. At the same time these technologies pose threat to those competitors who are still left behind. Technology gives an extra advantage to the banks to be ahead of time, so, technological forces might really rule the banking industry real soon.

To operate in the macroeconomic environment, the banking industry should be careful about these forces and by getting acquainted with these forces, the industry would be able to make it strength rather than take it as a threat.

3 My Job Part

Working in the Prime Bank Limited as an intern was the very first opportunity for me to acquire practical knowledge about banking sector. I worked in The Foreign Exchange Division under the supervision of Md. Tareq Bin Mamun, a Senior Executive Officer of the bank along with Ms. Fahmida Akhter, Officer of the same department. Moreover I also worked in general banking division for few days. It was a tremendous journey for me to go through the actual experience of banking sector.

Real world is far away different from the theoretical knowledge. Specially in service sector there are both encouraging and off-putting things to experience every day. As an intern of Prime Bank Limited I had experienced of so many new things. I came to know actual works of bankers and observed how the works are being done accordingly to serve the customer properly.

3.1 My Experience in Foreign Trade :

I was mainly assigned to Foreign Exchange Department. Under direct supervision of Ms. Fahmida Akhter who is a officer in Mouchak Branch I had worked in L/C wing. My main job was to update the manual register where the details of L/C are being kept. Also inputting data of L/C in Bangladesh Bank websites and Banks own website which is known as oracle. So the list of works that I have done in foreign trade are

- L/C Data input in the website of Prime Bank Limited,
- L/C data input in the website of Bangladesh Bank,
- Preparing database
- Balancing of different registers, such as Back-to-Back L/C register, FDBP register etc.
- Registering data into different registers, e.g. Back-to-Back L/C register, FDBP register, EXP register, Acceptance Register etc.
- Organizing files for L/C
- Completing the L/C form by filling them up properly
- Completing EXP form by filling them up

3.2 My Experience in General Banking:

As I was the only intern in Mouchak Branch of Prime Bank Limited at that time as a result I got a chance to work in general banking too for a few days. Working in general banking was different and spontaneous experience .As in general banking sector I had to deal with the customers directly. The main job in general banking was to collect the cheque and helping the customers to fill up their account opening form. Some other works were also done by me. The list jobs that I have done in general banking are given below:

- Collecting cheque from the customers
- Helping customer in filling their forms
- Briefing the customers about different Deposit Scheme of PBL
- Writing Inward register
- Issuing cheque books
- Making phone calls to clients to acknowledge them about the arrival of their cheque books
- Registering the cheque requisition

3.3 Some significant observation about Prime Bank Ltd. (Mouchak Branch):

Prime Bank Ltd (Mouchak Branch) should be evaluated for a better working place due to its environment and employees. During my three months internship program I really enjoyed a healthy and warm atmosphere there. But still there are some shortcomings too.

Like there is only one Management trainee for the entire branch who does the cheque clearing process. Sometimes due to excessive pressure of clients it just becomes burden for him. And the customers have to wait for a long time.

Also there is there are shortage of officers in customer service desk. As a result the customers are sometimes being made to wait for a while and some customer become impatient.

The crisis of ample space is a creating trouble for the employee as a result they sometimes lag behind in providing better service.

Moreover movement of common people in foreign trade department is no restricted .As a result sometimes people gather in that department unnecessarily which hinders the productivity of the employees.

3.4 A few suggestions to overcome those short comings:

To become hundred percent perfect is not possible. Due to changing trend and demand there will be always some shortcomings .Still the organization always strives to provide excellent service in order to achieve complete satisfaction of customer. Some initiatives that can be taken by PBL for better quality service are given below:

- Increasing the number of employees in customer service desk
- Increasing space for general banking
- Restrict entry of common people in foreign trade department
- Increase the number of cheque clearing cubicle
- Organizing training for the employees time to time to upgrade their technical knowledge and for better performance.

4. Online Banking Services of Prime Bank Limited

Online Banking (or Internet banking or E-banking) is defined as “the use of technology to communicate instructions and receive information from a financial institution where an account is held. This service includes the system that enables financial institution customers, individuals or business to access accounts transact business, or obtain information on financial products and services through a public or private network”. E-banking is now a global phenomenon. It is an invaluable and powerful tool driving development, supporting growth, promoting innovation and enhancing competitiveness.

The evolution of banking technology has been driven by changes in distribution channels as evidenced by automated teller machine (ATM), Phone-banking, Tele-banking, PC-banking and most recently internet banking.

From the date of inception PBL has always been moving with the latest technology and time-to-time the bank has adopted different advantages of the technology which has enriched its IT infrastructure. Technological development of the bank tremendously increased its customer service as well as trust worthiness of the stakeholders towards the bank. Now PBL is the pioneer in providing multi dimensional banking products and services with latest international standard technologies. The bank is dedicated towards its customer satisfaction with help of the technological advantages. Now, the IT Division is well equipped not only with technology, but also with a dedicated professional workforce which has been built-up for support as well as development of new satellite application.

Some of the new on-line banks are portraying themselves as ‘Virtual Banks’, where customers are served exclusively through electronic channels other than traditional branch banking. Prime Bank Limited started providing these electronic services as Internet Banking in early January-2010. Till now, the bank is providing this service to over 13,000 numbers of accounts. Moreover, in January-2011, the bank introduced Corporate Internet banking for corporate customers. By year-end 2011, the bank has provided this service to 91 numbers of corporate users’ to provide “faster access”.

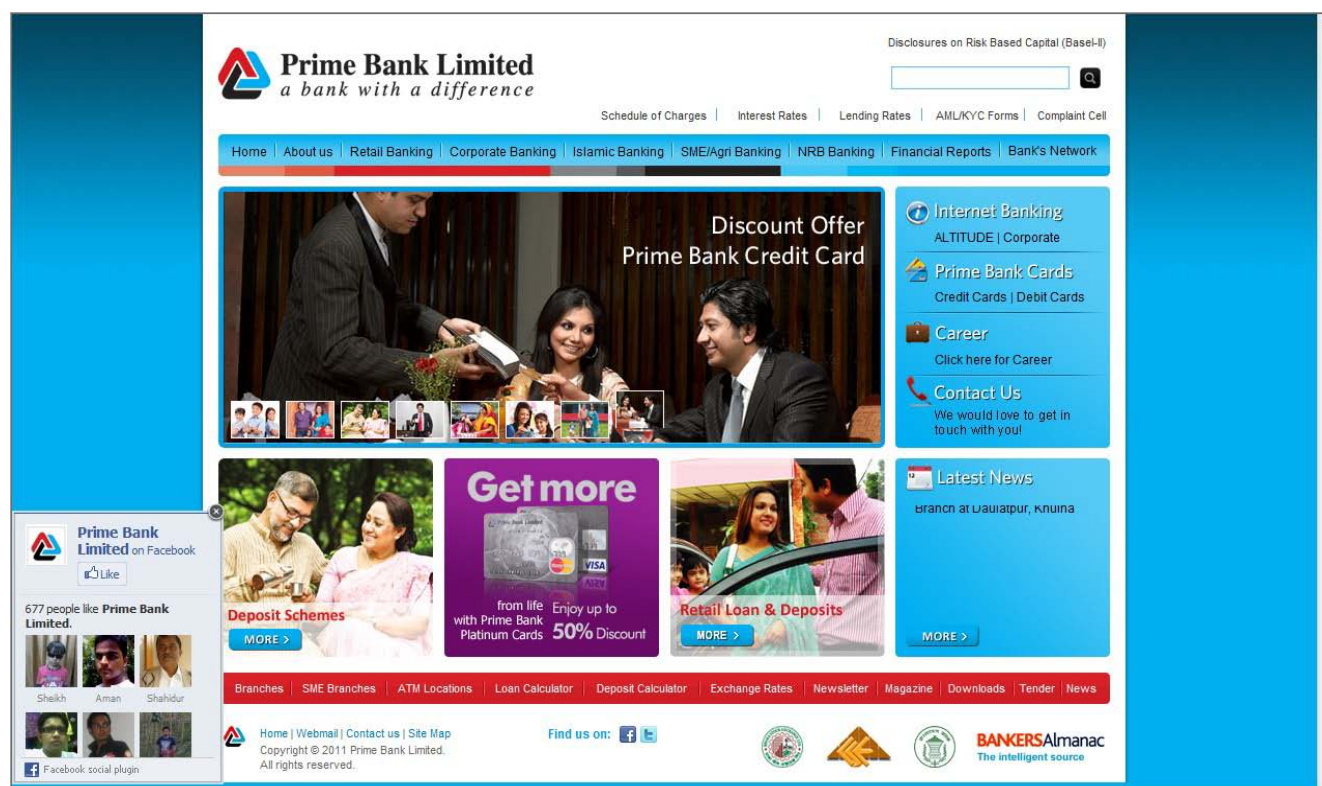


Figure: Website of Prime Bank Limited

Prime Bank Limited's web is largely informational, providing commercial and noncommercial information about the bank. It can provide insight into the background of the company, partners, and policies. Another important content is the product/service description, including price, specifications, photographs, etc. Information provided in the website of Prime Bank Limited:

- General company information
- Product/services information
- Price information
- Automatic Teller Machines (ATM) and branch information
- Financial Reports
- Schedule of Charges
- Interest Rates
- Exchange Rates
- Latest News about Prime Bank Limited ,Etc



4.1 Alternative Delivery Channels:

The bank introduced ATM services as well for the convenience of the customers and a separate unit under the name of Alternative Delivery Channels (ADC) was opened at Head Office to effectively monitor smooth functioning of these ATMs. As a newly formed division, ADC is now trying to increase alternate delivery channels as well as to offer broader services to the customers of the bank.

4.2 Prime Bank cards:

a) ATM Card:

The number of ATM card was only 154,021 at year-end 2010. But by year-end 2011, Prime Bank Limited has managed to increase this number to almost 200,000.

b) Master Debit Card:

The bank has launched Master Debit Card in January 2011 and almost 20,000 cards have been issued in 2011. With this card the following facilities can be achieved:

- Customers can access any Master ATM terminal;
- Customers can access any Master POS terminal.

c) Credit Cards:

Prime Bank Limited has a wide offering in credit card section too. They offer:

- Prime Bank MasterCard Gold
- Prime Bank MasterCard Silver
- Prime Bank International Credit Card
- Prime Bank VISA Gold
- Prime Bank VISA Classic
- Platinum Credit Card

4.3 ATM Booth

As at end December-2010, Prime Bank Limited had only 37 ATMs. But in 2011, the bank installed 50 new ATMs country wide. Now the bank has 87 ATMs in operation & these are located in the busy and preferred locations across the country. As per bank's approved expansion plan, Prime Bank Limited shall install another 100 ATMs in 2012.

4.5 SMS Banking

Now a day Mobile Phones are the easiest channels by which customers can reach the bank to access their account 24 x 7. So, PBL introduced SMS Service in July 2010. With this service, a customer can enjoy the following:

- Verify payment, receive status anywhere;
- Get alert automatically on an individual basis when loan installment falls due and becomes overdue;
- Save time & cost as this will minimize their visit to their respective branches for simple queries.

4.6 Phone Banking

With IT support, ADC successfully implemented Phone Banking services in May 2011 and by year-end 2011 the bank has provided this service to over 1,500 numbers of account holders. Some facilities under this service are:

- Account related enquiry:
 - ✚ Available balance
- Debit Card related enquiry
 - ✚ Card activation
 - ✚ Lost card block
 - ✚ TIN number change
- Credit Card related enquiry:

- ✚ Available balance
- ✚ Last date of bill payment
- ✚ TIN number change

4.7 Information KIOSK / Bills Pay

The bank has successfully launched 4 (four) Information KIOSK: PBL ATM Card and Master Debit Card holders can enjoy the following facilities through Information KIOSK:

- Account balance enquiry;
- Account statement.

In addition, “Utility Bill” payment of a number of companies is also possible by Information KIOSK and ATMs

4.8 Prime Cash

Prime cash is Biometric Smart Card where your thumb impression will work as authentication code. Prime Bank limited and Dipon consultancy jointly bring this banking service. It is fast simple and secured .Benefits that can be enjoyed:

- Day long banking hours through Prime cash service points
- Finger print authentication system
- Country wide network

4.9 Internet Banking (General & Corporate)

Prime Bank Limited started providing these online services as Internet Banking in early January-2010.Till now, the bank is providing this service to over 13,000 numbers of accounts. Moreover, in January-2011, the bank introduced Corporate Internet banking for corporate customers.

There are basically two divisions of internet banking:

- ❖ Altitude
- ❖ Corporate

□ Altitude

IT development team successfully replaced the Temenos Internet Banking module with its self developed Internet Banking software ‘Altitude’, which has enabled the bank to serve its customers with various real-time online banking services without requiring them to come to the bank. Now the customers can access the internet banking application using any browser from their Desktop PC, Laptop and any handheld devices like Mobile Phone, PDA, and Tablet etc. Using Altitude, customers will get the following services. A fee of take 200 with 15% VAT shall be charged annually as Account maintenance fee. In addition to that the management has right to modify charges any time and customers will be informed through Altitude websites about the changes immediately.

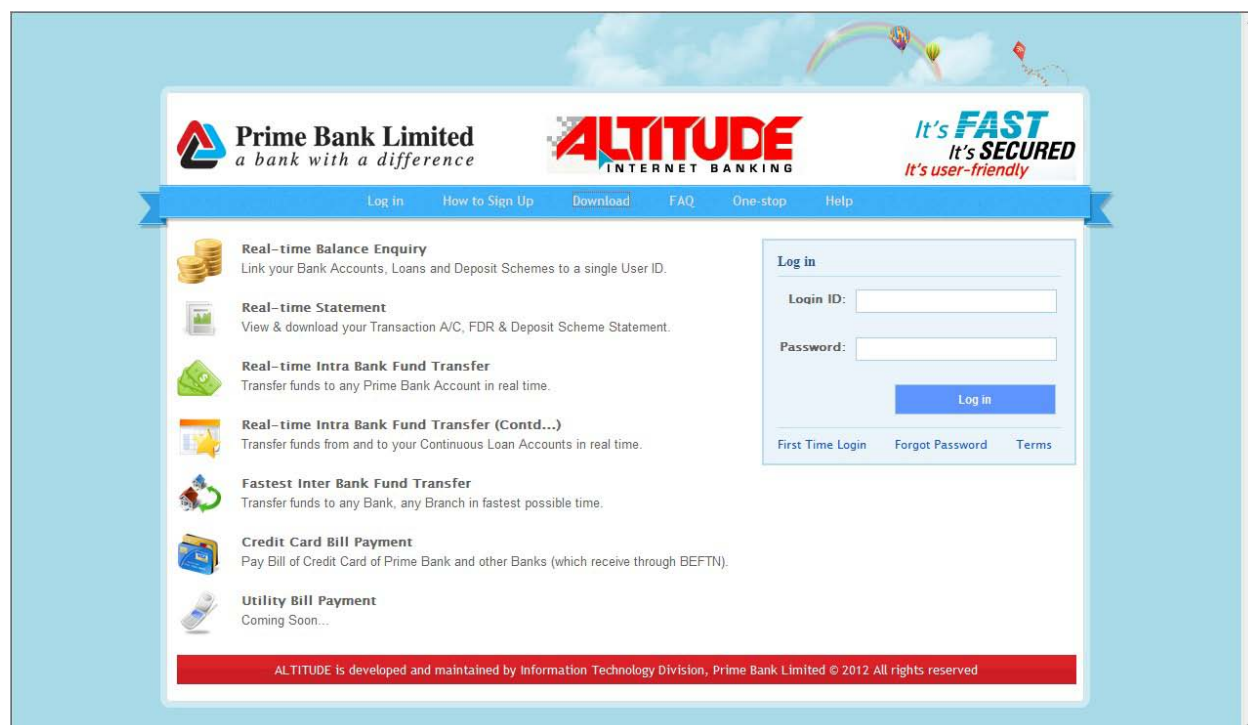


Figure: Webpage of Altitude

Facilities that offered through Altitude are noted down below:

- **Balance enquiry**

Customer can know about their present balance of account through online banking service. Customers are provided with an Id and specific password is allocated to each account .Then by logging in through these account customers can know about their balance .So in short it can be said that customers can link their bank accounts, loans and deposits Schemes to a singular user Id.

- **View FDR and deposit scheme information**

With the help of Prime Bank limited websites customers can easily know about the detail information of different deposits schemes and FDR.

- **View loan information**

Bank's website also contains loan features of PBL. Through website customer can know about the lending offerings of Prime Bank Limited.

- **Transaction search**

Transaction made by customers in different times can be checked out through online service.

- **Statement download**

Rather going to bank now customers can view and download transaction a/c ,FDR and scheme statement through online service .Thus it will save time ,money and energy of people.

- **Real-time fund transfer within PBL**

With the help of online banking service customer can transfer funds to any prime bank account in real time .In addition to that customer can transfer fund to their continuous loan account through online service and can avoid the crowd and hassle of going bank.

- **Real-time utility bill payments**

Prime Bank limited utility bill pay services enables the customers to pay post paid cell phone bills easily. Customers can get this service at Prime Bank ATM booths or information kiosks

round the clock. Prime Bank ATM/Master Debit Card holders are eligible to enjoy these services.

The lists of services are given bellow:

- Grameen post-paid cell phone bills only
- Robi post-paid cell phone bills only
- Banglalink post-paid cell phone bills only
- Airtel post-paid cell phone bills only

Advantages

Utility bills pay service provides 24/7 support and has the following features:

- Card holder can make payments any time at any Prime Bank ATM booth
- Customers will receive auto generated advice slips after the bills are paid
- The customer will need ATM card and pin code to access the facility and the procedure is absolutely secured.

Charges and Fees:

All these services are provided free of charge.

▪ Credit Card Bill Payments

Prime bank has both Credit card and Debit card through which customers can pay bills

▪ Fund Transfer To Any Bank, Any Branch (through BEFTN)

Bangladesh Electronic Fund Transfer Network (BEFTN) is the central clearing facility, monitored and regulated by Bangladesh Bank that receives entries from Originating Bank, distributes the entries to appropriate Receiving Bank and facilitates the settlement functions for the participating banking institutions. Though the operation of BEFTN started from February 2011, it was not in a full-fledged operation because of infrastructure limitations in banking sector though PBL was ready to start EFT Transaction from the day of inauguration. PBL has

been operating full-fledged transactions both Outward and Inward EFT. After implementation of the BFTN service the customers are eligible to receive or send the remittance at any branch of any bank of the country. The bank has started to remit foreign remittances received by us to the Beneficiaries Accounts maintained with other banks through BEFTN. Within a short span of the bank has got a remarkable positive response from its retail and corporate customers regarding the BEFTN service. It has also reduced the remittance transfer cost to “Zero” level.

Security Features of ALTITUDE

Security is one of the greatest concerns for online banking services. Systems should be developed in such a way so that the confidentiality of customer can be strictly maintained. Along with that secured online transaction is a must achieve customer satisfaction. Some features of security issues of Altitude are given below:

The web address of Altitude is: <https://pib.primebank.com.bd>. Altitude websites is “http” enabled which means that the communication between client device and Altitude server takes place over an encrypted as well as secured channel.

Altitude website is verified by Verisign with ‘Verisign Class 3 Extended Validation SSL Certificate’. Verisign certificate is the world’s most renowned Certificate Authority (CA) for issuing SSL certificates.

Two –factor authentication (2FA) is an approach to authentication which requires the presentation of two or more of the three authentication factors. “Something the user knows”, “something the user has “ and “ Something the user is “. Altitude has the Two Factor Authentication (2FA) to authorize an internet banking user to perform transaction. A user will need Internet Banking logging ID and Password (Factor 1: something user know) to log in to application .When user wants to do a fund transfer ,a temporary secret code is sent to user mail inbox (Factor2: something the user has),this code must be correctly given by the user to execute the fund transfer .

Once a customer logs in to the Altitude, if s/he stays idle for more 5 minutes her/his session will be expire automatically and s/he will have to re-log in to Altitude to access own account.

If any customer Information of altitude is to be changed, only user himself can place the request through Altitude. Branch has the authority to authorize the request only.

Branch itself cannot make or initiate any changes of customers account. Moreover each activity of the Altitude user is logged by Altitude for audit trail.

❖ Corporate

In January-2011, the bank introduced Corporate Internet banking for corporate customers. Now they are providing “faster access “for the corporate customer too. Corporate customers now also can enjoy the certain facilities through online services. This service will help to avoid unwanted hassle and accelerate the business growth too.



Corporate Customer Login

Login:

Password:

Figure: Corporate Log In web page

Schedule of Charges

Schedule of Online charges

Inter District

Item	Charges (TK)
Cash transaction & Interbank fund transfer	
Below TK 50000	20
From TK 50000 below TK 1.00 lac	50
From TK 1.00 lac below TK 5.00 lac	150
From TK 5.00 lac below TK 10 lac	300
From TK 10.00 lac below TK 20.00 lac	500
From TK 20.00 lac below TK 50.00 lac	1500
From TK 50.00 lac and above	2500

Within clearing house

Cash Transaction and Inter Bank fund transfer	Charges (TK)
Below Tk 5 lac	Nil
From Tk 5 lac and above	100

Internet Banking Service Charge:

(Service Charge Internet Banking Service Charge –Regular Monthly /Annually)	
Annual Charge	@ Tk 100

Internet Banking Service (Corporate Users)	(Service Charge /Monthly)
Last 100 transaction	TK50/=
Last 03 months transaction	Tk 75/=
Last 06 months transaction	Tk 100/=
Last 12 months transaction	Tk 300/=

Utility Bills pay service
No fee

5. Findings

There are basically two parts of the study. The first part of the study will shed light on Prime Bank Limited Online Banking service while comparing it with other three private commercial banks (Eastern Bank Limited, Dutch-Bangla Bank Limited and One Bank Limited).

Second Part of the study aims at figuring out how these banks are assessing about centralized IT operation system and what kind of benefits can be achieved by adopting centralized IT operation system.

Due to certain limitation except Prime Bank Limited, other three private commercial banks are taken to conduct the study. So the sample size is four. Graphs are prepared in Microsoft Office Excel. So four banks are:

- 1) Prime Bank Limited
- 2) Eastern Bank Limited
- 3) Dutch-Bangla Bank
- 4) One Bank Limited

- To what extent do you think online banking service is important to excel your organization's performance?

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Most Significant	Most Significant	Most Significant	Important

Table: 1

	Frequency	Percent	Cumulative Percent
Valid Most Significant	3	75%	75%
Important	1	25%	100%
Neutral	0	0.00	100%
Total	4	100%	

Graphical Representation:

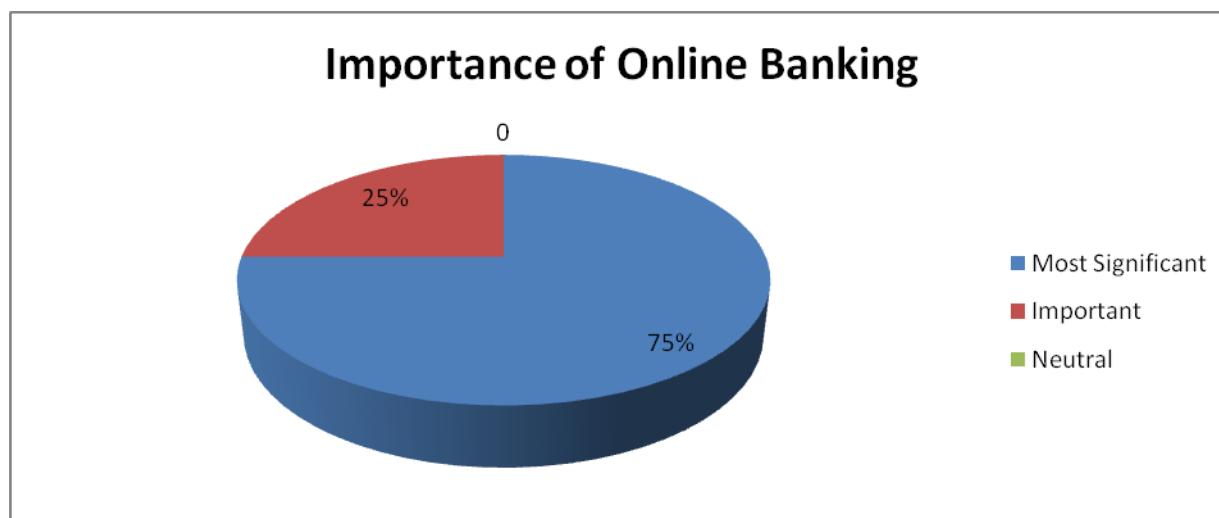


Figure: 1**Interpretation:**

The above table 1 represents about how the banks are evaluating their online services in order to excel their respective organizations' performance. Among four respondents three are considering online services as the most significant for the organization. Only One bank is considering it as an important component for their organization. So according to graph 75% respondents considering online banking "Most significant" and 25% weight was put on "Important".

- **Do you think bank needs to increase its promotional activities to attract more customers for internet banking?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Agree	Agree	Neutral	Strongly Agree

Table: 2

	Frequency	Percent	Cumulative Percent
Valid Disagree	0	0.0	0.0
Neutral	1	25%	25%
Agree	2	50%	75%
Strongly Agree	1	25%	100%
Total	4	100%	

Graphical Representation:

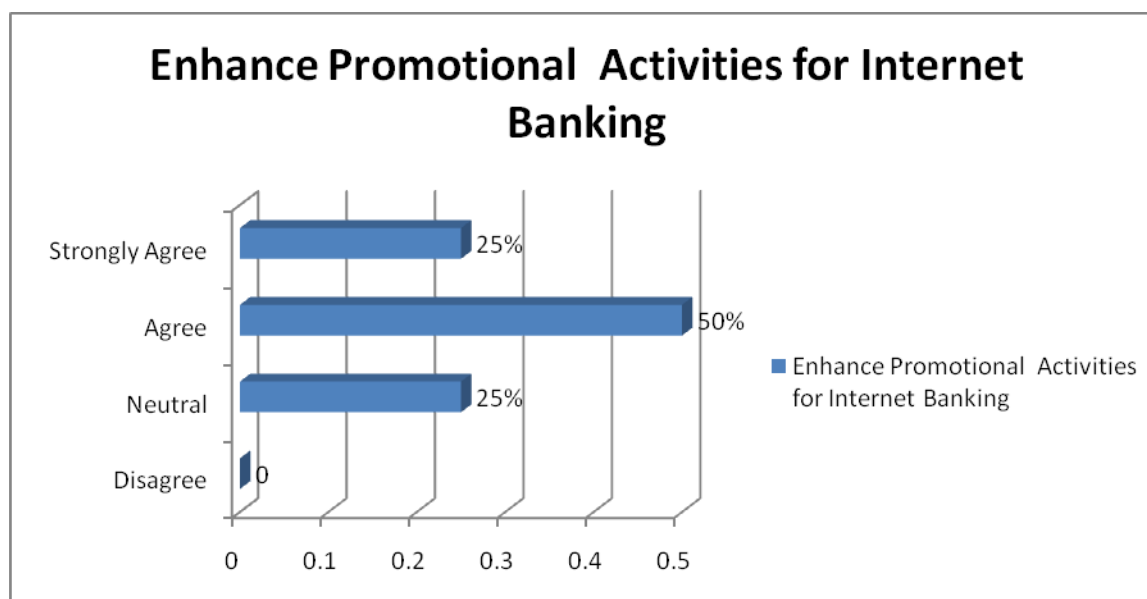


Figure: 2

Interpretation:

The above table 2 represents about what the banks are considering regarding enhancing the promotional activities of the banks for internet banking. Prime Bank Limited and Eastern Bank Limited agree with the issue that their respective banks should increase the promotional activities for internet banking to attract more customers. While Dutch-Bangla Bank Limited remains neutral as they are currently doing vast range of promotional activities for their online banking. As One Bank Limited has started internet banking very recently so they strongly agree with the fact that promotional activities for internet banking should be increased to attract more customer. So as showed in graph the respondents put 50% weight on “Agree”, 25% on “Strongly Agree” and 25% weight on “Neutral”.

❑ **How do you evaluate your bank's website access speed?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Satisfactory	Highly Satisfactory	Excellent	Highly Satisfactory

Table: 3

	Frequency	Percent	Cumulative Percent
Valid			
Excellent	1	25%	25%
Highly Satisfactory	2	50%	75%
Satisfactory	1	50%	100%
Neutral	0	0.0	100%
Total	4	100%	

Table: 4

Bank's name	Website address	Required time to Load
Prime Bank Limited	http://www.primebank.com.bd	12.65 s
Eastern Bank limited	http://www.ebl-bd.com	6.47 s
Dutch Bangla Bank limited	http://dutchbanglabank.com	12.24 s

One Bank limited	http://onebankbd.com	5.99 s
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Graphical Representation:

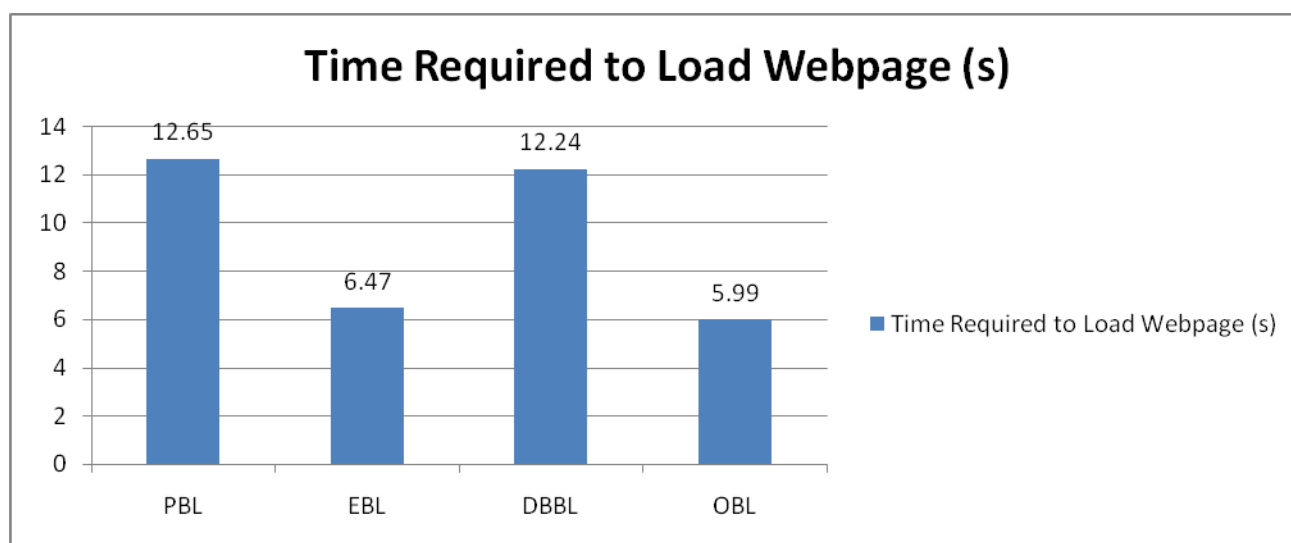


Figure : 3

Interpretation:

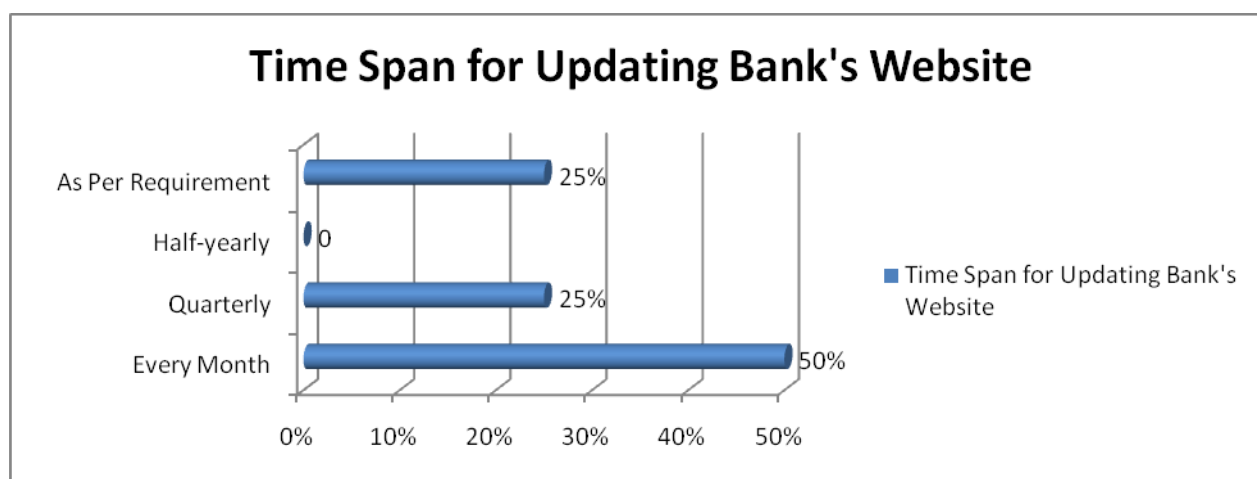
The above table 4 represents how much time the four banks official webpage require to load. Among four Prime Bank limited's website takes highest time to load and next is Dutch Bangla bank. Eastern bank limited's webpage takes 6.47s .But One Bank took the lowest time which is 5.99s to load .So considering the time required One Bank website's access speed is much better than other three. In addition to that the respondents put 50% weight on "Highly satisfactory", 25% weight on "Excellent" and 25% weight on "Satisfactory".

□ How often do you update bank's official website?

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Every Month	As Per Requirement	Every Month	Quarterly

Table: 5

	Frequency	Percent	Cumulative Percent
Valid Every month	2	50%	50%
Quarterly	1	25%	75%
Half yearly	0	0.0	75%
As per requirement	1	25%	100%
Total	4	100%	

Graphical Representation:**Figure: 4****Interpretation**

This table 5 describes about the time span of banks' official website updating .Prime Bank Limited and Dutch Bangla Bank Limited update their website every month .Whereas Eastern Bank Limited does it as per requirement and One Bank Limited does it quarterly .So according to graph among the respondents 50% update their websites every month and 25% update their websites quarterly and 25% do it as per requirement .Though all the four banks have said that except these schedule they all do update their websites when it is necessary.

□ **How often do you receive complain about your online banking service from customer?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Often	Not Usually	Very Often	Often

Table: 6

	Frequency	Percent	Cumulative Percent
Valid Not usually	1	25%	25%
Often	2	50%	75%
Very Often	1	25%	100%
Everyday	0	0.0	100%
Total	4	100%	

Graphical Representation:

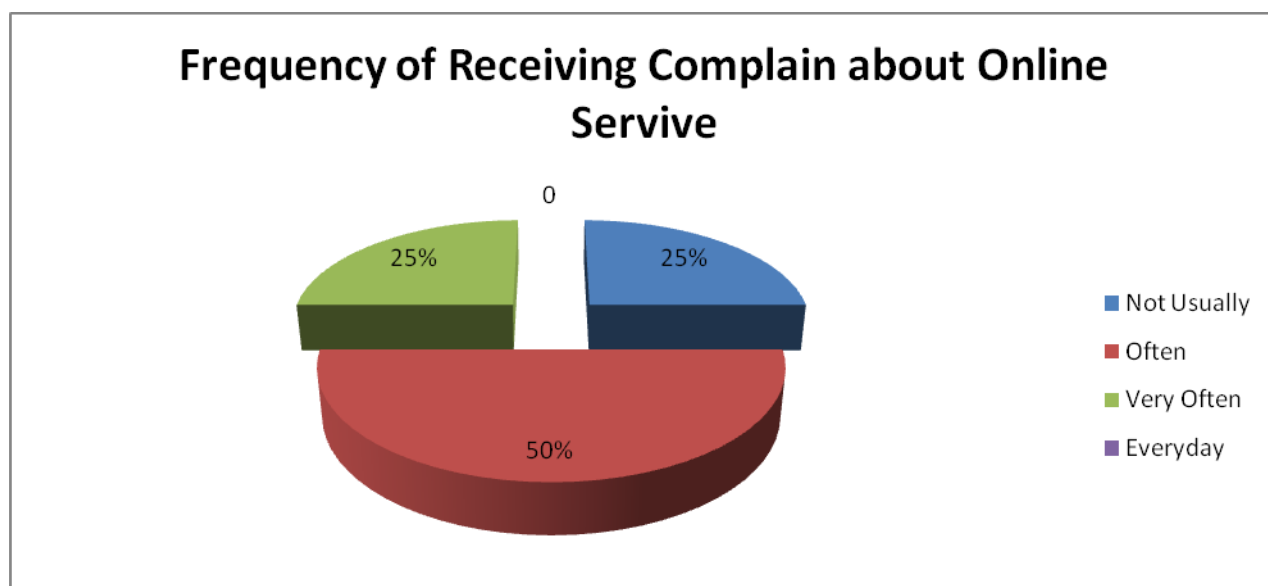


Figure: 5

Interpretation:

The above table 6 mentioned about the frequency of receiving complain from the customers by the banks about online banking service. Prime bank limited and One Bank Limited gets complain from the customers about online banking often. While Dutch-Bangla Bank Limited receives complain very often but Eastern Bank Limited does not usually receive complain about online services. So as shown in graph among all respondents 50% receive often, 25% receive very often and 25% do not usually receive complain about their online banking service from their customers.

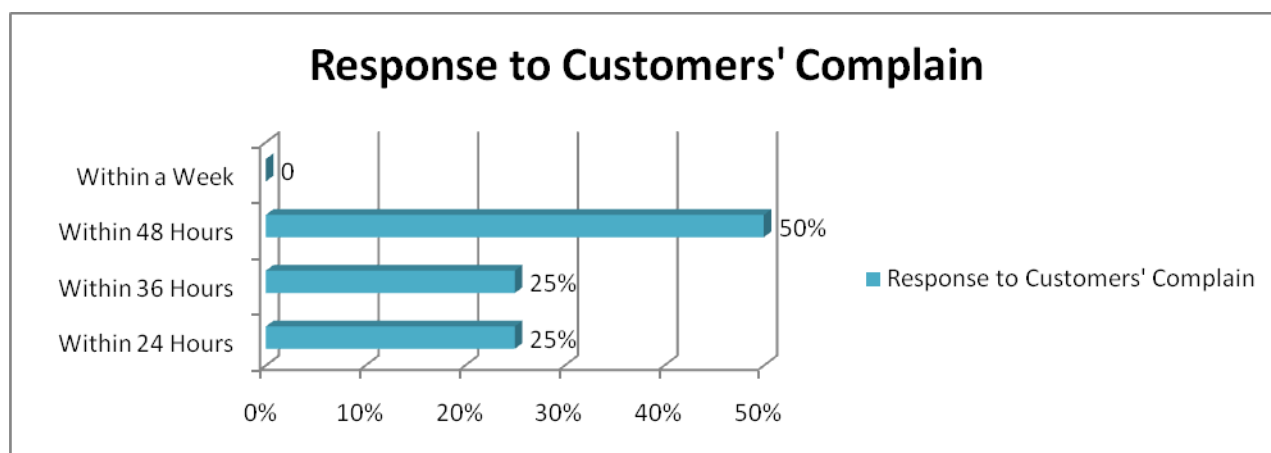
- **How frequently do your customers get response from you when they complain about online banking services?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited

Within 24hours	Within 48 hours	Within 48 hours	Within 36hours
----------------	-----------------	-----------------	----------------

Table: 7

	Frequency	Percent	Cumulative Percent
Valid Within 24hours	1	25%	25%
Within 36hours	1	25%	50%
Within 48 hours	2	50%	100%
Within a week	0	0.0	100%
Total	4	100%	

Graphical Representation:**Figure: 6****Interpretation:**

Here the table 7 shows us the how promptly the banks response to their customer while they make any complain about banks' online banking services. Though time requires solving any

problem regarding online banking varies on the type of problem. Still among four banks Prime Bank Limited does the quickest response and they respond to their customer's complain within 24hours. One Bank Limited does it within 36 hours .Whereas Eastern Bank Limited and Dutch-Bangla Bank Limited respond to customer's complain within 48 hours. So according to graph 25% respondents respond to their customers within 24 hours, 25% respond within 36 hours and 50% respond to their customer within 48 hours while they receive complain from the customers.

□ **What type of IT operation system does your organization is following now?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Partially centralized	Centralized	Centralized	Partially centralized

Table: 8

	Frequency	Percent	Cumulative Percent
Valid Centralized	2	50%	50%
Partially centralized	2	50%	100%
Decentralized	0	0.0	100%
Total	4	100%	

Graphical Representation:

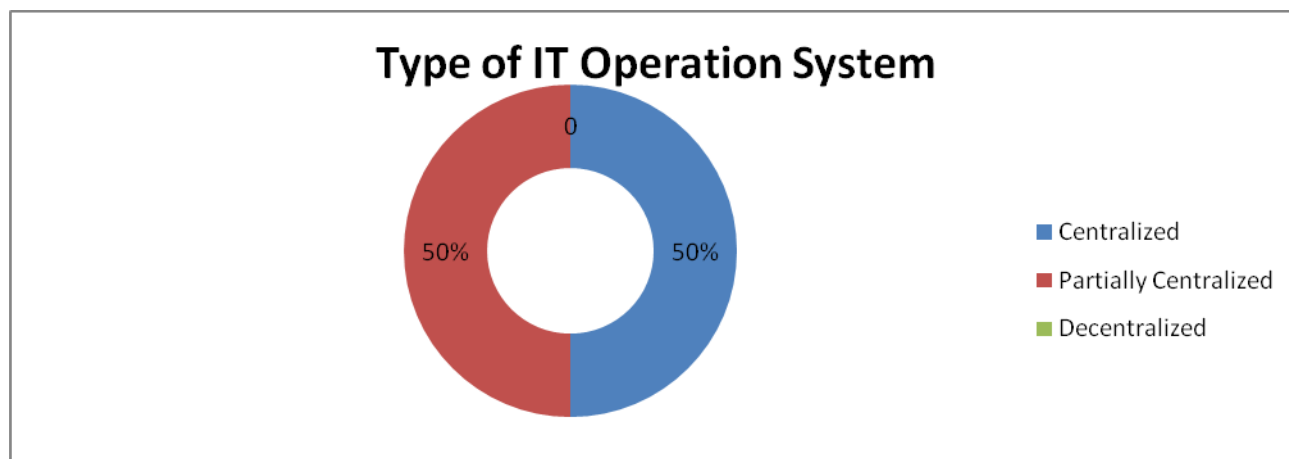


Figure: 7

Interpretation:

Among four banks two of them have centralized IT operation system and two of them are partially centralized. Prime Bank Limited and One Bank Limited are partially centralized. Eastern Bank Limited and Dutch Bangla Bank Limited are fully centralized. So as shown in graph 50 percent respondents are following centralized IT operation system and 50 percent are following partially centralized IT operation system.

- ❑ **What kind of progress do you think centralized IT operation system has brought (or will bring) in banking service?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Significant Progress	Significant Progress	Significant Progress	Noticeable Progress

Table: 9

	Frequency	Percent	Cumulative Percent
Valid No Progress	0	0.0	0.0
Neutral	0	0.0	0.0
Noticeable Progress	1	25%	25%
Significant Progress	3	75%	100%
Total	4	100%	

Graphical Representation:

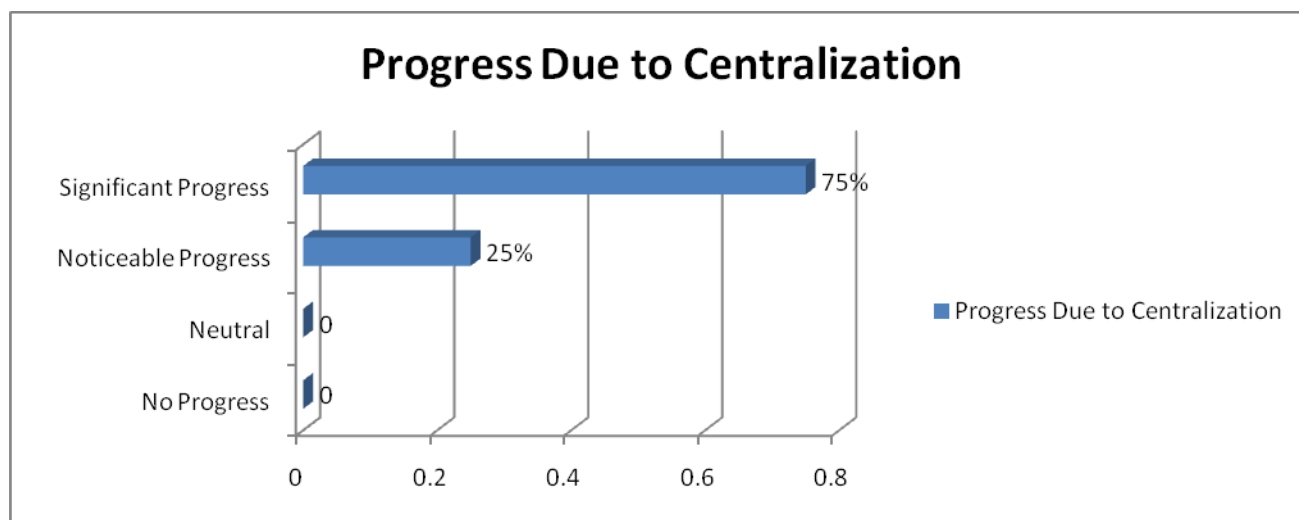


Figure: 8

Interpretation:

The above table 9 shows about the progress of the banking service due to centralized IT operation system. As Eastern Bank Limited and Dutch Bangla Bank Limited already operating centrally and very soon Prime Bank Limited will limited going to adopt centralized IT operation system so they are considering that centralization brings significant changes for banking services .Whereas One Bank Limited considers that centralization will bring noticeable changes for the organization .So according to graph 75% respondent go for “Significant change” and 25% go for “Noticeable change” in order to defined progress due to centralized IT operation system .

- Did you arrange any special training for your employees to adjust with the centralized operation system?

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Yes	Yes	Yes	Neutral

Table: 10

	Frequency	Percent	Cumulative Percent
Valid Yes	3	75%	75%
No	0	0.0	75%
Neutral	1	25%	100%
Total	4	100%	

Graphical Representation:

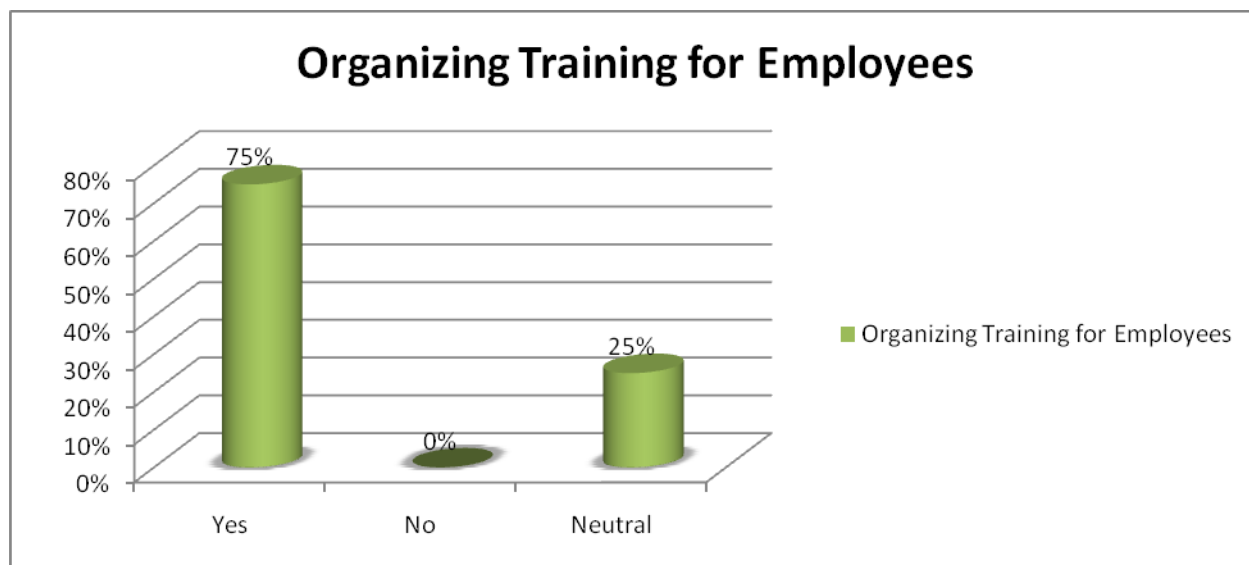


Figure: 9

Interpretation:

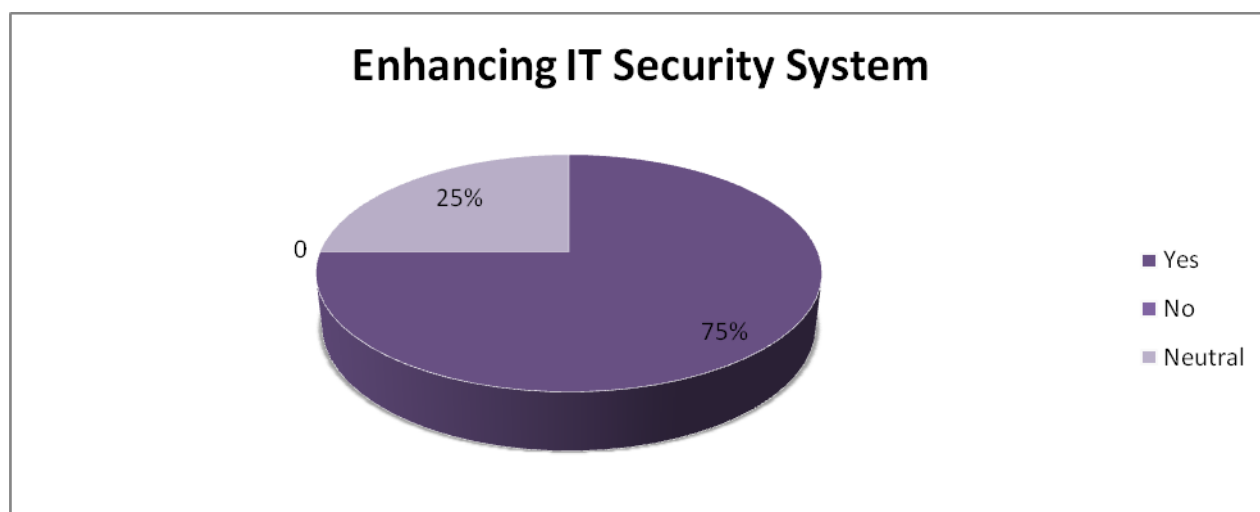
In order to adjust with the centralization system the banks need to provide their employees special training .So the above table 10 tells us about the arrangement of training by the banks. Among four banks three have already arranged training for their employees to adjust with centralized operating system. Only One Bank Limited has not arranged separate training for centralized as they are still going for partially centralized system and will arrange training programs for employees' while it is necessary .So One Bank Limited remains neutral. So according to graph 75% respondents have already arranged training programs for their employee's and 25% respondents remain neutral.

□ Did adoption of centralized IT operation system require enhancing IT security system?

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Yes	Yes	Yes	Neutral

Table: 11

		Frequency	Percent	Cumulative Percent
Valid	Neutral	1	25%	25%
	Yes	3	75%	100%
	No	0	0.0	100%
Total		4	100%	

Graphical Representation:**Figure: 10****Interpretation**

Centralized IT operation system requires more strict security system. So the above table 11 tells that how the banks are taking steps to ensure security for their organization. As Prime Bank Limited is going to adopt centralized operation system so they have enhanced their IT security system. Eastern Bank Limited and Dutch Bangla Bank Limited have also enhanced their IT security system earlier. As shown in graph among all respondents 75% have already enhanced their IT security system for centralized IT operation system and 25% have not enhanced it yet.

- What type of response are you getting from the employees about the centralization system?

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Appreciated	Appreciated	Highly Appreciated	Neutral

Table: 12

	Frequency	Percent	Cumulative Percent
Valid Not appreciated	0	0.0	0.0
Neutral	1	25%	25%
Appreciated	2	50%	75%
Highly Appreciated	1	25%	100%
Total	4	100%	

Graphical Representation:

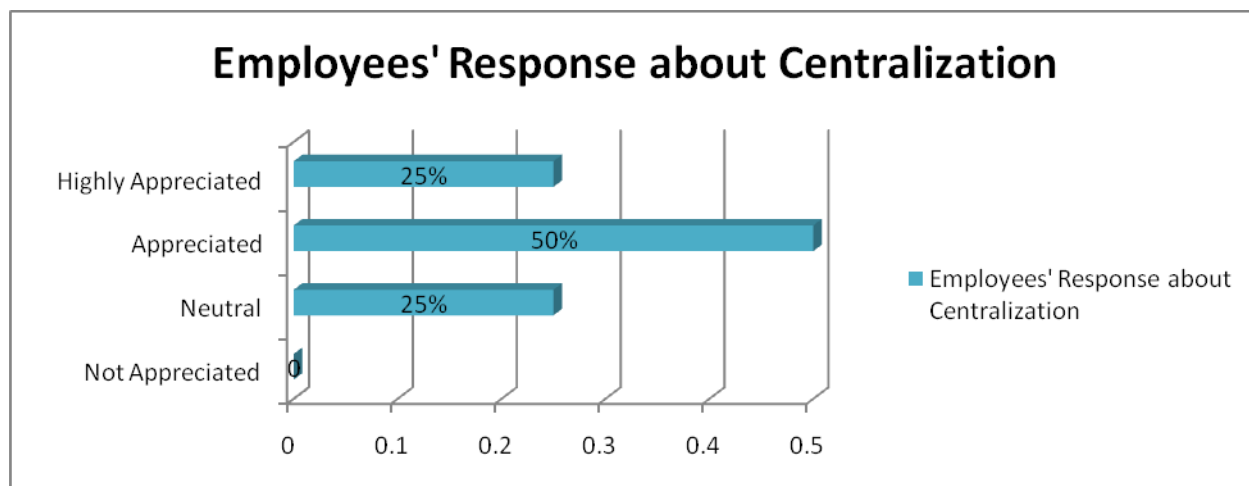


Figure: 11

Interpretation:

In order to understand how the employees of the bank are evaluating about centralized IT operation system the above table 12 has been depicted. According to Prime Bank Limited and Eastern Bank Limited their employees appreciated centralized operation system. Dutch Bangla Bank Limited's employees highly appreciate this operation system. Whereas One Bank Limited remain neutral on this issue. So according to graph among all respondents 50% said that their employees appreciated and 25% said their employees highly appreciated the centralized IT operation system and 25% remain neutral.

- ❑ **What type of response are you getting from the customers about the centralization system?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Appreciated	Highly Appreciated	Highly Appreciated	Neutral

Table: 13

	Frequency	Percent	Cumulative Percent
Valid Not appreciated	0	0.0	0.0
Neutral	1	25%	25%
Appreciated	1	25%	50%
Highly Appreciated	2	50%	100%
Total	4	100%	

Graphical Representation:

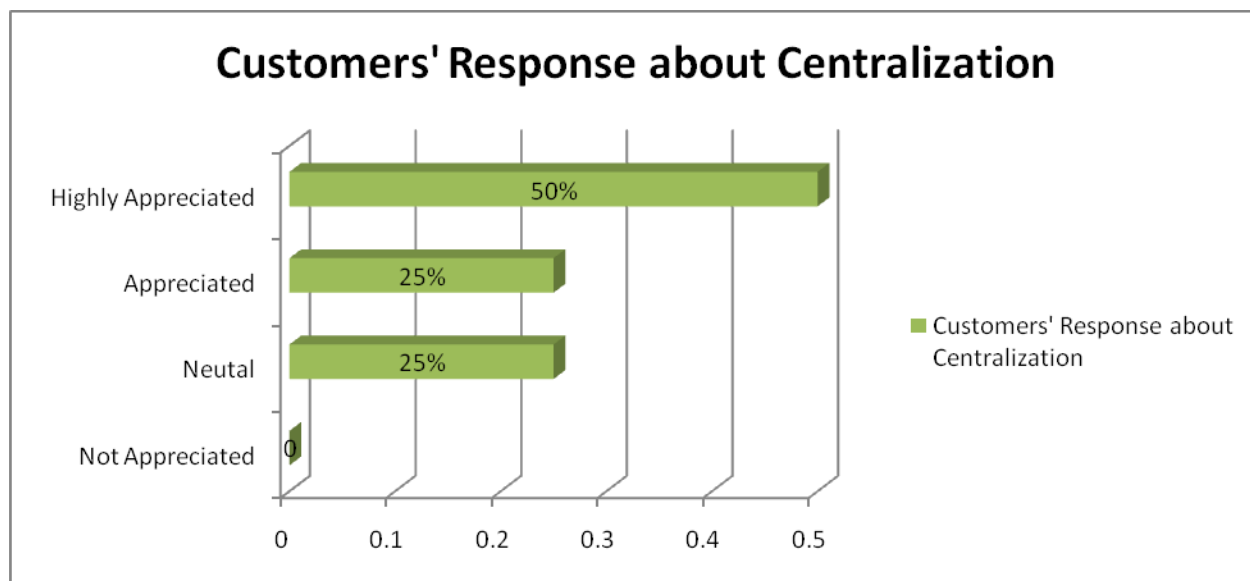


Figure: 12

Interpretation:

To figure out how the customers of the bank are evaluating centralization IT operation system the above table 12 has been represented. Prime Bank Limited considers that their customer will appreciate centralized IT operation system. Whereas the customers of Eastern Bank Limited and

Dutch Bangla Bank Limited have already highly appreciated this operation system. Whereas One Bank Limited remain neutral on this issue. So as shown in graph among all respondents 25% said that their customer will appreciate and 50% said their customers have highly appreciated the centralized IT operation system and 25% remain neutral.

□ **Do you think centralized operation system will reduce cost for your organization?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
To Some Extent	Highly cost-effective	Cost-effective	To some extent

Table: 14

	Frequency	Percent	Cumulative Percent
Valid Neutral	0	0.0	0.0
To some extent	2	50%	50%
Cost-effective	1	25%	75%
Highly cost-effective	1	25%	100%
Total	4	100%	

Graphical Representation:

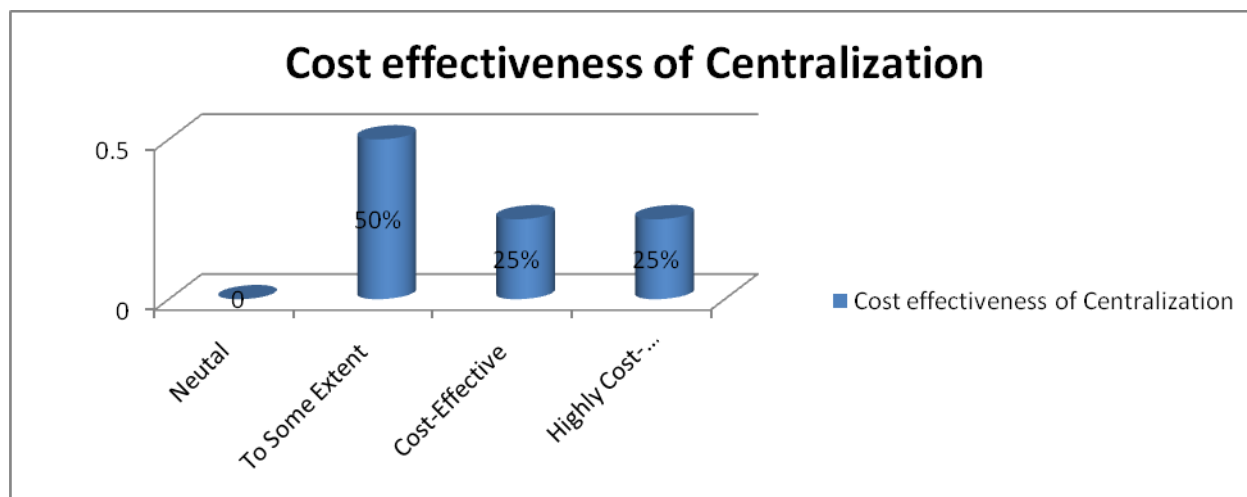


Figure: 13

Interpretation:

This table 14 depicts how banks are evaluating centralized operation system and whether it can help the bank to reduce cost. Prime Bank Limited and One Bank Limited are considering that to some extent centralized operation system can reduce cost. Eastern Bank Limited said that it is highly cost effective and Dutch Bangla Bank Limited said that it is cost effective. So according to graph 50% respondents go for “To some extent”, 25% put weight on “Cost effective” and 25% put weight on “Highly cost effective”.

- ❑ **Do you think centralized operation system provides the authority with better control over organization?**

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Strongly Agree	Strongly agree	Agree	Agree

Table: 15

	Frequency	Percent	Cumulative Percent

Valid Disagree	0	0.0	0.0
Neutral	0	0.0	0.0
Agree	2	50%	50%
Strongly agree	2	50%	100%
Total	4	100%	

Graphical Representation:

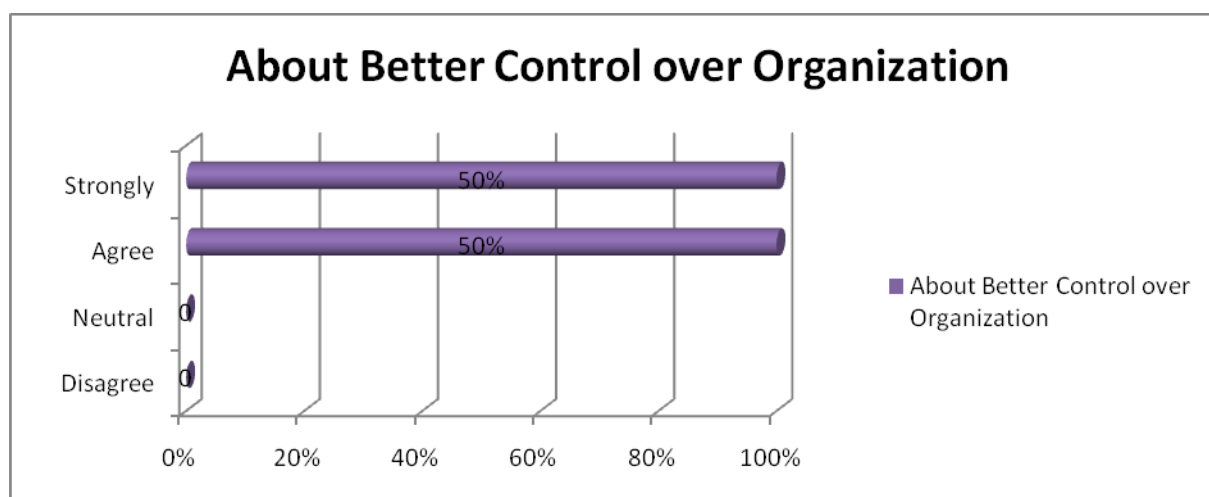


Figure: 14

Interpretation:

This table 15 represents how banks are evaluating centralized operation system and whether it can help the bank to get better control over organization. Prime Bank Limited and Eastern Bank Limited strongly agree with the fact that centralized operation system provides better control over organization. Both Dutch Bangla Bank Limited and One Bank Limited also agree that centralized operation system provides better control over organization. So according to graph 50% respondents put weight on “Strongly agree and 50% put weight on “Agree”.

- ❑ Do you think adopting centralized operation system can reduce bank’s risk exposure?

Prime Bank Limited	Eastern Bank Limited	Dutch Bangla Bank Limited	One Bank Limited
Strongly Agree	Strongly agree	Agree	Neutral

Table: 16

	Frequency	Percent	Cumulative Percent
Valid Disagree	0	0.0	0.0
Neutral	1	25%	25%
Agree	1	25%	50%
Strongly agree	2	50%	100%
Total	4	100%	

Graphical Representation:

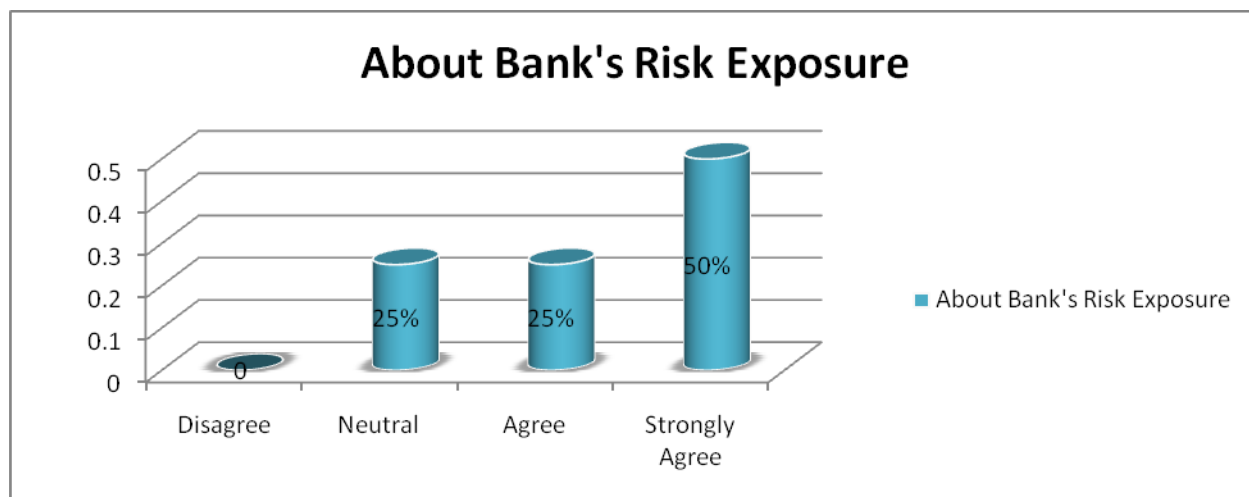


Figure: 15

Interpretation:

The above table represents whether the centralized operation system can reduce bank's risk exposure. Prime Bank Limited and Eastern Bank Limited strongly with the fact that the centralized operation system will help to reduce risk for the banks. Dutch Bangla Bank also agrees with the fact that centralized system reduces risk exposure. But One Bank Limited remains neutral. So among all respondents 50% "Strongly agree", 25% "Agree" and 25% remains "Neutral".

6. Analysis

Evaluation of Prime Bank's Online Banking Service

Prime Bank is one of the very first commercial banks who introduced online banking services. From the beginning they are striving to provide with better quality service. Based on four factors described below Prime Bank's Online Banking services are being evaluated while comparing with other three banks.

- **Cost/Price factors:** Price is a major factor that influences consumer adoption of any product. Though all four consider that the customer are pleased with the online charges but Prime Bank Limited is charging very minimum amount for online services. Prime Bank Limited charge only TK 100 annually whereas Dutch-Bangla Bank is charging Tk-200 annually .For utility bills pay service Prime Bank Limited are not charging anything from their customer. Whereas Eastern Bank charges from their customer for bills pay service.
- **Customer interest to change:** Prime Bank Limited receive customer who shows interest for internet banking service every day. The bank is providing this service to over 13,000 numbers of accounts. So the customer base is pretty strong in Prime Bank Limited
- **Customer Service Quality:** Prime Bank Limited always try to provide the better quality service. Even when the customers leave any complain about online services they try to respond within 24 hours. Though Eastern Bank Limited also respond within 24 hours but Dutch-Bangla Bank and One Bank take more time than Prime Bank Limited to respond.
- **Security Concern:** Security is one of the very important factors in determining the decision of consumers to use internet banking service. Prime Bank Limited is fully concerned about the security factor and they upgrade their system regularly. They have two factor authentication systems and their Altitude website is verified by Verisign with 'Verisign Class 3 Extended Validation SSL Certificate'. Verisign certificate is the world's most renowned Certificate Authority (CA) for issuing SSL certificates.

Outcomes of centralized operating system



Centralization refers to the allocation of all IT resources to one particular business unit that provides IT services to the whole organization. A centralized organization systematically works to concentrate authority at the upper levels. While conducting the study on centralization of IT operation system all four banks showed positive attitude towards centralization. Among four Prime Bank Limited and One Bank Limited are partially centralized. Eastern Bank Limited and Dutch Bangla Bank are fully centralized. In addition to that very soon Prime Bank Limited is going to adopt centralized IT operation system.

- **Control**

One of the major advantages of centralized operation system is control. A centralized approach to information systems provides organizational focus for learning and for control. This is likely to produce higher quality information systems. It also enables the banks to decentralization problems of inadequate security, maintenance and documentation.

- **Sharing resources**

A well-planned centralized system holds data used across the organization in one central place, and allow all staff to access it. This makes it both faster and easier to undertake banking activities. Central planning and operation also allows compatible technology and skills to be introduced.

- **Achievement of scale economies:**

Centralized approaches allow most activities to be undertaken more cheaply per unit. Due to centralized system banks will require fewer specialists to make different decision.

- **Improve Customer Service Quality:**

All four banks consider that centralization of operation system helps to provide better customer service.

- **Reduce Risk Exposure :**

The banks also consider that the adoption of centralized operation system helps to reduce banks risk exposure. As everything is controlled and monitored centrally so the bank can strongly abide by rules and regulation and can avoid any kind of corruption.

7. Recommendation & Conclusion

7.1 Recommendation

Though Prime Bank's online Banking Service is satisfactory while comparing with the other three banks. But to cope up with the competition and keep them ready with the changing trend they should always keep upgrading their online services. Some proposals for improving their Online Services:

- Increasing the number of ATM booth
- Heavy marketing and promotional campaign should be conducted to popularize the internet banking service
- In order to improve the level of customer service satisfaction is should give more emphasize on processing the task within promised time and give personal attention to each customer
- Increase number of online services for corporate clients
- Improve the website access quality
- Increase number of online services for non-resident Bangladeshi

7.2 Conclusion

Due to technological advancement online banking is getting more popularity more traditional banking. With online banking, customer won't ever have to worry about full access to their account. They will have quick and easy twenty-hour access from anywhere in the world. The online bank won't ever be closed for a holiday. As a leading private commercial bank of Bangladesh Prime Bank Limited is also serving promising online banking service to its customer. Customers' interest for online banking service is satisfactory. The charges for online banking service are also very reasonable.

Prime Bank Limited has been operating with the world famous core banking software Temenos has made an agreement with the Temenos to upgrade the core banking software from version R06 to R10. In a nutshell online service of Prime Bank Limited playing a crucial role to accelerate its banking activities. It enables to customer to enjoy top class online services.

Appendix



Good Morning/afternoon Sir (Madam). I am Sadia Afrin, student of BRAC University. I am conducting a survey on online banking services of banks and effect of centralized IT operation system. It will take 15-20 minutes of your time. Your response would be of great help in accomplishing the study. However, the study is for the organizational and of academic purpose and will not be disclosed elsewhere, keeping in mind the sensitivity of the topic. Would you please be able to give me the time now?

Organization's Name:

Questions

- 1) To what extent do you think online banking service is important to excel your organization's performance?
 a) Neutral b) important c) Most significant
- 2) Do you think bank needs to increase its promotional activities to attract more customers for internet banking?
 a) Disagree b) Neutral c) Agree d) Strongly agree
- 3) How do you evaluate your bank's website access speed?
 a) Neutral b) Satisfactory c) Highly satisfactory d) Excellent
- 4) How often do you update bank's official website?
 a) Every month b) Quarterly c) Half-early d) As Per requirement
- 5) How often do you receive complain about your online banking service from customer?
 a) Not usually b) Often c) Very often d) Everyday
- 6) How frequently do your customers get response from you when they complain about online banking services?
 a) Within 24hours b) Within 36hours c) Within 48 hours d) Within a week
- 7) What type of IT operation system does your organization is following now?
 a) Centralized b) Partially centralized C) Decentralized
- 8) What kind of progress do you think centralized IT operation system has brought (or will bring) in banking service?
 a) No change b) Neutral c) Noticeable progress d) Significant progress
- 9) Did you arrange any special training for your employees to adjust with the centralized operation system?

a) Yes b) No c) Neutral

10) What type of response are you getting from the employees about the centralization system?

a) Not appreciated b) Neutral c) Appreciated d) Highly appreciated

11) What type of response are you getting from the customer about the centralization system?

a) Not appreciated b) Neutral c) Appreciated d) Highly Appreciated

12) Do you think centralized operation system will reduce cost for your organization?

a) Neutral b) To some extent c) Cost-effective d) Highly cost-effective

13) Do you think centralized operation system provides the authority with better control over organization?

a) Disagree b) Neutral c) Agree d) Strongly agree

14) Do you think adopting centralized operation system can reduce bank's risk exposure?

a) Disagree b) Neutral c) Agree d) Strongly agree

15) Did adoption of centralized IT operation system require enhancing IT security system?

a) Yes b) No c) Neutral

Reference

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