

Customer Satisfaction on Credit Cards of the City Bank Ltd.





Internship Report On

Customer Satisfaction on Credit Cards of the City Bank Ltd.

Submitted to:

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Letter of Transmittal

2nd October 2013

Mohammad Rezaur Razzak

Director (In Charge)

BRAC Business School

BRAC University

Subject: Internship Report on "Customer Satisfaction on Credit Cards of the City Bank Ltd."

Dear Sir

I have the honor to let you know that I have accomplished my Internship report titled on "Customer Satisfaction on Credit Cards of the City Bank Ltd.". It gives me immense pleasure to place the same before you.

The study has been completed covering the period from 1st June 2013 to 31st August 2013.

I made every endeavor to prepare this report and tried my level best to accumulate relevant and insightful information. It is a great experience for me to work with this topic. I have tried to make the report vivid and comprehensive within the scheduled time and limited resources. It is nothing but a very little overview of services provided by the Cards Division of the City Bank Ltd. and Customer reaction against it.

If you need any further information to evaluate the Internship report, it would be my immense pleasure to furnish you the same.

Thanking you,

Sincerely yours,

.....
S.M. Lutful Haider

Old ID- 10264026

New ID- 8013865643

BRAC Business School

MBA Program

Supervisor's Certificate

This is to certify that the Internship Report on "**Customer Satisfaction on Credit Cards of the City Bank Ltd.**" in the bona fide record at the report is done by **S.M. Lutful Haider** as a partial fulfillment of the requirement of Masters of Business Administration (MBA) degree from the BRAC Business School, BRAC University.

The Report has been prepared under my guidance and is a record of the bona fide work carried out successfully.

.....
Signature of the supervisor

.....
Date



DECLARATION

I do hereby solemnly declare that the work presented in this Internship Report has been carried out by me and has not been previously submitted to any other University/College/Organization for an academic qualification/certificate/diploma or degree.

The work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to indemnify the Department against any loss or damage arising from breach of the foregoing obligations.

.....

Signature of the student

ID No.: 10264026

New ID: 8013865643

.....

Date



ACKNOWLEDGEMENT

Human is a social being. For completing any work he needs help from others. For doing this project I took help from some people. On this occasion I want to thank them.

First of all I want to thank **Mohammad Rezaur Razzak** for his proper guidance.

Without his help I couldn't complete the project. **Rezaur Razzak** sir was with me from the beginning of the project. He always helped me by giving his important time and advice. If my project can earn a little bit success then all the credit goes to **Rezaur Razzak** sir. Without his motivation this couldn't be completed. He is like a pillar to me. He has provided a wide range of information to us and the special quality of him is to make us understand that thing in a very nice and realistic way.

I would also like to thank all the respondents, without them my project wouldn't be a reality and thanks to City Bank management for helping me to complete this report. I would also thank all other teachers of the department for providing such a nice environment for study.

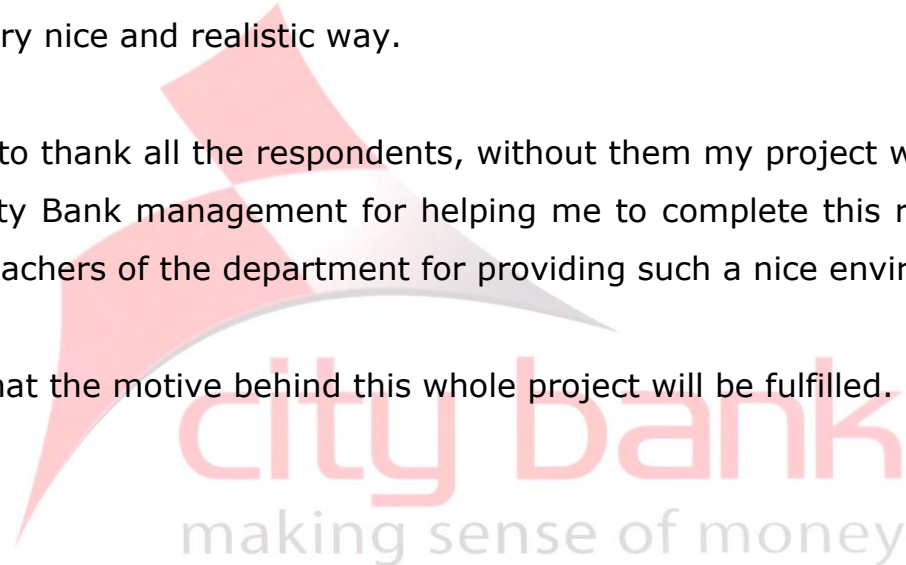
It is my prayer that the motive behind this whole project will be fulfilled.

Thank you all.

S.M. LUTFUL HAIDER

Old ID: 10264026

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Executive Summary

This report “Customer Satisfaction on Credit Cards of the City Bank Limited” is the picture of a very well reputed Private Bank doing credit cards’ business in Bangladesh.

The key objective behind completing this report was to analyze and measure the customer satisfaction level of the credit card members of the bank. The main focus behind working on the topic was also to find out whether the credit card members are getting what they actually want from the Credit Card facilities provided by CBL or not.

The Questionnaire method was used to analyze the collected and available data in this report. Some information was also obtained from following the Observation method and Cumulative Points Average (CPA) method. Thus the data used in this report were very important in regard to finding out the key facts in fulfilling the research objectives.

The key findings from this report were the reasons behind unwillingness to continue credit cards of CBL, dissatisfaction regarding regular customer service and poor usage authorization regarding regular transactions of Credit cards. Some suggestive remarks were also provided keeping in mind the trends and operations process of CBL credit card business along with its weak points and limitations.

Every research has got some limitations regarding the scope of its study. This report was based on a specific division of the banking business of CBL. So the biggest limitation of this study was it could not provide the full scenario of the CBL banking trends and business and its customer satisfaction level as a whole.

CHAPTER ONE

INTRODUCTION

1.1) Introduction

Customer satisfaction, a term frequently used in business, is a measure of how products and services supplied by a company meet or surpass customers' expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals." In a survey of nearly 200 senior marketing managers, 71 percent responded that they found a customer satisfaction metric very useful in managing and monitoring their businesses.

The City Bank Limited (CBL) launched Visa Credit Card business back in April 14, 2004 and later in 2008, boosted its sales volume with the introduction of American Express credit cards. Presently it has more than 1.15 lacs cards in market whereas other contemporary competitors have grabbed a remarkable market share. After launching Visa Credit Card there was miserable situation because lack of dynamic product features, proper marketing effort, structured credit process, supervision of delinquency etc. was behind this. Hence, The City Bank Limited has to re-launched its City Card with all dynamic features, proper marketing strategy, smooth distribution channels (Direct Sales Team), structured collection team and above all with a best Credit Process for Cards Division.

Measurement of customer satisfaction has always been an issue for the City Bank Cards division. Customers have their own demands towards the growing credit cards' usage and their interests focus on how far they can use their credit cards to operate their regular financial activities smoother. Customers always concentrate on saving time and budget and in this case, credit cards have shown their remarkable features and benefits in modern banking era. This study contains a brief analysis on the customers' expectations and their needs and wants from the credit card business and trends of the City Bank Ltd.

This paper also shows the potential areas for the bank to proceed for making improvement in the same arena.

LITERATURE REVIEW

A literature review is a text written by someone to consider the critical points of current knowledge including substantive findings as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and as such, do not report any new or original experimental work. Also, a literature review can be interpreted as a review of an abstract accomplishment.

Mr. K. Hariharan, in his report "A brief explanation on why people use credit cards" used a lot of statistical surveys about the customer interpretation on the importance of using credit cards in a third world country like Bangladesh. He used different formats of questionnaires to find out the insight of choosing credit cards and scope of using it and how it became an important part for the high society people in our country. This report was generated and published in 2008. Later in 2010, Mr. Robert D. Stringham, A well known researcher from American Express Bank came to visit CBL. He noted down "The Development of AMERICAN EXPRESS Credit Card and its prospect in the future Bangladesh". He depicted some important aspects of importance of credit cards in mid level people which helped the followers of the City Bank Ltd to find out "how to satisfy customers by lending them without being secured but having a grip of them". In May 2012, Mr. Jaglul Haider, the then in-charge of CBL Cards Product Development unit, completed a project report on "AMERICAN EXPRESS and VISA: The Life Blood of CBL". In his report Mr. Haider showed the operational process, evaluation, ratings and usage patterns of the CBL credit cards. All these reports were available in the context of this research study but none of them were statistical in identifying and measuring the customer satisfaction level of the credit card users of CBL. This is where my report got a different outlook. Lastly, a few of my co-workers have previously prepared different reports about the functions, strategic planning process and branding, product development and customer satisfaction on the credit cards of CBL but very few have focused on the limitations and findings on where CBL lacks in providing the ideal and loyal service to its card members. My report has been a brief study on that ground for the purpose of finding possible ways to make the services offered by the City Bank Cards Division better, bigger and wiser than before.

1.2) Duration of the Study

The study has been completed covering the period from 1st June 2013 to 31st August 2013.

1.3) Objectives of the Study

Major objective

The major objective of the research is to **analyze and measure the customer satisfaction level of the card members** of the bank.

Minor objectives

- To analyze the services offering and charges of CBL regarding Credit cards.
- To know the operational aspect of credit cards' of CBL.
- To discover the preferred attributes and satisfaction level of the clients to own credit cards.
- To identify the weakness and problems of the Credit card service offerings of CBL.
- To identify Customers' credit card selecting criteria, attitude of keeping various cards, their needs and wants.
- To identify CBL's sources of areas of improvement in the whole process of credit card business.
- To give much attention at the divisions which card members dislike most
- To find out Cardholders' personal background regarding their age, income, occupation and education to evaluate their card usage pattern, habits, and other features.

1.4) RESEARCH METHODOLOGY

Research is a systematic and refined technique of thinking. Research starts with the problems, collection of the data or fact, analyzes them critically and reaches decision based on the actual evidence. Research is essentially a systematic enquiry seeking facts through objective verifiable methods in order to discover the relationship among them and to deduce from them broad principles or laws. It is really a method of critical thinking.

1.5) METHODOLOGY OF THIS STUDY

TYPE OF RESEARCH

The research work was done by survey for descriptive purpose. So it is a **Descriptive Research**. Descriptive research, also known as statistical research, describes data and characteristics about the population or phenomenon being studied. Here, the research work was done putting "Customer Satisfaction" as the highlighted fact and the card members of CBL as the phenomenon or the population.

RESEARCH TOOL

The research work had done with the help of questionnaire and Cumulative Points Average (CPA) calculations. So the tools are-

- 1) Open-ended question.
- 2) Close-ended question.
- 3) Statistical surveys.

The open-ended questions helped to bring out the insight of customers' feelings and expectations on why they are using the credit cards of CBL. On the other hand, the close-ended questions helped to find the key findings of this report. The statistical surveys assisted in forming the findings analyzed and calculated through CPA calculations. The formula used for the calculation of CPA is described as under-

$$\text{CPA of a factor} = \frac{\sum W}{N}$$

Here, W = Total weight for the factor on a scale
= Frequency of the factor (f) x Weight assigned to the scale (w)
 N = Number of total respondents

DATA SOURCES

There are two kinds of data. They are-

- 1) Primary data.
- 2) Secondary data.

They are described below.

The primary data are Data observed or collected directly from first-hand experience. Primary data is defined as information collected by the researcher directly through instruments such as surveys, interviews, focus groups or observation. Tailored to his specific needs, primary research provides the researcher with the most accurate and up-to-date data.

There are some methods of collecting primary data. They are-

- 1) Observation method.
- 2) Interview method.
- 3) Questionnaire method.

In this research work questionnaire method has been used. In the interpretation some of the observations have been mentioned.

Secondary data is data collected by someone other than the user. Secondary data analysis saves time that would otherwise be spent collecting data and, particularly in the case of quantitative data, provides larger and higher-quality databases that would be unfeasible for any individual researcher to collect on their own. A clear benefit of using secondary data is that much of the background work needed has already been carried out, for example: literature reviews, case studies might have been carried out, published texts and statistics could have been already used elsewhere, media promotion and personal contacts have also been utilized. The secondary data used in this report were obtained from various published reports, diaries, letters, books, periodicals and website references of the CBL.

SAMPLING METHOD

The method used for sampling in this research study is **simple random sampling**. Simple random sampling is a basic type of sampling, since it can be a component of other more complex sampling methods. The principle of simple random sampling is that every object has the same possibility to be chosen. In statistics, a simple random sample is a subset of individuals (a sample) chosen from a larger set (a population). Each individual is chosen randomly and entirely by chance, such that each individual has the same probability of being chosen at any stage during the sampling process, and each subset of k individuals has the same probability of being chosen for the sample as any other subset of k individuals. This process and technique is known as simple random sampling, and should not be confused with random sampling. A simple random sample is an unbiased surveying technique.

SAMPLING UNIT

Sampling unit (or Population) estimates the scope of research tools to be implied and sampling technique to be applied in appropriate manner. Choosing the right sampling unit often helps the researcher to define his research problem in an instantaneous way. The sampling unit also brings an insight into the research findings and helps to bring out the strengths and weaknesses of the study instantly. As this study is solely based on the credit cards of CBL, **All the Credit Card members of the City Bank Ltd** are involved in defining the sampling unit.

SAMPLING SIZE

Sampling unit provides the basement for a research study but to come to a statistical output or variables the scope of sampling should be limited to a certain number. In every research containing a large sampling unit, the researcher tends to do his research to a certain extent of that unit to understand the whole scenario of that phenomenon. Considering the size of the sampling unit depicted in this study and also considering the time and cost budget, the **sample size of this research study is 122.**

TABULATION

After collecting the data, they were organized properly in a table. With the help of these tables graphs were drawn. These tables and graphs helped to bring out the statistical results to find out the customer satisfaction level in using the credit cards of CBL.

1.6) Limitation of the study

The scope of the study is that we can have a wide range of information about what the card members think, like and dislike. The information will be very helpful for bringing any kind of change in the banking sector. But there are some limitations of the report. The limitations are-

- ➔ The research work was not done in a range of a big area. It only covers a little area of CBL card division. So the overall scenario regarding customer satisfaction of CBL is ignored in this report. As a result this report represents only a partial identity of the same variable.
- ➔ The method of the project was not appropriate because sampling cannot present the whole scenario. Simple Random Sampling was used to evaluate the variable in this report which also indicates that the result might be a little bit confusing regarding depicting the situation of the bank.
- ➔ The research work was done only on the basis of 122 peoples comment. Generally that doesn't show the whole picture. What it means is the 122 peoples comment might be very appropriate to his own concern but it might not bring the actual and flawless result to the original topic.
- ➔ Some of the people were very busy at the time of giving the answer. So there is a big chance of mistake. Most of the card members being interviewed through questionnaire were very busy personalities and they considered it less important to fill up the forms for helping a researcher than to show their irritation on doing the same. So the answers might not be efficient enough to show the actual feelings of card members.

- ➔ Most of the people were young. So elder generation's choice might not be reflected. This shows that the result obtained from this report might be able enough to bring a partial community's sentiment about using credit cards but might not reflect the overall sampling unit's expectations over the topic.
- ➔ The research work was not done by the professionals. For this some mistakes might happen. The results obtained from different methods might also hold some minor mistakes regarding consideration of the variables in it.
- ➔ Some people might not give the correct answers. There were some people who were more concerned about their own perspective of having a good relationship with CBL. They insisted to provide positive answers even where they showed negative or neutral feelings on some certain questions. This might also disrupt the original graph.
- ➔ Some people might have problems in understanding the questions. When answering them, they provided either confusing or wrong answers. These small mistakes might form a big difference in the final calculation and analysis.
- ➔ Time period for research was short. So the findings and analysis might be inappropriate considering the long term operational planning and implications of the bank. Also the recommendations might not show enough effectiveness to both the researcher and the readers.

ORGANIZATION OF REPORT

For better understanding of the readers, the whole report has been categorized in four different chapters. Chapter 1 holds the Introductory Part along with the objectives of the study, methodology implied and literature review in it. Chapter 2 represents the Organizational Overview and Operational Overview of The CBL Credit Cards business. Chapter 3 outlines the key Findings and Analysis of the report and Chapter 4 consists the Conclusion and Recommendation Part. All the references have been noted under APA (American Psychological Association) Systems of Referencing. Subheadings have been used in every chapter to highlight the key parts of every segment. The Appendix contains some research tools and officially published materials which helped to complete this study.

CHAPTER TWO

ORGANIZATIONAL OVERVIEW

2.1 HISTORICAL BACKGROUND OF THE CITY BANK LIMITED

The City Bank Limited (CBL) is the first private sector bank in Bangladesh. The bank has been operating since 1983 with an authorized capital of Tk.1.75 billion. The noble intention behind starting this bank was to bring about qualitative changes in the sphere of Banking and Financial Management. Today the City Bank serves its card members at home and abroad with 98 branches spread over the country and about three hundred oversea correspondences covering the entire major cities and business center of the world. The services encompass wide diversified areas of trade, commerce and industry which tailored to the specific need of card members and are distinguished by an exceptional level of prompt and personal attention. Over the years the bank has expanded the spectrums of its services. The extensive and ever growing domestic network provides and carries various products and services to the doorsteps of millions.

The CBL was incorporated as a public limited company with limited liability on the 14th March, 1983 and its formal inauguration was on March 27, 1983 under company act, 1913 in Bangladesh with the primary objective to carry on all kinds of banking business. Functioning as a conventional Bank in the country since 1983, it has been able to consolidate its position in the banking sector. The bank has been able to establish a solid presence with the card members and general public through its improved services, value addition in the economy and increasing shareholders value. The bank is listed with Dhaka Stock Exchange and Chittagong Stock Exchange.

Recently City Bank has been named as 'Best Bank in Bangladesh for 2012' by Finance Asia for adopting global best practices by doing away with age-old traditional decentralized banking model and culture. This is the first year of Finance Asia's extending the award into local bank category in Bangladesh. Besides winning this prestigious award, City Bank also received "The Strongest Bank in Bangladesh award" in 2010 from The Asian Banker, "American Express Marketing Award" for Outstanding New Card launch in 2010 from

American Express, "Money Gram International's Best Corridor Collaboration – South Asia in 2011" in recognition of its inward remittance growth and the ISO 9001:2008 certification from Moody International, for its entire back end and technology operations. Recently the Bank became an IFC (International Finance Corporation) client, the fourth such bank in the entire industry in the nation, after going through rigorous checks and due diligence undertaken by IFC.

CBL brand is already recognized as the "most reputed transforming institution in the country" and now it is poised to become the "Most Reputed Financial Institution Brand" soon. The Bank is going to launch Priority Banking services for high net worth individuals in 2013. This year will see the launches of Mobile Banking for unbanked people, Platinum Amex card for the top end of the market, the country's first Business-to-Business (B2B) card and so on. Currently a comprehensive business process reengineering (BPR) is also underway under the consultancy of PWC, India, which is likely to result in a complete overhaul of the Bank's operational processes and practices.

2.2 VISSION, MISSION, AND OBJECTIVE OF CBL

2.2.1 Vision of CBL

"The Financial Supermarket With A Winning Culture Offering Enjoyable Experiences".



2.2.2 Mission of CBL

- Offer wide array of products and services that differentiate and excite all customer segments.
- Be the "Employer of choice" by offering an environment where people excel and leaders are created.
- Continuously challenge processes and platforms to enhance effectiveness and efficiency.
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service.
- Ensure respect for community, good governance and compliance in everything we do.

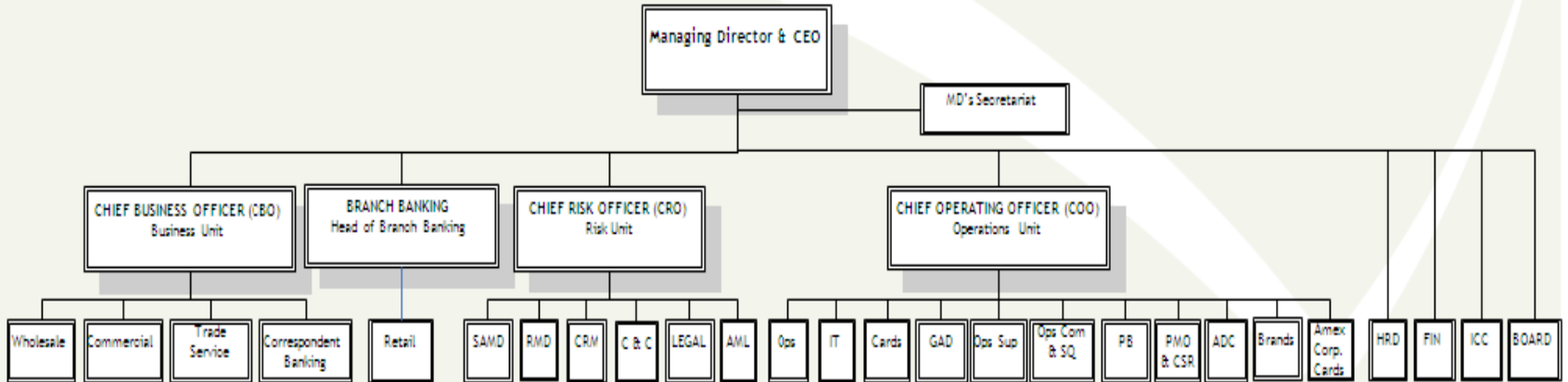
2.2.3 Objective

Despite extreme competition among banks operating in Bangladesh, both local and international the City Bank Limited has made a remarkable progress practically in every sphere of its functions. The activities of the CBL are very implicit and vast comparing to that of other banks in the country today. The theme of the bank is "For Relationship Banking". The prime objectives of the CBL are to create a strong capital base, to earn good profit and pay satisfactory dividend to honorable shareholders with proper social commitments. To achieve the objectives the management is continuously working for the improvement of bank's assets quality by identifying potential depositors and good borrowers. Because it believes "**The line of excellence never ends**". The strategic plans and business will be its strength in this very competitive environment.

2.3 ORGANOGRAM OF CBL

The banking industry and the overall business environment are seeing a lot of competitiveness these days. In the current economic condition, competition is going to be fierce than ever. In order to better cope with the ever changing business and in order to not only survive, but to sustain successfully in future, CBL Management has decided to go for a restructuring in our overall business structure in line with the Bank's vision and future direction. The BUSINESS MODEL RESTRUCTURING of CBL memo was placed in front of the 435th Board Meeting held on 2nd of April 2013 and it was approved.

CBL ORGANOGRAM



- | | |
|------------------|--|
| Ops. | - Operation |
| PMO | - Project Management' Office |
| Ops Sup | - Operation Project & Support |
| Ops Comp & SQ | - Operations Compliance & Service Quality |
| PB | - Priority Banking |
| ADC | - Alternative Delivery Channel |
| SAMD | - Special Asset Management Division |
| CRM | - Credit Risk Management |
| CAD | - Credit Administration Division |
| RMD | - Risk Management Division |
| C & C, R & S Bus | - Credit & Collection, Retail & Small Business |
| AML | - Anti Money Laundering |
| IT | - Information Technology |
| ICC | - Internal Compliance and Control |
| CSR | - Corporate Social Responsibility |
| GAD | - General Admin and Logistics Division |
| HRD | - Human Resource Division |
| FIN | - Finance Division |
| Board | - Board Secretariat |

Organogram of the City Bank Ltd.

2.4 Evolve of Plastic Card

The card facility was first introduction in the United States in the beginning of the 20th century. Western Union, a US money transfer company, started issuing an embossed metal plate to its preferred card members in 1914. the cardholder had to pay an annual subscription to join the club. This was the beginning of the charge card.

In the 1920s, a shopper's plate- a "buy now, pay later" system-was introduced in the USA. It could only be used in the shops which issued it. In 1950, Diner Club and American Expressed lunched their charge cards in the USA, the first "Plastic Money". In 1951, Diners Club issued the first credit card to 200 card members who could use it at 27 restaurants in New York. But it was only until the establishment of standards for the magnetic strip in 1970 that the credit card became part of the information age. 1958 American Express Bank, like Dinner Club, started card on travel and entertainment. By 1959 the system evolved in great magnitude. A cardholder was allowed to pay off the full amount at the end of the month or to spread payment to suit his or her requirements. The card member's monthly payment included a finance charge on the unpaid balance. In 1960 Bank of America introduced its own card and offered license other banks in 1966 that brought this system into world arena. A good number of banks across the world bought the license and marketed credit cards.

On the other, in 1967 four California banks changed their name from the California Bankcard Association to Western State Bankcard Association (WSBA). WSBA opened its license to other financial institutions. Its bankcard product was known as Master Charge. Numerous financial institutions became Master Charge members to compete with others. In 1977 Bank Americard was renamed as Visa USA/Visa International and in 1979 Master Charged its name to Master Card maintaining the lofty standard to meet up the card members' expanded needs.

Credit Card

The 'credit card', though a new phenomenon in business and transaction arena which already won the hearts of millions across the globe, has set its foot in this part of the world with its magical power and becoming a way of life here by offering its handy feature and usefulness. In the advent of Information Technology and globalization, now shoppers need not worry about money, all they need is willingness and a credit card to buy anything they want at any places across the 'Global Village'. Worldwide access, acceptability and popularity as well of credit cards have rose to such an extent that it is now posing a theory of old 'hard cash' possession of currencies amidst growing sense of insecurity worldwide. The forward march of 'plastic money', the other name of the credit card is so rapid that the whole concept of monetary system needs immediate review as it has put a question mark in the very existence of paper money.

2.5 Importance of a credit card

A credit card is a great financial tool. It can be more convenient to use and carry than cash and they offer valuable consumer security and safety. Paper money is risky and burdensome for carrying. Dollars, Pounds or Taka can be lost or stolen but there is no such fear for card. The card holder is given a code number called PIN (Personal Identification Number) without which the card cannot be used at sales or services points where the PIN is required. Only the owner of the card will be entitled to use it. In case the card is stolen or lost the card member's bank will issue a fresh card. The last four decades have seen a remarkable transformation in how people and businesses the world over pay for the goods and services they need. The rise of the electronic payments industry has helped economic growth transcend borders, bringing benefits to every corner of the world. From the earliest days of credit cards to the contactless and wireless payment options of today, Credit Card worldwide has led the industry in driving this evolution. It enables the transactions that are at the heart of commerce, and brings insight into the payments process to make commerce easier, faster, more seamless, more meaningful, more secure, and more valuable to everyone involved.

2.6 OVERVIEW OF THE CITY BANK CREDIT CARDS

The City Bank Limited (CBL) launched Visa Credit Card business back in April 14, 2004. Presently it has only 11,856 cards in market whereas other contemporary competitors have grabbed a remarkable market share. Lack of dynamic product features, proper marketing effort, structured credit process, supervision of delinquency etc. is behind this miserable situation. Hence, The City Bank Limited has to re-launched its City Card with all dynamic features, proper marketing strategy, smooth distribution channels (Direct Sales Team), structured collection team and above all with a best Credit Process for Cards Division.

2.7 Types of CITYCARD Credit product are offered

Products CBL offer are:

Regular Credit Cards (Unsecured)

American Express Credit Cards

- (Green Blue and Gold)

Visa Credit Cards

- Local Classic / Silver Card (For Domestic use only).
- Local Gold Card (For Domestic use only).
- Dual Classic / Silver Card (For both International and Domestic use).
- Dual Gold Card (For both International and Domestic use).

2.8 Credit Card limit of CBL Credit Card

Regular Cards:

■ AMEX Gold Card	BDT 150,000 – BDT 500,000
■ AMEX Green Blue Card	BDT 50,000 – BDT 500,000
■ Visa Local Classic/Silver Card	BDT 30,000 – BDT 200,000
■ Visa Local Gold Card	BDT 50,000 – BDT 500,000
■ Visa Dual Classic/Silver Card	BDT 30,000 – BDT 200,000
■ Visa Dual Gold Card	BDT 50,000 – BDT 500,000

Note that for dual cards total limit must not exceed BDT 500,000 (BDT Limit + US\$ Limit). The US\$ will be given under Travel Quota subject to the endorsement in passport.

Cards against RFCD / FCY / ERQ

RFCD / FC / ERQ account can lien against the respective card but not to exceed USD 30,000.

2.9 Travel Quota (T.Q)

'Travel Quota' refers to spending limit of US dollar outside Bangladesh for a Bangladeshi guided by Bangladesh Bank. Any Bangladeshi citizen can spend \$2000 for SAARC countries including Myanmar and \$5000 for rest of the world in a calendar year for traveling purpose. Note that it is not possible to enjoy internet transactions through travel quota. But if any card holder transfers equivalent amount from RFCD a/c , he/she can use his/her card for a limited time subject to office hour only.

2.10 Basic eligibilities to get a CBL Credit Card

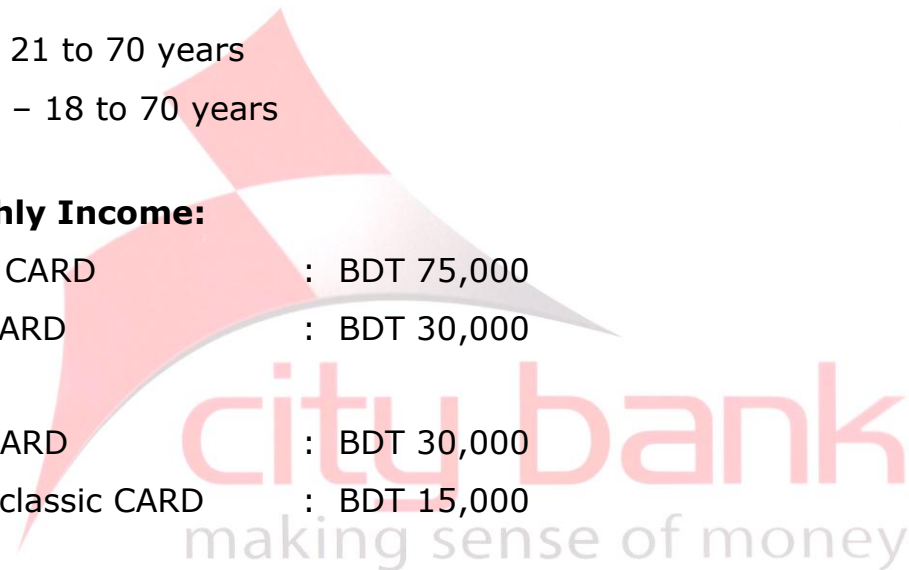
Age Range:

- Primary Card – 21 to 70 years
- Supplementary – 18 to 70 years

Minimum Monthly Income:

- For AMEX Gold CARD : BDT 75,000
- For AMEX GB CARD : BDT 30,000

- For Visa Gold CARD : BDT 30,000
- For Visa Silver/classic CARD : BDT 15,000



2.11 Documentation required getting a CBL Credit Card

Documentation required for salaried persons are as follows:

1. 2(two) copies Passport size photographs.
2. Copy of personal TIN certificate.
3. Salary certificate.
4. Latest 6 (six) month's bank statement.
5. Letter of comfort by the employer (if applicable).
6. Security (if applicable).
7. Copy of Passport for Dual card only (1st five pages and last two pages).

For Businessmen:

1. 2 (two) copies Passport size photographs.
2. Copy of personal TIN certificate.
3. Copy of trade license.
4. Latest 6 (six) month's bank statement.
5. Copy of National ID Card.
6. Copy of Memorandum of Article and/or Association (if applicable).
7. Security (if applicable).
8. Copy of Passport for Dual card only (1st five pages and last two pages).
9. T & T phone number.

2.12 The issuance process of CBL Credit Card

The following steps are followed for issuing a credit card in our bank:

Step 1: Card members will collect 'Application Form' from any CBL branch and after duly filling it up he/she will submit it back to respective branch along with required documents.

Step 2: Branch will scrutinize the application and all documents submitted. Then branch will send the same along with Branch recommendation to Cards Center. Please note that the submitted documents, photographs, signatures etc must be duly attested by respective Branch's authorized person with PA number.

Step 3: Getting applications credit wing of card center proceeds for conducting CPV for each and every file except those having card relationship with our Bank and forwarded by Branch.

Step 4: If CPV result becomes affirmative, the application is placed for approval to Head of Credit Division with recommendation based on credit worthiness of the applicant.

Step 5: Getting approval data input is done into the system. Card fee is charged automatically and Card and PIN printed accordingly.

Step 6: Card and PIN are delivered separately in two separate envelopes by courier to the branch mentioned by the applicant on the application form. Branch subsequently calls up the card members and delivers to him. If the applicant wants to get the card delivered from Card Center, it is delivered accordingly.

Step 7: Card is activated upon receiving "Acknowledgement Slip" signed by the cardholder after doing some regular security check.

Step 8: It is noted that if the card is issued under 'Travel Quota ', passport must be endorsed before activation of the foreign part.

Step 9: After activation, Card Center stores and maintains the original application form.

2.13 Criteria for limit enhancement of CBL Credit Card

- Card at least six months old.
- Utilization 30% + of the old limit.
- Delinquency – Never 30dpd in last six months.
- No late payment charge for last six months.
- Currently not excess over limit.
- Average Payment – 5% ~ 90% in last three months.
- Credit limit has not increased in last six months for first enhancement and in last twelve months for consecutive enhancements.
- Gross Monthly Income (GMI) must support the enhancement.

2.14 Repayment options Of CBL Credit Card

The repayment of the outstanding amount can be made any branches of the City Bank Limited. The payment modes are as follows:

1. **Cash:** The cardholder can make repayment by depositing cash over the counter along with the specific deposit slip.
2. **Cheque:** The cardholder can also make repayment by depositing card payee cheque. Note that for clearing cheques, Please advise the card members to deposit the same at least three days prior to payment due date.
3. **Auto Debit Instruction:** The cardholder can choose the auto debit option in the application form and accordingly his bank card will be automatically debited as per instruction given by him/her on the application form.
4. **EFTN (Electronic Fund Transfer Network):** Cardholder Can pay City Bank credit card bill via **EFTN**. Fund Transfer not possible from abroad. Most of the bank in Bangladesh providing kind of service. Privileged other bank customer can pay City Bank credit card bill straight to own branch or by ibanking.

Fees & Charges: American Express Cards

SL #	REVENUE SOURCES (Tk.)	Green Blue Local	Green Blue Dual	Gold Dual
1.	Annual Fee	BDT 1500	BDT 2000	BDT 5000
2.	Supplementary Card Annual Fee*	BDT 750	BDT 1000	BDT 2500
3.	Card Replacement Fee	BDT 300	BDT 500	BDT 750
4.	PIN Replacement Fee	BDT 200	BDT 300	BDT 500
5.	Late Payment Fee	BDT 200	BDT 300 or USD 10	BDT 500 or USD 10
6.	Cash Advance Fee (For Local)***	BDT 100 or 2%	BDT 100 or 2%	BDT 100 or 2%
7.	Cash Advance Fee (For international)**	N/A	USD 3 or 2%	USD 3 or 2%
8.	Over limit charge	BDT 300	BDT 500	BDT 750
9.	Interest (Purchase & Cash Advance)	30%	30%	30%
10.	Interest (Balance Transfer)	22%	22%	22%
11.	Balance Transfer Processing Fee	1%	1%	1%
12.	Interest (EMI)	24%	24%	24%
13.	City shield insurance premium	0.30%	0.30%	0.30%
14.	Mark up	N/A	3%	3%
15.	Check Return Fee	BDT 50	BDT 50	BDT 50
16.	Out town check collection fee	BDT 100	BDT 100	BDT 100
17.	Statement Retrieval Fees per statement	BDT 100	BDT 100	BDT 100
18.	Cash Advance Limit	100% of Credit Limit	100% of Credit Limit	100% of Credit Limit
19.	Card Cheque Book Fee (12 leaves)	BDT 200	BDT 200	BDT 200
20.	Card Cheque Processing Fee	1%	1%	1%

**** 15% Vat is applicable for all charges**



FEES AND CHARGES OF VISA CREDIT CARDS

Particulars	Visa Gold (Local)	Visa Gold (Dual)	Visa Silver (Local)	Visa Silver (Dual)
Annual Fee	BDT 1,500	BDT 2,000	BDT 750	BDT 1,500
Supplementary Card Annual Fee ¹	BDT 750	BDT 1,000	BDT 375	BDT 750
Card Replacement Fee	BDT 400	BDT 600	BDT 200	BDT 600
Pin Replacement Fee	BDT 150	BDT 150	BDT 150	BDT 150
Late Payment Fee	BDT 300	BDT 300 or USD 10	BDT 200	BDT 200 or USD 10
Cash Advance Fee(Local) ²	BDT 100 or 2%	BDT 100 or 2%	BDT 100 or 2%	BDT 100 or 2%
Cash Advance Fee (International)	2.5%	2.5%	2.5%	2.5%
Over Limit Charge	BDT 500	BDT 500 or USD 15	BDT 200	BDT 200 or USD 15
Interest for Purchase (Standard Rate) ³	30%	30%	30%	30%
Interest for Purchase (Premium Rate) ⁴	25.99%	25.99%	25.99%	25.99%
Interest for Cash Advance	30%	30%	30%	30%
Interest (EMI)	16.99%	16.99%	16.99%	16.99%
Statement Retrieval Fee Per Statement	BDT 50	BDT 50	BDT 50	BDT 50
Out of Town Cheque Collection Fee	BDT 100	BDT 100 or USD 5	BDT 100	BDT 100 or USD 5
Check Return Fee	BDT 100	BDT 100 or USD 5	BDT 100	BDT 100 or USD 5
Markup	3%	3%	3%	3%
Balance transfer Fee	1% or BDT 1,000 Whichever is higher	1% or BDT 1,000 Whichever is higher	1% or BDT 500 Whichever is higher	1% or BDT 500 Whichever is higher
Balance transfer Interest	27%	27%	27%	27%
Certificate Fee	BDT 100	BDT 100	BDT 100	BDT 100
Minimum Due for Monthly Repayment ⁵	BDT 500 or 5% Whichever is higher	BDT 500 or USD 50 or 5% Whichever is higher	BDT 500 or 5% Whichever is higher	BDT 500 or USD 30 or 5% Whichever is higher
Cash Advance Limit	100% of Credit	100% of Credit	100% of Credit	100% of Credit

* 15% VAT is applicable for all charges

2.15 Features of CBL Credit Card

AMEX Lounge: An exclusive lounge for AMEX gold card members with world class interior, LCD TVs, WIFI connection, dedicated customer service representative and free food from Hotel Ruposhi Bangla for two persons (including the Card member) and two kids (under age 12)

City Bank American Express Domestic Airport Lounge: City Bank launched the country's first domestic airport lounge of international standard and quality at Hazrat Shahajalal International Airport, Dhaka on Tuesday, 27 March 2013. The lounge named "City Bank American Express Domestic Airport Lounge" will cater to the City Bank issue American Express® Gold Credit Cardmembers. The facilities at the lounge are complementary and include food and beverage, wi-fi connections for internet access, American Express Card service desk and other entertainment options.

Westin Dhaka: American Express Gold Card members will receive one companion buffet free at "Seasonal Taste" restaurant of The Westin Dhaka on purchasing 1st buffet at best counter price during breakfast, lunch and dinner, any day, throughout the year.

Concord Entertainment (Fantasy Kingdom, Water World, Foy's Lake Amusement World, Sea World): Green Blue welcome pack "buy one get one" free vouchers: 4 dry park entry + all ride vouchers, 4 water park entry + all ride vouchers, 2 combo vouchers.

Hotel The Cox Today: 1 free night when CM pay for 2 nights at Hotel The Cox Today in Cox's Bazar.

Discount offer at all the restaurants: This discount offer on food will be applicable for all AMEX CM (Gold & GB):

Lunch Discount: 10% off for both boarder & walk-in customers (on best counter price)

Dinner Discount: 10% off for both boarder & walk-in customers (on best counter price).

Ambrosia Restaurant: Ambrosia Restaurant Ltd. will allow AmEx Gold Card members to have 1 "companion" lunch buffet free for the card members companion on purchasing 1st buffet at best counter price at Ambrosia Restaurant Ltd.

Ocean Paradise Hotel & Resort: Ocean Paradise Hotel & Resort at Cox's Bazar offer exclusively for AmEx Gold Card members -

- Stay 2 nights, get 1 night free for Deluxe rooms round the year.
- Lunch Discount: 15% savings on best counter price at all restaurants for AmEx boarders and AmEx walk-in customers (both Gold, GreenBlue & Citymaxx).
- Dinner Discount: 10% savings on best counter price at all restaurants for AmEx boarders and AmEx walk-in customers (both Gold, GreenBlue & Citymaxx).

Regent Airways: American Express Gold Card members will enjoy 6% discount on the base fare (excluding Tax & Surcharges) for all Regent Airways domestic flights.

Free ticket offer: On Purchase and use of 10 tickets within a three consecutive calendar months/ purchase of 10 tickets at a time for any domestic route and after their use/travel, Regent Airways will give the card member- 01 (one) free ticket on any route on any domestic flight to Card members (excluding all applicable VAT, surcharges & TAX).

United Hospital: United Hospital offers discounts on the following medical facilities:

- 5% savings on all Investigation (Pathological & Radiological Tests)
- 5% savings on Room accommodation

** This offer is eligible for both AmEx Gold and GreenBlue cardmembers and their family (dependent spouse, children and parents) members of any age.

Hotel Savings Offers: American Express Gold & GreenBlue Cardmembers of The City Bank Limited will avail following savings offers at Hotel Hindustan International Kolkata, and Kenilworth.

- a) Hotel Hindustan International: Savings up to 51% on room rents upon payment with The City Bank issued American Express Gold & GreenBlue Credit Cards.
- b) New Kenilworth Hotel: Savings up to 50% on room rents upon payment with The City Bank issued American Express Gold & GreenBlue credit cards.

Hospitals Abroad: American Express Gold & GreenBlue Card members of The City Bank Limited can avail following savings offers at different hospitals abroad.

- a) Max Healthcare India provides up to 25% savings offers on their selected healthcare services.

- b) Raffles Hospital Singapore provides up to 10% savings offers on their selected healthcare services.
- c) Singhealth, group of healthcare institutions consisting of six associated Hospitals in Singapore will arrange doctors' appointments, Visa assistances, Transportation assistance, Accommodation arrangements, etc.
- d) Parkway Hospitals Singapore provides 5% discount on hospital bill (excluding doctor's fee & fixed surgical packages) & 10% discount on the Health Screening packages. Hospitals where discounts available under Parkway Group are –
- Gleneagles Hospital
 - Mount Elizabeth Orchard Hospital
 - Mount Elizabeth Novena Hospital

Membership Reward Program: Cardmember will earn 1 (One) Membership Rewards point for every 50 taka spent in Bangladesh and for every US\$ 1 spent overseas (except ATM transactions). MR point will never expire. CM can redeem these points for exciting gifts or waive their annual fees.

5X Rewards: Cardmember will earn 5 Membership Rewards point for every 50 taka spent at 14 grocery shops (inc. Agora, Shwapno, CSD, etc) in Bangladesh.

DHAKA	CHITTAGONG	SYLHET	RAJSHAHI
1. SHWAPNO	1. SHWAPNO	TARADIN SUPER	NANKING
2. AGORA	2. AGORA	SHOP	BAZAR
3. AMANA SUPER SHOP	3. CSD DDS		
4. BAFWWA BEST BUY	4. KHULSHI MART		
5. CSD DDS	5. KAMAL GENERAL		
6. DHALI SUPER STORE	STORE		
7. LAVENDER CONVENIENCE STORE (Gulshan)			
8. TRUST FAMILY NEEDS SHOP			
9. PRINCE BAZAR			
10. PICK & PAY SUPER MARKET			

American Express Selects: Merchants who provide different savings offers to Amex Card members globally. Total Selects Merchants in Bangladesh 126 as of January 2013.

FlexiBuy: An installment purchase program through which an Amex Card member can purchase different products from FlexiBuy partner outlets @ 0% interest rate in different tenure. (3,6,9 & 12 months). Total FlexiBuy Merchants in Bangladesh is 61 as of September 2013.

Double Benefit Insurance (DBI): Cardmembers are insured on the outstanding balance of their AMEX Credit Card and in the unfortunate event of death or permanent total disability (PTD) a Cardmember's full outstanding balance will be paid off and in addition, an equal amount will be paid to his/her nominee. Maximum pay-out amount is BDT 500,000 or twice the outstanding amount, whichever is lower.

All Accidental Death Insurance (AADI): Cardmembers automatically receives all accidental death insurance free of cost. This covers death due to any accident. The coverage is **BDT 300,000** for an AMEX Gold Cardmember and **BDT 1,50000** for AMEX GB cardmembers, which will be paid to the nominee in case of cardmember's death.

Global Services: Global Services from American Express will assist **dual currency** cardmembers if any unexpected happens while cardmembers are traveling overseas. This 24/7 service is available through +91 11 41898859

They will receive assistance on medical, legal, personal and travel related emergencies such as:

- Referrals to medical services, dispatch of a doctor on the spot, hospital admission, dispatch of emergency medicines
- Information on location of AMEX ATM network, Selects offers worldwide
- Emergency hotel expenses
- Referrals to embassies & consulates
- Lawyer Referrals

Supplementary Cards: AMEX and VISA Cardmembers can get 1st supplementary card with no annual fee.

Balance Transfer: If any Cardmember have credit cards from other banks, they can transfer his outstanding balance at a low interest rate (22%) to AMEX Credit Card.

EMI Pay Plan: An instalment plan that allows cardmember to convert any retail purchase into an equal monthly installment (EMI) scheme, where the cardmember can pay back the amount at a lower interest rate of 24% per annum over a tenor ranging from 6 months to 36 months.

Easy Pay: Registered Cardmember's monthly bills can be debited every month from his credit card automatically. Current Partner: Banglalink, Grameenphone, Robi, Qubee.

E-Statements: Monthly E-statement will be provided directly to Cardmembers email address upon request.

SMS Services: Cardmember will receive notification through SMS whenever s/he performs a transaction with American Express Credit Card.

International Roaming Bills: International roaming bills of Grameenphone, Robi and Banglalink could be paid through American Express Credit Card (Dual Currency) easily.

Card Cheque: City Bank offers Credit card Cheque for any AMEX and Visa Consumer Credit Card members. Cardmembers will be charged a nominal processing fee @ 1.5% over the drawn amount. 100% of the available BDT limit can be availed through Card Cheque. Card Cheque is an account payee cheque only; no cash transaction can be done by card cheque.

EMI (Equal Monthly Installment) for Visa credit card

Any person can make a high volume retail transaction into installment at lower interest rate. CBL offering variable interest rate in this type of transaction and any person can enjoy interest rate as low as 16.99%. CBL will just make the intended retail transaction in 6 to 36 months EMI (Equal Monthly Installment) plan and provide the person the flexibility of the person's payment at lower cost.

Internet Transaction

CBL offer their cardholders the extended offer to use their credit cards to do internet transactions with much security provided that anyone fulfill some conditions. Any person can pay his / her tuition fees, purchase books, goods etc from anywhere in the globe through internet.

Auto Debit Facility

If any person has card with any CBL, he/she has the option of making the payment of his/her monthly credit statement (either the minimum amount due or the total amount due) directly through their CBL bank account.

Global Emergency Assistance Service

When any person travel abroad, please remember that they have the option of using the Global Emergency Assistance Services provided by VISA for their cardholders. These can be availed for: 1. Reporting lost/stolen credit cards, 2. Requesting for an emergency card replacement; 3. Emergency cash advance, and 4. Miscellaneous enquires.

24-hour Cards Call Center

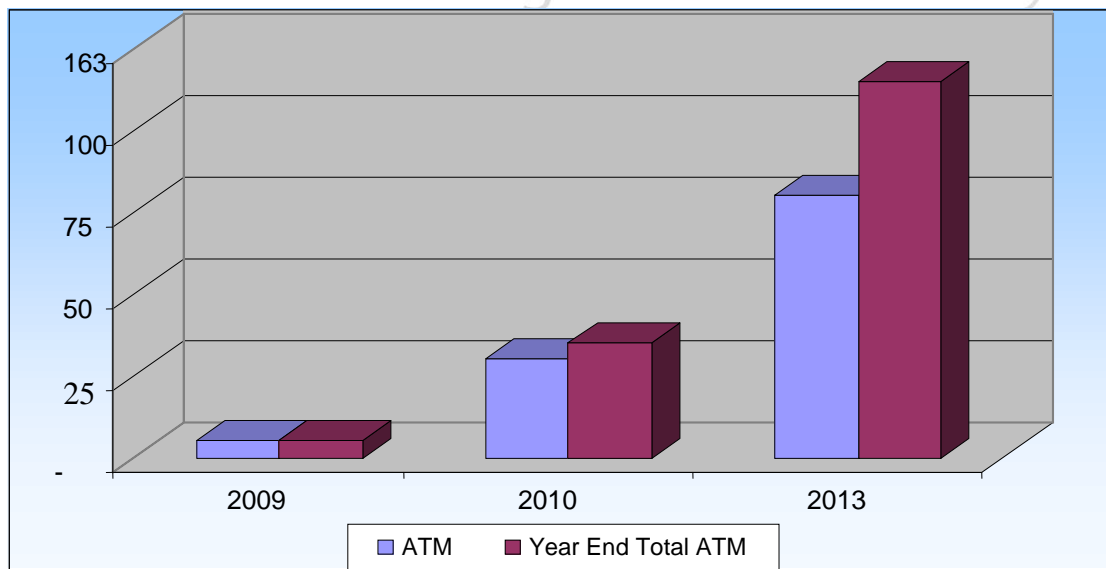
The CBL 24-hour Cards Call Center is equipped with a state-of-the-art system that ensures their queries being handled and relieve his/her difficulties n home and abroad efficiently and promptly. For any card-related query or information, all card members need to do is dial 16234 (local) or +88-02-9569553/4 (overseas).

2.16 Cash withdrawal limit of CBL Credit Card

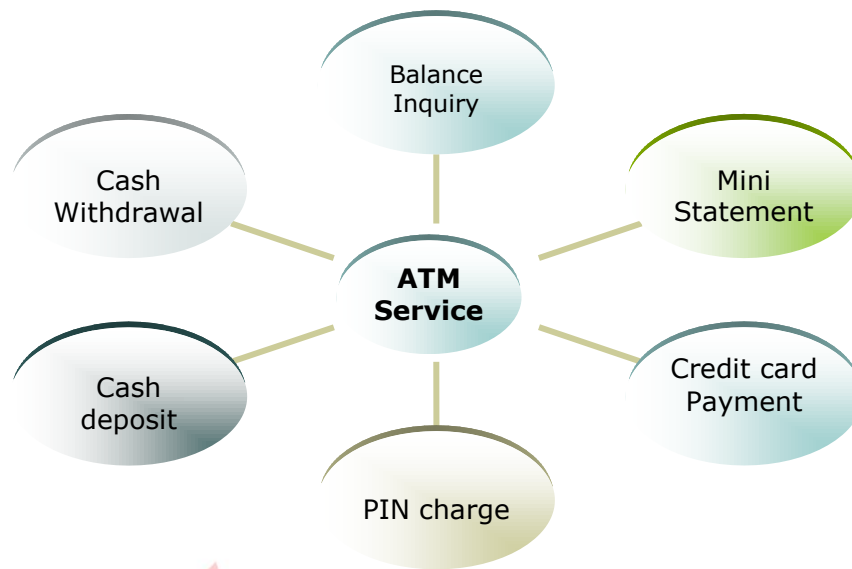
100% of the total limit can be withdrawn as cash.

2.17 Services through ATM

Cash advance facility has a close relation with ATM (Automated Teller Machine) facility for credit card, which is very convenient for the cardholders to draw cash from ATM rather than going to the bank. CBL has 163 ATM booths all around the country.

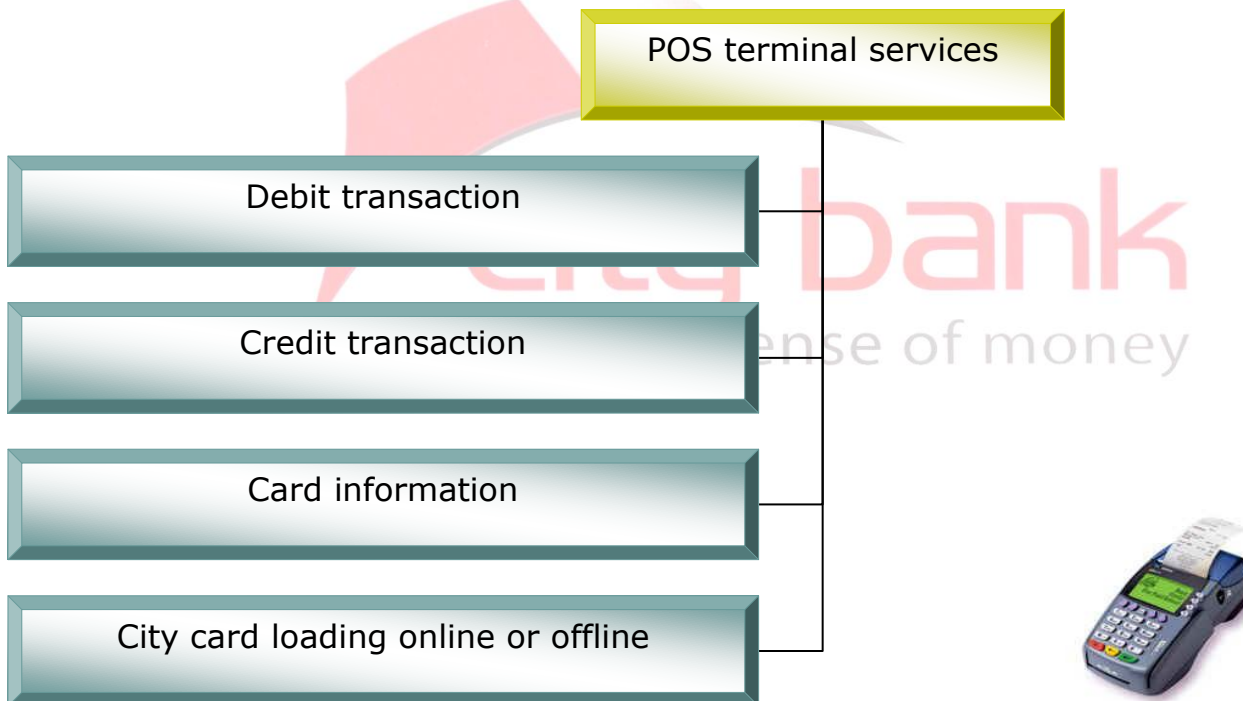


The city card provides round the clock banking through ATMs from which card members can avail:



2.18 POS Terminals

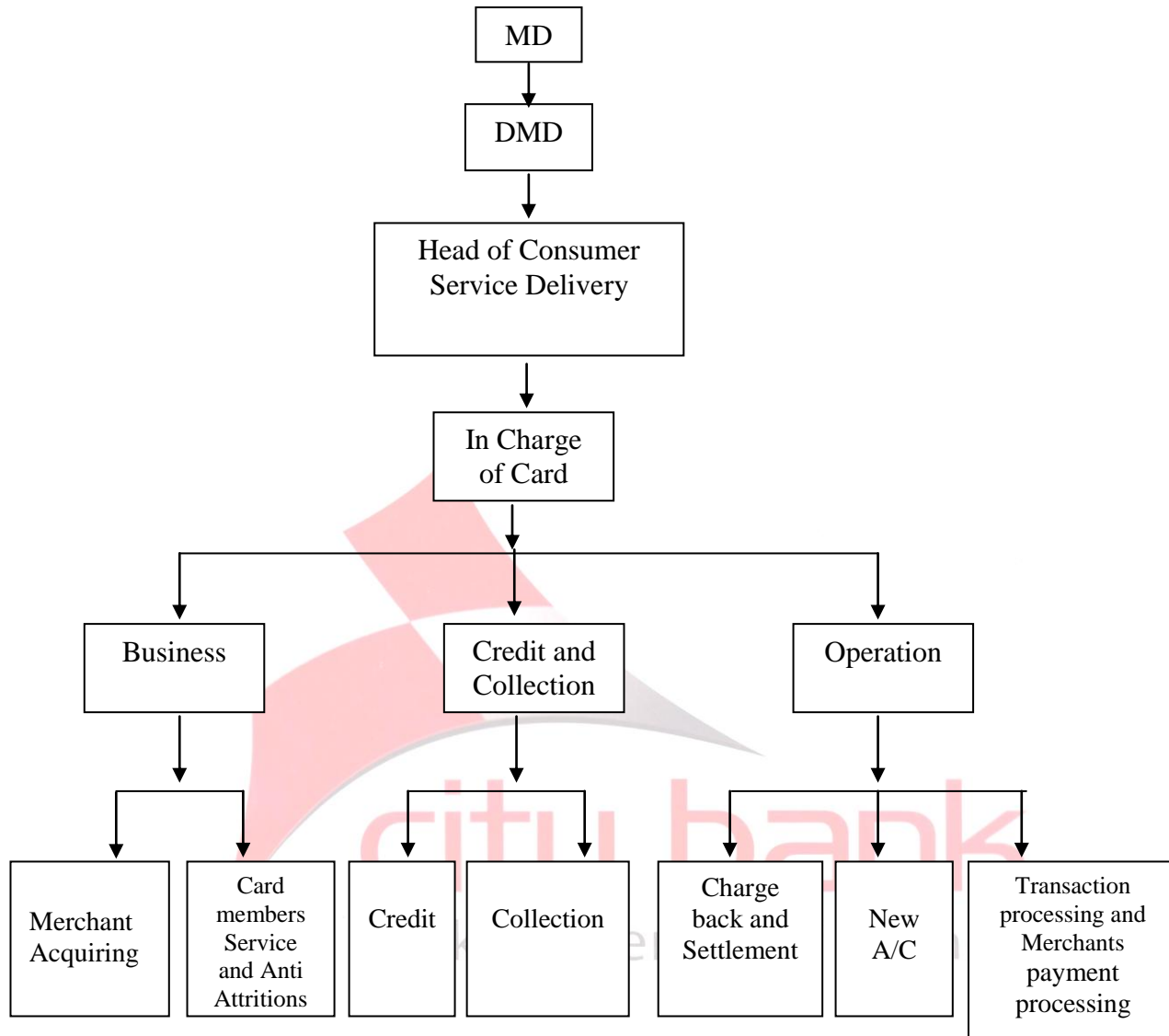
POS terminals at the merchant end will operate/provide service throughout the day and beyond banking hours to offer:-



The "CITY CARD" network can operate both online in case line failure. Since City Card can store card information within and record transaction offline. ATM and POS services can be accessed without the need for online authorization from bank. City Card helps for self service banking any time anywhere through ATMs and POS terminals.

The organogram of the management of City Card business is produced below:

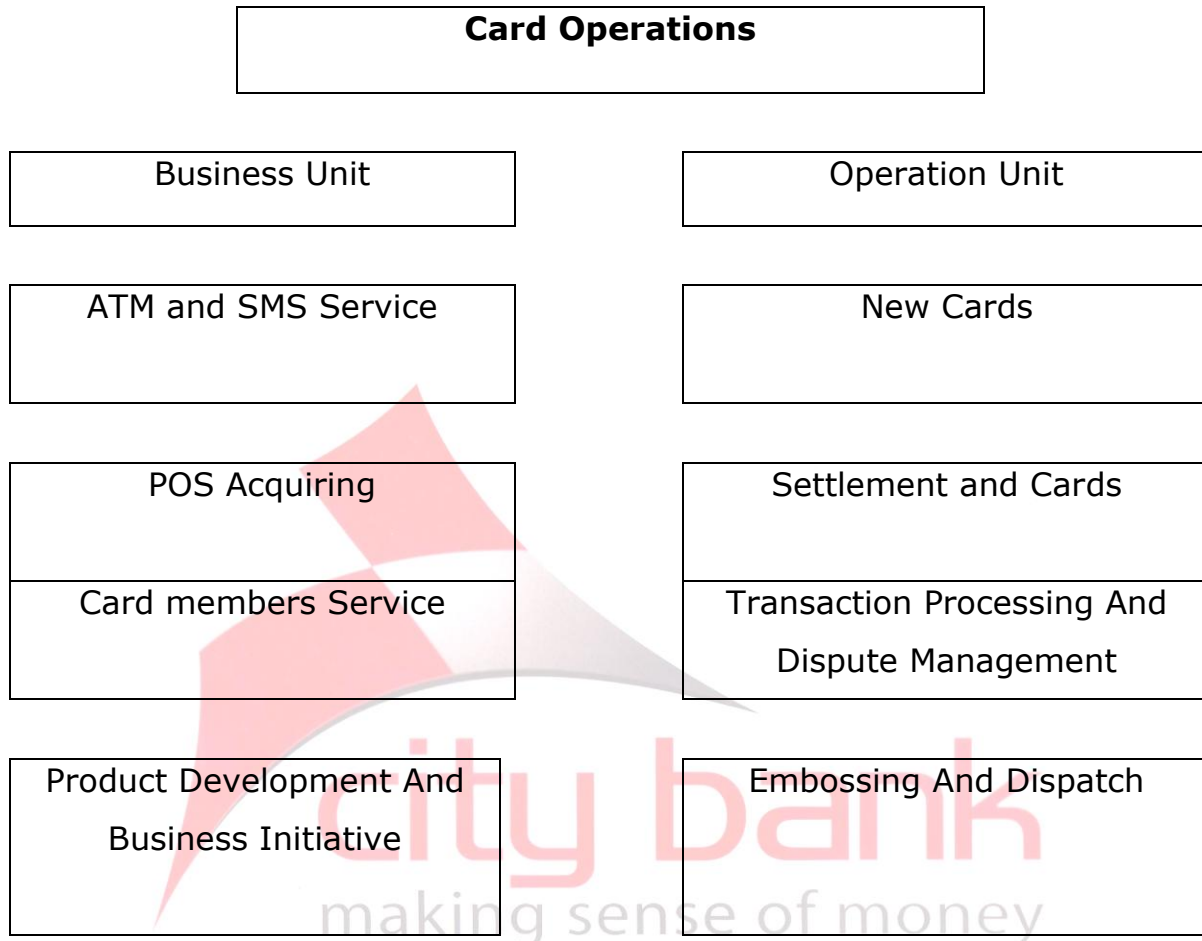
Flow Chart of Organogram of City Card



Organogram of the management of City Card business

2.20 Functionalities of Card Operations

Functionalities of card operations have been revised in memo dated April 01.2008 which was approved by the higher management. The same has been depicted in the following process flow



Position of Cards as on 19.09.12

Product Name	No Of Cards	Outstanding in TK. As on 19.09.12	Limit Sanctioned	
			TK.	US \$
1. Dual Classic	1,111	146,34,392	258,14,593	8,59,970
2. Local Classic	9,886	13,91,95,558	33,36,01,196	-
3. Dual Gold	6,420	20,55,53,505	5180,39,814	115,77,324
4. Local Gold	6,238	19,53,25,052	4843,51,695	-
Sub Total (Credit Card)	23,655	55,47,08,507	138,76,21,891	124,37,294
Grand Total	49,301	55,47,08,507	138,76,21,891	124,37,294

Position of Cards (Debit And Credit) before Commencement of Operation of RFC on 19.09.12.

Product Name	No Of Cards	Outstanding in TK. As on 19.09.12	Limit Sanctioned	
			TK.	US \$
1. Dual Classic	920	26,05,25,970	2,33,88,155	86,3,420
2. Local Classic	2,342		6,79,23,900	-
3. Dual Gold	5,022		43,03,35,577	1,01,85,360
4. Local Gold	2,533		16,00,49,160	-
Sub Total (Credit Card)	10,817	26,05,25,970	1,29,30,12,792	1,10,48,780
Grand Total	22,451	26,05,25,970	1,29,30,12,792	1,10,48,780

Business Performance:

S/N	As On	Profit in TK.
1	31.12.2010	15,056,510.57
2	31.12.2011	62,144,432.35
3	19.09.2012	4,909,453.80

2.21 Profitability Analysis of 2011

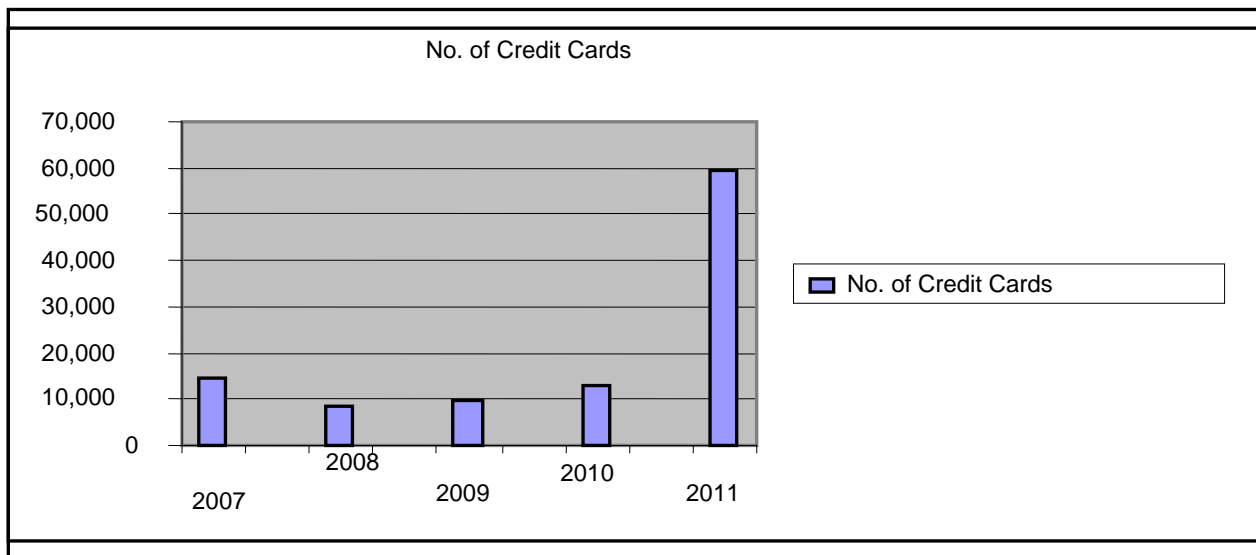
Income	
Particulars	Figure in BDT 000
Fees Income	25,117
Interest Income	84,381
Merchant	8,391
Others	76,260
Total Income	1,94,149

Expenditure	
Particulars	Figure in BDT 000
Staff Cost	34,226
Interest Expenditure	43,217
Other Expenditure	54,561
Total Expenditure	132,004

Profit / Loss	
Operating Profit	62,145

4 Years of City Cards

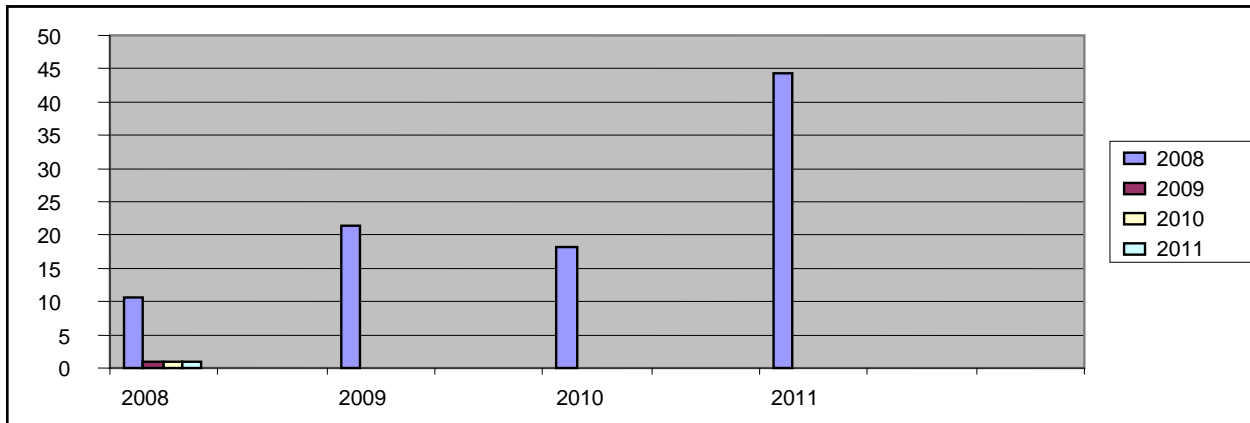
Year	Growth
2009	(- 40%)
2010	10%
2011	36%
2012	360%



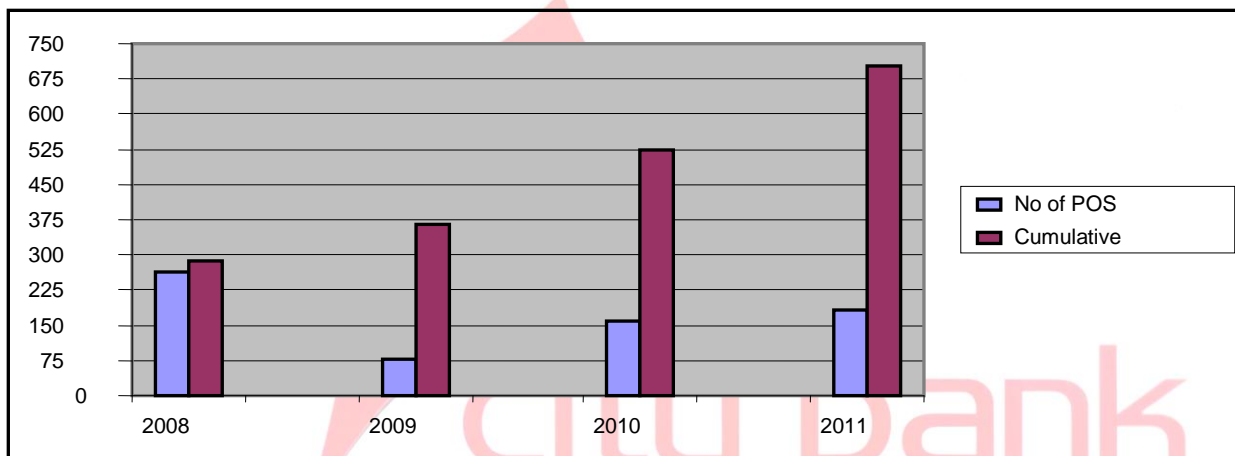
City Acquiring 4 Years

Year	No of Cards	Cumulative	Acquiring Volume	Ave Volume Per Month	Growth
2008	176	191	10.65 Crore	88 Lac	
2009	52	243	21.35 Crore	1.77 Crore	110%
2010	105	348	18.14 Crore	1.51 Crore	(- 14%)
2011	121	469	44.23 Crore	3.68 Crore	144%

City Acquiring 4 Years



POS and Cumulative Chart



Direct sales team Performance

City Bank Limited have relaunched Direct Sales Team (DST) of Cards with increased headcount up to 160 in May, 2011. Initially it was only 23 DSE's team. Currently DST of cards teams are working in Dhaka, Chittagong and Sylhet region.

DST Profitability

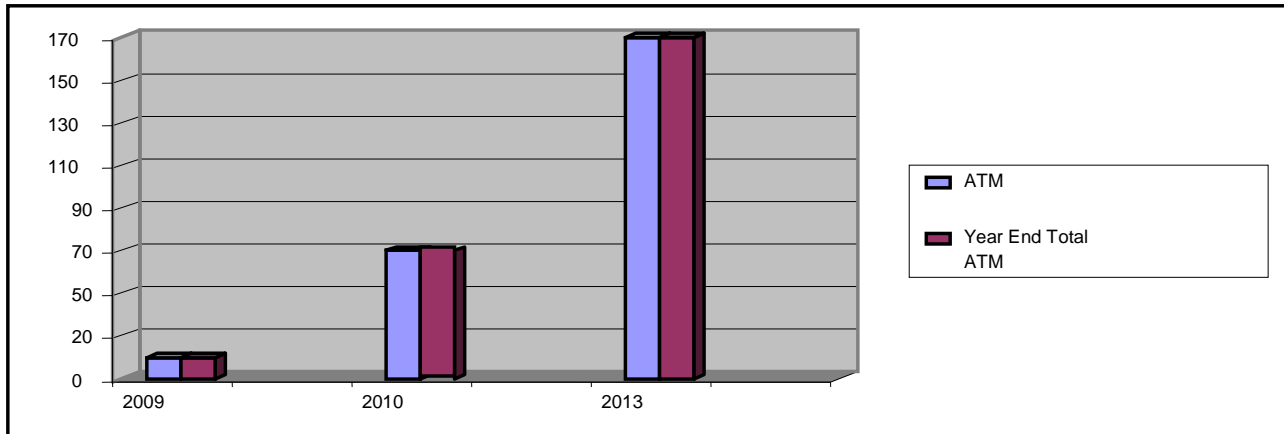
Particulars	Jan.	Feb.	March	April	May	June	July	Total
Cards Issued (Number Of Cards)	1,645	1891	1890	1422	1286	1328	507	10,479
Fees Income From Cards	25.71	29.56	29.54	22.23	20.10	20.76	7.92	1.64 Crore
Salary + Festival	9.90	9.62	9.80	17.13	10.47	17.50	10.33	94.87 Lacs
Commission + Incentive	4.39	6.39	5.71	3.69	3.16	3.41	0.33	27.10 Lacs
Total (Sal + Com) Cost	14.29	16.01	15.51	20.82	13.63	20.92	10.66	1.21 Lacs
Commission as % of Fee Income	17%	22%	19%	17%	16%	16%	4%	17%
Sal + Com Cost as % of Fee Income	56%	54%	52%	94%	68%	101%	134%	74%

city bank
making sense of money

City ATM in Years

Year	Total ATM
2010	70
2011	98
2013	163

City ATM in Years



2.22 FUTURE DIRECTIONS OF CBL

Due to good post flood harvest recovery of agricultural output, stable manufacturing growth supported by strong export demand of knit garments, robust service sector growth and steady flows of inward remittances. Due to high international prices of many other commodities like oil, gold etc. interest rate is on rising trend in global economy with associated increase in the inflationary expectation. Bangladesh Bank is alert to contain the inflationary pressure and tightened monetary measures are expected to continue for facilitating smooth credit flow to productive pursuits only for targeted output growth. The rate of interest of the country has already shown a changing trend in both deposit and advance due to the tightened monetary measures.

CBL is well positioned to meet the challenges of 2011 and will continue to strive to innovate and capture for modest growth, value creation and quality improvement. The Bank will focus on its existing card members and potential card members also. This strategy is supported by wide spectrum of product and services and level of card members service delivery. The Bank will continue to harness the potential of retail banking, SMS banking and remittance market. However, there are continued pressure on interest margins, commission and fee earnings, exchange income and increased provision requirement for retail. In its pursuit for growth, CBL will always adhere to good corporate governance and best practices and sound risk management policies and strict credit evaluation procedure.

CHAPTER THREE

FINDINGS AND ANALYSIS

3.1 DEMOGRAPHIC PROFILE OF THE CREDIT CARDHOLDERS

3.1.1 Age and Income

The major portion of CBL credit card holders is young in age having mid level income. For the analysis of this findings the below table was formed with the available information obtained from interviews and questionnaires. It was found that the group with the maximum frequency was of age group of 26-35 belonging to the income level of Tk.25000-39000.

Table: Distribution of income level and age group of the cardholders

Income Level	Age Group											
	25 or less		26-35		36-45		46-55		56 and above		Total	
	f	%	f	%	f	%	f	%	f	%	f	%
Tk 10000-24000	12	10	15	12	3	2	-	-	-	-	30	25
Tk 25000-39000	-	-	28	23	7	6	-	-	-	-	35	29
Tk 40000-54000	-	-	6	5	5	4	10	8	2	2	23	19
Tk 55000-69000	-	-	-	-	10	8	6	5	3	2	19	16
Tk 70000-84000	-	-	-	-	2	2	4	3	2	2	8	7
Tk 85000 and above	-	-	-	-	1	1	3	2	3	2	7	6
Total	12	10	49	40	28	23	23	19	10	8	122	100

3.1.2 Education and Occupation

The highest percentage of card members considering their education and occupation is the bankers having MBA degree (38%). So it means that CBL has been focused on extending their credit card business amongst educated and preferable persons.

Again to analyze this A table was formed with the available information after calculation the highest figure in this cross table is the banker having MBA degree under their belt.

Table: Distribution of education and occupation of the cardholders

Occupation	Education											
	Graduate		BBA		Post Graduate		MBA		Others		Total	
	f	%	f	%	f	%	f	%	f	%	f	%
Businessman	4	3	-	-	5	4	2	2	-	-	11	9
Banker	9	7	9	7	16	13	12	10	-	-	46	38
Service Holder (Pvt.)	3	2	11	9	13	11	10	8	2	2	39	32
Professional	5	4	-	-	6	5	3	2	-	-	14	11
Teacher	-	-	-	-	2	2	4	3	-	-	6	5
Others	-	-	-	-	3	2	3	2	-	-	6	5
Total	21	17	20	16	45	37	34	28	2	2	122	100

3.2 ISSUERS

This section includes a brief comparative analysis on how CBL is competing in the credit card business segment in our country with some other leading competitors (e.g. Dutch Bangla Bank Ltd-DBBL, United Commercial Bank Ltd- UCBL and Eastern Bank Ltd- EBL)

3.2.1 Service Offerings

CBL is providing preferable service offerings compared to other banks in credit cards' business.

All the service offerings of different issuers are listed at the following Table. The following are the highlights of them.

Table: Service offerings/facilities of different issuers' cards

Facility	CBL	UCBL	DBBL	EBL
Avg. Card Processing and Delivery Time	5 Days	5 Days	5 Days	2 Days
Avg. Fund Disbursement Time	2 Day	2 Days	3 Days	3 Days
Grace Period	45 Days	45 Days	45 Days	45 Days
Payment Due Date From Statement Date	15 Days	15 Days	15 Days	15 Days
Cash Withdrawal/ Advance Facility	Available (100% of credit limit)	Available (50%)	Available (50%)	Available (50%)
ATM Facility	163	97	2394	78

I. Card Processing and Delivery Time

The average time for processing the card and delivery is 5 Days for CBL. EBL takes only 2 days for processing the card and delivery.

II. Grace Period/Interest Free Period

CBL is enjoying a competitive edge by providing the maximum grace period of 45 days.

III. Payment Due Date from Statement Date

CBL is also the provider of the maximum time in the market for payment due date from statement date with 45 days comparing to the same of 15 days provided by the other issuers.

IV. Cash Withdrawal

All the issuers provide cash advance facility of 50-60% of the credit limit, where city bank offers 100% cash withdrawal.

V. ATM Facility

Cash advance facility has a close relation with ATM (Automated Teller Machine) facility for credit card, which is very convenient for the cardholders to draw cash from ATM rather than going to the bank. CBL has 163 ATM booths all around the country.

VI. Fund Disbursement Time

The average time for the disbursement of fund (through cheque or pay order) to the merchants is 2 day of CBL, 1-2 day(s) of UCBL, and 3 days of DBBL and EBL. Being aware of the importance of this matter, CBL is now trying to provide the fastest service in the market.

3.2.2 Charges and Fees and Attractive Features of Different Issuers

The Fees and charges associated with CBL credit cards are reasonable compared to its competitors.

The schedule of different charges and fees of various cards of different issuers are given in the next page in Table (local) the focus of this study is primarily on the local cardholders; so, the best offers in cases of all the local charges are listed below:

Table: Schedule of charges of different issuers' VISA credit cards

Fees and Charges	City Bank Ltd		UCBL		DBBL		Eastern Bank	
	Gold	Classic	Gold	Classic	Gold	Classic	Gold	Classic
Annual Fee Basic Card	2000	1000	2000	1000	1500	1000	2500	1300
Annual Fee Supplementary Card	750	500	1500	1000	2000	1000	2500	1300
Renewal Fee Basic Card	2000	1000	2000	1000	2000	1000	0*	0*
Renewal Fee Supplementary	750	500	1000	500	1000	600	0*	0*

Card								
Replacement Card Fee	400	200	500	500	700	500	300	150
Late Payment Penalty	300	200	500	250	350	200	500	300
Pin Re-issue Fee	500	500	500	500	200	200	300	150
Cash Advance Fee	2%	2%	2%	2%	2%	2%	3%	3%
Return Cheque Fee	100	100	350	250	350	250	200	200
Statement Retrieval Fee	50	50	50	50	50	50	50	50
Sales Slip Retrieval Fee	100	100	250	200	250	200	200	200
Out Station Cheque Collection Fee	100	100	100	100	100	100	250	250
Cash Advance Limit	100%	100%	50%	50%	50%	50%	50%	50%
Cash Advance Interest	2% P/M	2% P/M	2.5% P/M	2.5% P/M	2.5% P/M	2.5% P/M	2.5% P/M	2.5% P/M
Debit Interest	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Advance Income Tax	NIL	NIL	3%	3%	-	-	-	-
Minimum Payment	5%	5%	5%	5%	5%	5%	5%	5%
Special Features	NIL		Spouse Card Free		Nil		*No renewal charge	

Cardholders' Responses

This section focuses on analyzing cardholders' responses regarding their, card usage pattern, credit card transaction habit, purposes of card transaction and satisfaction level of the services of a particular banks etc.

3.3.1 Usage Pattern

I. Transaction pattern

The usage ratio of CBL credit cards is very poor. Card Members do not use their credit cards randomly. The highest number of respondents, 41 – comprising 33.6% of them, said that they use their cards once a week. The second highest 28.7% use their cards once in every 15 days. And, it was found that almost 70% of the respondents use their credit cards once in every 15 days or more frequently.

Table: Frequency of credit card transaction by the cardholders

Response	f	%
More than once a week	9	7.4
Once a week	41	33.6
Once in every 15 days	35	28.7
Once a month	23	18.9
Once in every 2 months	14	11.5
Total	122	100.0

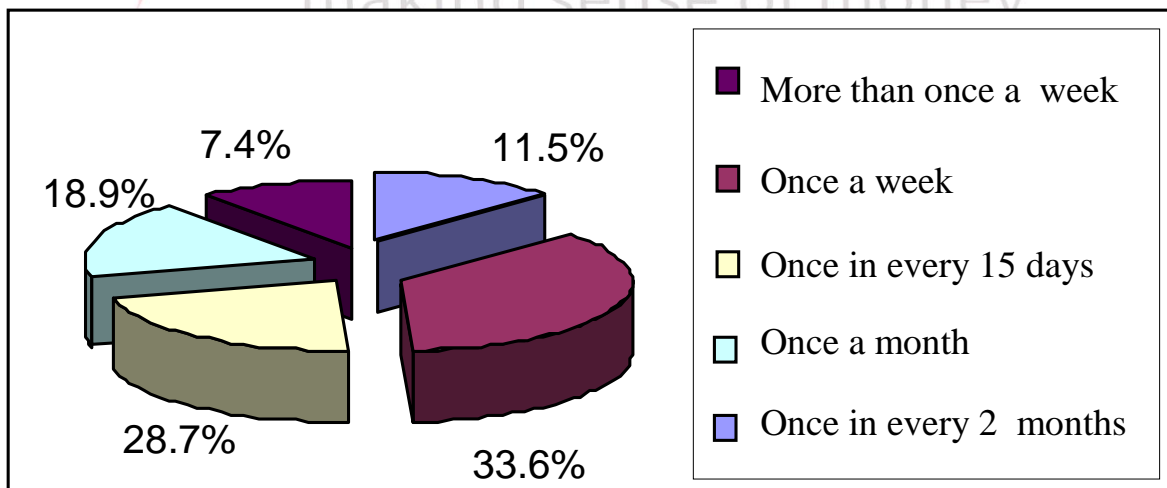


Figure: Frequency of credit card transaction by the cardholders

II. Monthly Average Credit Card Transaction Amount

The transaction amount of CBL credit card holders is not much satisfactory considering their statistical figures.

On an average, 36% of the respondents spend less than Tk 5000 but not less than Tk 2000 monthly. Another 22% respondents spend more than Tk 5000 but less than Tk 10000. And, a little more than 50% of the respondents spend Tk 5000 or more.

Table: Average monthly credit card transaction amount of the cardholders

Amount	f	%
Less than Tk 2000	16	13.1
Tk 2000 – 4999	44	36.1
Tk 5000 – 9999	27	22.1
Tk 10000 – 19999	22	18.0
Tk 20000 or more	13	10.7
Total	122	100

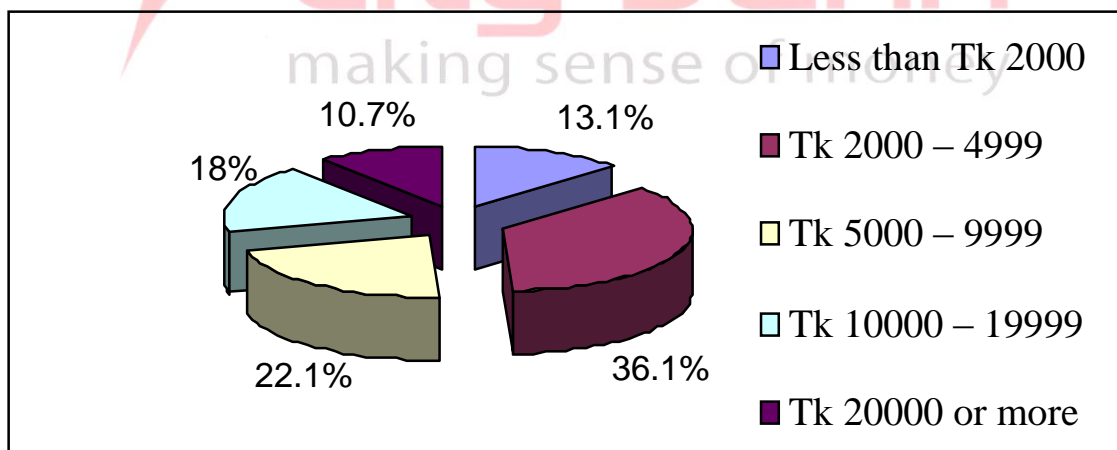


Figure: Average monthly credit card transaction amount of the cardholders

III. Usage of multiple cards

Most of the CBL credit card holders do not rely much upon CBL. So they use other banks' credit cards besides their CBL credit cards which proves the less reliability factor of AMEX and VISA credit cards of CBL.

An astonishing 67.2% of the respondents use multiple (more than one) credit cards as it is shown in the Table. The other 32.8% use single card and significantly to say that most of them are relatively new users of credit cards. The most important reason for that is to get the chance of buying from the maximum number of merchants. So, it would be a competitive advantage for CBL if it appoints new merchants, who are not the merchants of other issuers.

Table: Cardholders according to single/multiple card user

Type	f	%
Single card user	40	32.8
Multiple card user	82	67.2
Total	122	100

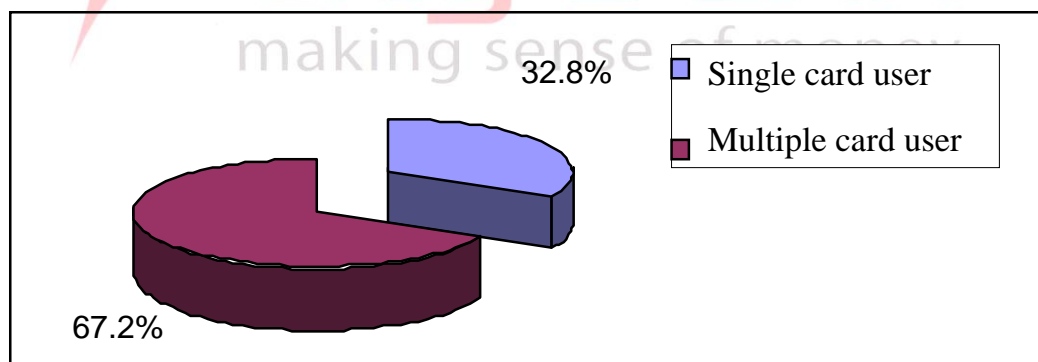


Figure: Cardholders according to single/multiple card user

3.3.2 Specific Satisfaction Level

This section seeks to rank different issuers according to CPA on specific issues like cash withdrawal, discount, card members' service, merchant coverage, grace period and fees etc.

I. Cash Withdrawal Facility

CBL is providing comparably better cash withdrawal facility than its competitors.

The cash withdrawal facility of other banks is 50% of available credit limit, so their cardholders are not much satisfied with that as it is obvious from the Table. CBL is sharing a strong position here.

Table: Satisfaction level regarding cash withdrawal facility

Issuer	Very Satisfied(5)		Satisfied(4)		Indifferent(3)		Dissatisfied(2)		Very Dissatisfied(1)		Total Points	# of res	CPA
	f	w	f	w	f	w	f	w	f	w			
CBL	29	145	47	188	8	24					357	84	4.25
DBBL	2	10	7	28	3	9					47	12	3.92
EBL			7	28	3	9					37	10	3.70
UCBL	1	5	5	20	5	15	3	6	1	1	47	15	3.13

II. Discount Facility

CBL is currently at a good position with the discount facility being provided with the credit cards' purchases. Regarding discount facility, none of the issuers is at a very comfortable position. So it is an area where CBL can exploit in the credit card business by convincing merchants to offer attractive discount facility to the cardholders. And to do so merchants should be compensated or well backed up by the Bank.

Table: Satisfaction level regarding discount facility

Issuer	Very Satisfied(5)		Satisfied(4)		Indifferent(3)		Dissatisfied(2)		Very Dissatisfied(1)		Total Points	# Of Res.	CPA
	f	W	f	w	f	w	f	w	f	W			
CBL	9	45	46	184	21	63	8	16			308	84	3.67
UCBL	2	10	7	28	4	12	2	4			54	15	3.60
DBBL	1	5	5	20	4	12	2	4			41	12	3.42
EBL			5	20	3	9	2	4			33	10	3.30

III. Interest Charges and Fees

Card holders are very disappointed with interest charging process of CBL. In this regard, CBL is almost downgraded compared to its prime competitors.

As it is very clear from the following table that none of the issuers position in this regard is very good at all. So, CBL should focus its plan on this aspect. If the Bank would be able to offer the same service with lesser than the present issuers, it will be able to convince a lot of existing cardholders as well as prospective new cardholders.

Table: Satisfaction level regarding interest charges and fees

Issuer	Very Satisfied(5)		Satisfied(4)		Indifferent(3)		Dissatisfied(2)		Very Dissatisfied(1)		Total Points	# Of Res.	CPA
	f	w	f	w	f	w	f	w	f	W			
DBBL			3	12	3	9	5	10	1	1	32	12	2.67
UCBL			2	8	4	12	7	14	2	2	36	15	2.40
EBL			1	4	3	9	5	10	1	1	24	10	2.40
CBL			11	44	25	75	29	58	19	19	196	84	2.33

IV. Grace Period

CBL is providing a satisfactory grace period for its card holders. The grace period or interest free period for repayment that CBL is 45 days as compared to 45 days of other issuers. The outcome of that difference becomes truly vivid in the following table, as only DBBL has a CPA above 4.0 and the same is around 3.0 of other issuers. So, if CBL could just follow DBBL's strategy here it will be an advantage for the bank at least against the other issuers.

Table: Satisfaction level regarding grace period

Issuer	Very Satisfied(5)		Satisfied(4)		Indifferent(3)		Dissatisfied(2)		Very Dissatisfied(1)		Total Points	# Of Res.	CPA
	f	w	f	W	f	w	f	w	f	W			
DBBL	4	20	6	24	2	6					50	12	4.17
CBL			33	132	28	84	14	28	9	9	253	84	3.01
EBL			5	20	2	6	1	2	1	1	29	10	2.90
UCBL			3	12	5	15	6	12	1	1	40	15	2.67

V. Card members Service

CBL has been able enough to satisfy its card holders through its round the clock 24 hour customer services.

Although EBL is one of the earliest of issuers of credit card, the card members service of EBL is not very good as it is depicted in the following table. It could be a determining factor for the slow growth rate in credit card business of that bank. So, CBL should be concerned in this regard.

Table: Satisfaction level regarding card members services

Issuer	Very Satisfied(5)		Satisfied(4)		Indifferent(3)		Dissatisfied(2)		Very Dissatisfied(1)		Total Points	# Of Res.	CPA
	F	w	F	w	f	w	f	w	f	W			
CBL	18	90	36	144	30	90					324	84	3.86
UCBL	2	10	6	24	7	21					55	15	3.67
DBBL			5	20	6	18	1	2			40	12	3.33
EBL			1	4	2	6	4	8	3	3	21	10	2.10

3.3.3 Overall Satisfaction Level

Considering the overall scenario of the credit card industry in Bangladesh, CBL is holding a very good position compared to its main competitors.

The highest satisfaction level of the cardholders regarding the overall service including all aspects of credit card operation is of CBL, which secured 4.13 CPA (Cumulative Point Average) as shown in the following Table and the Figure.

Table: Overall satisfaction level of the cardholders of different issuers

Issuer	Very Satisfied(5)		Satisfied(4)		Indifferent(3)		Dissatisfied(2)		Very Dissatisfied(1)	Total Points	# Of Res.	CPA
	f	w	f	w	F	w	f	w	F			
CBL	17	85	61	244	6	18			---	347	84	4.13
UCBL	2	10	11	44	1	3	1	2	---	59	15	3.80
DBBL	1	5	8	32	1	3	1	2	---	42	11	3.81
EBL	1	5	7	28	2	6	2	4	---	43	11	3.90

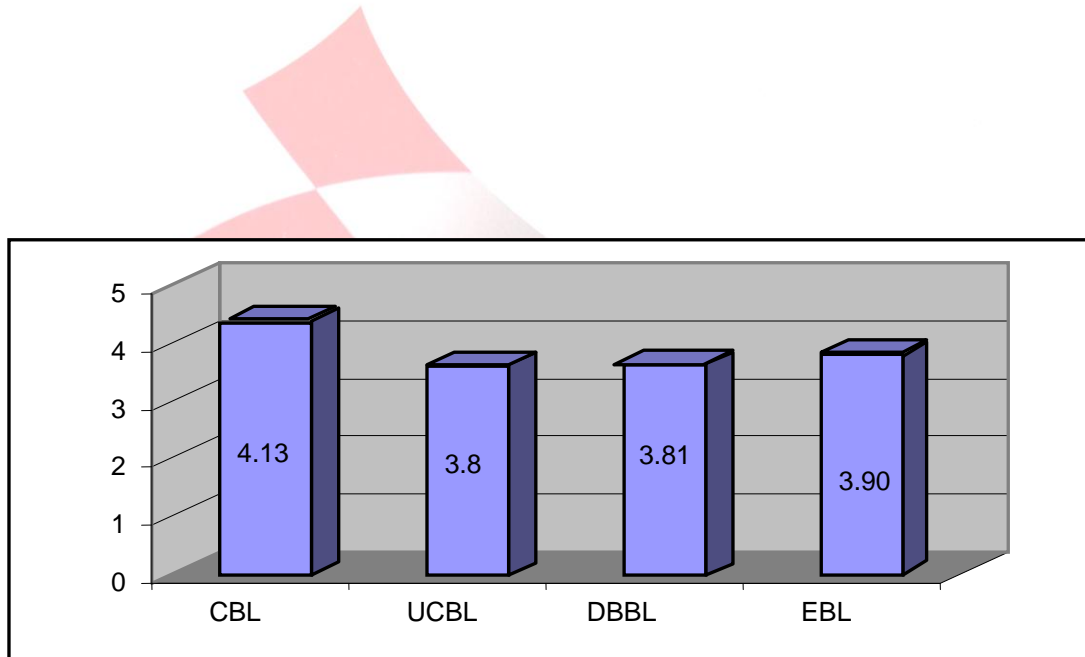


Figure: Overall Satisfaction Level of CBL compared to other banks

CHAPTER FOUR

CONCLUSION AND RECOMMENDATIONS

Conclusion:

From the findings and analysis of the study, it is obvious that there is a lot of market potential for CBL in the Credit Card Business and some areas of improvement are there also comparing to the existing issuers in the market. CBL having basic infrastructure and a larger card members' base this is the high time for the bank to enter into the mainstream business. Initially, it will require a huge investment, but the bank is financially sound to incur such amount of investment in new line of business. It is expected that Bangladesh will experience a heavy inflow of foreign companies investing in various sectors especially in IT and Gas and Oil Exploration and processing. This will give birth to various ancillary industries and services, which will ultimately increase the purchasing power of people. This factor enhances the chance of an upcoming growing population of the community who wants convenience of not carrying cash and the use of credit card is the easiest way of doing so.

Recommendations:

The following recommendations can be suggested for the betterment of customer satisfaction:

- Train employees to provide better and efficient service to the card holders and form a strong sales force to sale its credit cards.
- The card delivery time should not be more than a week. But it should not be less than 5 days. Because the possibility of incorrect assessment of the creditworthiness of the applicants would be very high then.
- ATM facility is an advantage for the bank to provide ATM facility to its cardholders. CBL should increase the number of its ATM booths.
- In case of determining the charges and fees the bank should follow the least price strategy, at least initially, while capturing the market, to attract the card members. The charges may be gradually increased while staying competitive in the market.

- The bonus point system can be followed more rapidly. Waiver on interest charges and/or renewal charges will strike into minds of the cardholders and they will be more satisfied and encouraged to do more and more card transactions.
- Card members should be offered occasional gifts and discounts, which can make the credit card more attractive and keep the consumer delighted.
- Regular card members' survey could also be conducted with an aim to find out the card members' expectations or to know about their satisfaction on bank's performance.
- More merchants are to be made agreement with for better selects offer to the card holders. Most of the CBL credit card holders complain that they cannot do much use of their CBL credit cards (specially AMEX credit cards) because of the availability of the merchants. As AMEX cards are not accepted in any other banks' POS machine, CBL should increase their POS machines on a random basis to win card holders trust and reliability upon them.
- The strict, lengthy and time consuming procedures regarding card application, limit enhancement, foreign services should be minimized so that card holders can feel at ease while using the card at everywhere throughout the country and anywhere in the world.
- More customer service initiatives can be taken by centralizing the online customer service protocol through the 24 hour state of the art call center and e-mail customer care operations. If these are properly implied than customers will find it easy to get services from CBL credit cards without facing the hassle of going to the CBL branches and wasting their valuable time.
- Finally, heavy marketing and promotional campaign should be conducted to popularize the product and make people aware of the service.

Credit Card Application flow Chart

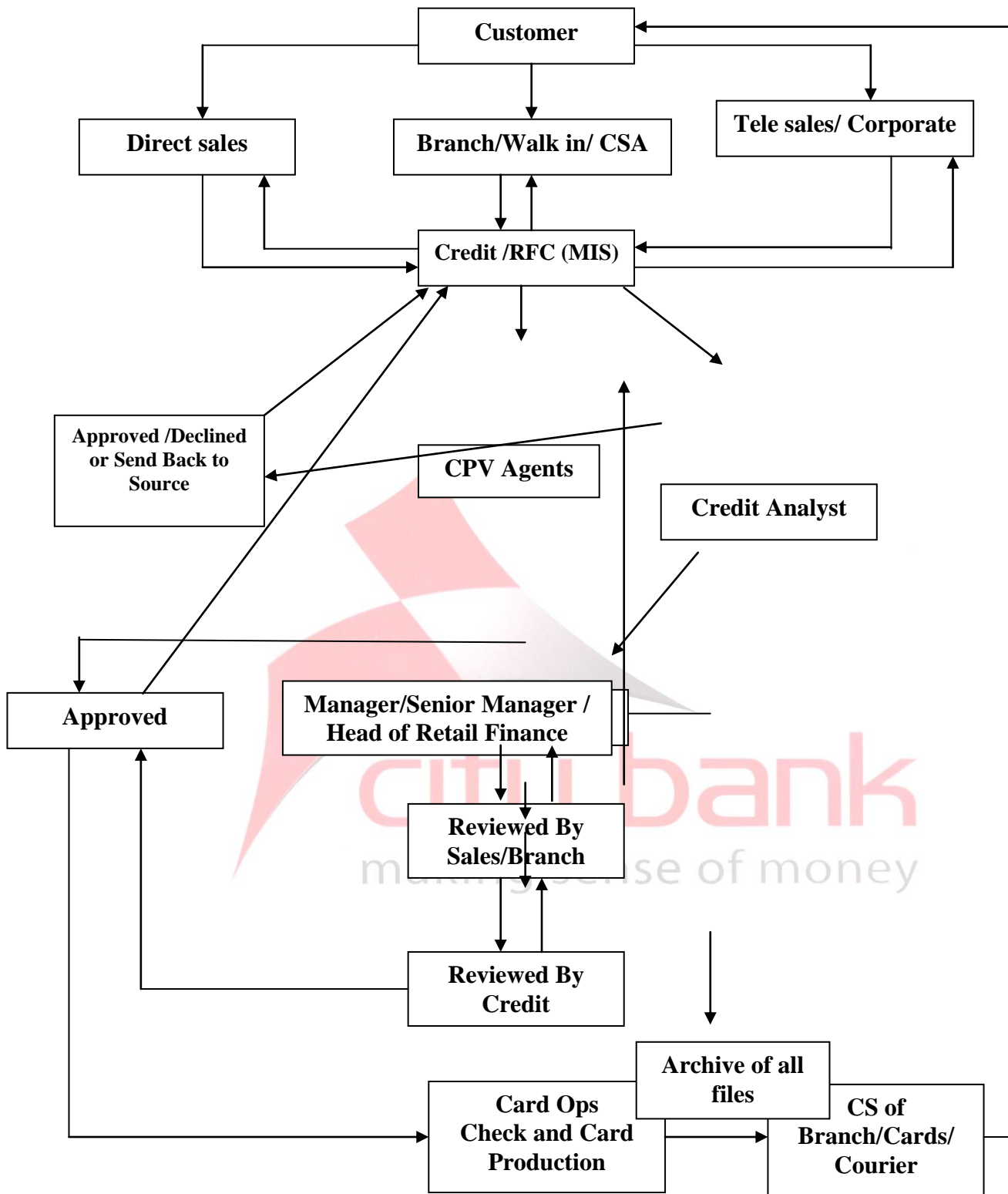
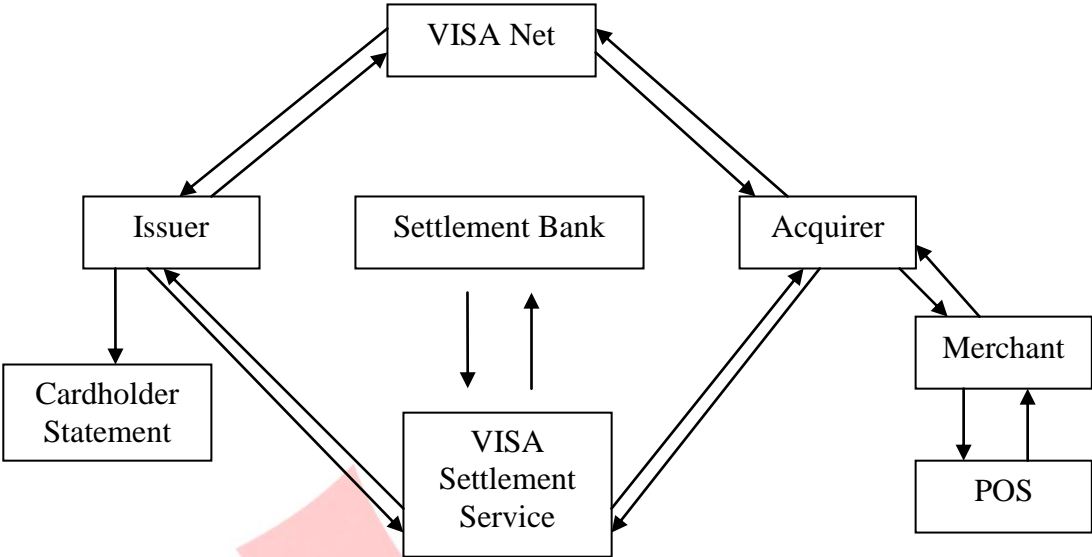
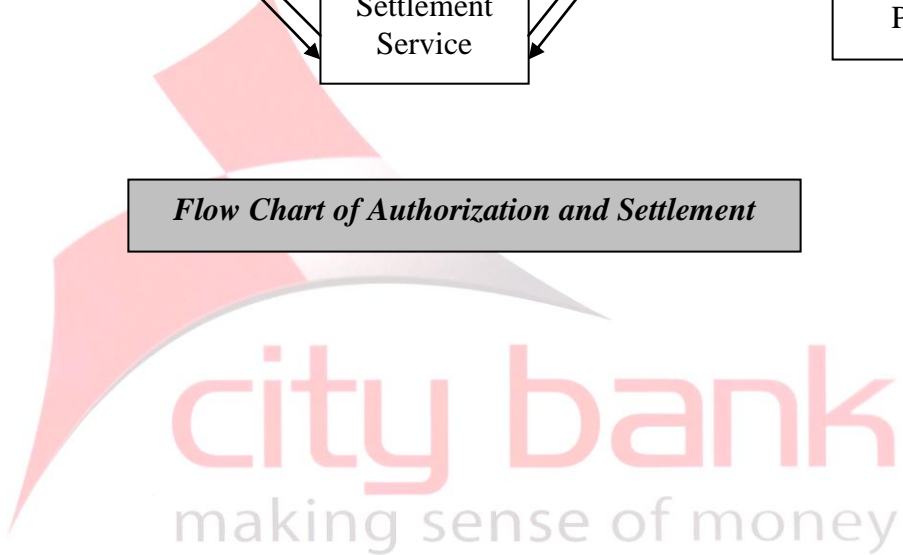


Figure 2: Credit Card application flow chart

Flow Chart of Authorization and Settlement



Flow Chart of Authorization and Settlement



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Questionnaire

QUESTIONNAIRE

Dear Respondent, I am a student of BRAC University. I am going to conduct an analysis on Customer Satisfaction on The City Bank Ltd. credit cards. This study is only for the use of my academic purpose and the provided information will be treated confidentially. Thank you in advance for your kind cooperation.

Please read the questions carefully and just put a tick (✓) in the respective box (☐) and kindly give your judgments where necessary.

1. What is your credit limit? BDT/USD
2. Are you satisfied with your credit limit?
 - Yes No
3. How frequently do you use your Credit Card?
 - More than once a week Once a week
 - Once in every 15 days Once a month
 - Once in every 2 months Other, please specify.....
4. What is the average amount of your Credit Card transaction per month/year?
Monthly..... Or, Yearly.....
5. If you use more than one card, please specify
6. Why do you prefer to maintain more than one card? (Please specify)
 - To get the chance of buying from the maximum number of merchant locations
 - To strengthen the relationship with the issuing bank
 - To compare the services
 - To gain more prestige
 - given as office staff card
 - other reasons.....
7. What is the overall level of satisfaction regarding your Credit Card service?
 - Very Satisfied
 - Satisfied
 - Indifferent
 - Dissatisfied
 - Very Dissatisfied

8. How do the following attributes support your level of satisfaction?

(a) Attribute	VERY SATISFIED	SATISFIED	INDIFFERENT	DISSATISFIED	VERY DISSATISFIED
Cash withdrawal facility					
Discount facility					
Payment of utility bills					
Interest charges and fees					
Grace period					
Number of ATM Booths					
Card members service					
Merchant coverage					

i. Demographic Part

Sex: Male Female

Marital Status: Single Married

Age Group: 25 or less 26 – 35 36 – 45 46 – 55
 56 – 65 66 and above

Occupation: Business Professional Service Holder (Govt.)
 Banker Teacher Service Holder (Pvt.) Other.....

Income Level (Monthly income in BDT):

10,000 - 24,000 25,000 - 39,000 40,000 - 54,000
 55,000 - 69,000 70,000 - 84,000 85,000 and above

Education Level: HSC Graduate Post Graduate
 BBA MBA Ph. D

THANK YOU FOR YOUR COOPERATION