

**Analysis of Zero Balance Project of Customer Experience
Department of BRAC Bank Limited**



BRAC University, Dhaka

**An Internship report presented in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration**



**Analysis of Zero Balance Project of Customer Experience
Department of BRAC Bank Limited**

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Letter of Transmittal

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Sub: Submission of the Internship Report.

Dear Madam,

It is my pleasure to submit my Internship report on “Analysis of Zero Balance Project of Customer Experience Department of BRAC Bank Limited” as requirement for my graduation. You are aware that I have completed my internship program in BRAC Bank Ltd. (BBL) 08th June, 2014 to 04th September, 2014, in the Retail Banking Division of Customer Experience Department in the head office, located in Tezgaon-Gulshan link road. I feel much privileged to be associated with an experienced, efficient and professional team in one of the most reputed Bank of Bangladesh. I strongly believe that this report will satisfy your requirements and expectations.

I have tried my best to make this report as informative, practical, reliable and relevant as possible. In preparation of this report, I have reviewed few books, journals, articles from internet, taking few interviews and on the basis of this available information I drew a set of recommendation which I believe that will help the Customer Experience department to improve their competence.

I appreciate your kind advice, cooperation, patience and suggestions regarding this report, which will definitely help me to follow as a guideline in future accomplishments.

I will be available for any further query and clarification regarding this report whenever necessary.

Sincerely,

Hasna Hena

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Acknowledgement

Internship is the implementation part of the knowledge earned while studying different courses of Bachelor of Business Degree. This is the first on-the-job experience of an undergraduate student. I had a valuable and pleasant experience while completion of my internship at **BRAC Bank Ltd** as a student of **BRAC University** in **Summer- 2014** semester.

First of all, I would like to thank Almighty Allah who blessed me and made it possible for me to complete this internship research report. I am also very grateful to my parents who supported me during the hard times I faced.

I mostly appreciate and gratefully thank to my honorable faculty, Syeda Shaherbanu Shahbazi Ahmed for her kind patience, guidance and support for the preparation of this report. I will always be indebted to her for the valuable suggestion and the time that she had spent for guiding me through the report.

I would also like to acknowledge my great appreciation toward Ms. Moutushi Esha my organizational supervisor for being patient and supporting me throughout my 3-months long internship program. Without her effort it was quite impossible for me.

Executive Summary

BRAC Bank Limited, one of the latest generation of commercial banks started its journey on July 04, 2001 which is an affiliate of BRAC, the world's largest non-governmental development organization founded by Sir Fazle Hasan Abed in 1972. Though is the pioneer of SME loan in Bangladesh but the Retail Banking Division of **BRAC Bank** enhanced its footprint day by day with a superior consciousness. The report is all about the analysis of **Zero Balance Project** of **BRAC Bank Limited** where it mentioned all the important aspects of why the **Zero Balance project** were initiated, its frequency, target customers, the gap of this project and how to mitigate those gaps. Basically, the goal of **Zero Balance project** is to increase the active number of accounts, to increase non-funded income, to decrease dormant account numbers. Besides, the report is containing a brief idea about the prospects of **Zero Balance projects**, where it mentions about the efficiency and effectiveness of this project. Worked as an intern I have gathered different experiences in **BRAC Bank** which also include in this report with my job duties and responsibilities. After that, the report has some recommendation which I have realized in the time of doing internship and also preparing the report. Finally, it can be said that the **Zero Balance project** get the ultimate success due to its dedication, commitment and dynamic leadership of the management committee.

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Chapter 1

ORGANIZATION PROFILE & OVERVIEW

1.1 Overview of the Banking Sector in Bangladesh

There is no denying the fact that the financial system plays a significant role in the economic development of a country. The importance of an efficient financial sector lays in the fact that, it ensures domestic resources mobilization, generation of savings, and investments in productive sectors. In fact, it is the system by which a country's most profitable and efficient projects are systematically and continuously directed to the most productive sources of future growth.

Financial sector in Bangladesh, like most in developing countries, is dominated by banking institutions. With recent gains in financial fronts Bangladesh's financial sector is now comparable with most of the countries in South and East Asia in terms of financial deepening. Bangladesh, like other developing countries, still has an underdeveloped financial system and is facing serious problems with the operation of its financial system and poor financial intermediation presents significant disincentives to foster economic growth.

Nevertheless, the banking sector occupies an important place in Bangladesh because of its intermediary role; it ensures allocation and relocation of resources and keeps up the momentum of economic activities. It plays a pivotal role in the economic development of the country and forms the core at the money market.

Banks can be defined in various ways. In Bangladesh, any institution which accepts for the purpose of lending or investment, deposits of money from the public, repayable on demand or otherwise, and is transferable by checks, draft order or otherwise, can be termed as a bank. The purpose of banking is thus to ensure transfer of money from surplus unit to deficit units or in other words, to work as the repository of money.

1.2 History of BRAC Bank

BRAC Bank Limited, one of the latest generation of commercial banks started its journey on July 04, 2001. It is an affiliate of BRAC, the world's largest non-governmental development organizations founded by Sir Fazle Hasan Abed in 1972. It has been the fastest growing Bank in 2004 and 2005. The Bank operates under a "double bottom line" agenda where profit and social responsibility go hand in hand as it strives towards a poverty-free, enlightened Bangladesh.

Analysis of Zero Balance Project of BBL

BRAC Bank Limited, with institutional shareholdings by BRAC, International Finance Corporation (IFC) and Shore Cap International, has been the fastest growing Bank in Bangladesh for the last three consecutive years. In the recent past the bank has gone public with price of shares reaching impressive heights, further showing promising future.

A fully operational Commercial Bank, BRAC Bank Ltd. focuses on pursuing unexplored market niches in the Small and Medium Enterprise Business, which hitherto has remained largely untapped within the country. In the last five years of operation, the Bank has disbursed over BDT 1,500 crore in loans to nearly over 50,000 SMEs. The management of the Bank believes that this sector of the economy can contribute the most to the rapid generation of employment in Bangladesh. Since inception in July 2001, the Bank's footprint has grown to 157 branches, over 421 SME unit offices and 322 ATM sites across the country, and the client base has expanded to over 200,000 deposit and 45,000 advance accounts through 2006. The Bank is constantly coming up with new products. Recently BBL has introduced Visa Silver and Visa Gold both Local and International credit cards; and further more the Bank is in the process of introducing VISA Debit card. In the years ahead BRAC Bank expects to introduce many more services and products as well as add a wider network of SME unit offices, Retail Branches and ATMs across the country.

1.3 About BRAC Bank Limited

BRAC Bank Limited is a full service scheduled commercial bank. It has both local and International Institutional shareholder. The bank is primarily driven with a view of creating opportunities and pursuing market niches not traditionally meet by conventional banks. BRAC Bank has been motivated to provide “best-in-the-class” services to its diverse assortment of customers spread across the country under an on-line banking dais.

Today, BRAC Bank is one of the fastest growing banks in the country. In order to support the planned growth of its distribution, network and its various business segments, BRAC Bank is currently looking for impressive goal oriented, enthusiastic, individuals for various business operations.

The bank wants to build a profitable and socially responsible financial institution. It carefully listen to the market and business potentials, It is also assisting BRAC and stakeholders to build a

Analysis of Zero Balance Project of BBL

progressive, healthy, democratic and poverty free Bangladesh. It helps make communities and economy of the country stronger and to help people achieve their financial goals. The bank maintains a high level of standards in everything for our customers, our shareholders, our acquaintances and our communities upon, which the future affluence of our company rests.

1.4 The shareholding structure of BRAC Bank Limited

| Shareholders of BBL | |
|----------------------------|--------|
| BRAC | 43.77% |
| General Public through IPO | 45.95% |
| IFC | 5.36% |
| Mutual funds through IPO | 3.68% |
| Shore Cap International | 0.86% |
| Non-Residents Bangladeshis | 0.38% |
| Total | 100% |

Table: Shareholding structure of BRAC Bank

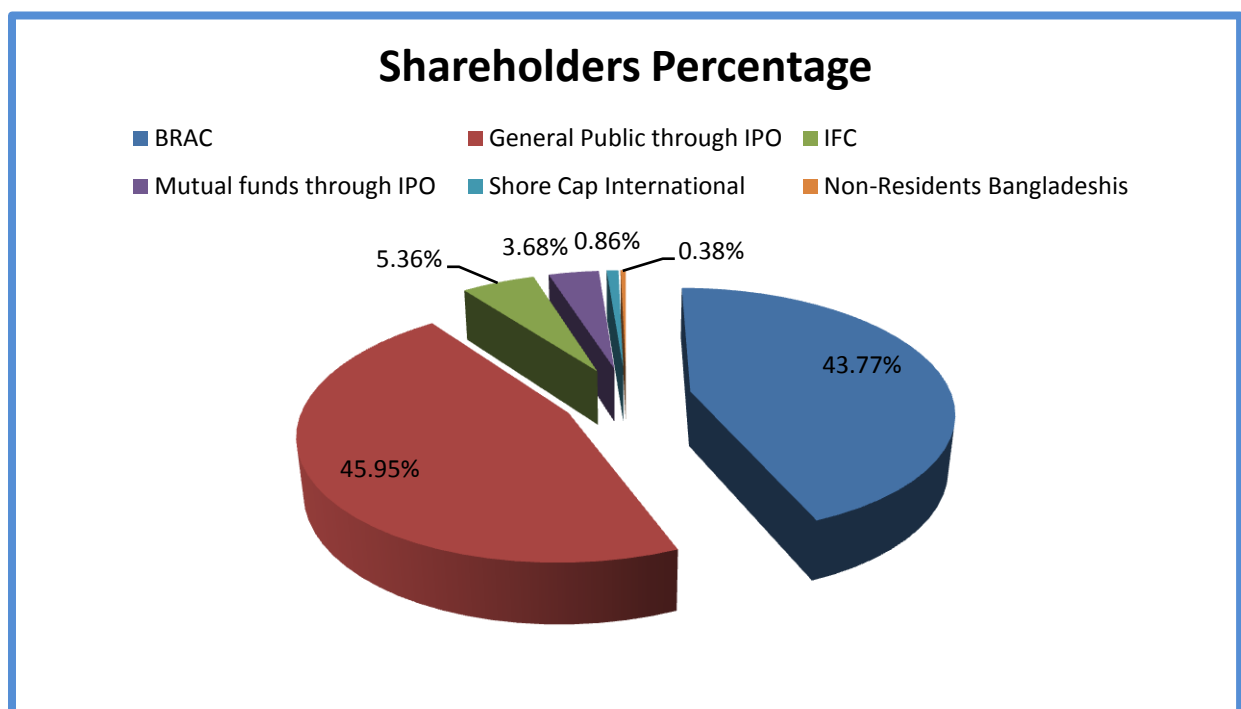


Figure: Shareholder's percentage of BRAC Bank

Analysis of Zero Balance Project of BBL

1.5 Corporate Mission

BRAC Bank Limited wants to be the absolute market leader in the number of loans given to small and medium sized enterprises, service holders, teachers, students, immigrants and people belong to all income and professional groups throughout Bangladesh. It tries to be a world-class organization in terms of service quality and establishing relationships that help its customers to develop and grow successfully. It wants to become the Bank of choice both for its employees and its customers, the model bank in this part of the world.

The missions that BBL follows are-

- Continuous endeavor to increase fee based income
- Sustained growth in 'Small & Medium Enterprise' sector
- Keep our Debt Charges at 2% to maintain a steady profitable growth
- Continuous low cost deposit growth with controlled growth in Retained Assets
- Corporate Assets to be funded through self-liability mobilization.
- Growth in Assets through Syndications and Investment in faster growing sector
- Achieve efficient synergies between the bank's Branches, SME Unit Offices and BRAC field offices for delivery of Remittance and Bank's other products and services
- Manage various lines of business in a fully controlled environment with no compromise on service quality
- Keep a diverse, far flung team fully motivated and driven towards materializing the bank's vision into reality.

1.6 Corporate Vision

The vision of BBL is to build a profitable and socially responsible financial institution focused on Markets and Business with growth potential, thereby assisting BRAC and stakeholders build a just, enlightened, healthy, democratic and poverty free Bangladesh. They want to focus on 3ps (People, Planet and Profit).

1.7 Special Features of BRAC Bank Limited

BRAC Bank Limited possesses a number of special features. BRAC Bank will attach special emphasis to the target group strategy of development. The Bank emphasizes on the creation of self managed institutions for its clients. These institutions will be based at the clients' localities. A special feature of BRAC Bank will be the provision of training for its clients. The aim of the training will be to increase the capability of the borrower to utilized loans effectively. The Bank will encourage the use of new and improved technologies in order to increase employment opportunities and productivity of the poor. The credit activities will be structured in such a way that the use of appropriate technology is ensured and the poor can benefit from improved technology.

BRAC Bank will provide credit without security. The poor who do not have resources to offer as collateral have, so far, been denied access to formal credit. However, BRAC Bank will not normally seek collateral for providing credit and will use peer pressure to ensure timely repayment which has already proved effective. BRAC Bank will provide service at the doorsteps of the customers. Unlike the traditional banking system, BRAC Bank worker go to the villages regularly to collect savings and loan repayments. BRAC Bank also intends to attach special attention to women in development.

1.8 Management Aspects

Like any other business organization, the Top management makes all the major decisions at BRAC Bank Limited. The Board of directors being at the highest level of organizational structure plays an important role on the policy formulation. The Board of directors is not directly concerned with the day-to-day operation of bank. They have delegated their authority to its management committee, which is called MANCOM. Now there are 5 directors in the Top management of the bank. All the directors have good academic background and have huge experience in business. Mr. Fazle Hasan Abed is the Chairman of the bank. The board of directors holds meetings on a regular basis.

Analysis of Zero Balance Project of BBL

The Management Hierarchy of BRAC Bank Limited is given below:



Analysis of Zero Balance Project of BBL

1.9 Departments of BRAC Bank LTD

The BRAC Bank Limited has 26 departments in three different criteria. The Departments are-

Business: These sectors basically deal with the valuable customers of the bank and interact with them on daily basis. The daily transactions for the bank are handled by these departments.

Operations: These sectors basically deal with the technicalities of the relevant sectors and ensure smooth functioning of the business for the bank.

Support: These sectors provide support to the business by ensuring the proper functioning of the various resources, risk management, and banking regulations.

| Business | Operations | Support |
|--|---|---|
| <ul style="list-style-type: none"> • SME Banking. • Retail Banking. • Retail Distribution. • NFB and Secured Assets. • ADC. • Unsecured Assets. • Liability. • Service Quality / Business Intelligence. • Collections. • Cross Selling. • Regional Distribution. • Corporate Banking. • Probashi Banking. • International Distribution. • Cards. • Treasury & Financial Institution. • Marketing and Corporate Affairs. | <ul style="list-style-type: none"> • Retail Banking Operations. • SME Banking Operations. • Wholesale Banking Operations. • Probashi Banking Operations. • Card Operations. • Business solutions. • Technology. • General Infrastructure Services. • Central Operations. • Call Center. • PSO & MIS. | <ul style="list-style-type: none"> • Company Secretariat & Regulatory & Internal Control. • Enterprise Risk Management. • Credit. • Human Resource Division. • Financial Administration. • Impaired Assets Management. • Complaint Handling Cell. • Credit Inspector. |

1.10 Target Customers

As the main product of BRAC Bank Ltd is SME, BRAC Bank has a strong SME focus and has developed a wide range of SME business products, these are customized for specific localized small and medium business across the country. The SME loan products cover a range of rural, semi-urban and urban financial needs in the market. Besides them, industries, transport business, education institutions, medical centers, marine business, any other high worth companies, individuals, etc are also the main customers of the bank. The bank has the ATM card and Credit card facility, so the users of the same are also in target.

1.11 Employee

The BRAC Bank Limited has in different employee's criteria. There are different types of employees working in different places inside BRAC Bank. The types of employees are-

Regular Employee

The permanent stuffs are known as regular employees. The regular employees are allowed to get the bonus, incentives and other allowances with their basic salaries. And these types of employees also have the benefit of gating extra facilities the BRAC Bank limited is providing for their employees.

HR Staff

HR temporary contract are for those categories whose Job description is such, where he/she needs to be under the direct supervision of Bank's authority, whose performance is monitored by the Bank Management. They might be specialist, consultant, and specially assigned staff. Staff under HR contract are those people who directly or indirectly deals with customer, has access to Bank's confidential data's & valuable properties (car, etc), deals with sensitive areas, also where staff need to deal with customer as a representative of BRAC Bank directly. The HR Stuffs salaries are fixed and they won't get any allowances with their salary.

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Outsourced Staff

Other contractual employees are not entitled for any service agreement. They will be recruited through outsource agencies. The requirement of any support staff through outsource agency must come through HR signed by the Division Head. HR will send the requirement to provide staff by the Outsource Agency. Outsource Staff recruitment depends on the budgeted requisition of the staff from the respective departments. However, for non-budgeted requisition it will go through after the approval process of MANCOM. The bank reserves the right to terminate the contract with the Outsource Agency without assigning the reason whatsoever. The Outsource Staffs salaries are fixed and they won't get any allowances with their salary.

Intern

To encourage and help human resource development in the financial industry the Bank may decide to offer internship programs to individuals or educational institutions. The decision to enter such an engagement will be decided by the MD& CEO on the recommendation of the Department Head. The HRD will prepare the proposal of such engagement with individual/institution and forward it to the MD& CEO for consideration with the recommendation of the Head of HR. Individuals engaged as Internees will be paid a consolidated Honorarium of Tk. 5000/- per month, as decided by the MD/MANCOM and will not be entitled to any other benefits. Managing Director and CEO will determine and analyze the necessity of intern on the basis of yearly budget and also requirement of special projects. As per requirements Department Head will make the intern requisition and after receiving intern requisition HR will take 15 days for an intern to join. All Internships program will be for a three months. Prior approval by MD& CEO internship program can be extended for a maximum period of six months.

Management Trainee Officer (MTO)

Management Trainee Officers highly qualified students of BRAC Bank Limited. The MTO's are regular employee but they have to learn as a student inside BRAC Bank for the period of one

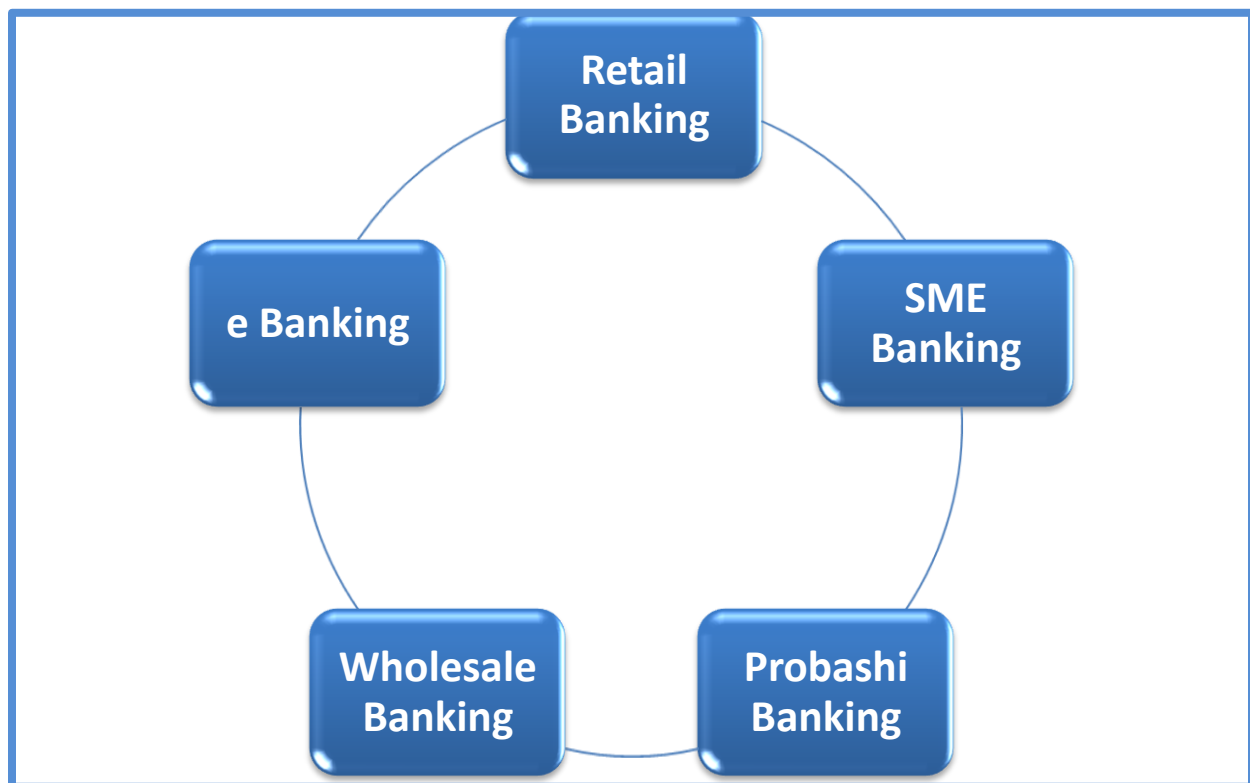
Analysis of Zero Balance Project of BBL

year. After one year if they can complete their learning period successfully they will become a senior officer directly from the MTO.

1.12 Business and Support Activities

BRAC Bank operations consist of two sets of activities. One is the business segment and the other is the support segment. The business segment represents the business activities of the bank – their products, services and solutions that they offer their clients and the support segment represents the services that the bank provides the business segment internally and helps them operate efficiently. BRAC Bank offers a full array of Financial Services to Corporations and Institutions. Having access to the deepest end of the country, BRAC Bank is there to assist businesses in Bangladesh. With BRAC Bank have the power of local knowledge with the capabilities of global standard.

The services fall under the following business segments:



Chapter 2

MY JOB RESPONSIBILITIES

Analysis of Zero Balance Project of BBL

Job Description and Responsibilities

BRAC Bank has a long history of success built on the client-centric approach. For my internship program, I got the opportunity to work in one of the client relationship segments of the BRAC Bank – Customer Experience Department. Customer Experience Department falls under the functional division of Retail Banking. I have been fortunate enough to work under this segment and therefore detailed overview of the particular department is discussed further.

My internship program was from 08th June, 2014 -04th September, 2014 on the Head Office of BRAC Bank Limited (BBL) on Customer Experience Department of Retail Banking Division.

Through the 1st day of my internship program, I was under the supervision of Ms. Moutusi Esha, Associate Manager, Customer Experience Department. She provided me some basic knowledge about the project of Zero Balance Project, like how to call the customer and convince them to deposit funds. Initially, it was a bit difficult for me to convince the customer but gradually it seems to me a very easy and interesting work. All other employees in my department were very helpful to me. They helped me in every step. For example, when I did not understand any work or any document, they helped me to understand those.

As an intern, I got opportunities to learn a lot of things which I believe will definitely help me in the long run. Every day I got to learn something new from my work by calling the customer as different customer had different queries about their account.

Every day I have to done some specific job. From those I describe some major work that I did frequently.

Activities:

- Call customers whose balance is zero
- Make them interested to deposit funds
- Submitting report at the end of the day about how much customer I able to reach
- To know the different types of product.
- To know the customers segments.
- To know the overall banking activities.
- To know the different products features.
- To inform customer about zero balance in their account.

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- To inform customer if they don't continue, their account will be dormant.
- To identify their problems and weaknesses.
- Motivate customer to refill their account.
- To identify what they want to do.
- To find out the specific problem in various branches.

Responsibilities:

Timely present in office is one of the main responsibilities. My office time is 10am to 6pm. I was always responsible about my office time. Every day I had to put my signature in intern's attendance sheet with in and out time. I was always aware about maintaining professional relationships with team members. While going out from desk, keep the PC lock and take good care of office belongings- these was regular duty.

Handover:

In my internship period, I had my own desk and desktop PC which I have handed over to my supervisor. I also used extension phone from where I daily called customers. I have handed over the extension phone. Besides these, there were some ID and Password which I have handed over already. Like PC's ID and password and XCRV's ID and Password. These ID were created only for my use and I never share these ID and password with anyone. Different types of documents, product brochure, file, magazine and PPG I have read there and used in official purpose and I have handed over all these to my supervisor.

Training Process:

I have learned about retail banking in details and I had to sit for two multiple questions exam. I have also learned how to operate XCRV, checking account status, transaction etc. How to communicate with customers and learn about giving input in excel, sharing process, preparing every day report etc, these I have learned here.

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Role of supervisor:

- The Supervisor monitors my daily work, checks everyday report and gives feedback.
- The Supervisor shares insight into how their day-to-day tasks and overarching projects are benefiting the company as a whole, as well as playing into the industry.
- The Supervisor creates clear project goals and schedule benchmarks for me to gain a better understanding.
- The Supervisor sets the standard for communication early by scheduling a casual 30-minute conversation one day every week. This gives me a chance to assign my objectives, answer any questions, and help us confidently move forward with our projects. These meetings are important for building a professional relationship with interns.
- The Supervisor prepares and archives meeting minutes.
- Other duties are also done as assigned.

Tasks Related To The Project:

Regular work:

1. Check the account history in XCRV
2. If there is no transaction last 6 month call customer and inform them about the zero balance status of their account.
3. Note the feedback and input it in excel sheet
4. There will be a target number of customers that intern has to call. Strictly recommended to fulfill the target every day.
5. Prepare daily report and submit, take feedback from supervisor.

Organization Wide:

At first I have to collect customer account information from official XCRV system of BRAC Bank Limited. Then I give telephone call to every customer to inform them about zero balance in their account and also about company's action to their account, try motivating them to refill their

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account. Try to identify what they want to do and write down what they will do. Keep record in MS Excel and try to making a summary.

- XCRV system
- Local internet
- MS Excel
- Finacle software

Different Aspect of Job Performance:

➤ **How many calls per day:**

At the end of the day it was saw by my supervisor that how much calls I able to perform per day and for that I had to report at the end of the day where I mention how much customer I able to reach. From the reached customer how much customer I able to make interested.

➤ **How much money revive per month:**

My job performance was also measured by how much money revives per month from the list of the calling customer.

In addition, all the interns got three days training as well in their three months internship time. The training program conducts by BRAC Bank which is so helpful and also very important. On the first day, we were given an overview of BBL. At the end of the session, we were divided into small groups for visiting branches in the next day according to our convenient location for observing the activities of branches that how it's happen actually. On the following day, I had to visit Mirpur Branch of BBL with my six group members. Our work was to observe the tasks of branch members. I monitored and questioned them many things about their work. They all were so friendly to us so they answered every question very constructively. In the last day of our training we had SME (Small Medium Enterprise) Unit office attachment for half day in Mirpur. At early morning we went to the SME Unit Office and collect major information about the SME Loan for which BRAC Bank is the pioneer in Bangladesh. They told us about their products and also their facility which they are offering to their customer with the products. After that we went

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to the Head Office and sat for an exam by which BRAC Bank can evaluate us that how much attentive we were and know about our caliber. I got nineteen out of twenty in that exam.

Overall my internship experience was excellent in BRAC Bank. I really enjoyed my office time because my fellows were very much helpful to me. I learned many things in that three months time period which will help me in my future career life in fact I want to build my career in Banking Sector. I really like the environment of BRAC Bank. All are so much sincere about their own duty and responsibility. They know how to utilize their time properly and how to organize their job carefully. I experienced that corporate job life is far different from a government job. There was not any word called 'Tiredness'. I like their attitude, working style and also their life style. It was really a great opportunity for me that I have completed my internship from BRAC Bank.

Chapter 3

ZERO BALANCE PROJECT

Analysis of Zero Balance Project of BBL

3.1 Description of the project:

I have to submit my internship report on “**ZERO Balance Account of BRAC Bank Ltd.** This topic is very much crucial and has importance to prepare my report as I am working as an intern in the Customer Experience Department of Retail Banking division. That is why it is easy for me to provide all the information about the related topics. I have tried to provide all the information related to this topic. The main theme of the topic is on Zero Balance Account.

This aim of the report is to provide an overall analysis of the zero balance accounts holder. In 2012 BRAC Bank has segmented their customers in four segments to give “Delightful Customer Experience” based on the need and aspiration of their customers. There are different customers like Easy,Excel,Supreme and Premium Banking customer. The customer who fall under the criteria of zero balance condition is the Easy Banking customer.

This report provides the overall information & scenario of the zero balance account holders and its recovery process.

3.2 Objective:

The objective of the report can be viewed in two forms:

- General Objective
- Specific Objective

General Objective

This internship report is prepared primarily to fulfill the Bachelor of Business Administration (B.B.A) degree requirement under the Department of BRAC Business School, BRAC University.

Specific Objective

More specifically, this study entails the following aspects:

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- To provide a brief overview of **BRAC Bank Limited** and their historical background.
- To analyze the “**Zero Balance Account**” of **BRAC Bank Limited**.
- To present my observation and some recommendation regarding Zero Balance Account of BRAC Bank Limited.

3.3 Methodology:

For collecting the information primary and secondary source both are used similarly. In primary source the information is collected by doing the job performance, consulting with supervisors and other employees and also the raw data which is used throughout my internship period. In secondary source different websites of BRAC Bank, journals and books are used for retrieving the information.

3.4 Limitations:

In the time of preparing the report I faced some problems for which I couldn't gathered or presented all the expected information that I wanted to collect. Although I get help from numerous sources but some problems I faced during collecting information. Some constraints are given below: ----

- Lack of knowledge about work pattern of Retail Banking Division.
- Lack of available time for consult with the member of Customer Experience Department of BRAC Bank; it happened because whole day they were so busy with their own work. So they managed a little time for me when they can help me to understand the whole things or the difficult terms.
- Unavailability of information about the Zero Balance Project because they have some important information which they keep secret or not willing to discuss with me. Confidentiality of data acted as a barrier during the study, as banks have confidential data related to its operations and clients which they did not want to reveal.

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- Time constraint was also one of the factors that curtailed the scope of the study. As I get only one and half week to prepare the report.
- Data unavailability is one of the barriers like, I get only one month data for showing the prospect of Zero-Balance Project, but if I get several months data I think it would be much better for me.
- Some website is not able to accessible due to the internet problem.
- Because of too much work pressure sometime I did not find extra time for doing my report work or quarry some important term for my internship report.

3.5 Literature Review:

3.5.1 Current Bangladesh Scenario:

If we consider the current economic scenario we can see that, the forecasts for FY (Fiscal Year)-2014 and FY (Fiscal Year)-2015 rest on several assumptions: Political stability will be restored following the January 2014 national elections, improving consumer and investor confidence. The central bank will be watchful, in line with the January 2014 monetary policy statement, to keep inflation in check while helping direct steady credit flows to the private sector. Electricity and fuel prices will be raised to lower subsidy costs. It will be possible to mobilize more foreign financing, thus limiting government bank borrowing. Food grain and oil prices will remain stable on the international market. And the weather is normal.

| Selected Economic Indicators (%) - Bangladesh | 2014 | 2015 |
|--|-------------|-------------|
| GDP Growth | 5.6 | 6.2 |
| Inflation | 7.5 | 6.5 |
| Current Account Balance (share of GDP) | -0.5 | -1.5 |

GDP growth is expected to slow to 5.6% in FY2014, owing to a decline in remittances (which have been equivalent to about 15% of private consumption spending) and as export growth tapers off in the coming months. Domestic demand was depressed in the first half of the year

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because the prolonged political unrest ahead of parliamentary elections in January 2014 dented consumer and investor confidence. This is reflected in lower private credit growth, a decline in imports of consumer goods and capital machinery, and modest growth in imports of raw materials. Growth is expected to rebound to 6.2% in FY2015, aided by higher remittance and export growth, as well as by prospects for continued economic recovery in the US and the euro area. A likely rise in consumer and investor confidence as the political situation stabilizes is also expected to stimulate demand and strengthen growth momentum.

3.5.2 Liquidity Situation:

Managing liquidity for a bank involves having enough cash on hand and being able to borrow cash at reasonable cost in order to meet cash needs exactly when they arise. The two most common uses of the bank's liquid funds are to cover deposit withdrawals and to meet requests for loans. Banks can meet those funds needs by selling assets (i.e., disposing of stored liquidity) or borrowing in the money market (i.e., using purchased liquidity).

If we consider the present liquidity condition then we can see that according to Bangladesh Bank data from January 1 to January 23, state owned Agrani Bank Limited borrowed from the call money market on an average over Tk. 300 crore every working day. It was the highest borrowing rate. Another state-owned bank, Sonali Bank Limited, is on second position as it borrowed about Tk. 250 crore daily. Within this period, the aggregated amounts of borrowing by these two banks are Tk. 5,054 crore (Agrani) and Tk. 4,217 crore (Sonali). However, two other state-owned banks- Janata Bank Ltd and Rupali Bank Ltd- have lent to call money market on a regular basis. Within this period, Janata Bank lent Tk. 15,334 crore while Tk. 1,698 crore.

Among private bank, big lenders were:

1. Basic Bank Ltd (lending amount Tk. 11,894 crore)
2. United Commercial Bank Ltd (Tk. 8,769 crore),
3. Pubali Bank Ltd (Tk. 6,825 crore),
4. Dutch Bangla Bank Ltd (Tk. 5,434 crore),

(Banglavision Research Journal Vol. 14, No. 1, 2014)

The Trust Bank Ltd, Bank Al-Falah, Premier Bank Ltd, One Bank Ltd and Bangladesh

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Development Bank are also the big borrower. Borrowing and lending are almost parallel for The City Bank Ltd (aggregated lending Tk. 2,391 crore and borrowing Tk. 2,955 crore) and Standard Bank Ltd (borrowing Tk. 1,060.50 crore and lending Tk. 1,133 crore). Two foreign banks that went for regular borrowing from the call money market are Bank Asia Limited and National Bank of Pakistan. Among foreign banks, Commercial Bank of Ceylon, Citibank NA, Habib Bank Limited, Honkong Shanghai Banking Corporation, Standard Chartered Bank, State Bank of India and Woori Bank have lent to the call money market. Meanwhile, International Leasing, Lanka Bangla, Peoples Leasing, Prime Finance, Union Capital, Reliance Finance Ltd, ICB Islamic Bank Ltd, are facing acute liquidity crisis. The Steps of Bangladesh Bank should be taken. The Bangladesh Bank (BB) should be more operational independence to exercise properly its regulatory powers over the country's financial sector, specially its own operational building. State-owned Sonali Bank Limited has, once again, highlighted the need on guaranteeing proper functional independence to the Bangladesh Bank (BB), without being overloaded by any unnecessary interfere.

3.5.3 Cash Reserve Ratio:

Bangladesh Bank increases the Cash Reserve Requirement (CRR) from 5.5percent to 6 percent (effective from 15th December, 2010). Now the question arises whether this policy will be effective or not as scheduled banks now have to deposit more to the Bangladesh Bank from which no earnings will come inspire them to increase the advance rate which will slow the growth of credit and investment.

Borrowing by the Government from Banking System has seen an increasing trend since July-September. As the borrowing increases every year, its expenditure is also going up due to higher interest payment. In the June of 2012, however, government borrowed Tk. 91728.90 crore from the banking system, which is Tk. 110124.70 crore in June2013 and 114044 crore in March 2014. Borrowing increases by16.42 percent in March2014 over March2013 which was 8.47 percent in March 2013 over March 2012.

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3.5.4 Interest Rate:

The benchmark interest rate in Bangladesh was last recorded at 7.25 percent. Interest Rate in Bangladesh averaged 7.25 Percent from 2008 until 2014, reaching an all time high of 8.75 Percent in September of 2008 and a record low of 4.50 Percent in October of 2009. Interest Rate in Bangladesh is reported by the Bangladesh Bank.

| Actual | Previous | Highest | Lowest | Dates | Unit | Frequency |
|--------|----------|---------|--------|-------------|---------|-----------|
| 7.25 | 7.25 | 8.75 | 4.50 | 2008 - 2014 | Percent | Monthly |

(Bangladesh Interest Rate - was last recorded on Monday, September 15, 2014)

In Bangladesh, interest rates decisions are taken by the Bangladesh Bank. The Bangladesh Bank controls two policy interest rates: the repo rate (repurchase rate), which it uses to inject money into the banking system, and the reverse repo rate.

From the above mention criteria, we can say that at the beginning of this year 2014 the economic condition is not so good due to political unrest or some other staffs. For that reason investor lose their confidence to invest. In that time we see liquidity crisis in the market and government needs to borrow from the banking system as well. Although the condition improves a lot but still the liquidity crisis is exists in the market and for that reason most of the bank wants to increase the deposit amount.

If we consider the BRAC Bank scenario, we can say that Zero Balance Project is an internal initiative of BRAC Bank Limited to increase the deposit amount to hedge the risk of current economic condition.

3.6 What Is Zero Balance Account?

A Zero balance account is an account which balance is approximately less than hundred taka or zero. For example, the accountholder does not have any money in that account or have some money which is less than hundred taka.

3.7 Background of The Zero Balance Project:

Zero Balance project is an internal project of BRAC Bank Limited which main aims is to keep the customer account active whose balance is zero. This project was initially started at two years before and the bank actually started this project for considering the dormant condition of the customer account and at the same time due to the huge charges made by the zero balance account. By initiating this project BRAC Bank keep their zero balance customer account active which would be otherwise dormant after 12 months and at the same time get more fresh fund from those account. So this is a helpful project for both the perspective of the customer and the bank. The reason behind this is that if customer account will be dormant then they are not able to use their account. However their account will be exists and at the same time charges will be continuously dues for those accounts. It creates a bad record for the customer and at the same time they are not using the account but they have to pay charges if they want to re-activate their account or continue their account. So from that perspective it is better for the customer to keep their account active and use the account. On the other hand, bank has some costs for the customer account. So from this project those zero balance customer account keeps active which help them to cover their charges amount and at the same time banks get the deposited amount.

3.8 Reason behind starting this project:

At the initial state the key personnel of the bank found that there are lot of zero balance accounts, which the customer do not know or know but do not want to deposit fund for service problem or some other issues. So from this thinking the journey starts and now a day it does not only inform the customer about their zero balance amounts but also give them proper support. Like sometimes customers told about their different problem and the person who call the customer give enough support to them. For that the customer who feels that the service of BRAC Bank is not good he/she get some positive message about the bank image and ultimately it turns them to deposit funds. So from this project customer get to know about their zero balance account which make them aware to keep their account active and at the same get some sorts of solution over the phone if they face some problem regarding their account.

3.9 Frequency of this Project:

Zero Balance Account is a continuous two years project. It was calculated or checked in every month to show the progress or to show that how much fund is deposited by the zero balance customer. So from that perspective we can easily say that the frequency of the Zero Balance Project is every month in a year.

3.10 Designation in Zero Balance project or who are involved with this project:

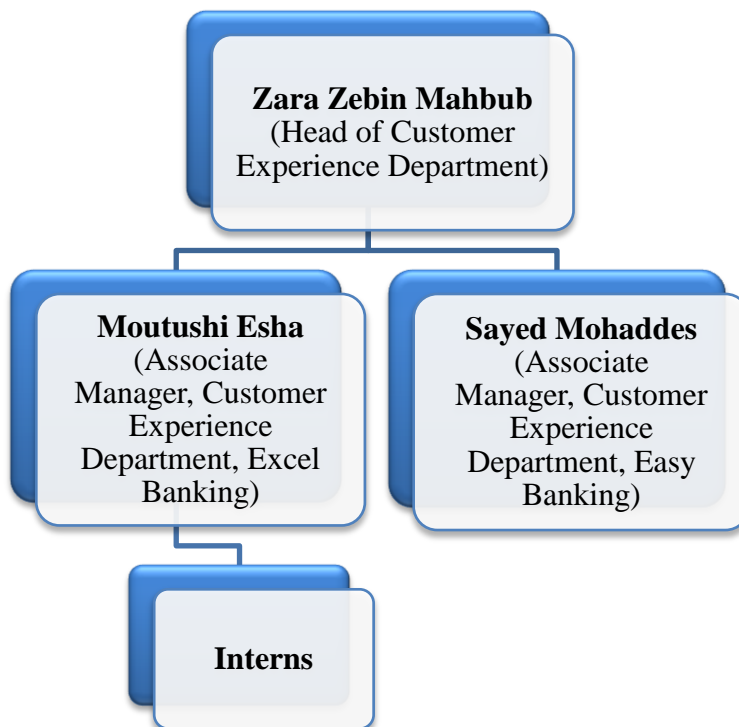


Figure: Hierarchy of Zero Balance Project

Analysis of Zero Balance Project of BBL

From the above hierarchy we can see that in this zero balance project all the interns like me inform to the Associate Manager Ms.Moutushi Esha. All the direction and briefing we get from her and both she and Mr. Sayed Mohaddes analyzed the data and both of them report to the Head of the Department Zara Zebin Mahbub. So she takes the ultimate decision in this project.

3.11 Goal of the Zero Balance Account Project:

- To increase the active number of accounts.
- To increase non-funded income.
- To decrease dormant account numbers.

3.12 Target Customer:

As zero Balance Project deals with the customer whose account balance is zero, they are actually fall under the Easy Banking customer segment. They are the most profitable segment of the bank because although their deposit amount is not that much high but the number of customer is huge in this segment. In this segment, customers have to maintain annual average balance of less than BDT 50,000 Tk. So ultimately in this project they are the main target customer.

3.13 Statistics of Zero Balance Account:

Throughout my internship period I got 11,915 customers information in two different excel sheet. One is for Current Account and another one is for Savings Account. Here the statistics of from how much time the account is zero is given below:

Analysis of Zero Balance Project of BBL

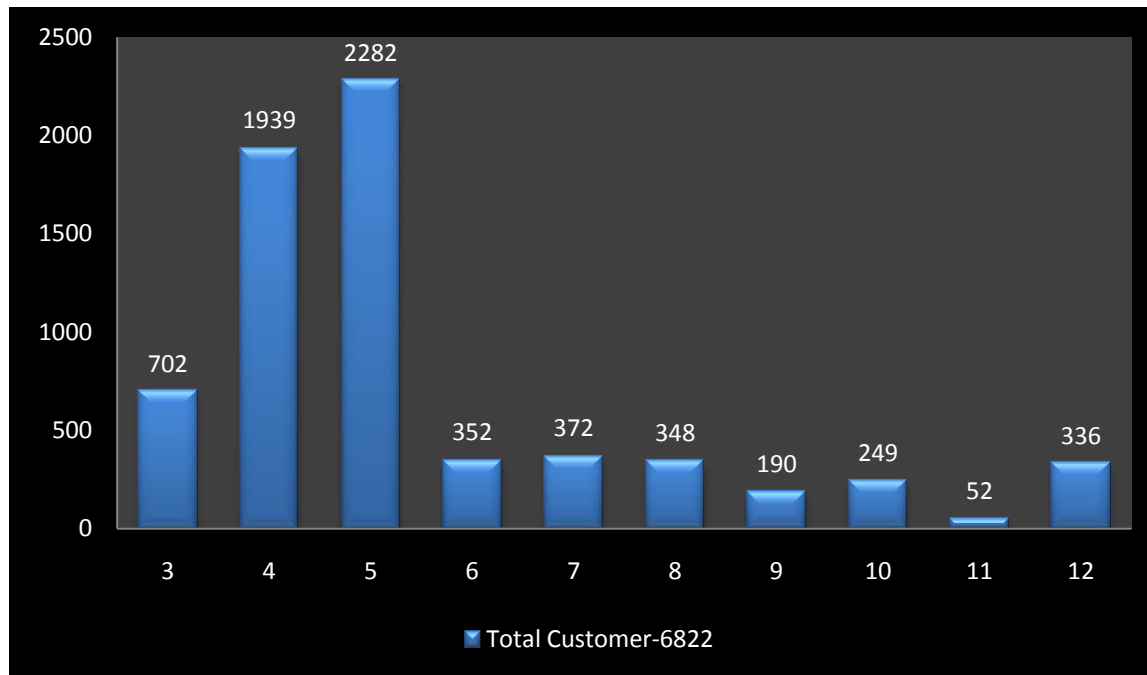


Figure: Statistics of how much time the customers Current Account is zero (from 3 to 12 months)

From the above mention table, we can see that around 6822 customers Current Account balance is zero. From them around 2282 customers account was zero from 5 months, which is the highest value. If we consider the lowest value we can see that around 52 customers account is zero from 11 months.

So from this table we can easily come to a conclusion that the number of Current Account which will be dormant very soon is not that much high compare to the account which is zero from 3 to 5 months. Here the mentioning reason can be that for service quality or high accounts maintenance costs, zero balance customer account is high from 5 months and now customer's wants to discontinue the account. So the bank's personnel need to take proper steps like inform the customer at the beginning where the zero balance customers' number started to be huge. If they will do so then ultimately the burden of zero balance account can be minimize and it cannot happen in a huge amount and banks also will not lose their charges amount from the customer.

Analysis of Zero Balance Project of BBL

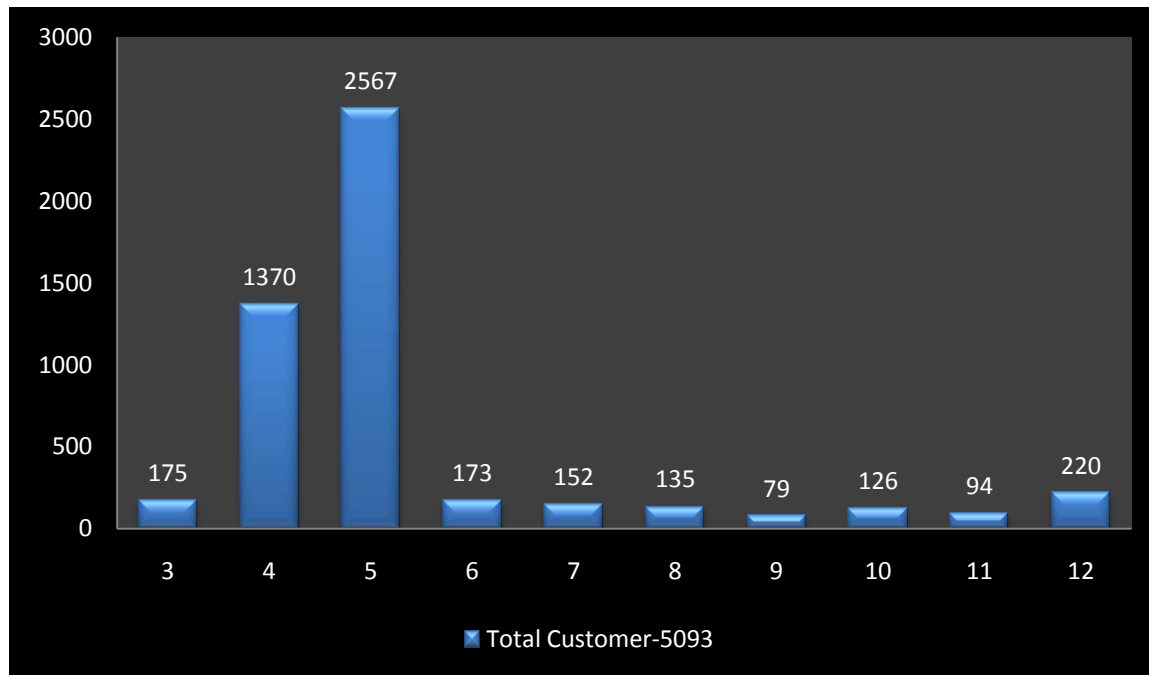


Figure: Statistics of how much time the customers Savings Account was zero (from 3 to 12 months)

From the above mention table, we can see that around 5093 customers Savings Account balance is zero. From them around 2567 customers account was zero from 5 months, which is the highest value. If we consider the lowest value we can see that around 79 customers account is zero from 9 months.

So from this table we can easily come to a conclusion that the number of Savings Account which will be dormant very soon is not that much high compare to the account which is zero from 3 to 5 months. The reason behind this scenario can be that with the help of Zero Balance Project, customer are informed about their zero balance condition and then they try to active their account and for that reason they deposited fund in their account. So for that, we cannot see here the larger amount of zero balance customers from 06 to 12 months, as may be they inform earlier. Here Zero Balance Account proves its success.

3.14 Gap in this project:

- **Information Gap:** Throughout my internship period I have to call 2770 customers and in that time I found that information gap is one of the major constraints. For example, some customers do not have knowledge about the actual maintenance fee and debit card fee of account and once bank charge on account, it creates dissatisfaction and customers disagree to continue his account. But when they know the actual calculation, they deposit money again and agree to run the account. So, here information gap is created. It is happen actually for the unawareness of the customers. Sometimes I found that the customer does not know about their yearly charges or sometimes they claim about their extra charges. So this is the gap.
- **Communication problems:** Communication problem is one of the problems because when we (intern) call the customer, the phone line shows busy most of the time. So, although it is possible to call lot of customer in one hour but due to TNT Extension phone problem we are not able to do so.
- **Technical Problems:** The one of the major technical problem which we faced in this project is that XCRV problem. Sometimes XCRV is not working properly and I personally have experience that it did not work for one day long. So in that day I am not able to call the customer.

3.15 Mitigate the gap:

- **Give proper information to the customer:** Information gap is mitigated by providing proper information to the customer. At the same time if customers have some other query about their account, it is provided to them as soon as possible. So ultimately customer gets satisfied with their BRAC Bank account and deposits money to their account.
- **Arrange new phone:** Already for this project nine new RangTel phone is purchased and for that reason the communication problem which is created for showing the line busy is not happen hopefully. So now it is possible to reach lot of customer within one hour.

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- **Inform IT (Information Technology):** For XCRV problem, higher authority already informed to the IT department. So we hope that very soon it will be mitigated and at the same time as BRAC Bank IT system is continuously improving its services. So there should be no problem with the XCRV system.

Chapter 4

PROSPECT OF ZERO BALANCE PROJECT

Analysis of Zero Balance Project of BBL

4.1 Fund Inflow:

From the BRAC Bank perspective if we consider the zero balance projects we can see that they get huge success by initiating this project. In my internship period, only one month data is analyzed. It was the month of June, 2014 and the output is discus below:

| Category | June, 2014 |
|----------------------|-------------------------|
| Account Revived | 198 |
| Fresh Fund Inflow | BDT 14.5 Million |
| Lien Amount Realized | BDT 0.04 Million |

From the above mention information we can say that the customer whom we (intern) called in the month of June, 2014, from them around one hundred ninety eight customer deposit funds in their account and the bank get BDT. 14.5 Million as a fresh fund inflow from the customer. At the same time the lien amount realization amount is BDT. 0.04 Million. This is actually possible for conducting the Zero-Balance Project. Otherwise bank may lose this valuable amount. So ultimately it increases the total fund of the bank.

4.2 Efficiency:

Efficiency means getting more output with less input. Here in BRAC Bank if we consider this efficiency we can easily say that they also achieve this by conducting Zero-Balance Project. The main reason behind this is that for conducting Zero-Balance Project, they need to use less input but they get more output from this project. For example, we can say that informing the customer is the main moto of this project and for that the bank only need some sort of staffs. Which are given below:

- Some employee (2/3)
- XCRV system
- Local internet

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- MS Excel
- Finacle software
- PABX phone
- Some intern

So from the above list it is clear about how much they need to spend for this project. On the other hand, the output from this project is huge as previously discussed that about BDT 14.5 Million fresh fund inflow from this project in the month of June, 2014. So if we consider this one month information for one year than we get the round figure of one year fresh fund inflow amount. This is much higher than the using staffs as used as input. Finally we can say that the bank get the efficiency by conducting this project.

4.3 Effectiveness:

Effectiveness measures how effectively the work is done. Here if we consider Zero-Balance Project in BRAC Bank Limited then we can say that they actually effectively done the project. As fresh fund inflow amount is high, customer get interested to deposit funds, get profit from zero balance account. So ultimately it shows their effectiveness. Here my work results also shown the effectiveness of this project, which is given below:

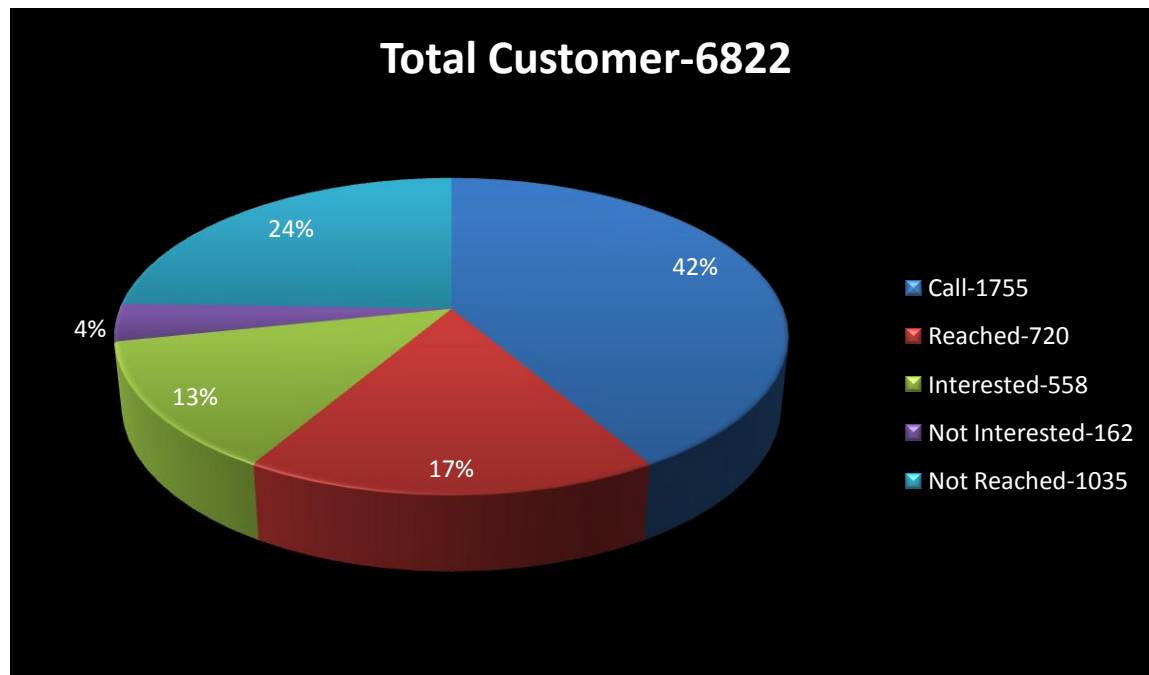


Figure: Output of Current Account for last 3 months

From the above diagram we can see that from 6822 Current Account customer about 42% customer I able to call. Where total reached customer is 17%, from this 13% are interested, 4% are not interested and other 24% are not reached.

From here we can easily come to a conclusion that the total percentage of interested customer amount is much higher than the not interested customer. So this is the effectiveness of this project that we make the customer interested to deposit funds.

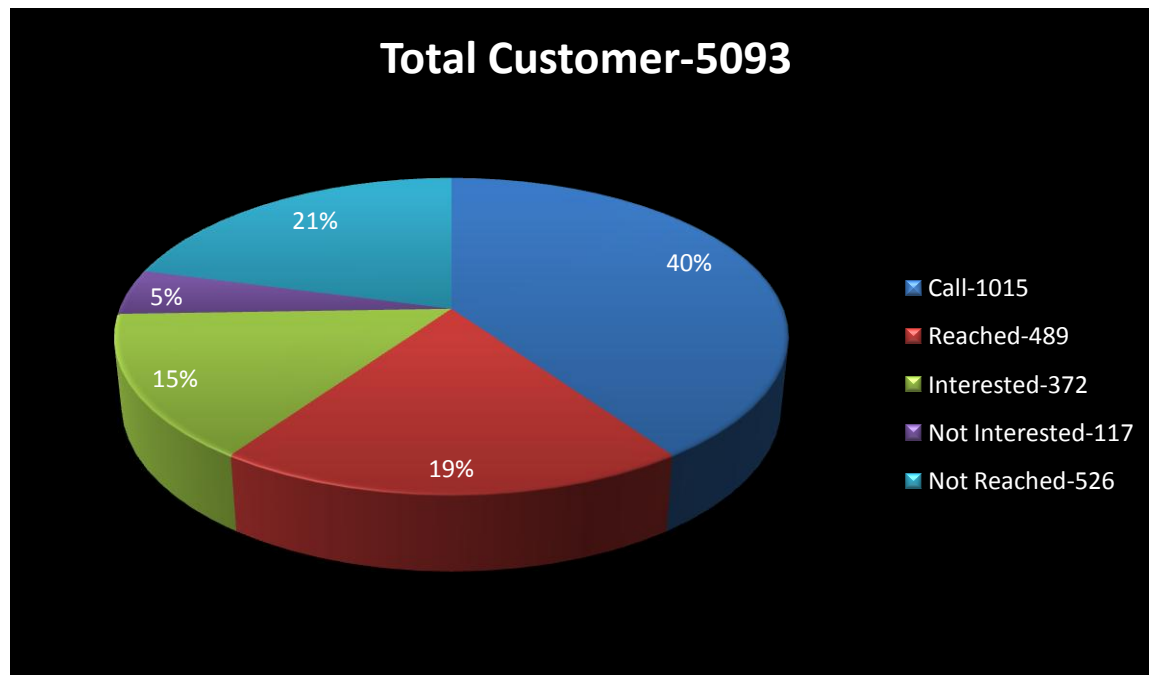


Figure: Output of Savings Account for last 3 months

From the above diagram we can see that from 5093 Savings Account customer about 40% customer I able to call. Where total reached customer is 19%, from this 15% are interested, 5% not interested and other 21% are not reached.

From here we can easily come to a conclusion that the total percentage of interested customer amount is much higher than the not interested customer. So this is also the effectiveness of this project that we make the customer interested to deposit funds.

4.4 Future Plan of Zero Balance Project:

As Zero Balance Project is a continuous project, so management of BRAC Bank wants to continue this project in future and several strategies is taken for it to improving the effectiveness of this project. Like previously the dormant customer is not informed but at present they are starting to call the dormant customer about to inform their dormant account condition. The other thing is that previously for this project only three interns were assigning but at present there are nine interns who are working for this project. This is the result of the improvement that they are continuously assign new strategy and we hope that it will be continuing in the future.

Chapter 5

RECOMMENDATION, CONCLUSION & REFERENCE

Recommendation

However, I was working in Zero balance accounts project of Customer Experience Department of BRAC Bank Ltd. I have come up with some point, which can improve the efficiency as well as quality of the work. They are as follows-

The number of ATM booth needs to increase:

Although BRAC Bank have 350 plus ATM booth to serve the existing customer but this number is not enough. When we call the customer most of the time they claim about this that they are not getting the services all over. So to improve the banking experience of the customer BRAC Bank should increase the number of ATM booth.

The number of CDM machine needs to increase:

CDM machine is a new feature of BRAC Bank Ltd and for a pilot basis they implement this to some specific branch in Dhaka. However from Zero Balance project we get to know that customer are more interested with this CDM machine and if it will implement to all over the country then customer will be more satisfied with their desired services. So BRAC Bank should increase this CDM machine number to give the customer prompt services.

Better solution needs to provide to the customer:

Sometimes customer complaints about that they are not getting the proper solution to their problems which they are facing at the bank. For example, a customer complained that he sends his check to the check box but he could not get back the check amount. Already he complaint to the bank about it but cannot get proper solution till now. Although, this is a rare case but BRAC Bank should careful about this type of problems and provide the better solution to the customer.

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Providing quality service:

According to the customers complains about banani,Pabna,Barisal,Savar branches that their services are not up to the mark and sometimes they complaints about the bad behaviour of the employee. which actually discourage them to continue the banking with BRAC Bank Ltd. So bank's personnel should be sincere about their services and needs to be careful about providing quality services to the customer because the ultimate success lies in proving quality services to the customers.

Availability of money in the booth:

Most of the time, during emergency period, customers cannot withdraw money from the booth due to lack of money in the booth. It creates customer dissatisfaction and also shifted customer to another bank. Which ultimately creates a bad impact and also bank lose their potential customer. So to stop this happening bank personnel should ensure the availability of money in the booth.

Set up some strategy to communicate:

By working this Zero Balance Project I get to know that customer wants to communicate to the bank's authority for their complaints and lot of queries. Although Customer Experience Department are there to solve customer complaints and queries but direct or easy communication is not there. So bank personnel should set up some strategy so that the customers can easily communicate.

Open some new branches where needed:

Although BRAC Bank has huge branch network among the country but sometimes we get complaints that there are no branches in some specific places and for that reason customer is not able to get banking facility in those places and ultimately they start their banking with another bank which is close to them. It happens mainly in Rangpur, Khagrachori and some other places where the branch is located only in town and customer may live outside the town and they find

Analysis of Zero Balance Project of BBL

this branch far long distance. So bank personnel should take some necessary steps to open some new branches where needed.

Conclusion

To conclude, it can be said that it was a lifetime experience for me to work in the “**Zero Balance Project**” and gather knowledge from it. **BRAC Bank** is an organization who tries to establish their services and they can improve their services through low price services with skilled services provider and **Zero Balance Project** is a successful initiative of it.

In this **Zero Balance Project**, although there are some limitations and gaps exist but they (the key personnel) carefully taken under consideration of those and ultimately the result of this Zero Balance Project is huge success. Most of the time which we see is that normally dormant account will be closed but here by this **Zero Balance Project** we see the difference that **BRAC Bank** utilizes this zero balance account and the result is obviously the huge fund they get from this.

Finally, it can be said that the ultimate success comes by dedication, commitment and dynamic leadership of the management committee and in this **Zero Balance Project** of **BRAC Bank Ltd**, all of those are present and for that reason the project gets the ultimate success.

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