

**An Internship report**  
**On**  
***Customer Experience, Retail Banking Division***  
***Of BRAC Bank Limited***



**Submitted To:**

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**Date of Submission:**

***May 9<sup>th</sup>, 2016***

*Customer Experience, Retail Banking Division  
Of BRAC Bank Limited*



## Letter of Transmittal

9<sup>th</sup> May, 2016

Feihan Ahsan

BRAC Business School

BRAC University, Mohakhali, Dhaka-1212

**Subject: Submission of the Internship Report.**

Dear Sir,

I am here by submitting my report on "Retail Banking of BRAC Bank Limited ". While preparing this report, I worked as an intern at BRAC Bank Ltd. Under the supervision of Clary Robin Baul, Associate Manager Business development Customer experience, Retail Banking Division, BRAC Bank Ltd. Bangladesh.

It gives me enormous pleasure in preparing this report that was assigned in fulfillment of my internship requirement. This paper has been valuable to me as it contains the reflection of my working experience in BRAC Bank Limited, Head Office, for three months period of my internship. In this report, I have given my best to illustrate the experiences and knowledge I gained from this internship period.

I would like to mention that I am extremely grateful to you for your valuable assistance, extreme understanding effort and constant attention as and when required in accomplishing the paper.

I shall be very pleased to answer any query you think necessary as and when needed.

Sincerely,

Samira Sharmin

ID: 12104185

## ACKNOWLEDGEMENTS

First and foremost I would like to express my gratitude to the Almighty because of His love and strength that He has given me to finish this reflection paper as my internship report. I do thank for His blessings for my daily life, good health, healthy mind and good ideas.

I acknowledge the heartiest gratefulness to all who have extended their hands of cooperation in preparing the report. I express gratitude and acclaim I am indebted towards the relevant Academic Supervisor, Feihan Ahsan (BRAC University, Bangladesh). For his overall guidance, advice and support in encouraging the responsibilities consciously while creating this report.

I am cordially thanking Clary Robin Baul, Associate Manager Business development Customer Experience, Retail Banking Division, BRAC Bank Limited, Head Office, as he provided me the important information and supervision needed during the internship period and in the completion of this report. In addition, I would like to thank all the managers and employees of Retail Banking Division, BRAC Bank Limited, for taking into account my concern and responsibilities.

I would also like to thank all the members of the “Supreme Banking”, for their sincere cooperation and positive effort in completing my internship period. Without the teamwork and assisting attitude of the group members it would not have been possible in finishing this period.

## Executive Summary

The main objective behind this report is to state the responsibilities that I've gone through during my internship at BRAC Bank. The report determines the engagements I had in the past three months as an intern. The report is devoted in to explaining my responsibilities of building relationships with retail customers, privileged facility partners, other interns, vendors, suppliers, employees, etc. This report specifically describes the circumstances, reasons and motivation behind these activities and challenges that I had to face during performing there.

The report defines the approaches that I have followed in implementation the strategies while writing proposals for, supreme and privilege banking customers SOL (branch) identity number, premium banking credit card distribution, branch banking activities, premium and supreme banking gift delivery mechanisms through merchants and lifestyle.

Simultaneously, it is worth mentioning about the knowledge that I have gained and tried to involve them with every activities. I have tried to outline what I have learned from the whole process of involvement and embraced it with my personal observations and opinions.

This internship has enhanced my technical skills and interpersonal skills more widely than before. Also I believe, it has promoted me into a new human being achieving lots of personal developments including strong interpersonal and communication skills. The report includes statements regarding my expectation versus experience and how my expectations fully supported me to make a very good set of memory. Also I have mentioned the challenges that I have faced as an intern and the margin level of understanding that I had with my supervisor and his approach towards helping me out during my internship period at BRAC Bank. All these have been described in the last part of my report.

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*Chapter 1*  
*Introduction*

### 1.1) Origin of the report:

This report is an internship report prepared as a requirement for the completion of the BBA program. The primary goal of the internship was to provide an “on the job” exposure to the student and an opportunity for translation of theoretical conceptions in real life situation. The students are placed in enterprises, organizations, research institutions as well as development projects. In this connection, after the completions of the BBA program, I was assigned to the Head Office of the BRAC Bank Limited for practical orientation. I chose the topic “CUSTOMER EXPERIENCE OF RETAIL BANKING for my internship report under the supervision Mr. Clary Robin Baul.

### 1.2) Work Schedule:

CUSTOMER EXPERIENCE OF RETAIL BANKING – Head Office, SUPREME BANKING Division

**January 11, 2016 –April 11, 2016**

### 1.3) Objectives of the report:

The main objective of the internship is to gather practical knowledge regarding banking system and operation. This practical orientation gives me a chance to coordinate out theoretical knowledge with practical experience. The following are some of the objective for this practical orientation in bank:

- To apply theoretical knowledge in the practical field.
- Conversation with the customers.
- To know about the general banking activities.
- To observe the working environment in commercial banks.
- To study the existing overall banker customer relationship.

#### **1.4) Methodology of the Study:**

This report is based mainly on observations that I experienced during the internship period. Data required for this report were collected from the annual report of BRAC Bank Limited. Apart from this, helpful information was collected from online resources. Sources of Data: In order to make the report more meaningful and presentable, the following of data and information

#### **Sources of Data:**

Both primary and secondary data sources have been used to generate this report. The following sources have been used for the purpose of gathering and collecting data as required. In order to make the report more meaningful and presentable, the following of data and information have been used widely:

#### **Primary Sources**

- Observation for total internship period
- Various types of the data and information were collected from my practical experience and queries from the executives while doing my internship at the BRAC Bank Limited

#### **Secondary Sources**

- Library resource of BRAC bank
- Annual Report of BRAC bank
- Publications and magazines & also newspapers
- Website and interview of officials

### 1.5) Limitations:

There were certain limitations while conducting the study. These are summarized below:

- The main obstacle while preparing this report was time. As the tenure of the internship program was very short, it was not possible to highlight everything deeply.
- Work pressure in the office was another limitation restricting this report from being more detailed or analytical.
- Confidentiality of information was another barrier that hindered the study. Every organization has its own secrecy that is not revealed to someone outside the organization. While collecting data at The BRAC Bank Limited, personnel did not disclose enough information for the sake of confidentiality rule of the organization.

*Chapter -2 Industry Analysis & Banking  
Sector in Bangladesh*

## **2.1) Introduction:**

Generally by the word “Bank,” it means a financial institution which deals with money. There are different types of banks like Central Banks, Commercial Banks, Savings Banks, Investment Banks, Industrial Banks, Co-operative Banks, etc. But when we use the term “Bank” without any prefix or restriction, it refers to the Commercial Banks. Commercial Banks are the primary contributors to the economy of a country. So, it can be said that Commercial Banks are a profit-making institution that collects the deposits from the surplus unit of the society and then lend the deposits collected, to the deficit unit of the society. Thus, the people of the society and the government are very much dependent on the commercial banks as their financial intermediary. As banks are profit-earning concerns, they collect deposits at the lowest possible cost and provide loans and advances at higher cost.

Banking sector is expanding its hand in different financial events every day. At the same time the banking process is becoming faster and easier and the banking arena is turning wider. As the demand for better service increases day by day, they are coming up with different innovative ideas and products. In order to survive in the competitive field of the banking sector and fully gain customer satisfaction, all the banking organizations are looking for better service opportunities to provide their fellow clients. As a result, it has become essential for every person to have some idea about banks and the banking procedure.

## **2.2) Industry Analysis:**

Banking Industry is one of the most promising industries of our country. The importance of the sector revealed through its contribution in the economic growth of the country. This sector accelerates economic growth through mobilizing funds from surplus unit to the deficit unit. Banking Industry is moving towards rapid changes due to technological innovation and diversified needs of its customers. Commercial banks are the banks that accept deposits from the public and lend them mainly to commerce for short periods. As they finance mainly commerce, they are called commercial banks. They are also called deposit banks, as they accept deposit from the public and lend them for short and long periods.

### 2.3) Banking Sector in Bangladesh:

Banking sector has a vital role to play in the economic activities and development of any country. This sector is much more important in a developing country like Bangladesh. The whole scenario of the economy of a country can be ascertained by examining the condition of the banking sector. In Bangladesh, the banking sector dominates the financial sector and macroeconomic management largely depends on the performance of the banking sector. Banking sector grew primarily in the public sector with main emphasis on restructuring of the financial system and development needs of the war-torn economy with gradual liberalization in subsequent years. It was increasingly felt that banks should be allowed in the private sector for giving a fillip to development process on the basis of private initiative. In the 80's for the first time a number of banks in the private sector were allowed. Subsequently in the mid 90's some more banks in private sector also commenced operations. Finally, in 1999, 3rd generation of private sector banks was given permission to operate. As a result while up to 80's public sector banks dominated financial sector, banks in the private sector were given increased responsibility with the passage of time.

The banking sector of Bangladesh is divided into four categories of scheduled banks. There are 4 state owned commercial banks, 4 state owned development financial institutions which were established for specific objectives like agricultural or industrial development, 35 private commercial banks which are majorly owned by the private entities and 9 foreign commercial bank operating their businesses in Bangladesh which are incorporated in abroad. There are 52

Scheduled banks in Bangladesh (Bangladesh Bank, 2013) operating under the supervision of Bangladesh Bank that has been empowered through Bangladesh Bank Order, 1972 and Bank Company Act, 1991.

*Chapter-3*  
*Overview of BRAC Bank Limited*



### 3.1) BRAC BANK LIMITED

BRAC Bank Limited is a scheduled commercial bank in Bangladesh. It was established in under the Banking Companies Act, 1991 and incorporated as a private limited company as on May 20, 1999 under the Company Act, 1994. The primary objective of the bank is to provide all kinds of banking business. At the very beginning, the Bank faced some legal obligations because the High Court of Bangladesh suspended activity of the bank and it could fail to start its operations till 3rd June 2001. Eventually, the judgment of the High Court was set aside and dismissed by the Appellate Division of the Supreme.

The Bank has started its operations from July 04, 2001. The Chairman of the Bank is Sir Fazle Hasan Abed. Now the Managing Director & CEO of the banks Mr. Syed Mahbubur Rahman. The bank has made a reasonable progress due to its visionary management people and its appropriate policy and implementation. BRAC Bank is a commercial scheduled bank extending full range of banking facilities as per the directives of Bangladesh bank. BRAC Bank in surviving in the large banking arena through its unique and competitive products and it is the only local bank that started providing 100% integrated online banking facility though BBL started their career as a last bank in the banking sector out of 53 banks under Bangladesh bank.

BRAC Bank Limited is a fully operational commercial bank; it focuses on pursuing unexplored market niches in the Small and Medium Enterprise Business, which till now has remained largely untapped within the country. In the last several years of operation, the bank has disbursed over BDT 9,750 cores in loans to nearly 30, 0000 small and medium entrepreneurs. The management of the bank believes that this sector of the economy can contribute the most to the rapid generation of employment in Bangladesh through a team of over 8,000 employees. BRAC Bank offers a broad range of products and services, including SME, retail, commercial and corporate banking to more than 1.2 million customers.

The company consists of 174 branches, 398 SME unit offices, 31 cash deposit machine, 1800 Remittance Delivery Points, over 450 ATMs. BRAC Bank is among the last few organizations to have received a commercial banking license from Bangladesh Bank. BRAC Bank practices upon

a model where fund accumulated from urban deposits disseminates in the rural and uplift Small and Medium Enterprises (SME). By now it has become fourth largest SME bank globally. The company also offers Probashi banking, which specifically caters to non-resident Bangladeshis abroad. Other areas include customized treasury and foreign exchange solutions, cash management and custodial services.

### **3.2) Shareholding Structure**

Name of Shareholder	% of Shareholding
BRAC	43.77
International Finance Corporation	5.36
Shore Cap Limited	0.86
Non-Resident Bangladeshi	0.43
Mutual Funds	3.22
Institutions and General Public	46.36

### **3.3) Vision of BRAC Bank**

Building profitable and socially responsible financial institution focused on Market and Business with Growth potential, thereby assisting BRAC and stakeholders to build a just, enlightened, healthy democratic and poverty free Bangladesh BRAC Bank will be a socially responsible institution that will not lend to businesses that have a detrimental impact on the environment and people.

### **3.4) Mission of BRAC Bank**

The corporate mission of BRAC Bank is given below.

- Sustained growth in 'small & Medium Enterprise' sector.
- Continuous low cost deposit growth with controlled growth in retained assets.
- Corporate assets to be funded through self-liability mobilization.
- Continuous endeavor to increase fee based income.
- Keep our Debt Charges at 2% to maintain a steady profitable growth.

- 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.

### **3.5) Slogan**

The slogan of BRAC Bank is “Astha Obichol”. These two words are Bengali word that denotes enormous trust on the organization.

### **3.6) Logo**

The logo of BRAC Bank is very indicative in conformance with the goal of the organization. This logo has a square shape which means solid and strong. The golden color indicated the “Sonar Bangla”, the rising line denotes the growth of BRAC Bank, and blue is the beautiful sky where the sun is shining brightly.

### **3.7) Values of BRAC Bank**

The Bank’s Strength emanates from its owner - BRAC. This means, it will hold the following

Values and will be guided by them as it does its jobs.

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

### **3.8) Goal of BRAC Bank**

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

### **3.9) Objectives of BRAC Bank:**

BRAC Bank is the fastest growing Bank of the country. Its primary motto is to be the second largest bank in Bangladesh within 2009. To be the fastest growing bank, BRAC Bank now emphasizes on the existing processes and want to make the bank a process related Bank.

The objectives of BRAC Bank Limited are specific and targeted to its vision and to position itself in the mindset of the people as a bank with difference. The objectives of BRAC Bank Limited are as follows:

- ✓ Building a strong customer focus and relationship based on integrity, superior service.
- ✓ To creating an honest, open and enabling environment.
- ✓ To value and respect people and make decisions based on merit.
- ✓ To strive for profit & sound growth.
  - ✓ To work as a team to serve the best interest of our owners.
  - ✓ To relentless in pursuit of business innovation and improvement.
  - ✓ To base recognition and reward on performance.
- ✓ To responsible, trustworthy and law-abiding in all that we do.
- ✓ To mobilize the savings and channeling it out as loan or advance as the company approve.
- ✓ To establish, maintain, carry on, transact and undertake all kinds of investment and financial business including underwriting, managing and distributing the issue of stocks, debentures, and other securities.
- ✓ To finance the international trade both in import and export.
- ✓ To develop the standard of living of the limited income group by providing Consumer credit.

- ✓ To finance the industry, trade and commerce in both the conventional way and by offering customer friendly credit service.
- ✓ To encourage the new entrepreneurs for investment and thus to develop the country's industry sector and contribute to the economic development.

### **3.10) Banks culture**

- BRAC Bank has adopted trust as a corporate value which is the acronym for team work, respect for all people, unquestionable integrity, excellence in everything BRAC Bank of SME do, Sense of urgency in getting things done and total commitment.
- All employees are expected to conduct themselves in accordance with the rules, regulation and norms of the bank.

### **3.11) Nature of the business**

BRAC Bank Ltd. put forward all banking needs for its customers which comprise deposit banking, investment, export and import financing, inland and international remittance facilities, online banking services, etc.

### **3.12) Membership**

BRAC Bank is a member of the following:

- Bangladesh Association of Banks
- The Institute of Bankers, Bangladesh
- International Chamber of Commerce
- Metropolitan Chamber of Commerce and Industry
- American Chamber of Commerce in Bangladesh
- Bangladesh Employers' Association

### **3.13) Achievements and Recognitions**

- ✓ Best managed Bank Award 2013 from Asian Banker.
- ✓ Retail Banker Award 2011 from Asian Banker.

- ✓ Best Retail Banker Award 2011 from Asian Banker.
- ✓ FT-IFC Sustainable Bank of the Year 2010 (Emerging Markets, Asia).
- ✓ IFC awarded BRAC Bank as the Most Active Global Trade Finance.
- ✓ Program (GTFP), Issuing Bank in South Asia in 2010.
- ✓ Member of Global Alliance for Banking on Values (GABV).
- ✓ ICAB National Award 2009.
- ✓ DHL–Daily Star Bangladesh Business Awards 2008.
- ✓ NBR National Award as the Highest VAT payer for the financial year.
- ✓ bKash (Mobile banking service) Ltd.
- ✓ BRAC Saajan Exchange Limited.
- ✓ BRAC IT Services Limited (BITS).

### **3.14 Corporate Social Responsibility (CSR)**

Since the inception as a responsible corporate body, BRAC Bank Ltd. has undertaken various initiatives considering the interest of customers, employees, shareholders, communities and environment. These initiatives go beyond the statutory obligation and mandatory compliances to voluntary activities that promote sustainable development.

BRAC Bank’s vision focuses on double bottom line that it should make decisions based not only on profit but also based on social and environmental consequences which is closely linked to the principles of CSR. CSR is a fundamental part of the way BRAC Bank conducts business. It is an opportunity to build better relationships with all stakeholders by paying closer attention to how bank fulfill our social, economic, environmental and ethical responsibilities. CSR allows us to align our operations with standards and expectations that are increasingly important to our shareholders, employees, customers and communities where we operate.

While most of our overall environmental impact is indirect, resulting from our financing and investment activities, BRAC Bank also have a direct impact on the environment through our day-today business operations. They are working towards reducing waste and the more efficient use of resources. The second step is reducing indirect environmental impact by managing our investing activities. As a policy BRAC Bank does not invest in businesses which use child labor or engage in environmentally hazardous activities.

### 3.15) 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.
- Support: These sectors provide support to the business by ensuring the proper functioning of the various resources, risk management, and banking regulations.
- Operations: These sectors basically deal with the technicalities of the relevant sectors and ensure smooth functioning of the business for the bank

### 3.16) SWOT Analysis

SWOT analysis is an important tool for evaluating the company's Strengths, Weaknesses, Opportunities and Threats. It helps the organization to identify how to evaluate its performance and scan the macro environment, which in turn would help organization to navigate in the turbulent ocean of competition.

#### Strengths

- BRAC Bank can maintain a favorable even high profit margin.
- BRAC Bank is financially very sound organization.
- BRAC bank has already gained a positive image in the mind of the customers. And its strong corporate image helped it to gain the trust to the depositors.
- BRAC Bank has probably almost the best customer care service among the domestic competitors operating in Bangladesh.

- BRAC Bank has an efficient management team who are heartily working for the achievement of the ultimate objective of this bank.
- It has a friendly work environment where the employees can give their full effort with motivation which eventually results in an efficient team effort.
- It has a very good combination of shareholders who are very affluent and has significant importance in the society.

➤ *Company Reputation Sponsors:*

Retail Banking has been founded by a group of eminent entrepreneurs of the country having adequate financial strength. The sponsor directors belong to prominent resources persons of the country. The Board of Directors headed by its Chairman Mr. F H Abed. Therefore, BBL has a strong financial strength and it built upon a strong foundation.

➤ *Goodwill:*

BRAC Bank LTD has already established a favorable reputation in the banking industry of the country particularly among the new comers. Within a period of 5 years, BBL has already established a firm footing in the banking sector having tremendous growth in the profits and deposits. All these have led them to earn a reputation in the banking field.

➤ *Efficient Management:*

The top management of the bank is also major strength for the BBL has contributed heavily towards the growth and development of the bank. The top management officials have all worked in reputed banks and their years of banking experience, skills, expertise will continue to contribute towards further expansion of the bank.

➤ *Facilities and equipment:*

BBL has adequate physical facilities and equipment's to provide better services to the customers. The bank has computerized and online banking operations under the software called



MBS banking operations. Counting machines in the teller counters have been installed for speedy service and the cash counters. Computerized statements for the customers as well as for the internal use of the banks are also available.

➤ *Impressive branches:*

This creates a positive image in the minds of the potential customers and many people get attracted to the bank. This is also an indirect marketing campaign for the bank for attracting customers. 26 branches of the bank are impressive and are compatible to foreign banks.

➤ *Interactive corporate culture:*

BBL has an interactive corporate culture. Unlike other local organization, BBL's work environment is very friendly, interactive and informal. There are no hidden barriers or boundaries while interacting between the superior and subordinate. The environment is also lively and since the nature of the banking job itself is monotonous and routine. BBL's likely work environment boosts up the spirit and motivation of the employees.

➤ *Teamwork at mid-level and lower level:*

At BBL's mid-level and lower level management, there are often team works. Many jobs are performed in groups of two or three in order to reduce the burden of the workload and enhance the process of completion of the job. People are eager to help each other and people in general are devoted to work.

**Weaknesses:**

- Although the ATM posts of BRAC Bank is increasing day by day but still some of its competitors are having much more ATM booths which somehow hamper its image.
- Although SME loan is a very significant castor of BRAC Bank but people are less notified about the fact and they are not much familiar with all the SME packages that this bank offers.
- Their focus is less on the retail banking and corporate banking sector as like as SME sector thus its retail and corporate banking is getting less emphasis.

- Although its profitability is getting higher but its operating cost per employee is increasing.
- ATM booths of BRAC Bank ltd are so small in size

➤ *Advertising and promotion of SME loan:*

This is a major setback for BBL and one of its weakest areas. BBL's advertising and promotional activities are satisfactory but its SME loan is not advertised well. It does not expose its SME product to general public and are not in lime light. BBL does not have neon sign or any advertisement for SME loan in the city. As a result people are not aware of the existence of this bank.

➤ *Remuneration:*

The remuneration package for the entry and the mid level management is considerably low. The compensation package for BBL entry level positions is even lower than the contemporary banks. Under the existing low payment structure, it will be difficult to attract and retain higher educated employees in BBL. Especially CROs are not satisfied with compensation package provided to them.

➤ *GO name (BRAC):*

BRAC is one of the largest NGO of the world and it is operating its activities in Bangladesh. BRAC bank is not a NGO bank but many people of them country consider it as a NGO bank like Grameen bank which is not correct.

**Opportunities:**

- Still there is a good prospect and widening market for SME loan which will provide BRAC Bank a new arena.
- The market for commercial banks is widening day by day. Because people's trust over the private banks is getting stronger.
- There are many technological developments happening around the world and if they can adopt those technologies before its competitors it can enjoy the benefit over the time.

➤ *Diversification:*

BBL can pursue a diversification strategy in expanding its current line of business. The management can consider options of starting merchant banking or diversify in to leasing and insurance. By expanding their business portfolio, BBL can reduce their business risk.

➤ *Product line proliferation:*

In this competitive environment BBL must expand its product line to enhance its sustainable competitive advantage. As a part of its product line proliferation, BBL can introduce the following products.

**Threats:**

- Threat of new entrants is also a considerable factor. As an emerging sector new companies may come up with their distinctive competencies and can make obstacles for BRAC Bank to grow.
- The upcoming political situation if turns into an unstable economic condition that can be considered as a major threat as a hinder for normal operation.
- Competitive rivalry among the local banks is increasing day by day. Thus this threat for this bank to survive in its current position.

➤ *Multinational banks:*

The emergence of multinational banks and their rapid expansion poses a potential threat to the new growing private banks. Due to the booming energy sector, more foreign banks are expected to arrive in Bangladesh. This bank is establishing more branches countrywide and already launched is SME operation. Since the foreign banks have tremendous financial strength, it will pose a threat to local banks.

➤ *Upcoming banks:*

The upcoming private local banks can also pose a threat to the existing private commercial banks like BBL. It is expected that in the next few years more local private banks may emerge. If that happens the intensity of competition will rise further and banks will have to develop strategies to compete against an onslaught of foreign banks.

➤ *Contemporary banks:*

The contemporary banks of BBL such as Dhaka bank, prime bank and Dutch Bangla Bank are its major rivals. Prime bank and other banks are carrying out aggressive campaign to attract lucrative clients as well as big time depositors.

➤ *Default culture:*

This is a major problem in Bangladesh. As BBL is a new organization the problem of non-performing loans or default loans is very minimum or insignificant. However, as the bank becomes older this problem arises and the whole community suffers from this chronic diseases.

## *Chapter-4 Retail Banking*



#### 4.1) Retail Banking

Retail banking is when a bank executes transactions directly with consumers, rather than corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards. The term is generally used to distinguish these banking services from investment banking, commercial banking or wholesale banking. It may also be used to refer to a division of a bank dealing with retail customers and can also be termed as Personal Banking services.

BRAC Bank Retail Banking is one of the major business divisions of BRAC Bank holding the largest Retail banking customer base of the country. Traditionally Retail Banking was following a product value center model (Product, Price, Sales and Target) where emphasis was given on product parameter rather than customer experience. The bank was heavily focused on the supply side rather than the demand side of the equation to achieve its objective.

Retail Banking Operations (RBO), an integral part of retail banking, complement the ever-flourishing retail business through account opening, customer statement generation, inter-bank cheque clearing, ATM & credit card production, cheque-book production and processing government bond and SME Banking.

“We don’t want satisfied customers...we want delighted customers” – it is the new marketing mantra today. The same applies to the banking sector as well. Retail banking was once considered as taboos by the leading foreign and domestic banks. But cut throat competition innovation and advanced technology have all together changed the face of banking sector. Retail banking refers to provision of banking services to individual and small business where the financial institutions are dealing with large number of low value transactions. The Retail Banking environment today is changing fast. The changing customer demographics demand to create a differentiated application based on scalable technology, improved service and banking convenience. Higher penetration of technology and increase in global literacy levels has set up the expectations of the customer higher than never before.

## **4.2) Segmentation**

The retail banking division is divided into four business segment, two distribution channel and two support wings-

- ✓ Business Segment
- ✓ Premium Banking
- ✓ Supreme Banking
- ✓ Excel Banking
- ✓ Easy Banking
- ✓ Distribution Channels
- ✓ Branch Banking
- ✓ Alternate channels
- ✓ Support Wings
- ✓ Products and Marketing
- ✓ Retail Risk Management

## **4.3) Product and Services offered by BRAC Bank limited:**

BBL offers a wide range of products all over the Bangladesh. These are personal, corporate, investment; trade services; cash management; treasury and capital market services; insurance; consumer and business finance; pension and investment fund management; savings & deposit services, cash management; loan products, corporate and institutional services, day & night Banking. Liability Value Centre of BBL mainly classified products into two types: CASA (Current & Savings Accounts), also known as Transactional Accounts. HNW (High Net Worth), also known as Term Deposit (TD).

## **4.4) the main CASA & TD products are listed below:**

### **Savings Account:**

BBL offers a regular savings account offering interest on deposit amount. This account also provides cheque book facility for their customer.

### **Triple benefit savings account (TBS):**

Triple Benefits Savings Account offers a high interest rate of up to 8.5% p.a. Interest is credited to the account every month on average monthly balance. The minimum balance required for account opening is BDT 50,000.

### **Future star account:**

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

### **Aparajita account:**

Aparajita Account is a savings account for female customers, which offers interest rate up to 8.5% p.a. Interest is credited to the account every month on day end balance. The minimum balance required for account opening is BDT 1,000.

### **Abiram**

BBL Abiram Account is special type of Fixed Deposit Scheme. It offers the flexibility & comfort of having a guaranteed monthly return on investment. This account ensures a safe and steady return on customer investment. This deposit provides 95% loan against the deposit.

### **Current Account:**

BBL current account is a normal checking account, giving the option to deposit and withdraw money for day to day needs. This account holder can easily access to other facility provided by BBL as well as use online banking facility without charge.

### **Current classic account:**

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



### **Ezze account:**

Ezze Account is a non-cheque interest-bearing current account for small savers who need frequent transactions. No need to write a cheque or stand in queue to draw your money from BRAC Bank. You get a Debit Card to operate your account. This current account offers you interest of 2% p.a. Any balance greater than zero is eligible for interest. There is no Account Maintenance Fee. Annual Debit Card Fee is BDT 600+ VAT. This is a non-cheque book account. The minimum account opening balance requirement is BDT 2,000.

### **Business Account**

Business Account is an interest bearing account only for business Enterprise for SME and Retail banking. These customers need not to maintain any minimum balance to operate the account as well as they get 4% interest on daily balance.

### **Campus account:**

Campus Account is an interest-bearing current account exclusively offered for university students with an interest rate of 4% p.a. The minimum balance required for account opening is BDT 500. Any balance greater than zero will be eligible for interest. There is no Account Maintenance Fee. Annual Debit Card Fee is BDT 300 + VAT.

### **Salary account:**

Salary Account is a non-cheque book individual account for employees of different Corporate Houses, offered to facilitate the disbursements of their monthly salaries. Employees of MNC/LLC/MID CORP/NGO/Large proprietorship/Partnership firm, other than foreign nationals are eligible to open this account. Interest rate for Salary Account is 4% p.a. Any balance greater than zero will be eligible for interest. Interest calculation will be based on Daily Balance and Interest payment will be made half-yearly. There is no Annual Account Maintenance Fee in Salary Account. Annual Debit Card Fee is BDT 300 + VAT. Cheque Book facility is also available for this account.

## Short Term Deposit

Short Term Deposit scheme give returns to the customers. The minimum balance required to open this account is Taka 100000 and interest paid twice a year but calculated on a monthly basis if balance is Taka one Lac or above at the account.

## Fixed Deposit Premium

It is a monthly savings scheme for periods of 1 to 15 years. Customers can save in small amount installments and get a handsome return at maturity. This account can easily maintain through customers link account that means monthly installment will be automatically realized from customers account.



**Universal Credit Card**

- Flexible limits in Taka & Foreign currencies
- Instant SMS alerts of transactions
- 50-day interest free credit period

The advertisement also displays two credit cards: a Visa card and a MasterCard, both issued by BRAC BANK.

## Universal Cards:

This is a Visa/MasterCard dual currency credit card with worldwide acceptability. Its USD credit limit will be within approved BDT limit assigned for the cardholder. A secured dual card's limit will be maximum USD 30,000 against lien on RFCD or ERQ account.

Dual Cards can be issued against different entitlements:

- ✓ Travel Quota

- ✓ RFCD /FC
- ✓ ERQ

As per customer request, dual card will be offered to customers against his/her Travel Quota, Residence Foreign Currency Deposit (RFCD) account and Export Retention Quota (ERQ) account. Dual card can be used in local currency within the country and foreign currency outside the country.

Travel Quota limit is USD 1500 for SAARC Countries (India, Pakistan, Sri Lanka, Nepal, Afghanistan, Bhutan, Maldives & Myanmar) and USD 5000 for Non SAARC Countries.

#### **Universal Visa/MasterCard Classic:**

Dual Currency Visa/MasterCard Credit Card is valid not only in Bangladesh but abroad as well. It can be used in local currency (BDT) within the country and foreign currency outside the country. This type of credit card has a limit ranging from BDT 10,000 to BDT 75,000.

#### **Features:**

- ✓ Annual fee is your choice
- ✓ Card cheque Facility
- ✓ FAST Rewards Program
- ✓ E-Statement Service
- ✓ Balance Transfer
- ✓ Credit Shield Facility
- ✓ Extensive SMS Service & Transact

#### **Visa / MasterCard Planet Debit Card:**

Planet card is an initiative to protect this world and to present a better tomorrow for your future generations. When you are availing a planet card, you are donating for our environment-friendly initiatives which include:

- Waste management projects
- Renewable energy projects.
- Tree plantation programs and many more

### Loans:

BBL provides Loans which are grouped under term finance depending on the term loan. It is generally categorized under short term and long term. Term finance is both fund based and non-fund based. Fund based term finance is usually for capital expenditure, acquisition of fixed asset for expanding a business as well as towards starting a new business. Non fund based financing is in the form of deferred payment guarantee for acquisition of fixed assets for starting otherwise expanding a business or industrial unit. BRAC Bank is offering the following loan to the client for financing different purpose that fulfill the requirements of the bank and have good return to the investment as well as satisfy the client. Retail Loans are consumers' loan. Based on the customer demand these loans are given. BRAC Bank has a wide range of retail loan-

1. Car Loan.
2. Doctor's Loan.
3. Secured Loan/OD.
4. High Flyer Loan.
5. Top Up Loan.
6. Credit Card Loan.
7. Study Loan.
8. Teacher's Loan.
9. Now Loan.
10. Salary Loan

### 4.5) Launching of RFCD Debit Card:

In 2013 RFCD Debit Card was launched. It is the first International Debit Card of BRAC Bank. RFCD Debit card is the easiest way to access Resident Foreign Currency Deposit (RFCD) account from abroad. This Debit card can be used worldwide at Visa ATMs for cash withdrawal, Visa Point-of-Sales (POS) terminal for purchases and for making payments on the interest against US Dollar RFCD Account maintained with BRAC Bank.

### **Benefits of RFCD Debit Card:**

- RFCD Debit Card is issued against US dollar Resident Foreign Currency Deposit (RFCD) Account
- Daily USD 700 or equivalent currency withdrawal facility from any Visa branded ATM outside Bangladesh
- Daily USD 1,000 or equivalent currency purchase facility from any Visa Point-of-Sales (POS) outside Bangladesh
- Transactions done with RFCD Debit Card can be easily monitored as the transactions are immediately reflected in account statement
- Free Balance Inquiry from ATM's outside Bangladesh.
- Free Balance inquiry, Mini Statement withdrawal and PIN Change facility in Bangladesh
- Online purchase can be conducted from anywhere in the world
- Foreign currency endorsement is not required to use RFCD Debit Card abroad
- No interest related charges for using the Debit Card
- Free transaction alert facility

### **4.6) Bangladesh Road and Transport Authority (BRTA) in E-Commerce:**

BRAC Bank successfully running its E-Commerce business for last three years which was first introduced in 2010. Recently BRAC Bank has incorporated different government organizations for ticket purchasing and bill payment through E-Commerce. In this regard

BRAC Bank has successfully brought BRTA (Bangladesh Road and Transport Authority) under its E-Commerce platform. The first and foremost benefit which customers can get with the help of online payments service is that they can pay BRTA payments from anywhere. The second advantage of the online payments service is that this process is completely hassling free. Customers do not have to stand in the long queue to pay BRTA fees. Customers can pay all expense related to BRTA using VISA / Master Debit or Credit Card.

For BRTA fees payment, customers need to visit the website [www.ipaybrta.cnsbd.com](http://www.ipaybrta.cnsbd.com) to avail the following services:

- ✓ Apply for vehicle registration.
- ✓ Review registration information.
- ✓ Download payment receipt.
- ✓ Review payment history.
- ✓ Track application status

#### **4.7) Others Unit of Retail Banking**

##### **SME Banking:**

BRAC Bank being the youngest bank took a step to break away from usual tradition and tapped into the true suburb entrepreneurial initiatives. Today, with over 220,139 million of loans disbursed till date, BRAC Bank is country's largest SME financier that has made more than 410,817 dreams come true SME Product.

##### **❖ Loan Product**

- ✓ AnonnoRin
- ✓ ApurboRin
- ✓ ProthomaRin
- ✓ Durjoy
- ✓ ShomriddhiRin
- ✓ ShompodRin
- ✓ ShoktiRin

##### **❖ Deposit Product**

- ✓ Prapti Current Account
- ✓ Prachurjo Fixed Deposit
- ✓ Shonchoy SME Deposit

### Wholesale Banking:

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 business in Bangladesh. With us on your side, you have the power of local knowledge with the capabilities of the global standard. Product of wholesale banking as follows:

#### ❖ Corporate Banking

- ✓ Corporate loan Product
- ✓ Trade Finance

#### ❖ Cash Management

- ✓ Cash and Trade Overview
- ✓ Liability product
- ✓ Securities Service

#### ❖ Custodial Service

- ✓ Probashi Biniyog

Currently Term Deposit (TD) team is handling account Opening activity and TD activity from dingle point.

### 4.8) Customer Experience:

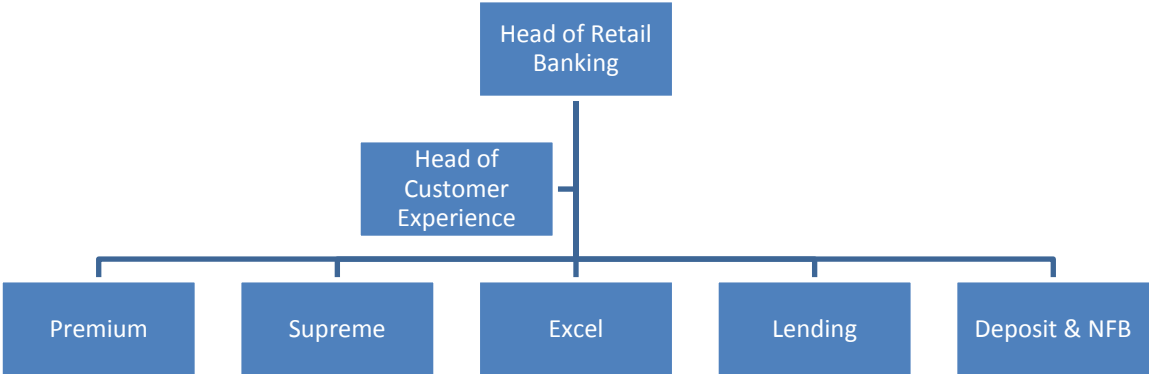
The customer centric business model ensures a comprehensive understanding of customers banking needs through a single all-encompassing view of relationship with the customer. This holistic view of the relationship enables the bank to offer products and services in accordance with the life stage of customer.

Customers' banking experience involves six rings of values, Price, Premises, Process, People, Product and Communication Media. The price of Product must reflect the overall perception of value; the Premises (both real and virtual) must be welcoming and convenient to the customers;

the Process must be convenient for both the customers and the bank; People of bank must be efficient; Products must be aligned to customers life stage requirements, and the Communication Media must always ensure a complete communication of information.

Experience involves exposure/need recognition, interaction, comparison, purchase, usage, evaluation and even disposal. Customer experience must be optimized starting from the initiation to the termination of relationship.

Customer experience department comprises of 3 customer segments (Excel, supreme & Premium) their respective BDM terms, products (Liability & asset) & retail sales of Supreme, Excel segment. The main activity is to ensure experience through offering products, value proposition and services based on customer need. The organ gram of Customer Experience Department is as follows:



The customer experience section is the centric retail banking business model to launch new customer. Through this model customers will get benefit of demand driven banking service instead of supply driven services. This is a major shift in conventional banking system in



Bangladesh towards value based banking with focus on designing products and services as per financial needs of customers. In order to facilitate more customized and convenient services as per the requirement of the customers, Retail banking customer are grouped into following segments-

#### 4.9) Customer Service Quality

BRAC Bank was the pioneer to introduce the concept of customer service quality at banking sector in Bangladesh. BRAC Bank is always careful to provide their customer the best service and always try to make them happy.

**BSSO (Branch sales and service officer):** They give all the service to the customer except Cash transaction.

- ✓ Customer get access to any sort of information, products /service
- ✓ Get more Clarity on something
- ✓ Solving Problems
- ✓ Lodge complaint & seek Solution

Multiple affaires: FDR Receipt order and delivery, PO etc. BSSO are responsible to solve this problem of customer.

#### Importance of good customer service

Good customer service always plays a vital role. BRAC Bank customer service is always trying to provide certain service to their customer. Those are:

- **Customer Satisfaction:** Customer satisfaction is the main purpose of customer service. All the branch staff always tries to give the best service to their customer.

- **Building Relationship:** BRAC Bank treat customer as their guest. That's why floor supervisor always cordially invite the customer when they enter into the branch and serve them until they leave the branch. This attitude towards the clients helps them to be loyal to the Bank, resulting in customer retention.
- **Customer Expectation:** As a service organization BRAC Bank always try to provide the best service that is expected by its customer.
- **Higher Service Charge** – Expectation of better Service
- **Positive & Negative Word of Mouth:** BRAC Bank is always following the motto Customer is always right" and also behaves accordingly.
- **Customer Loyalty:** BSSO and CSM always try to make their customers feel special, example: Send Eid card, Calendar, Inform about new facility, Ramadan Gift etc.
- **Increasing market Competition:** BRAC Bank introduce new strategy day by day to make their potential client as their loyal customer.

#### **Purpose of service quality**

- Process Designing and Reengineering
- Complaint handling
- Launching different service related campaign
- Design new customer service
- Asses and monitor customer Service standard in branches

#### **4.10) How BRAC bank tracks the performance of branch service quality**

For tracking the performance of CSOs & CSM apply the following approaches:

- ✓ Mystery visiting
- ✓ Customers" Feedback ‘

### Mystery visit

The visitor acts just like an ordinary customer to gain real customer experience, with respect to selected activities. The mystery shopper monitors each CSO and CSM (Customer Service Manager) twice in a month.

Parameter of Evaluation in Mystery visiting: There are some parameters fixed by bank.

#### 4.11) Premium Banking, Supreme Banking, Excel Banking:

<b>Criterion</b>	<b>Excel Banking</b>	<b>Supreme Banking</b>	<b>Premium Banking</b>
<b>Minimum Annual Average Balance</b>	6month average deposit balance needs to be BDT below BDT 5 Lac	average deposit balance needs to be between BDT 5 Lac to below 50Lac	BDT 5 Million & above
<b>Customer Service</b>	Branches, SME service centers, SME /Krishi branches, ATM, Apon Shomoy centers	Dedicated Relationship Manager and Counter in selective branches	Premium Banking lounges, Dedicated Relationship Managers
<b>Credit Card Eligibility</b>	BRAC Bank VISA/ MasterCard Classic Credit Card	VISA/ MasterCard GOLD Credit Card	VISA/ MasterCard PLATINUM Credit Card along with Priority Pass
<i>Debit / Privilege Card Eligibility</i>	<i>Excel visa debit card</i>	<i>Supreme debit card</i>	<i>Premium Banking Platinum Debit Card (VISA/MasterCard)</i>
<b>Standalone Loan customer</b>	5 Lac to less than 20 Lac	20 Lac and above	

**Business development team: PB, supreme, excel,:**

The aim of business development team is to nurture the existing customer & generates new business opportunities based on customer need and profile. The key activities are:

- Managing the growth of existing portfolio
- Ensuring delightful customer experience through ensuring timely service
- Collecting customer feedback. Thus continuous strive to improve service and value proposition.
- Implement & monitor business development plan.
- Manage customer communication.
- Take initiatives to cross sell & to upgrade existing customer to next segment.
- Run & monitor campaign performance for existing customers, loyalty program.



**Premium Banking Structure:**

Premium Banking is BRAC Bank's top tier Retail segment designed exclusively to cater to the Bank's High-net-worth or High Value (HV) customers – who holds a major stake, of the Bank's Retail Banking portfolio. The Premium Banking Team (PB Team) is a part of the Branch and individuals there directly report to the Branch Managers of each respective Branch - who are responsible of the overall business growth of the segment. Currently, the following dedicated Premium Banking service points are available in the following Branches:

- ✓ Gulshan , Dhaka (Lounge)
- ✓ North Gulshan, Dhaka (Lounge)
- ✓ Banani, Dhaka (Lounge)
- ✓ Motijheel, Dhaka (Lounge)
- ✓ Uttara (Service Desk)
- ✓ Asad Gate (Service Desk)
- ✓ Satmasjid Road (Service Desk)
- ✓ Moghbazar (Service Desk)
- ✓ CDA Ave, Chittagong (Lounge) and
- ✓ Agrabad, Chittagong (Lounge).

### *Premium Banking Model:*

Premium Banking is targeted towards individuals who are classified as being ultra-high-net-worth in terms of wealth. The minimum eligibility criterion to qualify for this segment is BDT 50 Lacs. Premium Banking services are more personalized, prioritized and privileged. Here, customers are served in an exclusive manner through Premium Banking lounges and are assigned dedicated Relationship Managers to accommodate to their every financial need. By providing relationship-based banking services to this customer segment, the objective of Premium Banking is to maintain the Bank's Retail (and segment) portfolio and add to increase the Bank's over all liability-base by increasing wallet share of Premium Banking customers. PB customers are given some special privileges on Travel, Healthcare, Hospitality, Entertainment and Lifestyle requirements by the bank-

<p><b>Travel</b></p>	<ul style="list-style-type: none"> <li>• Free access for up to 4 persons at the Balaka VIP Lounge at the Hazrat Shahjalal International Airport, Dhaka.</li> <li>• Free meet and greet protocol assistance services at the HazratShahjalal International Airport, Dhaka.</li> <li>• Free lounge facility at Sri Lankan airports.</li> <li>• Personalized chauffer driven luxury car throughout stay including hotel to Airport transfer.</li> <li>• Value added in-flight services</li> </ul>
<p><b>Healthcare</b></p>	<ul style="list-style-type: none"> <li>• Free yearly Master Health Check-up at Apollo Hospitals, Dhaka.</li> </ul>
<p><b>Hospitality</b></p>	<ul style="list-style-type: none"> <li>• Up to 50% discount on room rates in seagull hotel, Cox’s Bazar. This includes 50% off on gym facilities, 20% off on spa, sauna and steam bath and complimentary use of swimming pool</li> </ul>
<p><b>Lifestyle</b></p>	<ul style="list-style-type: none"> <li>• Up to 12.50% discount on various packages from Ikebana. That includes Wedding events and related services, fresh flower baskets, bouquets and other related services, gift hampers, dry flower arrangements.</li> </ul>
<p><b>Entertainment</b></p>	<ul style="list-style-type: none"> <li>• Exclusive discounts ranging from up to 30% on various restaurants</li> </ul>



### *Supreme Banking:*

BRAC Bank's Supreme Banking Segment comprises of an exclusive customer group. Supreme Banking provides an exclusive banking service to eligible customers who desire privilege in their day to day banking activity. To become a member of the Supreme Banking segment, a customer's average deposit balance needs to be between BDT 10 Lac to below BDT 50 Lac. A customer can also become eligible for this segment if he/she avail a loan of BDT 20 lacs and above. There is a separate queue for supreme customers in every branch. BRAC bank provides an exclusive supreme debit card in order to give customers unique banking experience and to get the higher customer satisfaction as well.

### *Benefits to Supreme Banking customers:*

Following benefits will be entitled for Supreme Banking customers,

- ✓ Existing Branch Sales Service Officer (BSSOs) from selective branches will be assigned as Shared Relationship manager (RM)
- ✓ Dedicated counter in selective branches
- ✓ Discounts & Benefits from Tie up partners

- ✓ Special rates, discounts & benefits on selective banking products

### Supreme Privilege Card:

No charges are applicable for being a customer of any banking segment. Supreme Banking Customers will avail privileges by showing their “Supreme Privilege Card”. A list of BRAC Bank partner outlets will be sent to the customer with the Privilege Card. Moreover the customer will see table talkers, danglers or x-stands in the partner outlet showing the privileges they are entitled to get as a BRAC Bank privilege cardholders. Privilege Cards will be valid for 1(one) year for Supreme Customers. This card will be reissued on account anniversary after reviewing the relationship balance.

The following privileges Supreme Banking customers will enjoy through their Privilege Card

<b>Top Privileges</b>
<ul style="list-style-type: none"> <li>• Relaxation comfortably while travelling with free access for up to 2 people At Balaka VIP Lounge inside Hazrat Shahjalal International Airport, Dhaka.</li> </ul>
<ul style="list-style-type: none"> <li>• complementary health check up at Apollo hospitals, Dhaka (upon maintenance of BDT 30 Lac average balance in last 6 months)</li> </ul>
<ul style="list-style-type: none"> <li>• Buy 1 get 1 buffet (on lunch &amp; dinner) at The Olives residence &amp; suits, platinum suits and up to 60% discount at Four points by Sheraton hotel, Galasia hotel &amp; Resort, Platinum residence, Amari Dhaka, Sayemon Beach resort, Cox’s Bazar, Platinum grand, Lakeshore hotel</li> </ul>
<ul style="list-style-type: none"> <li>• Enjoyment of tranquility at Cox's Bazaar while staying at the Seagull Hotel with up to 50% discount.</li> </ul>
<ul style="list-style-type: none"> <li>• Celebration of life with discount on all diamond jewelry along with other privileges from D'dmas diamond jewelry.</li> </ul>
<ul style="list-style-type: none"> <li>• Monthly Surprises- Supreme banking customers receive unbeatable Supreme Offers from popular restaurant of lifestyle outlets. Not only that BRAC bank sends birthday cakes and cards to customers on their birthday and anniversary dates in order increase customer satisfaction</li> </ul>



Presently, we have dedicated Supreme services in 15 (fifteen) branches. However, CSMs (customer service manager) will be responsible to take care of the PB and Supreme customers where we do not have dedicated Supreme or Premium services.

Supreme Banking is one of the most important segments in BRAC BANK's new retail banking business model. They have to provide customized services & offers to supreme banking customers so that they are satisfied with us and retain & grow their portfolio.



#### *Excel Banking:*

Excel Banking is a vital segment in retail banking business model. To understand the needs, Demands & lifestyle of the present & upcoming Excel customers, BRAC Bank is providing Customized service & value propositions to Excel banking customers so that they are satisfied and retain & grow their Deposit, Loan & cards portfolio.

#### *Excel Banking Team:*

Excel Banking Unit is under the Customer Experience department. This unit has two wings: Business Development Team and Excel Sales Team. The Business Development Manager

(BDM) And Senior Sales Manager (SSM) report to the Head of Customer Experience. Associate Business Development Managers and Officers report to the BDM. Sales Managers, Associate Sales Managers, and Sales Officers report to the SSM.

#### *Activities of Business Development Team:*

Business Development Team takes initiatives to retain and grow the overall portfolio of the Excel Segment. Here are some important topics related to Business Development Team of Excel Banking

#### *Excel Sales Team:*

Excel Sales Team is directly engaged in selling of Retail Asset Products and cross-selling of credit Cards or SME products. In addition, this team significantly contributes to collection & recovery of the retail asset products & credit cards.

#### *Non- funded business (NFB)*

The aim of Deposits & NFB wing is to ensure sustainable growth of Retail Deposit and Non-Funded Business portfolio through the following key activities:

- Ensuring “New Customer Acquisition” as well as “Existing Customer Retention” through “New Product Development” and “Existing product re launching”.
- Identifying portfolio growth opportunities through portfolio/product/business analysis and taking appropriate strategies to transform opportunities into positive outcome.
- Launching new deposit campaigns to drive retail deposit portfolio growth
- Implementing product level changes with the changing market scenario
- Taking efficiency improvement initiatives to ensure business growth, save time/cost of doing business and increasing customer satisfaction through reducing service delivery time

Non Funded Business is a combination of FCY buy/sell, Student File, Medical File, FDD/FTT issuance and other fee based service offerings. Our 12 (twelve) AD & Limited AD branches provide the service of FCY buy & sell, Student File, Medical File & FDD/FTT issuance.

#### **4.12) Retail Lending Product:**

Retail lending product team is responsible to cater the need of the retail customers and to ensure sustainable growth of retail product portfolio to achieve management requirement. The responsibility of Lending Product team is given below:

- New Product Development & process reengineering
- Implementing product level changes with the changing market scenario
- Product related communication
- Product related risk management
- Segment value proposition (Jointly with BDM Team)
- Segment wise and channel wise in depth MIS management
- Launching & coordinating lending campaigns to drive retail lending portfolio growth.
- Tail Risk Management

#### **4.13) Retail Risks**

##### **Preface:**

As a fast growing bank in Bangladesh, BRAC Bank LTD. feels the necessity to make right balance between the organization's opportunities and threats in managing its risks. In this continuation, BRAC Bank takes a best practice approach that offers a structured and effective framework for Retail Banking support named Retail Risks. Its aim is to help different segments of Retail Banking- branches and value centers to achieve their objectives by identifying the risks, and then choosing the right response to the threats or opportunities that are created by uncertainty and internal or external audit.

### What Retail Risks does?

Retail Risks supports better decision-making through a good understanding of risks and their likely impact. It brings far-reaching benefits to BRAC Bank Retail Banking Division. These benefits include:

- ✓ Less time spent to deal with the unwelcome surprises
- ✓ Increased likelihood of change initiatives being achieved
- ✓ Reduced fraud and better value for money
- ✓ Better management of contingent and maintenance activities
- ✓ Improved service delivery
- ✓ Closer internal focus on doing the right things properly
- ✓ More efficient use of resources
- ✓ Greater competitive advantage
- ✓ Improved innovation
- ✓ Better basis for strategy setting

Retail Risks furnishes the above services for Retail Banking by implementing a number of crucial steps which are as follows-

- ✓ Identify possible risks.
- ✓ Reduce or allocate risks & Plan for future action
- ✓ Provide a rational basis for better decision making with regards to all risks.

## *Chapter-5*

### *Working on Customer Experience*

#### *Supreme Banking*



### 5.1) Supreme Banking:

Supreme Banking is one of the high value segments in the new retail banking business model. In order to serve the Supreme customers financial needs better, BRAC Bank have introduced the newly tailored and progressive banking services with the aim of strengthening the relationship with these segmented customers even further. BRAC Bank have redesigned the scope of Retail Banking services by providing a segmented approach of differentiate model and to ensure total satisfaction for this segmented customers and retain & grow their portfolio by serving them with special benefits, offer and value propositions.

### 5.2) My Working Process at BRAC Bank:

I have done three months internship program from BRAC Bank which was started from 11th January 2016 and ended on 11th April 2016. I have covered the supreme department of the head office as per the Job Schedule prepared by the BRAC Bank Limited (BBL) during my practical orientation period. I have worked on the priority banking division, the supreme banking; I have tried to give an in-depth analysis for every factor, which relates the Supreme division from the perspective of customer satisfaction and dissatisfaction.

I have had an immense pleasure working with the Supreme banking department. As an intern I had the privilege to join the training workshop in BRAC Bank for three days. There I got a broad overview of the bank and BRAC as an organization. The other two days I was sent to Asadgate branch and SME banking in Mohammadpur respectively. There I got all the knowledge about the product being offered, I also had the chance to meet different types of customer. For rest of the days I worked in the Head office of BRAC Bank LTD. There, I have got practical knowledge about how create Strategic Alliance with a company, writing proposal. I had the opportunity to experience to deal with customers over the phone as I had to work in the head office. When I joined BRAC Bank I had to face some new Challenges because from the month of January the company started rolling out Birthday Cakes and Birthday Cards. My challenge was to make sure if all the address was up to date. In supreme banking there are 13000+ customers. I had to take down their email id and also their anniversary dates. I had to make the eligibility list. For making this eligibility I had been given access to unique software, called Finacle where I could check the Customer Information File (CIF) and the account balance. For which I was provided with a username and password, and then search for specific clients.

### 5.3) Value Proposition:

Customers derive value from total experience. The total experience consists of not only the core banking product but also the auxiliary products or services. Segment wise value propositions and the complete banking experience have been designed as per customer's life stage requirement & affluence level.

### 5.4) Daily Activities:

During my 3 months internship period, I have to perform lot of duties. My main activity is to communicate with the customers of BRAC BANK whose account balance is from 10 lacks to 50 lacks.

I was assigned to keep a very good relation with valuable customers of **Supreme Banking**

### 5.5) Main Responsibility:

- ✓ Update Customer's information via phone
- ✓ Send birthday card and cake
- ✓ Create account number
- ✓ Prepared FAQ and MCQ questions
- ✓ Prepared top sheet of premium banking & supreme banking

### 5.6) Learning new skills

During my internship period, I came close to a completely new environment. This environment gave me the chance to learn the official rules and regulation. This helped me to improve my technological skills. I never used any core banking system software before. But from this internee I was able to introduce myself with core banking management information system called "Finnacle where I could check the Customer Information File (CIF) and the account balance.

## *Chapter 6*

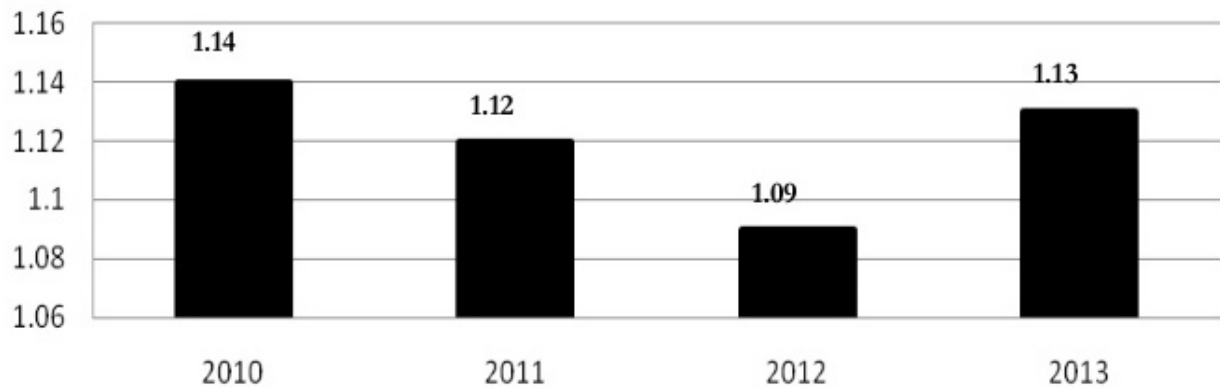
### *Ratio analysis of BRAC Bank*



Current ratio: current asset/current liabilities

Year	2010	2011	2012	2013
Current Asset	108,791,342,196	120,691,016,472	157,898,600,871	157,010,788,637
Current Liability	95,407,908,332	107,837,411,843	144,202,510,136	139,510,917,707
Current Ratio	1.14	1.12	1.09	1.13

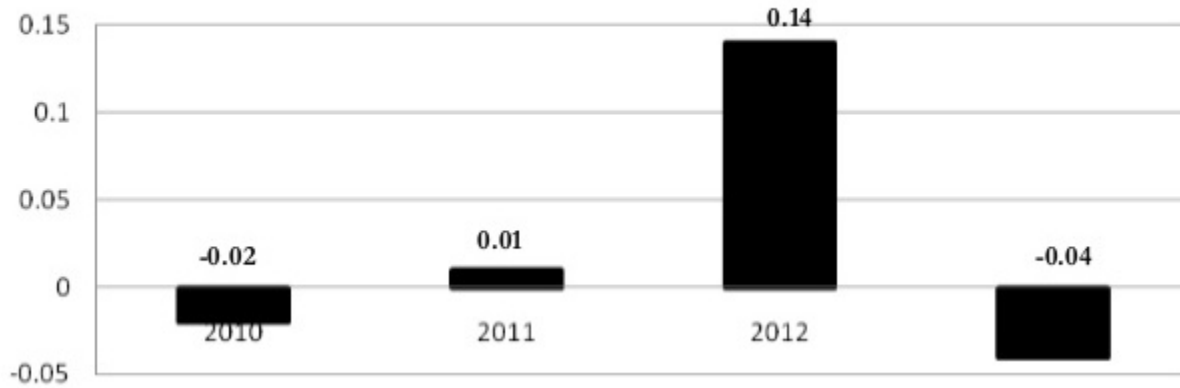
### Current Ratio



Operating cash flow ratio: Operating cash flow/ Total Debt

Year	2010	2011	2012	2013
Operating Cash Flow	(1,439,205,626)	933,830,374	19,855,243,700	(5,679,858,459)
Current Liability	95,407,908,332	107,837,411,843	144,202,510,136	139,510,917,707
Operating Cash Flow Ratio	-0.02	57 0.01	0.14	-0.04

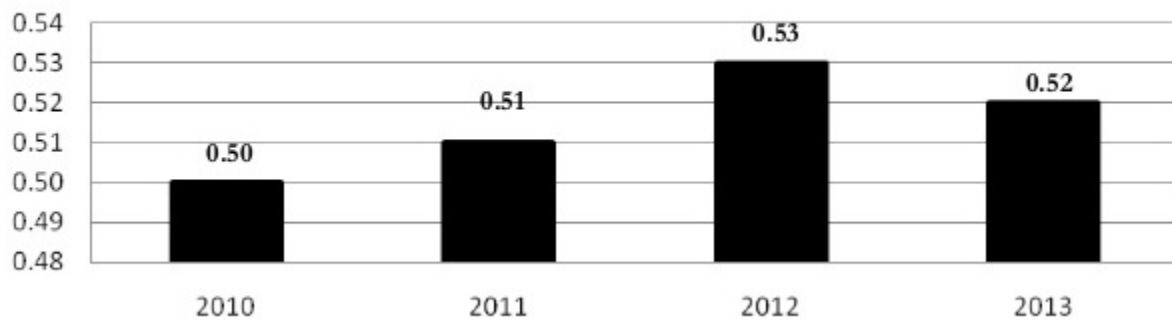
## Operating Cash Flow Ratio



Cost income ratio: total operating expenses/ Total operating income

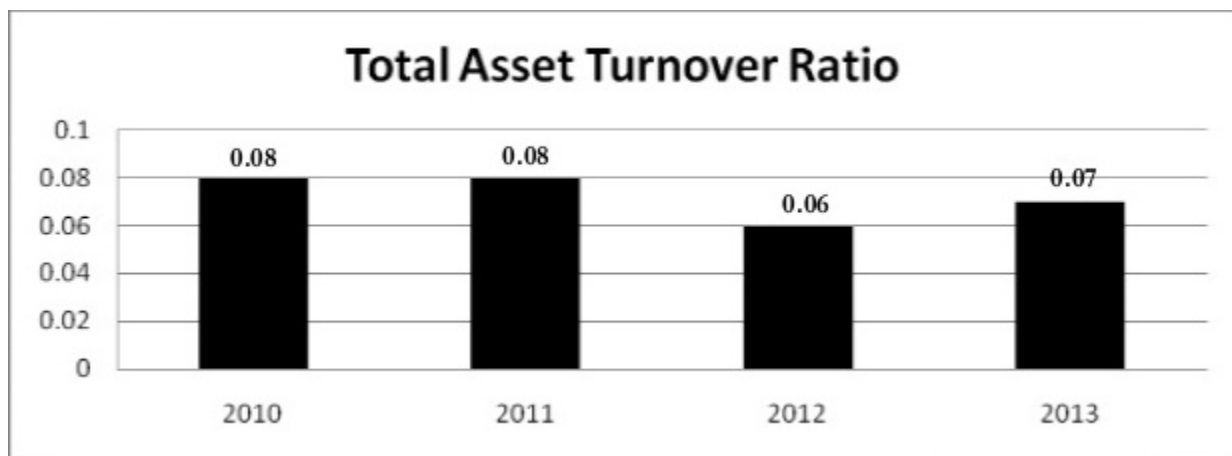
Year	2010	2011	2012	2013
Total Operating Income	9,527,527,784	10,134,733,422	10,894,801,767	12,460,835,400
Total Operating Expenses	4,751,309,242	5,164,822,269	5,749,605,759	6,535,958,634
Cost Income Ratio	0.50	0.51	0.53	0.52

## Cost Income Ratio



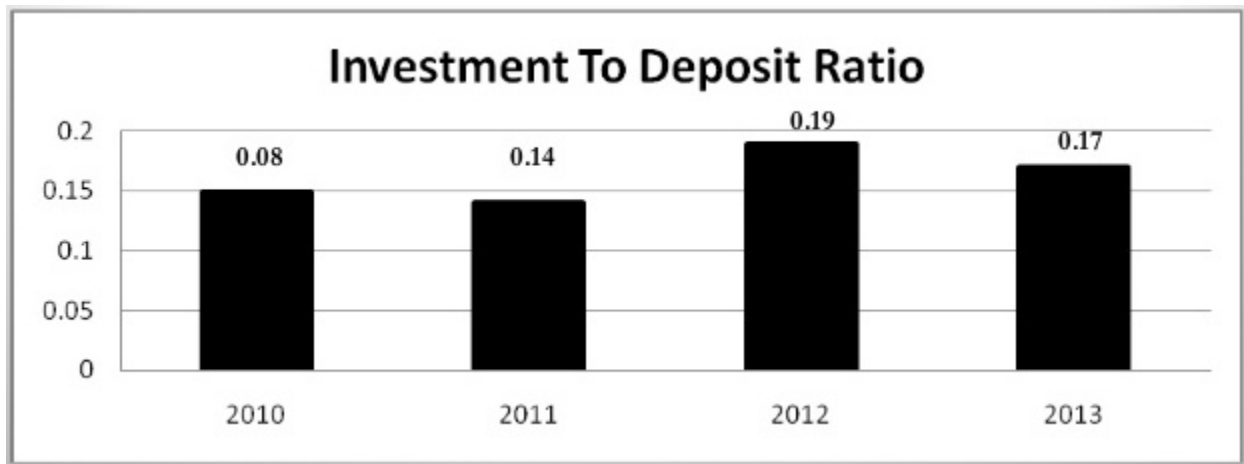
Total asset turnover: operating income/ total asset

Year	2010	2011	2012	2013
Total Operating Income	9,527,527,784	10,134,733,422	10,894,801,767	12,460,835,400
Total Asset	117,297,555,748	133,201,048,438	173,676,792,029	171,901,669,638
Total Asset Turnover Ratio	0.08	0.08	0.06	0.07



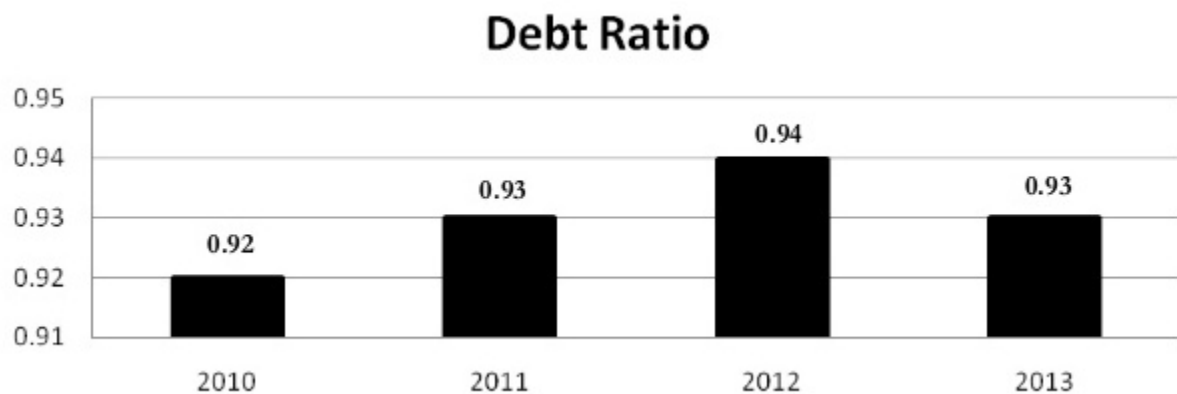
Investment to deposit ratio: total investment/ total deposit

Year	2010	2011	2012	2013
Total Investment	12,855,985,261	14,198,827,511	25,372,525,282	21,298,625,661
Total Deposit	88,157,908,331	103,725,529,225	134,646,448,482	124,746,344,037
Investment to Deposit Ratio	0.15	0.14	0.19	0.17



Debt ratio: total liabilities/total assets

Year	2010	2011	2012	2013
Total Liabilities	107,879,663,647	123,598,443,600	163,522,243,477	160,314,216,168
Total Asset	117,297,555,748	133,201,048,438	173,676,792,029	171,901,669,638
Debt ratio	0.92	0.93	0.94	0.93



Time interest earned ratio: earnings before interest & taxes/interest

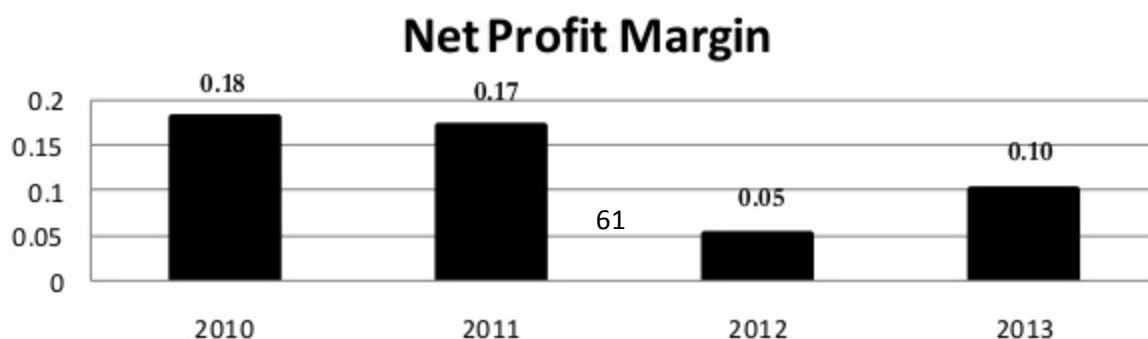
Year	2010	2011	2012	2013
Earning Before Interest & Tax	4,956,218,541	5,164,822,269	5,145,196,008	5,924,876,766
Interest	1,984,711,371	2,053,030,038	1,987,929,120	2,900,072,524
Time Interest Earned Ratio	2.50	2.52	2.59	2.04

### Time Interest Earned Ratio

3

Year	2010	2011	2012	2013
Net Profit after Tax	1,670,361,526	1,702,381,869	540,381,091	1,246,324,101
Total Operating Income	9,527,527,784	10,134,733,422	10,894,801,767	12,460,835,400
Net Profit Margin	0.18	0.17	0.05	0.10

Net profit margin: Net profit after tax/operating income



Return on asset: net profit after tax/total asset

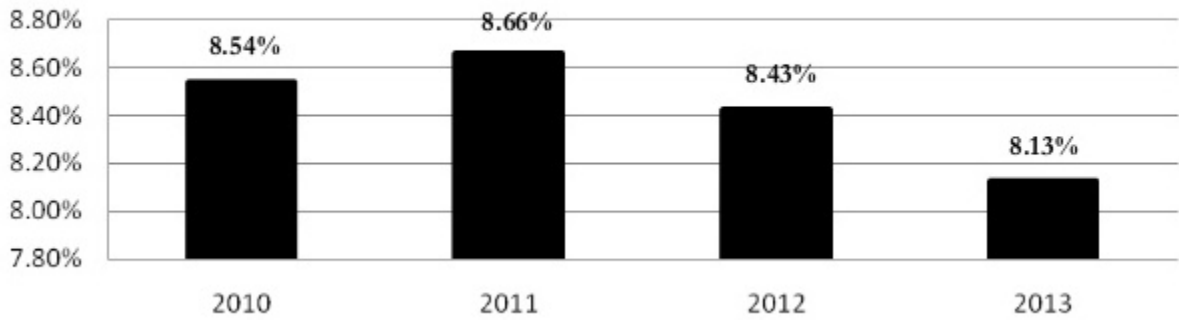
Year	2010	2011	2012	2013
Return on Asset (ROA)	1.55%	1.36%	0.35%	0.72%



Cost of fund:

Year	2010	2011	2012	2013
Cost of Fund	8.54%	8.66%	8.43%	8.13%

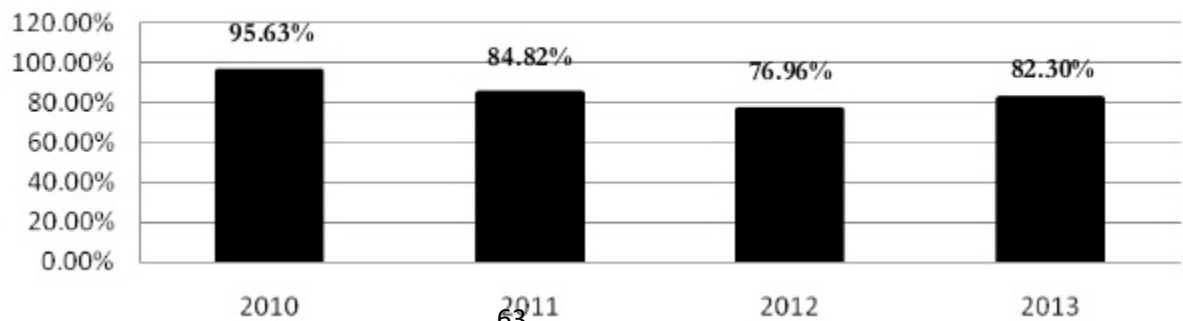
### Cost of Fund



*Credit deposit ratio:*

Year	2010	2011	2012	2013
Credit Deposit Ratio	95.63%	84.82%	76.96%	82.30%

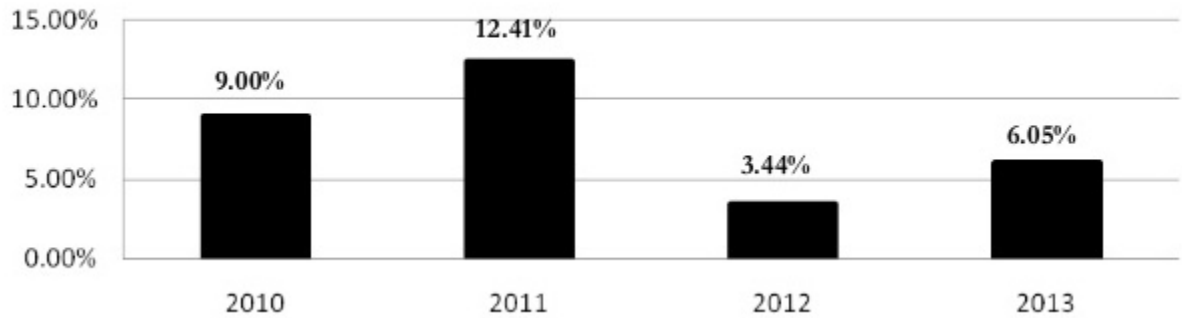
### Credit Deposit Ratio



Return on investment:

Year	2010	2011	2012	2013
Return on Investment	9.00%	12.41%	3.44%	6.05%

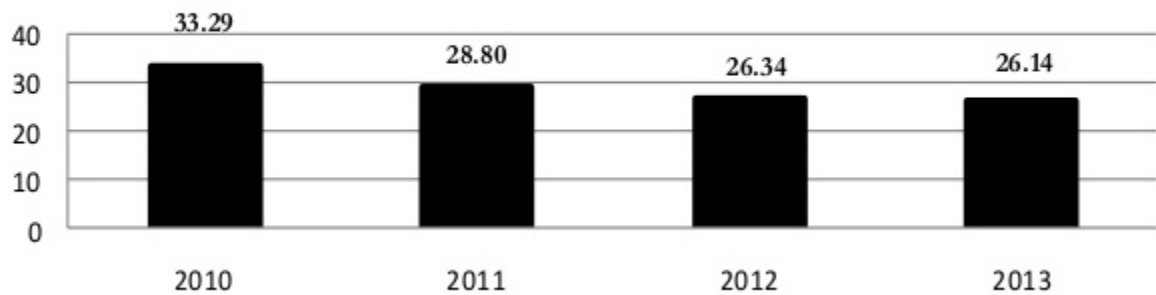
### Return on Investment



Net asset value per share:

Year	2010	2011	2012	2013
Net Asset Value Per Share	33.29	28.80	26.34	26.14

### Net Asset Value Per Share





*Chapter 7*  
*Conclusion Part*

### Summary of Findings

#### Findings:

BRAC Bank Ltd is an organization which is operating their business successfully in the banking sector since 2001. Therefore, it is very tough to recommend on any aspect of the company. However, this report has come up with few recommendations, after conducting the research. They are as follows:

- ✓ Among the customer only 8 percent has the relationship with BBL more than 8 years.
- ✓ Only 8 percent of customers are very satisfy on BBL where 46 percent is only satisfy.
- ✓ Total 10 % customers from my survey have disagreed that BBL take care of their customers.
- ✓ 18 % customers are not willing to maintain a long relation with BBL.
- ✓ Recent product and services of BBL is good.
- ✓ Most of the branch of BBL is too small. Size of their branch is another reason to get hazarded so they should try to increase size of the floor of their branch.
- ✓ Most of the customers of BBL have an income of in between 21000 to 80000. Around 72% customers are in this group.

## RECOMMENDATIONS:

### Specific recommendation

- ✓ BBL authority should emphasize on the strength of the bond with customer for the long run.
- ✓ As a leading bank the authority should improve the customer satisfaction level with new services.
- ✓ BBL should emphasize on the customer service department more.
- ✓ BBL should consider the suggestion of all customers more consciously to maintain the long relationship with them.
- ✓ BBL should try to improve the effectiveness of their alternate banking.
- ✓ BBL has a small number of customers whose ages are less than 25. So BBL should look to the young generation too.
- ✓ BBL should emphasize more on those customers who have a salary of more than 1 lakh.

### General recommendation

- ✓ The authority should try to increase size of the floor of their branch.
- ✓ Upper level management of BBL should emphasize on the monitoring of implementation of all the initiatives taken by BRAC Bank Ltd.
- ✓ BBL should come with more new product and services. BBL should extend their product for working woman and student.

BBL needs to make sure that customers are well familiar with their all new initiatives

## CONCLUSION:

In this age of modern civilization bank is playing its splendid role to keep the economic development wheel moving. We can see lot of new commercial banks has been established in last few years and these banks have made banking sector more competitive. Maintaining a strong relationship has become a weapon for most of the private banks in this competitive market.

Customers are the main blessings for any business. Banking sector is service based business. So customer would prefer to take the service from those banks which are providing the highest level service to their customers and BRAC Bank is definitely one of them. On this regard BRAC Bank has taken some initiative by taking a new project of Restructuring Retail Banking Business Model (RRBBM) to improve the customer relationship. They are the first one in banking sector of Bangladesh introducing customer centric business model instead product centric model. So, if they can implement and continue it properly, hopefully they will be one of the top successful banks in Bangladesh.

It was an honor for me that I have worked as an intern in a reputed organization like BRAC Bank Limited. BBL is a bank that confirms the best service to its customers by adopting the modern tools of banking. BRAC Bank Ltd is always very keen to absorb any new stuff that can be fruitful to its customers. By working in the Supreme and Excel banking division, the knowledge I learnt would be helpful enough to sustain in the real organizational environment.

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