



INTERNSHIP REPORT

ON

**Challenges to introduce the new account opening system of
Prime Bank Limited**

SUBMITTED TO:

Mr. Saif Hossain

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Submission Date: 29.08.2017

INTERNSHIP TOPIC APPROVAL FORM

Supervisor: Mr. Saif Hossain

(To be filled by the Intern)

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Internship start date	07.05.2017
Internship end date	04.08.2017

<u>Proposed Title of the Report</u>	Challenges to introduce the new account opening system of Prime Bank Limited
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<u>#</u>	<u>OBJECTIVES</u>	<u>METHODOLOGY</u>
1	To know how much time the new system consumes	The officers of Prime Bank will be interviewed.
2	To know the inconvenience of the customers.	Data from the Participants opinion will be collected.
3	Procedural complexity.	The operation manager of specific branch will be interviewed.

Organization	Prime Bank Limited
Department	General banking
Tasks	Bank account opening, check delivery, register entry.

(To be filled by the Supervisor)

Supervisor's Review	
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Approval

This report is on ‘Challenges to introduce the new account opening system of Prime Bank Limited’ submitted by Urmee Roy, student of BRAC Business School to Mr. Saif Hossain, senior lecturer of BRAC Business School has been accepted.

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Mr. Saif Hossain

Senior Lecturer

BRAC Business School

BRAC University

LETTER OF TRANSMITTAL

29th August 2017

Mr. Saif Hossain

Senior Lecturer

BRAC Business School

BRAC University

Subject: Submission of Internship Report.

Dear Sir,

With due respect, I would like to inform you that, it is a great pleasure for me to submit the internship report on “Challenges to introduce the new account opening system of Prime Bank Limited” as a requirement for the completion of BBA program. I have tried to make the report a comprehensive one within the given 3 months of time. I earnestly thank you for your guidance during the preparation of this report. Any sort of suggestion regarding the report will be greatly acknowledged and I will be gratified if the report serves its purpose.

While conducting the report, I have gathered lots of knowledge about the banking operations and the new account opening system of Prime Bank Limited.

I therefore, request you to accept this report and give me proper suggestion to work in my professional life.

Yours faithfully,

Urmee Roy

ID: 13304120

BRAC Business School

BRAC University

ACKNOWLEDGEMENT

As a part of my completion of Bachelor of Business Administration program, our department has assigned me to prepare an internship report. My report is on the topic “Challenges to introduce the new account opening system of Prime Bank Limited” Which is based on my 3-month internship experience in Prime Bank Limited, Wari Branch.

Nothing can be accomplished alone. Without the help of the number of persons the success remains silent. First, I want to pay my gratitude to almighty for the preparation of the report successfully. I am greatly indebted to my Faculty Supervisor Mr. Saif Hossain for giving me the valuable guidelines and suggestions for the report. For helping me to prepare my report I want to express special thanks to all the employees of Prime Bank Limited, Wari Branch.

I would like to express my deep sense of gratitude to all those who are always a source of inspiration for me in their involvement, unconditional cooperation and support in the successful and timely preparation of this report.

Executive Summary

This internship report is based on my internship program and the new account opening system of Prime Bank Limited that they have started to practice since the month of July, 2017. In my internship period, I have experienced the challenges that they are facing to introduce the new account opening system.

Since all the procedures have been centralized, the process has become very long to open an account. one of my objective is to know how much time it consumes. Another purpose is to know the inconvenience of the customers as well as to know the overall complexity to the whole process. To accomplish my objectives, I have used the interview and survey method. Then the collected data has been interpreted. The interpreted data identifies some significance results and findings. The overall scope of the report is to identifies challenges to introduce the system to the customers. There are also some advantages of the new system. Moreover, there are some limitations of the report. I have suggested some recommendation which might help to reduce the challenges.

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1.1 Introduction

A commercial bank, without any doubt, has had a profound influence on the socio-economic development of the nation by providing access of different classes of people to the mainstream banking system. Bangladesh Bank is therefore introducing various prudential rules and regulations to propagate the service and to mitigate the drawbacks included with the regulations. The rules and regulations introduced by the Bangladesh Bank sometimes pose more complications rather easing the procedures. Hence the commercial banks are facing a lot of troubles.

Prime Bank Limited has recently started to follow a new account opening system that has been introduced by Bangladesh Bank. The new system includes centralization of account opening and maintenance, dormant account activation etc. that have been made to follow mandatorily by the head office of Prime Bank Limited.

During my internship, I have gone through the new rules and have experienced some peoples' dissatisfaction towards the new procedures. Because of the new system, new account opening requires different authentic documents but the people are not acquainted with the change. Not only that, it takes much time to open a new account since all the procedures have been centralized. Besides activating the dormant account also requires the same procedures as opening the new accounts. Moreover, the procedure is very complex as it needs authorization from several officers.

This study will help to know about the problems derived from the change. The impact of the change on the customers is also being analyzed through this paper.

1.2 Company Overview

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

Prime Bank offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank.

As a fully licensed commercial bank, Prime Bank is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and it repositions itself in the changed market condition.

1.3 Purpose of the study

The purpose of the study is to investigate into the problems that are derived from the newly introduced rules in opening new accounts with the Prime Bank Limited. The purpose of this paper also includes,

- i) **To Know how much time the new system consumes:** We live in the era of Globalization which is entirely dependent on the speedy mode of communication technology. Not only that, every individual is very busy at his or her work place. But, the customers are called in to the Bank while processing the account if any discrepancy is found. Since these tasks are done manually, it kills valuable time of the customers. In the new system, it takes more time to open an account. One of the purposes of this paper is to know how much time it consumes in the new system to open an account.
- ii) **To know the inconvenience of the customers:** The customers are in the center of any kind of business organization whether it is product oriented or service oriented. A service oriented business like any bank does not have any alternative to providing quality service to its clients. However, Prime Bank has become failure to provide its existing and potential customers with the quality services by maintaining the new rules and regulations of opening an account. To know the customers inconvenience factors is another purpose of this report.
- iii) **To know the procedural complexity:** This study is going to focus on how the procedural complexity are in the new system. How the customers are getting integrated with those complexities and how the officers of the branches are serving the customers.

1.4 Limitations

Banking sector is a very vast sector where I have a little knowledge about it which limits my report. The limitations of this report are as follows:

- (i) The new centralization system has been started to follow for the last one month. The whole study is based only on the one-month experience. As this is the initial period,

- the branches are facing challenges. The whole scenario can be changed while customers will be accustomed with the new system.
- (ii) I have prepared the report based on the information of only one branch. On the other branches, the bankers may not be facing these types of challenges I have mentioned in this report.
 - (iii) My findings and results is based on only 40 responses. As the sample size is very small, the results may not be accurate.

1.5 Advantages of the new system

This study focuses on the drawbacks of new system but it can never be denied that this new system has some benefits. This study has a number of limitations that have been acknowledged. The major limitation of this study includes:

- i) **Indifference to security:** It cannot be neglected that the new system ensures more security. As the required papers are being collected at once, there is no chance to be missed any of the important papers. Also, the papers that have been taken from the customers are being judged twice which is more secure. Therefore, the customer profile becomes stronger.
- ii) **Less work load of bankers is not acknowledged:** With the new system, the workloads of the branch managers have been reduced as the final processing of an account opening is done by the head office. Moreover, if any changes are needed on the account opening is done by the head office.
- iii) **Benefits of Centralization are not considered:** There are also have benefits of the new centralization system. Through the new system, the bank can compute the total number of customers they have in total with all the branches. Because the accounts from all branches are done by their head office.
- iv) **Effective monitoring is not stated:** As all the accounts are being done by head office, they can monitor all the customers effectively. Moreover, the service quality of the branches to

the customers can also be monitor by the head office more effectively than before. Thus, they can ensure more quality services overall throughout the country.

Therefore, the advantages of the new rules and regulations have not been recognized in this paper. The study is only about the challenges of the system is a limitation of the study.

1.6 Overall methodology

For researching on the challenges to introduce the new system in Prime Bank Limited, I have taken a help of a questionnaire and conduct a survey to collect data. To know how much time the new system consumes, I have taken the interview one of the senior officers of this bank. Besides, I have taken the help of some important papers of Prime Bank. To know the inconvenience of the customer, I have discussed with a number of customers about the services provided by the bank and have the questionnaire filled in by the customer. I have surveyed 40 customers who have opened new account with the bank after July 20, 2017. To know the procedural complexity, I have talked to the operation manager regarding the issue of establishing new rules and regulations in opening and maintaining new accounts.

Therefore, for this report all data and information are collected from primary and secondary sources.

Primary sources of data are collected through

- Conducted customer survey
- General discussion with officers

Secondary sources of data are collected through

- Websites

1.7 Data collection and Analysis

This report has been prepared on the basis of experience gathered during the period of internship from 7th May 2017 to 4th August 2017. Within this period, I have worked in their general banking department. I have collected data and necessary information by practical working in the general banking department of the Prime Bank and by interviewing officials and a number of customers of Prime Bank Ltd. These can be treated as primary data. I have also collected data from several secondary sources including different reports, browsing different websites in relative subject. However, for collecting data for the report, I have mainly depended on the primary sources. I have prepared a questionnaire and explore on the situation to know how much time the new system consumes, to know about the consumers dissatisfaction in the face of new system and to know how much the procedural complexity is. I have prepared the questionnaire in such a way so that I can get the information I desire. I have taken the consumer responses through survey and interviewed the branch officers to collect data. Then the collected data from the customer responses and officials interview has been interpreted.

1.8 Results

While preparing this report, it is found that the new account opening system is a long process which takes more than a day to open a new account as well as activate any dormant account. Also found that they do the process with head office manually by sending their messenger. So, it takes more time than before. Besides, the customers are dissatisfied since the new system is not customer friendly. The branch manager cannot give the complete service to the customer instantly. As a result, the officers sometimes have to face different kinds of harassment since they need to fulfill the head office's demand for different documents and also have to give proper service to the customers. While, interviewing the officers, they showed me the document that have been sent to

them to follow to open a new account. I came to know the customers responses through some structured questions. These are giving as follows,

(i) The account opening system takes more time than before

Age Group	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18-25	0	0	0	0	2	3	1	3	0	1
26-35	0	0	0	0	2	2	2	0	1	2
36-45	0	0	0	0	1	2	1	1	3	3
46 and above	0	0	0	0	0	0	0	1	6	3
Total	0	0	0	0	5	7	4	5	10	9
%	0	0	0	0	12.5	17.5	10	12.5	25	22.5

In the above table, the customers responses are shown. From this table, it can be found that, no customer including both male and female has disagreed with the statement that the new account opening system takes more time than before. Therefore, it can be said that the new system is more time consuming.

(ii) With the new system, customer can meet the need of having an account

Age Group	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18-25	0	0	2	3	1	3	0	1	0	0
26-35	2	0	2	3	1	0	0	1	0	0
36-45	1	3	1	1	3	1	0	1	0	0
46 and above	1	0	0		0	1	4	3	1	0
Total	4	3	5	7	5	5	4	6	1	0
%	10	7.5	12.5	17.5	12.5	12.5	10	15	2.5	0

Customers come to open an account with a specific reason. I wanted to know if they can meet their specific needs for what they have come to open the new account. The result that have been found that few of them agreed that they can meet the need of a new account.

(iii) Officers are more responsive with the new rules and system

Age Group	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18-25	0	0	0	0	2	2	0	3	1	2
26-35	0	0	2	0	1	1	2	2	0	1
36-45	0	0	0	0	0	2	3	3	2	1
46 and above	0	0	1	0	3	2	1	2	1	0
Total	0	0	3	0	6	7	6	10	4	4
%	0	0	7.5	0	15	17.5	15	25	10	10

I also wanted to know if the officers are responsive or not. Here, most of the customer responded with agree and strongly agree that the officers are responsive with the new rules and system

(iv) Overall How satisfied are you with the new account opening system

Age Group	Very Satisfied		Somewhat satisfied		Neither Satisfied nor dissatisfied		Somewhat Dissatisfied		Very Dissatisfied	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18-25	1	0	0	0	2	2	0	4	0	1
26-35	0	0	2	1	2	0	0	0	2	2
36-45	0	0	0	0	4	1	0	3	1	2
46 and above	0	0	1	1	3	3	2	0	0	0
Total	1	0	3	2	11	6	2	7	3	5
%	2.5	0	7.5	5	27.5	15	5	17.5	7.5	12.5

With this question, I wanted to reveal the overall satisfaction of the customers with the new system. They are less satisfied which can become a threat for the bank.

(v) The quality of the service increases because of the new system

	Very Satisfied		Somewhat satisfied		Neither Satisfied nor dissatisfied		Somewhat Dissatisfied		Very Dissatisfied	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18-25	0	0	1	0	1	5	1	2	0	0
26-35	1	0	1	1	2	1	0	1	1	1
36-45	0	0	1	1	1	2	2	3	1	0
46 and above	0	0	3	0	2	4	1	0	0	0

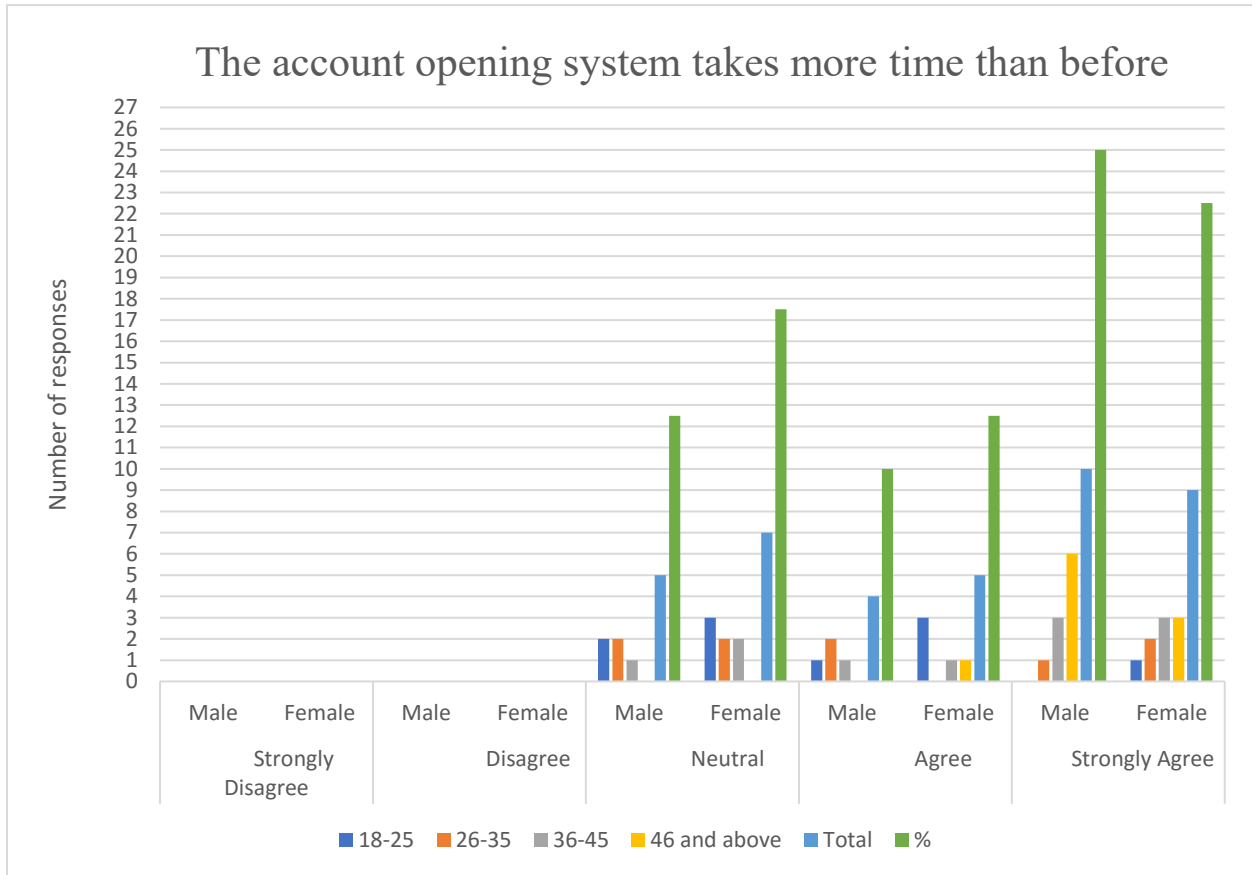
Because of the new system the service quality has increased or not has been asked to the customers, they are less satisfied with the service quality.

After asking the operation manager I have come to know that as the branches cannot give the service directly to the customers in the new system, the customers have to wait till the work has been done by the head office. So, the process become more complex after centralization system. Also, the customers do not give the papers properly and without papers now they cannot give the account number to the customers.

1.9 Findings

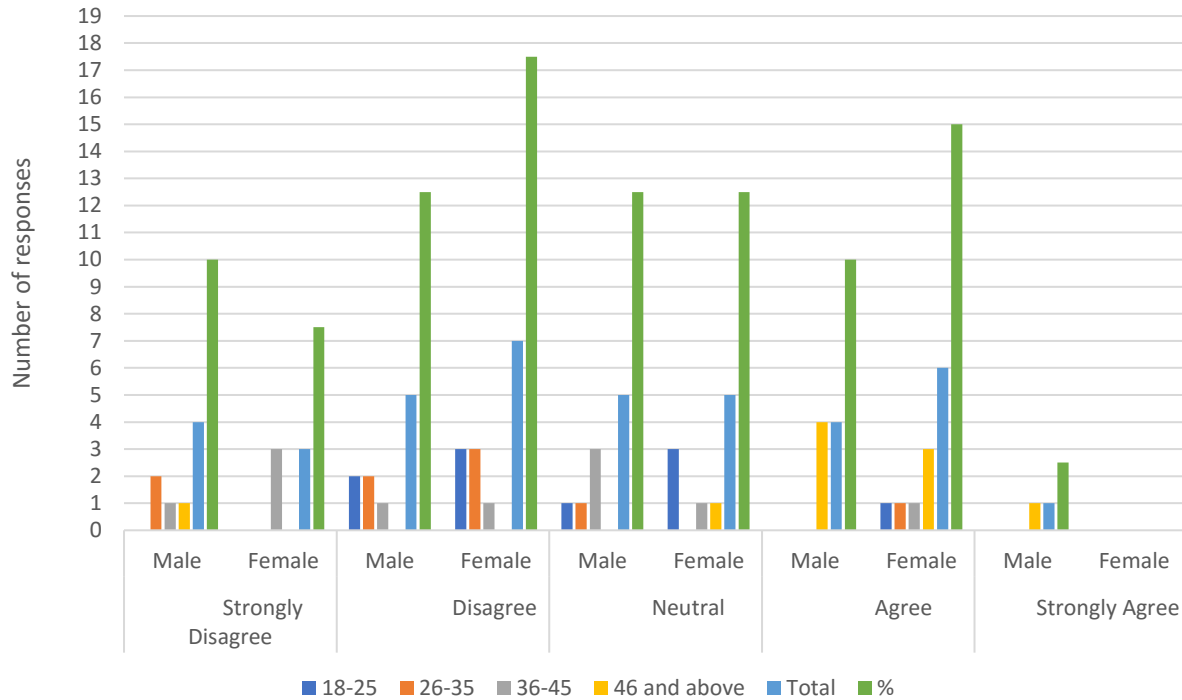
- (i) By interviewing one of the senior officers of the general banking department of Prime Bank Limited, I have found out that as they do the work manually by sending their messenger to the head office, it takes more than a day to open an account. He also showed me the papers that head office has sent them where all the requirements are specified to open a new account. He said that if a customer is able to give all the required papers, they take a specific amount of money from the customer which is mandatory to be deposited after a new account has been opened. The customers money is initially deposited on a sundry account of the bank and after opening the account from the head office, they deposit the money to the specific account number.

(ii) To the customers, I have asked some structured questions and the interpreted results are being given below:



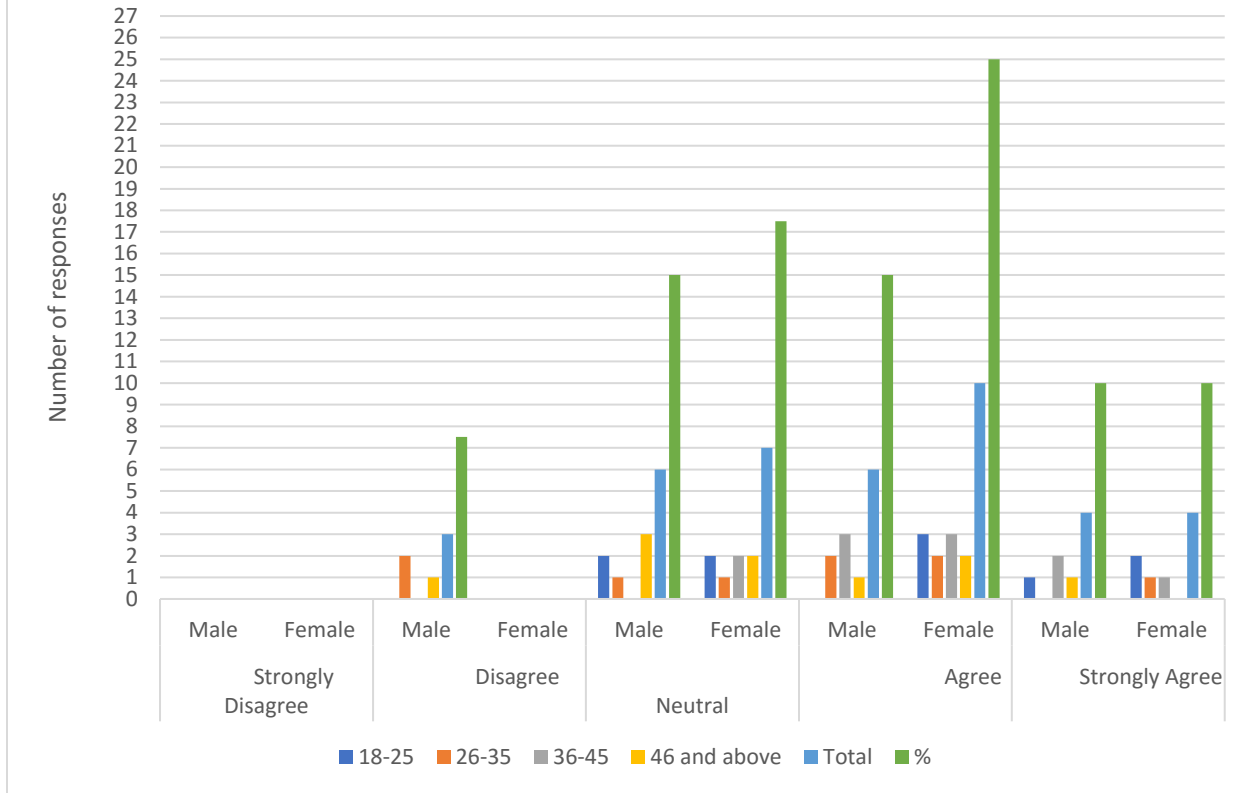
Here, we can see that it has been asked to the customers if the account opening system takes more time than before. Among the 40 responses, from different age groups, 12.5% males and 17.5% females are neutral. 10% males and 12.5% females have agreed and rest 47.5% included both male and female has strongly agreed. None of them strongly disagree or disagree that the new system consumes time.

With the new system, customer can meet the need of having an account

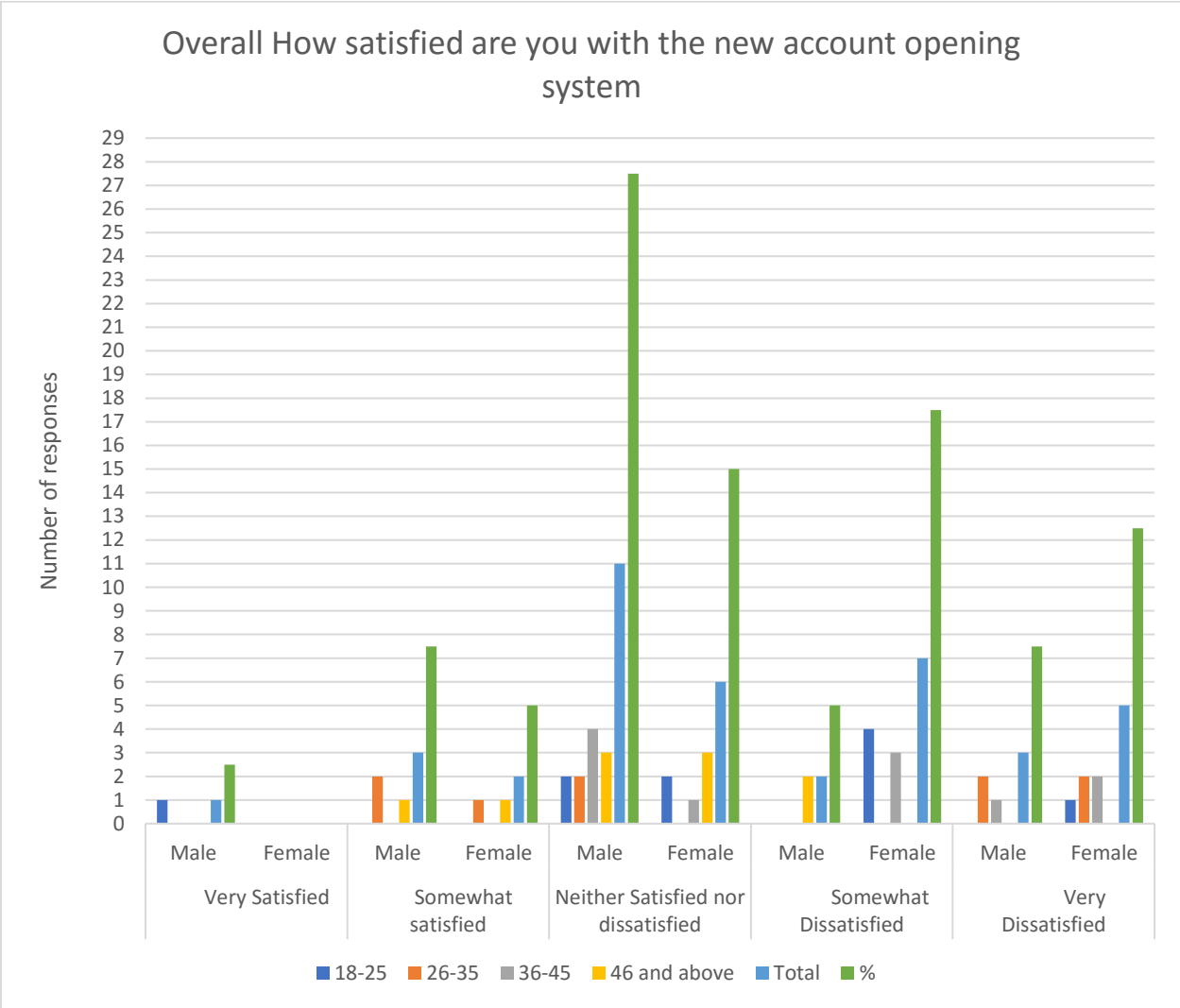


Here, most of the customers disagree that they can meet their need of opening the new account. 10% males and 7.5% females strongly disagreed. 12.5% males and 17.5% female customers have disagreed. 25% from both males and females are neutral. Among 40 customers, 25% customers agreed and 2.5% male customer strongly agreed that they can meet their need of have the new account. it means all the customers are not getting their need fulfilled with the service.

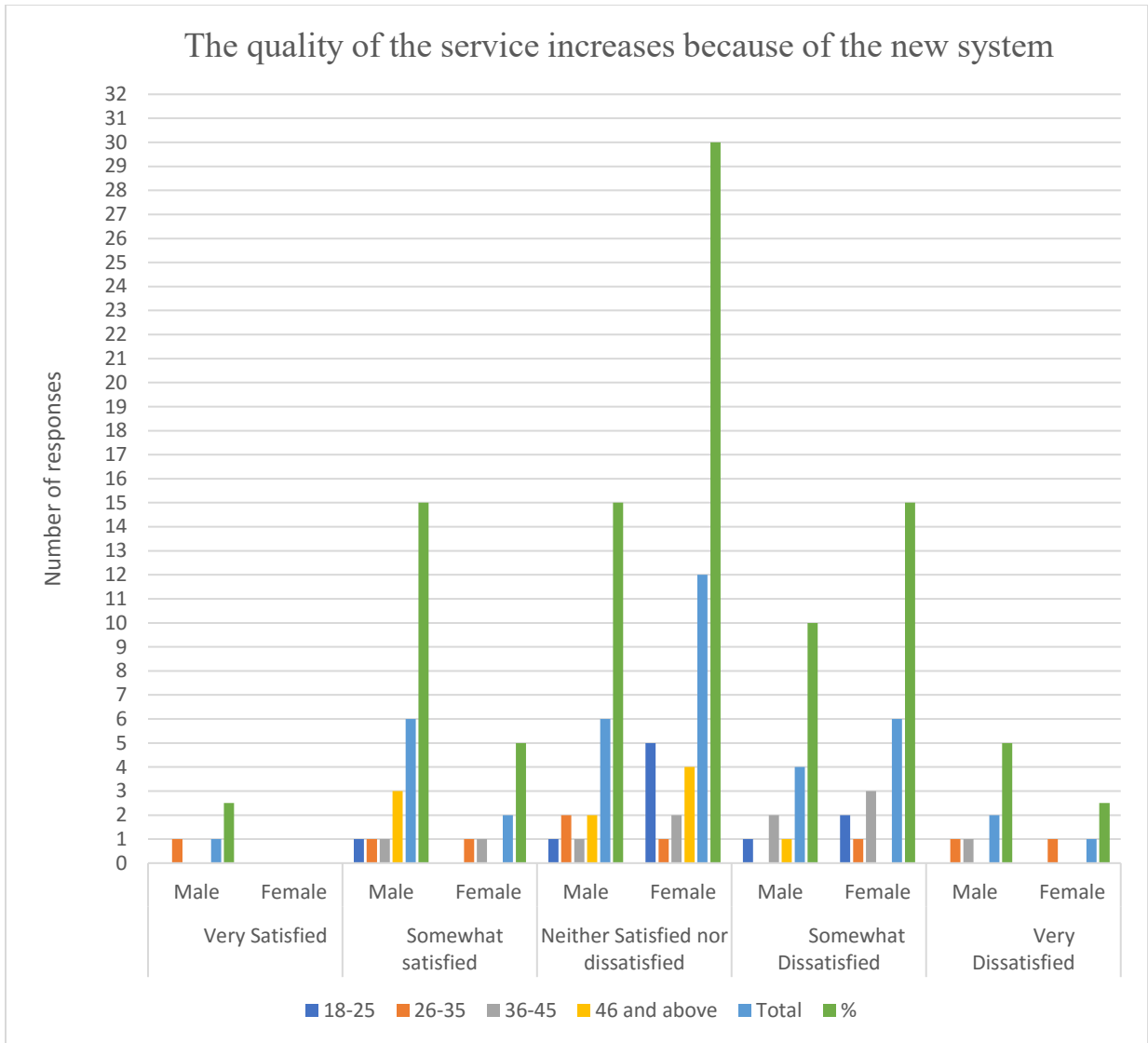
Officers are more responsive with the new rules and systems



After asking whether the officers are more responsive or not, among 40 responses, 7.5% males from different age group have disagreed. 15% males and 17.5% females have given neutral response. 15% males and 25% females have agreed and 20% customers includes 10% males and 10% females strongly agreed. The overall response indicates that the officers are more responsive with the customers. They may fail sometimes to manage both the head office and customers together.



There is 1 male response who is very satisfied, 7.5% males and 5% female responses who are somewhat satisfied. From different age group, in total 27.5% male customers as well as 15% female customers are neither satisfied nor dissatisfied. Among the responses, 5% males and 17.5% females are somewhat dissatisfied. 7.5% male customers and 12.5% female customers are very dissatisfied. It can be said that the customers are not satisfied with the new system.



The quality of service is also not very satisfied by the customers. 1 male customer responded with very satisfied. 7.5% males and 5% female customers are somewhat satisfied. 27.5% males and 15% females are neither satisfied nor dissatisfied. 5% males and 17.5% females are somewhat dissatisfied. 7.5% males and 12.5% female customer responded very dissatisfied. So, there quality has not been increases than before but need to improved so that most of the customers can be very satisfied.

- (iii) By interviewing the operation manager, I have come to know that the customers do not give all the papers at a time but they want to have the account to be opened with the incomplete papers. Sometimes, they are not willing to disclose all the information about their income sources. Whereas, the head office sends the form back to the branch if the

papers are not according to the given requirement list. So, the branch officers face the problems. Then, they need to call the customer back and ask for the papers. If they fail to give all of the papers, the officers give the money back to the customers which has been deposited in the sundry account. The customers show sometimes anger if the account has not been opened.

1.10 Conclusion

Private commercial banks are playing a vital role in the development of our economy. Government and Bangladesh Bank also play a crucial role in banking sector by regulating the overall banking systems and setting rules and regulation in the activities of commercial banks. Prime Bank Limited has started to practice the new centralization system.

The overall results and findings indicates that the customers are facing problems to cope up with the new account opening system. Since, all the procedures have become centralized which I have mentioned now it takes more time than before. Moreover, the impact of the change on customers have been analyzed here and found that they are becoming dissatisfied with this complex process. Furthermore, after discussing with the general banking officers came to know that the procedures have become more complex even for them also. They are having difficulties also while serving customers.

1.11 Significance of the Study

During my internship, I have found some people complaining against different problems every day regarding the new system after introducing the centralization account opening system. This has become to my realization that because of this the customers are getting dissatisfied with existing services provided by the bank. Then I came to know the new system consumes more time than before. I have also faced some problems because of the new system since the customers are not well acquainted with this new system. This study is all about the challenges to introduced the

new system. There are different kinds of problems which are becoming the challenges for the officers and these problems are being analyzed in this paper. Solution to the problems may regain the loyalty of the customers to the bank as well as increase the profitability of the bank.

Recommendation

Some suggested solution or recommendation from my side are being mentioned:

- (i) Introducing flexible account opening system.
- (ii) Empowerment of Branch should be given.
- (iii) Opening customer service department.
- (iv) Instead of sending manually to the head office, sending through scanning the papers.
- (v) Introducing online services.

Appendix

(i) Sample Questionnaire:

Purpose: The Purpose of this questionnaire is to investigate into the challenges faced by the customers and the officers regarding the newly emerged rules and regulations in opening and maintaining new accounts. This is a part of my internship report.

1.Have you opened an account with Prime Bank after centralization?

- Yes
- no

2.Have you taken any Banking service from Prime Bank Limited before?

- Yes
- No

3. How long have you been a customer of this Bank?

- This is the first time I have come
- Less than 6 months
- 6 months to a year
- 1 to 2 years
- More than 3 years

How much Time Consumes	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
4. The account opening system takes more time than before.					
5. With the new system, customer can meet the need of having an account					
6. Officers are more					

responsive with the new rules and systems					
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Inconvenience of customer	Very Satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat Dissatisfied	Very Dissatisfied
7. Overall how satisfied are you with the new account opening system					
8. The quality of the service increases because of the new system					

9. Please indicate your Gender.

- Male
- Female

10. Which of the following age group are you in?

- 18-25
- 26-35
- 36-45
- 46 and above

11. What is your occupation?

- Student
- Businessmen
- Government Employee
- Employee
- Housewife
- Retirement

Thank you so much for your cooperation. Wish you a very Good Luck!!!.☺

Bibliography

1. www.primebank.com.bd