DHAKA BANK

LIMITED

INTERNSHIP REPORT ON DHAKA BANK LIMITED

A Study on the CIB Cell of Dhaka Bank Limited

Inspiring Excellence

Submitted to: Mr. Md. Hasan Maksud Chowdhury

Assistant Professor

Faculty of BRAC Business School

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Prepared by

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Letter of Transmittal

Date: December 14, 2016

Mr. Md. Hasan Maksud Chowdhury
Assistant Professor
Faculty of BRAC Business School,
BRAC University.

Subject: Submission of Internship Report on "A Study on the CIB Cell of Dhaka Bank Limited"

Dear Sir,

With due respect I would like to say that it was a privilege and great pleasure for me to submit my internship report titled "A Study on the CIB Cell of Dhaka Bank Limited" which has been prepared as a part of my BBA program requirement.

During the preparation of the report, I have tried my level best to make it rich covering the all concerning matters. I believe the report will at least give you a brief picture about the topic which will also showcase that I have acquired the valuable experiences through this internship under your astute supervision.

Thank you for encouraging me for working on this interesting topic. Kindly accept my report and oblige thereby.

Sincerely yours,

Chowdhury Abdul Hasib
ID: 11204079
BRAC Business School
BRAC University.

Acknowledgement

Firstly, I would like to thank God Almighty for everything. With the help of Almighty Allah and parents' blessings finally I have successfully completed my three months long internship at Dhaka Bank Limited. And now the final report of the internship has been prepared as a part of BUS400 course.

I must remember to say my gratitude to the honorable faculty member Mr. Md. Hasan Maksud Chowdhury, Assistant Professor, BRAC Business School for his endless support, inspiration and guidance during this internship. This report has been prepared and presented to his for the assessment and final evaluation of this course.

I must not forget to mention my appreciation to Mr. Mir Saidul Islam, SVP, CPC Credit Operations, Dhaka Bank Limited under whose supervision I went through my internship. Moreover, my thanks go to Mr. M. Sanaur Rahman, Mr. Aftab Ali Tanir and Mr. Raiyan Ahmed for their kind support and most importantly for providing the learning opportunity for me during the internship tenure. I would also like to thank Mr. Saifuddin Ahmed, Mr. Anindya Mustafa and Mr. Rahmat Ali, and Mr. Anil Hassan for their advices, assistance and for mentoring me. At the same time, I would like to thank my other colleagues of Dhaka Bank Limited who provided me with enormous insights and helped me to learn the situation of the real business world.

Last but not the least, I am grateful to BRAC University which is the reason I am standing here on the precipice of earning my bachelor degree successfully.

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Abstract

Dhaka Bank limited is one of the premier banks in Bangladesh. Since its inception in 1995, Dhaka Bank Limited has continued to show its potential and grow in its sector to become that brand that it is today. Behind its success lies the efforts of its skilled and motivated employees and staff and the efficient management. Dhaka Bank Limited believes in providing the customers with the latest and the greatest and with that in mind, it got connected to the latest format of Online CIB of Bangladesh Bank. The idea of Online CIB is to reduce paper works by generating credit reports online. This revolutionary innovation has achieved a lot of its objectives. but the era has changed, so now it is not the most technologically advanced mean. This report hopes to view its readers about the limitations of CIB, and how these limitations are holding its back from achieving its maximum efficiency. The report explores various scenarios that CIB goes through on a daily basis and points out its flaws. however, all hope is not lost yet. A few simple adjustments and restructuring should increase the efficiency and set an example.

About Dhaka Bank Limited

Banking system has established a vital role in shaping a country's economy. A modern society cannot be imagined without banks as it is the backbone of the economy. Banks give shape to the money market by being at the core of it. The primary goal of a commercial bank is to provide its consumers with the best possible service. Since banks operate within the service sector, it is essential for them to maintain good consumer relations. Now, all over the world, the dimensions of banking are changing because of technological advancements, deregulations and globalization (Dhaka Bank Limited, 2016)

Dhaka Bank Limited is one of the top private sector commercial bank providing full range of Personal, Corporate, International Trade, Foreign Exchange, Lease Finance and Capital Market Services. Dhaka Bank is the product of the brainstorming of a group of entrepreneurs with farsighted vision of banking excellence. Dhaka Bank limited was established in 5th June of 1995. Since then, it has grown to become one of the most renowned names in the banking sector of Bangladesh. Dhaka Bank limited goes by the motto of "Excellence in Banking" and with the vision to become the best performing bank in the country. The bank provides the full range of banking and investment services for personal and corporate customers, supported by the latest technology and a crew of highly motivated and capable officers and staff. The Bank has launched Online Banking services (i-Banking), joined a countrywide shared ATM network and has introduced a co-branded credit card.

As of As on November 2016, the bank serves its customers through 94 branches all over the country including 2 Islami Banking branches, 3 SME branches and a Card Business Unit and an Offshore Business Unit. It also has 53 ATM and 19 ADM booths, a Business Kiosk, six CMS unit, eight business centers across the country and a wide network of correspondents all over the world (Dhaka Bank Limited, 2015). The Bank has plans to open more branches in the current fiscal year to expand the network.

Background of Dhaka Bank Limited

As the forerunner in the private banking sector in Bangladesh, Dhaka Bank Limited aims to turn its golden past into a efficient present, which has laid the foundation for bright future. Since its inception in 1995, Dhaka Bank Limited provided its strength and commitment in financial sectors which earned public trust in terms of quality service to the customers and value addition to the shareholders. With that, Dhaka Bank limited managed to reach the top slots of financial sector of the country. In order to keep up with time and stay in balance with national and international economic activities and for providing modern services, Dhaka Bank Limited, as a financial institution went digital with all of its branches with computer network in accordance with the competitive commercial demand of time. Dhaka bank Limiter is focused on exploring different ways to cope up with the needs of its clients.

Bangladesh economy started to grow since the early '90's. Industrial and agricultural development, international trade, inflow of expatriate Bangladeshi workers' remittance, local and foreign investments in construction, communication, power, food processing and service enterprises brought in an era of economic growth. Urbanization and improvement of people's lifestyles with the ongoing economic development created a demand for banking products and services to accommodate the new initiatives while also channelizing consumer investments in a profitable manner. A group of renowned entrepreneurs of the country came together to react to this need and established Dhaka Bank Limited in 1995.

The bank became incorporated as a public limited company under the Companies Act. 1994. The commercial operations of the bank started on July 05, 1995 with an authorized capital of Tk. 1,000 million and paid up capital of Tk. 100 million. The paid up capital of the bank grew to Tk 2,659,597,763 as on March 31, 2010. The bank is renowned for its financial strength and operational craftsmanship for attaining the position as the potential market leader in all core areas of banking in Bangladesh. It registered to DSE and CSE in 2000. With the Headquarter situated in the heart of the capital, Motijheel, Dhaka Bank limited coordinates countrywide through a larger network of Branches, ATMs, SME channels, agricultural outreach and mobile banking. The bank is now ever expanding to gain higher market share and score big surge in assets. With a total customer base of 368,400 accounts, Dhaka Bank Limited seeks to serve them and make them feel as good as they can (Dhaka Bank Limited, 2015).

The bank achieved its consumer base's trust shortly after entering the market. The organization motto “Excellence in Banking” has been motivation for the bank’s success and met up capital within a period of 21 years of its operation gained praises and met up capital adequacy requirement of Bangladesh Bank. Dhaka Bank Limited, as of 2015 has 87 Branches, 3 SME Service Centers, 1 Business Kiosk, 1 Offshore Banking Unit along with 53 ATMs & 19 ADMs. Total Assets of Dhaka Bank Limited is approximately Tk. 176 billion, equivalent to USD 2.24 billion as at the closing of 2015. With a total of 4,39,544 customer-base (accounts), Tk. 139 billion in Deposits and Tk. 118 billion in Advances, Dhaka Bank Limited is the contributing factor to the exceptional economic growth of Bangladesh (Dhaka Bank Limited, 2015).

Mission

To be the premier financial institution in the country providing high quality products and services backed by latest technology and a team of highly motivated personnel to deliver Excellence in Banking.

Vision

At Dhaka Bank, we draw our inspiration from the distant stars. Our vision is to assure a standard that makes every banking transaction a pleasurable experience. Our endeavor is to offer you supreme service through accuracy, reliability, timely delivery, cutting edge technology and tailored solution for business needs, global reach in trade and commerce and high yield on your investments.

Our people, products and processes are aligned to meet the demand of our discerning customers. Our goal is to achieve a distinct foresight. Our prime objective is to deliver a quality that demonstrates a true reflection of our vision - Excellence in Banking (Dhaka Bank Limited, 2016).

Motto

"Excellence in Banking."

Corporate Values

- Customer focus
- Integrity and honesty
- Quality
- Teamwork
- Respect for the individual
- Responsible citizenship

Strategic Objectives

- Our objectives are to conduct transparent and high quality business operation based on market mechanism within the legal and social framework spelt in our mission and reflected in our vision.
- Our greatest concerns are our customers to provide them continually efficient, innovative and high quality products with excellent delivery system.
- Our motto is to generate profit with qualitative business as a sustainable ever-growing organization and enhance fair returns to our shareholders.
- We are committed to our community as a corporate citizen and contributing towards the progress of the nation as our corporate social responsibility.

- Our employees are our backbone. We promote their wellbeing through attractive compensation package, promoting staff morale through training, development and career planning.
- We strive for fulfillment of our responsibility to the government through paying entire range of taxes and duties and abiding by the other rules.
- We are cautious about environment and climatic change and dutiful to make our homeland a green and clean soil.

Ethical Principles

- We are compliant to our country's laws and regulations.
- We reject bribery and corruption.
- We avoid compromised gifts and entertainment.
- We speak up if we suspect any actual, planned or potential behavior that may breach any laws and regulations.
- We are compliant to Anti Money Laundering guidelines and other prudential regulations provided by our regulators.
- We resolve customer complaints quickly and fairly.
- We maintain confidentiality and fidelity of our customer.
- We treat our colleagues with fairness and respect; work with highly motivated team spirit and fellowship bond.

Corporate Profile

Name of the Company: Dhaka Bank Limited.

Legal Form: A public limited company incorporated in Bangladesh on April 06, 1995 under the Companies Act 1994 and listed in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

Date of Commencement: 5th of July, 1995.

Registered Office: Biman Bhaban (1st Floor), 100 Motijheel C/a, Dhaka - 1000, Bangladesh.

Phone Number: +880 2 9554514.

Fax: +880 2 9556584, 9571013, 9565011.

SWIFT Code: DHBLBDDH.

E-mail: info@dhakabank.com.bd.

Website: www.dhakabankltd.com.

Auditors: ACNABIN, Chartered Accountants

Tax Consultant: Howlader, Yunus & Co.

Chairman: Mr. Reshadur Rahman.

Managing Director and CEO: Mr. Syed Mahbubur Rahman.

Company Secretary: Arham Masudul Huq.

CFO and Head of Finance & Accounts: Darashiko Khasru.

Head of Internal Control & Compliance: S.M. Abdullah Hil Kafi.

Company Registration No.: C-28146 (1992)/95.

Bangladesh Bank License No.: BCD (D) 200/57-421/95.

Accounting Year-end: December 31.

Authorized Capital: Tk. 10,000 million.

Total Capital: Tk. 15,408 million.

Credit Rating Agency: Emerging Credit Rating Limited

The Board of Directors of Dhaka Bank Limited

Dhaka Bank Limited is managed by a board of Directors. The Board is headed by the Chairman, Mr. Reshadur Rahman. Mr. Syed Mahbubur Rahman plays the roles of Managing Director and CEO. Also in the Board is Mrs. Rokshana Zaman as the Vice Chairperson. The Directors of Dhaka Bank Limited are:

- Mr. Abdul Hai Sarker
- Mr. Altaf Hossain Sarker
- Mr. Mohammed Hanif
- Mr. Md. Amirullah
- Mr. Abdullah Al Ahsan
- Mr. Khondoker Monir Uddin
- Mr. Tahidul Hossain Chowdhury
- Mr. Jashim Uddin
- Mr. Khondoker Jamil Uddin
- Mr. Mirza Yasser Abbas
- Mr. Amanullah Sarker
- Mr. M. N. H. Bulu

Additionally, Mr. Syed Abu Naser Bukhtear Ahmed and Mr. M. A. Yussouf Khan are present as Independent Directors (Dhaka Bank Limited, 2016).

Organizational Structure

Managing Director
Deputy Managing Director
Senior Executive Vice President
Executive Vice President
Senior Vice President
Vice President
Senior Asst. Vice President
First Assistant Vice President
Assistant Vice President
Senior Principal Officer
Principal Officer
Senior Officer
Management Trainee Officer
Junior Officer
Asst. Officer/Asst. Cash Officer
Trainee Asst. Officer/Trainee Asst. Cash Officer
Telephone Operator
Trainee Telephone Operator

Figure 1: Dhaka Bank Limited - Corporate Hierarchy

Departments of Dhaka Bank Limited

A brief description of each of the departments of Dhaka Bank Limited are given Below.

- **Human Resource Division:** Dhaka Bank Limited acknowledges that a productive and motivated workforce is necessary to maintain its position in the market. Dhaka Bank Limited treats its every employee with dignity and respect. It aims to create a healthy environment for people of different background to grow and reach their potentials. The bank's human resources policy focuses on providing job satisfaction, growth opportunities, and due recognition of superior performance. A good working environment results in loyalty and commitment from the employee. With all this said, Dhaka Bank Limited continues to focus on the development of human resource, identify the strengths and weaknesses of the employees to assess individual training needs and facilitate self-development.

- **Personal Banking Division:** The personal banking department focuses on the consumer credit schemes, for example, the personal loan, car loan, education loan, tax loan, personal secured loan that are designed to meet the demand of individual customers. The approval officer's job is to approve or reject the credit proposal after thorough checking.
- **Treasury Division:** The main job of the treasury division is to take decisions regarding purchase and selling of foreign currency. The justification of this division is to manage the funds efficiently and to provide funds at the lowest possible interest rate, all while maintaining proper relation with other banks and abiding by the rules of the Government and the foreign exchange regulations.
- **Computer and Information Division:** Dhaka Bank Limited prides in having used the latest technologies to provide support to their excellent banking system. Due to the technological advancements, the IT division is always working to stay up to date and keep on innovating to bring newer facilities. The division also maintains the banks internal network for smooth operations.
- **CPC Credit Division:** Bank credit refers to the borrowing capacity provided to an individual by the bank in form of credit of loans. The total bank credit an individual has against him is the sum of total borrowing capacity all the lender banks have agreed to provide for him. The Credit Policy Committee is consists of the managing director, the general manager, the Chief Risk Officer and the assistant general manager responsible for credits.
- **Operations Division:** Operations division is the core of the bank. This department ensures smooth functioning and operations within the bank while providing continuous support to the core system of banking. The Manager of Services leads the department, and also formulates and manages to tackle various critical issues of the services function of Dhaka Bank Limited.

- **Card Division:** Dhaka Bank Limited was the pioneer domestic commercial bank in Bangladesh in introducing Visa Electronic and Visa Credit Card at the same time. It is also the only bank in Bangladesh to bring Visa ATM Acquirer along with POS Acquire, allowing all Visa cardholders (both domestic and international) to use ATMs.
- **Finance and Accounts Division:** Finance and accounts division is considered as the most powerful division of Dhaka Bank limited. It keeps record of each and every transactions done by Dhaka Bank limited. The Manager of Finance and Accounts Department ensures that all the transactions are carried out by following the regulations. Failure to meet the standards set by the regulatory committee results in facing severe consequences.
- **Audit and Risk Management Division:** The risk management division mainly projects the risk that the bank might face in the course of its operations, develop policies regarding corporate risk management, and ensures that the risks does not exceed the limit of which the bank can undertake. The main objective of the risk management is to provide capital to businesses according to the risks, maximize risk adjusted capital and increase the added value.
- **Risk Management Unit:** Dhaka Bank Limited set up a separate Risk Management Unit (RMU) in the 3rd quarter of 2009 to comply with Bangladesh Bank directives. The unit operates under the direct supervision of the Deputy Managing Director (Risk Management), appointed directly by the Managing Director. It independently montors and manages the following main risk.
    - Credit Risk
    - Asset- Liability Risk
    - Foreign Exchange Risk
    - Internal Control & Compliance
    - Anti Money Laundering
    - Information and Communication Technology
    - Balance Sheet Risk
    - Operational Risk
    - Market Risk
    - Liquidity Risk
    - Reputational Risk

- Insurance Risk
- Sustainability Risk
- Interest rate risk

The purpose of establishing RMU is to preventing the bank from taking too much risks and building up a Capital Adequacy, which is more risk sensitive.

Products and Services of Dhaka Bank Limited

The products and services provided by Dhaka Bank Limited are discussed below in brief.

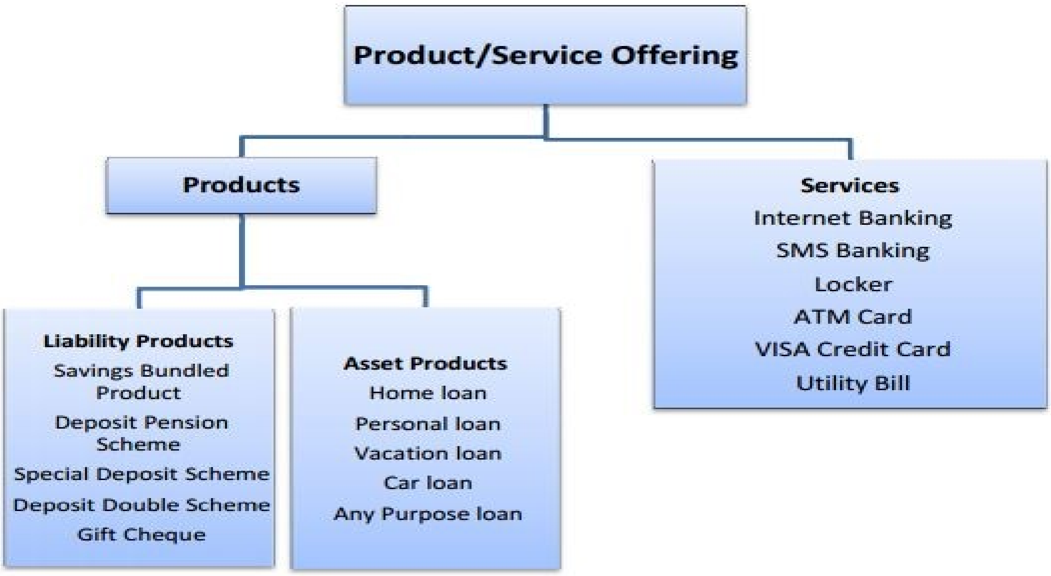


Figure 2: The Products and Services of Dhaka Bank Limited

Products of Dhaka Bank Limited

- **Corporate Banking (Liability Products):** Dhaka Bank Limited provides various corporate banking products. They are very similar in nature. They are all designed to satisfy the needs of the targeted customers to a optimum level (Dhaka Bank Limited, 2016). They are
  - **Securitization of Assets:** A very powerful as well as effective financial tool for gathering funds for certain class of institutes. It is still very early in its

development but shows great potential. There are a lot of supports form the multilateral institutes such as the World Bank and the Asian Development Bank for further development of such activity in the country.

- **Finance and Advisory Services:** Dhaka Bank Limited provides investment banking advisory services. These services cover from activities such as Guidance on means of gathering finance from the local Stock markets, Mergers and Acquisitions, Valuations, Reconstructions of Distressed companies to other expert knowledge based advice.
- **Syndication of Funds:** There has been a rapid increase in the number of syndication deals closed in the last few years. In 2004 was marked as a good year for syndicated deals for the local commercial banks and for the foreign banks. The rapid increase in the number of syndications can be tagged to the lending guidelines of the Bangladesh Bank. A commercial bank is allowed to provide funded facilities up to 25% of its equity. Because of this reason, projects of large costs has to seek from more than one bank for their debt requirements and so the demand for syndications exist.
- **Working Capital Finance:** Dhaka Bank Limited responds to the working capital needs of the client understanding the current asset requirement of the client. Dhaka Bank Limited provides different types of working capital facility such as Back-to-Back LC, Cash Credit (CC), Overdraft (OD) facility, Loan against Trust Receipt (LTR), Short Term Loan (STL), Bank Guarantee, etc. to facilitate the business operation of the client.
- **Project Finance:** Project financing is an innovative way of gathering funds for large scale corporate financial projects. It requires understanding project financing, preparing a financial plan, anticipating the risks associated, designing the financing mix, and raising the funds. It is different from traditional forms of finance since the financier looks to the assets and revenue of the project to secure and service the loan.

- **Retail Banking (Asset Products):** Retail products are mostly personal and household loans backed by assets. Dhaka Bank Limited provides loans up to 90% of the value of the asset it is backed against. Any Bangladeshi citizen age 18-57 are eligible for these loans. Some basic documents are required for submission (Dhaka Bank Limited, 2016).

- **Personal Loan:** It's the personal loan that is given to the individuals. It can range from BDT 500,000 to BDT 2,000,000.
- **Car Loan:** The car loan's minimum and maximum amount is as same as personal loan. The added conditions are that the customer has to provide a first party comprehensive insurance on the car bought and the customer has to either buy a reconditioned vehicle or a brand new one. More over the equity margin for a car loan customer is 50%. The partial and early settlement fee for this category of loan is 1%.
- **Home Loan:** This product is specially designed so that people can buy their dream home through Dhaka Bank Limited financing. The minimum loan amount is Tk.500000 and the maximum loan amount is Tk. 7500000. The minimum loan tenure is 5 years and maximum loan tenure is 15 years. However the interest rate varies between (16% - 18%). The early and partial settlement fee for customer doing within five years is 2.5% and for five years and after is 1.5%, customers to be eligible a minimum age is 21 years and maximum age is 65 years, and verified family income should be at least Tk.40000.
- **Bundle Saving Account:** There types of savings account are provided and they are silver, gold and platinum.
- **Deposit Pension Scheme:** This is a scheme where the customer deposits a monthly agreed amount for a certain period of time and at the end maturity the customer will get all his deposited money back along with a profit. This is one of the best selling products of Dhaka Bank Limited.
- **Shopno Jatra Student Services:** This product is for the Bangladeshi students who go to foreign countries to study the bank opens a student file, remits the needed fees to the foreign institution.
- **Other Retail banking:** Deposit Double, Income Unlimited, Excel Account, Salary Account, Smart Plant, Gift Cheque, Vacation Loan, Any Purpose Loan are some of DBL's retail banking products.

- **SME:** Dhaka Bank Limited has come forward to extend its services towards Micro and Small & Medium Enterprises. Since inception, the Dhaka Bank Limited has held socio-economic development in high esteem and was the pioneer to recognize the potentials of SMEs. The was among the first to launch SME financing in Bangladesh back in 2003, prioritizing on stimulating the manufacturing sector and directly promoting trading and service businesses (Dhaka Bank Limited, 2016).

- **Global Trade Services:** Global Trade Services, situated in the Head Office consists of two units: Financial Institutions and Remittance Unit. Financial Institutions arranges correspondent banking network, credit lines and other facilities needed by 15 Authorized Dealer (AD) branches and one Offshore Banking Unit of Dhaka Bank Limited with a large network (550) of correspondents throughout the world who are technologically skilled and sound. Dhaka Bank Limited is one of the banks in Bangladesh involved with credit line facility from International Finance Corporation (IFC) under its Global Trade Finance Facilitation Program (GTFP) for assurance and confirmation of the L/Cs issued by itself (Dhaka Bank Limited, 2016).

Services of Dhaka Bank Limited

Dhaka Bank Limited offers varieties of banking and investment services for personal and corporate customers, supported by the latest technology and a crew of highly motivated officers and staff. The bank has instigated Online Banking service, got involved in a countrywide shared ATM network and has pioneered a co-branded credit card with Visa and AmEx. Dhaka Bank Limited offers various types service. Those are

- Corporate Banking
- Personal Banking
- Islamic Banking (Dhaka Bank Limited, 2016)
    - Mudaraba Purchase Order.
    - Bai Muazzal Industrial.
    - Bai Muazzal Others.
    - Mudaraba Post Import Trust Receipt.
    - Mudaraba Term Financing Industrial.
    - Mudaraba Term Financing Others.
    - Sirkatul Milk.
- Capital Market Services
- SME

- ATM Card Services
- Credit Card Services
- Locker Services.
- Customer Service
- Branch Banking Service

Results Summary (as of 2015)

Taka million (unless mentioned otherwise)

Segmented Results	Dhaka Bank Limited			Subsidiaries		Consolidated
	Onshore	Offshore	Islamic Banking	Dhaka Bank Securities	Dhaka Bank Investment	
Operating Income	6,709	133	51	273	12	6,994
Operating Profit	3,504	115	1	203	12	3,718
Asset	171,904	3,054	8,263	5,036	275	177,215
Liability	171,904	3,054	8,263	5,036	275	177,215

Note: While consolidating segmented results under the Bank group, inter-company adjustments have been made.

Shareholders' Value - Consolidated	2015	2014	Change
Earnings Per Share (EPS)	Tk. 2.42	Tk. 3.69	(34%)
Price Earinig Ratio	8.14	5.45	49%
Dividend (%)	6% (Cash) 10% (Stock)	14% (Cash) 10% (Stock)	(57%) 0%
Net Asset Value (NAV)	13,691	12,973	6%
NAV per Share	Tk. 21.89	Tk. 22.82	(4%)

Profitability & Performance Ratio – The Bank	2015	2014	Change
Return on Assets	0.86	1.34	(36%)
Return on Equity	10.74	15.92	(32%)
Return on Investment	14.83	13.22	12%
Profit Per Employee	2.30	2.14	(7%)
Asset Per Employee	116	106	9%

Balance Sheet Focus – The Bank	2015	2014	Change
Balance Sheet Size	176,362	158,747	11%
Shareholders' Equity	13,389	12,746	5%
Total Deposits	139,069	124,854	11%
Total Loans & Advances	117,840	103,131	14%
Classified Loans	5,491	5,657	(3%)

Capital Adequacy – The Bank (As per Basel III)	2015	2014	Change
Tier-I Capital Ratio	8.58	8.73	(2%)
Capital to Risk Weighted Assets Ratio (CRAR)	10.46	11.20	(7%)
Total Eligible Capital	15,408	15,439	(0.2%)

Source: (Dhaka Bank Limited, 2015)

Company Milestones

April 6, 1995: Date of Incorporation

July 5, 1995: Commencement of Banking Business

March 16, 1996: First Dividend Declared

November 25, 1999: Initial Public Offering

April 10, 2000: Listing with Dhaka Stock Exchange (DSE) Limited

June 6, 2000: Listing with Chittagong Stock Exchange (CSE) Limited

March 11, 2001: First Right Issue

February 24, 2002: Introduction of Alternate Delivery Channel (First ATM)

March 29, 2002: Launching of Retail Banking (Consumer Banking)

July 2, 2003: Commencement of Islamic Banking

April 1, 2004: Real-time Online Banking

February 5, 2005: Launching of Brokerage Business

July 5, 2005: Celebrating First Decade of Excellence in Banking

May 22, 2006: Commencement of Off-shore Banking Operation

March 1, 2007: Launching of Credit Card

September 5, 2007: Launching of Internet Banking

April 1, 2009: Centralization of Trade Operations & Credit Operations

December 17, 2009: AAA Guarantee Accorded by ADB under Trade Finance Facilitation Programme (TFFP)

June 30, 2010: Establishment of Islamic Banking Division

July 4, 2010: Enhancement of Authorized Capital (from Tk. 600 crore to Tk. 1,000 crore)

December 6, 2010: Basel-II Compliance: Issuance of Subordinated Bond

February 13, 2011: Inauguration of Subsidiary ‘Dhaka Bank Securities Limited’

September 30, 2012: Hosting Credit Card in own software and go live Visa Debit Card

April 29, 2013: Introduction of Automated Deposit Machine (ADM) November 12, 2014 SME Banking Award 2014: Manufacturing Sector-friendly Bank of the Year

July 5, 2015: Celebrating 20 years of Banking Excellence

July 5, 2015: Moving to own Corporate Head Office

Achievements

Year	Details
2015	➢ Certification (2nd Position) from Bangladesh Bank for the contribution towards School Banking in Chittagong Region ➢ Best Sponsor Award 2009 (awarded in 2015)
2014	➢ SME Banking Award 2014 (Manufacturing Sector-friendly Bank of the year) ➢ ICMAB 'Best Corporate Award 2014' (3rd Prize) ➢ ICAB National Award for Best Presented Annual Reports 2013 ➢ Leadership Award for Branding and Decorating Dhaka City (1st Prize) ➢ Best Sponsor Award 2009 (awarded in 2014)

Figure 3: Achievements

About Credit Information Bureau (CIB)

Credit Information Bureau (CIB) is a credit record of an individual containing the repayment history of his liabilities, generated by the central bank. CIB is the agency that collects data about individuals from the financial institutions. The data is then stored and the resulting information in form of a credit report is provided upon request of the participating financial institution for credit assessment. The prime objective is to allow the financial institutions to know about the repayment history of their potential clients to make better decisions. Credit report is mandatory for banks in Bangladesh.

CIB in Bangladesh is a part of Bangladesh Bank. CIB is responsible for collecting and maintaining an updated database of Credit Related information. These information are supplied by the participants, Institutes which extend credit. These institutes consists of Banks (Act.14, 1991), Financial Institutions (Act.27, 1993), HBFC (Presidential Order 7, 1973), ICB (ICB Order 40, 1976). CIB of Bangladesh Bank started its operations in 18 August, 1992 (Bangladesh Bank, 2015).

Background of CIB

The Credit Information Bureau (CIB) was established by Bangladesh Bank back in 1992. The scope and activities of CIB are governed under the provisions of Banking Companies Ordinance (BCO), 1962. The Section 25 (A) vests powers with Bangladesh Bank to call for credit information in such manner as it may deem necessary and make such information available to any banking company (Bangladesh Bank, 2015).

Dhaka Bank Limited connected with CIB report back in 1995. Since then, a lot of technological advancements took place. Eventually, CIB went online. Dhaka Bank Limited got connected to the newest format of Online CIB in June, 2015. Currently, a CIB Cell is set up in the Head Office of Dhaka Bank Limited.

Objectives of CIB

One of the main objectives of the establishment of CIB was to minimize the default of loans by providing reports on a timely basis, based on the requests about the borrower or loan applicant by the financial institutes/banks to conduct credit risk analysis and decide promptly on loan applications. The formation of CIB eliminated the need of collection of documents and certificates for loan applications and disbursements. In general, banks are more likely to lend to borrowers with borrowing capabilities and timely repayment history. CIB reports represent the borrower's credit history. As a result, CIB reports are preferable to financial institutions and banks for seeking out the good borrowers for loans (Bangladesh Bank, 2015).

According to Bangladesh Bank CIB policy manual 2015 (Bangladesh Bank, 2015), the objectives of CIB are

- To discharge statutory obligation under banking company's ordinance "Bangladesh Bank" is required to collect and make credit information available to the banking companies.
- To provide maximum information; so that financial institution can take informed credit decision.
- To provide better credit risk management and making prudent lending decisions.
- To track connected lending for supervisory purposes.

Users of CIB

CIB reports have great impact on decision making regarding credit approvals, disbursement and renewals, as well as rescheduling and readjusting in a credit facility. It helps lending institutions understand their clients better and which ones to pick. it also helps them assess the credit risks associated. Some other governmental and regulatory entities also use the total or partial credit information of individuals for their own need (Bangladesh Bank, 2015). The users of CIB are

- Banks
- Non-bank financial institutions

- Ministry of Finance,
- Ministry of Commerce and Industry ,
- Ministry of Expatriates' Welfare and Overseas employment,
- Securities and Exchange Commission (SEC),
- Board of Investment (BOI),
- National Board of Revenue (NBR),
- Election Commission,
- Other government organizations and
- Different departments of Bangladesh Bank

How It Affects a Borrower

A negative report can be defined as a report of an individual (consumer) borrower, having certain amount reflecting under past due 30+, 60+, 90+ days or any write-off reported either in present reporting month or as credit history of past 12 months. Bangladesh Bank regulations/instructions do not restrict financial institutions from extending financial accommodation to such borrowers. However, the financial institutions gives more emphasis to Credit Information Reports while assessing the credit worthiness of borrowers. In case of corporate borrowers against whom overdue amount is reported for the first time, the Bangladesh Bank serves notices to such borrowers for settlement of their liabilities within 30 days, failing which overdue amount against them is reflected in CIB database against their record.

It can be possible for a new borrower or organization to get a loan even though their related information is not available in the CIB database. If information on individuals or organizations is on the CIB database, their existence/appearance does not pose an obstacle to getting a loan.

Confidentiality of Information

As per Bangladesh Bank CIB Policy Manual and Online CIB Operations Manual 2015 [sources: (Bangladesh Bank, 2015), (Bangladesh Bank, 2015)], to quote:

According to Banking Companies Ordinance, 1962 (BCO) the credit information is deemed as confidential and BB while making such information available to its member financial institutions shall not disclose the names of institutions which are the original source of that information. At present only those banks and financial institutions, which is regulated by Bangladesh Bank. The information in CIB database is currently being exchanged on reciprocity basis and every financial institution is required to submit its entire borrower records irrespective of any limit to the CIB database. The member financial institutions can only access-limited information from CIB database for assessing credit worthiness of borrower. Disclosure to third party is strictly prohibited under the law. Thus individuals and corporate entities are not entitled to obtain their credit information reports. If any person discloses any credit information he shall be punishable with imprisonment which may extend to six months or with fine which may extend to Taka one lakh or both.

Advantages

The main advantages of new Online CIB system included the followings

- ✓ To provide credit facility to the borrowers, banks and other lending institutes will need borrowers' existing credit information (if any). thus online CIB helps to get CIB report with the latest status of the borrowers instantly.
- ✓ by Online facility financial institutions can now obtain credit reports from Bangladesh Bank electronically via dial up; No need for using any hard copy report (CIB).
- ✓ Under this facility, only the authorized persons of the financial institutions listed with Bangladesh Bank, are allowed on-line access to the CIB servers.
- ✓ This facility promotes efficiency in the credit appraisal process of banks/Financial Institutions.
- ✓ It helps bank/ financial institutions to maintain latest information database of any borrower’s profiles to update and inquire instantly.
- ✓ It reduces errors and omission at a good percent that existing manual system provides.
- ✓ It also minimizes the time lag in submission of data to CIB and retrieval of credit reports.
- ✓ It increase the decision making power for all the banks/financial institution.

- ✓ It saves time in acquiring Borrower's/Owners information.
- ✓ It separate Consumer/Corporate reports and data input formats.
- ✓ Provisions for online amendments and Interim updates.
- ✓ It Record of credit inquiries made by the financial institutions.
- ✓ Online technical support to the financial institutions and so on.

General Limitations

There are some general limitations of online CIB, such as

- If Bangladesh Bank(BB) CIB officer or any other bank is to make some mistake to input data of any Borrower and after that other bank try to do inquiry with correct information than very few error cannot merged. This is the weakness of the server. This kind of error is called More Candidate Matched (Bangladesh Bank, 2015).
- BB. CIB server is not able to handle more than 1000 contract at a time, if any client has more than 1000 contract than the report is not generated. This type of problem is called Complex report (Bangladesh Bank, 2015).

CIB Process in Dhaka Bank limited

All the financial institutions, including Dhaka Bank Limited inquires credit information from Bangladesh Bank server for the purpose of prevention and control of credit risk management. Inquiries to the system are only allowed on subjects that have applied for a credit line or that have obtained one. The system manages both positive and negative information and contains information on credit applications and on the performance of existing contracts over their entire duration. The information contained in the system is therefore updated both at the moment in which a customer request a new credit line, and monthly when the lending institute reports to the system (Dhaka Bank limited, 2016).

Dhaka Bank Limited inquires the credit status of a subject for following purposes

- To check for the presence of insolvencies relating to existing contracts;
- To check for proper and the timely payment of debts;

- To check the total and monthly obligation of the subject (in order to determine level of exposure).
- To avoid multiple Institutes granting loans to a customer at the same time in cases when customers request credit from multiple Institutes at the same time.

The process of collection of CIB report by Dhaka Bank Limited consists of some steps. The overall steps taken by Dhaka Bank Limited are given below.

Step #1: File receiving from Branch with CIB inquiry form

When an individual, sole proprietorship or company come to any branch of Dhaka Bank Limited to request new credit, that particular branch send description of the applicant in both Hard copy and Soft copy for the CIB inquiry to CIB cell of the head office. Hard copies of two of important forms are sent by branch to provide information about the applicant. Those are:

CIB inquiry forms normally consist of CIB-1A and CIB-2A. CIB-1A is a CIB inquiry form which contains the information about individuals' personal information and incase of company this inquiry forms always contains companies' information usually only the name of the company. CIB-2A is a CIB inquiry form which only used when CIB-1A is stands for Proprietorship/partnership/cooperative/joint venture or company etc (Bangladesh Bank, 2015) (Bangladesh Bank, 2015).

Inquiry Form: CIB-1A
(For Individual/Institution)

Tick

New
Renewal
Enhancement
Others

Amount of loan applied for :
In figure :
In words :

1.Name of the Bank/Financial Institution :
2.Name of Branch :
3.Under district of: Branch/Head Office Code No :
4.Reference Nos. of branch : Date :
5.Referench Nos. of Head Office : Date :
6.Borrower Code (if available)
7.Name of the borrower in full :
8.Abbreviated name (in case of individual) :
9.Fathers name (in case of individual) :
10.Mother's name (in case of individual) :
11.Husband's name (in case of individual) :
12.Address
a)Permanent :
b) Business :
c) Factory :
13.Tel. Nos. :
15.Tin No :

To the best of our knowledge the above borrower obtained the credit facilities from different banks/financial institutions as mentioned below :

Signature Head of the
Branch/Manager/Head Office.
Name:
Seal:
Tel:

Note: Suppressing or distortion of any information (related to borrower/owner)by the banks/financial institution is punishable under Bangladesh Bank Order 1972, Chapter IV Art.48

Figure 4: Sample of a Inquiry Form CIB – 1A

Inquiry Form: CIB-2A

(Owner Information if borrower id Institution)

1. Name of the Bank/Financial Institution : DHAKA BANK LIMITED

2. Name of Branch : Branch/Head Office Code No :

4. Reference Nos of branch : N/A Date :

5. Referench Nos Of Head Office :CIB/INQ/ /2003

Date :

6. Borrower Code : (if available)

7.Full name of the borrower :

8.Full name of the owner :

9. Abbreviated name of the owner :

10.Father's name :

11.Mother's name :

12.Husbands name(in case of married woman) :

13.Address :

a)Permanent:

b) Business :

c) Factory :

14.Status of the owner (Tick only) :

Proprietor	Partner	Chairman/MD	Sponsor Director	Elected Director	Nominated Director	Other

15.Voter ID card No :

16.Name of the bank/Financial Institution/Insurance co. (of which the above owner is Chairman/Director):

To the best of our knowledge the above owner :

a) Obtained the credit facilities in individual Name :

b) Has got other business which obtained credit facilities from the bank/financial institutions as mentioned below :

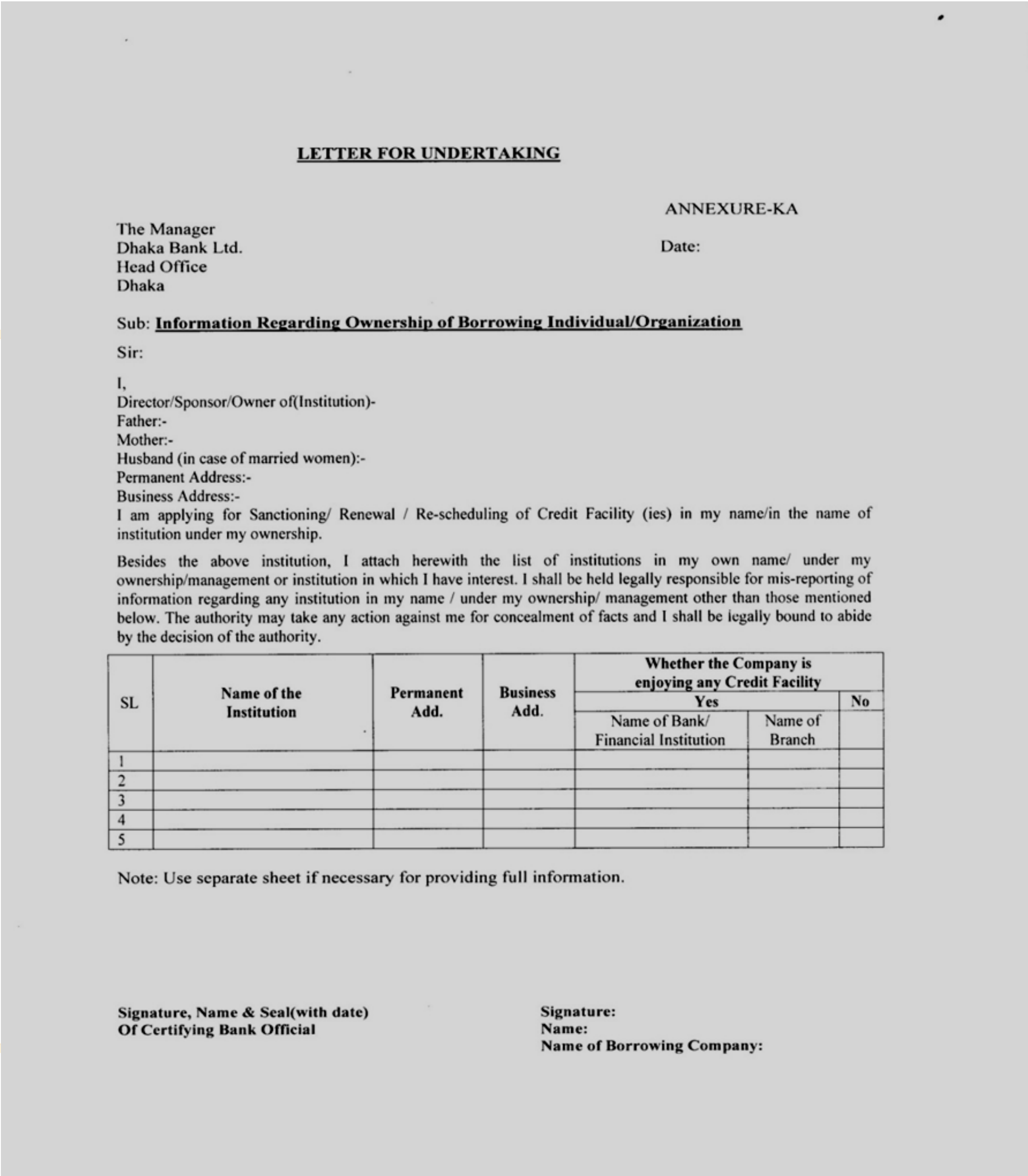
Name of the owner related business/firm with address	Name of bank/financial institution	Name of branch with District

Signature Head of the Branch/Manager/HeadOffice.
Name:
Seal:
Tel:

Note: Suppressing or distortion of any information (related to borrower/owner) by the banks/financial institution is punishable under Bangladesh Bank Order 1972, Chapter IV Art.48

Figure 5: Sample of a Inquiry Form CIB – 2A

Letter of Undertaking: Letter of undertaking is compulsory; Undertaking is an essential component of a CIB inquiry form, where it contains some confidential information of owner or borrowers itself. Specially, a list of business institution; where from it may enjoy credit facility.



LETTER FOR UNDERTAKING

ANNEXURE-KA

The Manager
Dhaka Bank Ltd.
Head Office
Dhaka

Date:

Sub: **Information Regarding Ownership of Borrowing Individual/Organization**

Sir:

I,
Director/Sponsor/Owner of(Institution)-
Father:-
Mother:-
Husband (in case of married women):-
Permanent Address:-
Business Address:-
I am applying for Sanctioning/ Renewal / Re-scheduling of Credit Facility (ies) in my name/in the name of institution under my ownership.

Besides the above institution, I attach herewith the list of institutions in my own name/ under my ownership/management or institution in which I have interest. I shall be held legally responsible for mis-reporting of information regarding any institution in my name / under my ownership/ management other than those mentioned below. The authority may take any action against me for concealment of facts and I shall be legally bound to abide by the decision of the authority.

SL	Name of the Institution	Permanent Add.	Business Add.	Whether the Company is enjoying any Credit Facility		
				Yes		No
				Name of Bank/ Financial Institution	Name of Branch	
1						
2						
3						
4						
5						

Note: Use separate sheet if necessary for providing full information.

Signature, Name & Seal(with date)
Of Certifying Bank Official

Signature:
Name:
Name of Borrowing Company:

Figure 6: Sample of an Undertaking

For CIB inquiries, the Soft Copy of the description of the applicant is sent by the branch through email. The description of Contract Info, Proprietorship/Partnership/Company Info and Guarantors is presented in Excel Sheets and are sent to the head office.

Contract Info (Add extra sheets if more contracts present)		
M	Branch Name	HALISHAHAR
M	Existing or New Client (AS LOAN CLIENT)	
M	Type of Contract (See List at Right Side)	Overdraft
M	Request Date of the Financing (DD/MM/YYYY)	
Installment Contracts		
M	Number of Installments	
M	Total Financed Ammount	
M	Periodicity of Payment (Monthly/quarterly etc)	
NM	Monthly Installment Ammount	
Non Installment Contract		
M	Credit Limit	2000000
Card contract		
M	Total Limit	
M	Periodicity of Payment	

FIGURE MUST BE IN EXACT NUMBER (NOT IN MULTIPLES OF LAC, MILLION ETC.) AND WITHOUT COMA DECIMAL OR ANY OTHER SYMBOL

M = MANDATORY

N = NON MANDATORY

Figure 7: Excel Sheet 1

Proprietorship		
M	Proprietorship Concern ID (System - Flexcube ID)	80840
NM	Concern Title	
M	Trade Name	M/S HERO BUILDERS
NM	Concern's T.I.N (Format: 000-000-0000)	
M	Concern's Main Address Street Name and Number	53/54,ROAD-1,LANE-4,BLOCK-A,HALISHAHAR H/E,CHITTAGONG.
M	District	CHITTAGONG
M	Post Code	4216
M	Country	BD
NM	Concern's Additional Address Street Name and Number	
NM	District	
NM	Post Code	
NM	Country	
M	Concern's Sector Code	905000
M	Owner's ID (System ID)	138034
NM	Owner's Title	
M	Owner's Name	MD ATAUR RAHMAN
NM	Owner's Father's Title	
M	Owner's Father's Name	MD ABDUR RAHMAN
NM	Owner's Mother's Title	
M	Owner's Mother's Name	LATE HOSNE ARA BEGUM
NM	Owner's Husband's Title	
NM	Owner's Husband's Name	
M	Owner's Date of Birth (Format: DD/MM/YYYY)	01/01/1979
M	Owner's Gender	MALE
M	Owner's District of Birth	CHITTAGONG
M	Owner's Country of Birth	BANGLADESH
D	Owner's Natioinal ID Number (LAST 13 DIGITS)	1595511296685
NM	Owner's T.I.N (Format: 000-000-0000)	361-106-3792
M	Owner's Main Address Street Name and Number	VIL-DOKKHIN KHAR,P.O. MAIJ KHAR,P.S. KOSHBA,BRAHMAN BARIA.
M	District	BARAHMAN BARIA
M	Post Code	3460
M	Country	BANGLADESH
NM	Owner's Additional Address Street Name and Number	53/54,ROAD-1,LANE-4,BLOCK-A,HALISHAHAR H/E,CHITTAGONG.
NM	District	CHITTAGONG
NM	Post Code	CHITTAGONG
NM	Country	BD
D	Owner's Other ID Type (Passport/Driving License/Chairman Certificate)	ONLY PASSPORT/DRIVING LICENSE/CHAIRMAN/COMMISSIONER CERTIFICATE
D	Other ID Number	
D	Issue Date (Format: DD/MM/YYYY)	
D	Issuing Country	
NM	Owner's Telephone Number	031-2519034
M	Sector Code	910000

Figure 8: Excel Sheet 2

Guarantors (Add extra sheets if more guarrantors present)

M	Role	Guarantor
Individual (Including Partners directors and guarantors)		
M	Customer ID (System - Flexcube ID)	
NM	Individual Title	
M	Individual Name	
NM	Father's Title	
M	Father's Name	
NM	Mother's Title	
M	Mother's Name	
NM	Husband's Title	
NM	Husband's Name	
D	Natioinal ID Number (LAST 13 DIGITS)	
NM	T.I.N (Format: 000-000-0000)	
M	Date of Birth (Format: DD/MM/YYYY)	
M	Gender	
M	District of Birth	
M	Country of Birth	
M	Main Address Street Name and Number	
M	District	
M	Post Code	
M	Country	
NM	Additional Address Street Name and Number	
NM	District	
NM	Post Code	
NM	Country	
D	Other ID Type (Passport/Driving License/Chairman Certificate)	ONLY PASSPORT/DRIVING LICENSE/CHAIRMAN/COMMISSIONER CERTIFICATE
D	Other ID Number	
D	Issue Date (Format: DD/MM/YYYY)	
D	Issuing Country	
NM	Telephone Number	
M	Sector Code	

ALL FIELDS MUST BE FILLED IN CAPITAL LETTER

M = MANDATORY

NM = NON MANDATORY

D = MANDATORY IF NATIONAL ID IS NOT AVAILABLE

FOLLOW LIST FROM BANGLADESH BANK ONLINE CIB MANUAL FOR DISTRICT, POST CODE, COUNTRY AND SECTOR CODE

Figure 9: Excel Sheet 3

Inquiry Form: CIB-3A
Information of group/related Business concern)

1.Name of the Bank/Financial Institution :
2.Name of Branch :
3.Under district of : Branch/Head Office Code No :
4.Reference Nos. of branch : Date :
5.Referench Nos. of Head Office : Date :
Borrower Code:
6.Full name of the borrower :
7.Name of the Group:

8.Address of Group:
a)Permanent :

b)Present:
c)Business :

9. Related Business Concerns:

NAME	BUSINESS ADDRESS

Please write NA or Not Applicable if the concerned borrower is neither a group nor a subsidiary/sister concern under declared a group.

To the best of our knowledge the above information is correct.

Signature Head of the
Branch/Manager/Head Office Name:
Seal:
Tel:

Note: Suppressing or distortion of any information (related to borrower/owner) by the banks/financial institution is punishable under Bangladesh Bank Order 1972, Chapter IV Art.48

Figure 10: Sample of a Inquiry Form CIB – 3A

CIB 3A includes list of related business concerns or group of business institution.

Step #2: Log-in to Bangladesh Bank CIB online Server

Once a user is registered, they can digit the address https://www.bbcib.org.bd in their web browser. The user will then insert the username and the password provided by CIB. At the first login, the website will require the User to change the password.

Rules for completing the password will be provided on the screen, and they are the following:

I. Periodicity and deactivation: The first time one gets access in the web site he must choose a password to link to the username. Afterwards, the password will expire every 30 days. After that, the System will ask to change it periodically. After 5 incorrect login attempts, the username will be deactivated. In that case, only Bangladesh Bank CIB can reset the password.

II. Password format: Rules for password choice
Minimum: 8 characters
Maximum: 127 characters
UPPER CASE or lower case: allowed
Needed characters: password must contain at least one letter and at least one number
Constraints: the new password must be different from the 6 previous passwords

The login may be either successful or unsuccessful. A successful login will automatically open the screen for a New Contract Inquiry (usually the most often used function of the System). Before delving into the specific details of this function, however, we should review the elements that are common to all pages of the System. If the login is unsuccessful, an error notification will be received (Bangladesh Bank, 2015).

Step #3: Applicant's Information input to the Bangladesh Bank CIB online Server:

After logging in, the webpage for inquiry will open. The Header contains the CIB Logo and title. In the top right corner, the user is given the option to Log out. The System has a time limit for the web pages after which it will automatically log-out inactive users, for security reasons once the user has finished with its work he should always log out via this link. Next to the logout link, there is a link that allows users to change their password.

Below the change password and logout there are some information regarding the user logged in. Specifically, the heading indicates the Institute name, the Institute code, the branch code and the username referring to the user that is logged in.

The top left hand, instead, is a navigation menu. This menu allows selecting one of seven functionalities provided by the System:

- New Contract Inquiry
- Existing Contract Inquiry
- Check Inquiry
- Contract Update
- Portfolio Advisor
- Private Inquiry – available only for CIB operators
- Summary of Inquiries.

Brief description of functionalities is given in below

I. **New Contract Inquiry:** This functionality is used when an individual, sole proprietorship, or company come to the bank to request new credit. The New Contract Inquiry function allows the bank operator to input data related to a new contract request of a subject, and to verify in real time the subject's current situation in relation to the banking-financial system. The fields with the asterisks (*) are mandatory and have to be inserted otherwise the System will return an error. Two types of data are provided which are known as Contract Data and Subject Data. Contact data contain

1. **Role:** Whether the Subject you are currently inquiring is the Borrower, a Co-Borrower, or a Guarantor. Please refer to the glossary for the definition of each role. It should be noted that when multiple subjects come to request the same loan.
2. **Request date of Financing:** It is the date in which the Subject has requested the specific financing. By default it is the System date of when the user is accessing the System. This can be left as it is or changed in case the actual request occurred at an earlier date. It cannot be a future date.

3. **Type of Financing:** It is also necessary to indicate the type of credit that the Subject being inquired is requesting. This is because different types of credit require different information to be provided, as well as carry different risk. The different types of financing that can be selected are the following

Installment contracts

1. Mortgage loan
2. Demand Loan (Installment repayment)
3. Packing Credit (Installment repayment)
4. Term Loan
5. Partially Secured Term Loan
6. Financial Leasing
7. Operational Leasing
8. Bai-Muazzal (Real Estate)
9. Hire-Purchase
10. Hire-Purchase under shirkatul Meelk
11. Ijara (Lease Finance)
12. Bai-Muazzal (Installment Payment)
13. Other installment contract

Credit Cards

1. Revolving Credit
2. Credit Card (Revolving)
3. Charge Card (Payable in full each month)

Non installment contracts

1. Overdraft
2. PAD/BLC/BE loan against doc/bills
3. Cash Credit against Pledge
4. Cash Credit against Hypothecation
5. Loan Against Imported Merchandise (LTR)
6. Loan Against Imported Merchandise (LIM)
7. Demand Loan (Not Installment)
8. Export Credit
9. Export loan against Foreign Bill Purchased

10. Export loan against Local Bill Purchased
11. Working capital financing
12. Guarantee (non funded)
13. Letter of credit (non funded)
14. Other indirect facility (non funded)

Figure 11: Subject Data Contains

The bank is also needed to provide information on the Subject being inquired. The first item of subject data that needs to be provided is the Subject Type, which can be an Individual, a Proprietorship, or a Company. Depending on the choice, different fields automatically appear and need to be validated. The fields for each Subject Type are given below.

A. **Individual:** The following fields are available to be compiled for an individual.

1. **Title:** this is the title of the individual. Please note! The title should always be separated from the name, and not repeated in the name
2. **Name:** the name of the individual (without title). Given the variance of names, and the fact that at least one identification document is mandatory, the name should be reported exactly as written on the provided identification document
3. **Father's title:** this is the title of the individuals' father. Please note! The father's title should always be separated from the father's name, and not repeated in the name.
4. **Father's name:** the name of the individual's father (without title).
5. **Mother's title:** this is the title of the individual's mother. Please note! The mother's title should always be separated from the mother's name, and not repeated in the name.
6. **Mother's name:** the name of the individual's mother (without title).

7. **Husband's title:** this is the title of the individual's husband (if any). Please note! The husband's title should always be separated from the husband's name.
8. **Gender:** whether the individual is a male or female.
9. **District of Birth:** if the individual was born in Bangladesh, this is filled with the District of Birth, if the individual was born abroad; this field is filled with the City of Birth.
10. **Country of Birth:** selected from the drop-down menu.
11. **Main Address:** The next section deals with the Main address data, and includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Main address information is mandatory.
12. **Additional Address:** The next section deals with the Additional address data, and includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Additional address data is not mandatory, but if one field of the additional address section is filled, all other fields of the section must be filled as well.
13. **Identification Document Data:** The next section refers to Identification Document Data. Please note: at least one document must be provided at loan application from the following list: National ID (already seen above – preferred), Passport, Driving License, or Commissioner Certificate. The section includes: ID Type (drop-down menu allowing Passport, Driving License, or Commissioner Certificate); ID Number (from the document); ID Issue date box in format dd/mm/yyyy; ID Issue Country (from the drop-down menu).
14. **Telephone Data:** The telephone number of the individual
15. **Sector Data:** including Sector type (Public or Private – for an Individual this should always be Private) and Sector Code (from the drop-down menu).

B. Proprietorship: The first set of information required deal specifically with the proprietorship as an entity and they are:

1. **Title:** if the proprietorship has a title, it can be included here. This is NOT the owner's title
2. **Trade name:** the official name the proprietorship trades under
3. **TIN:** the Tax Identification Number of the proprietorship
4. **Proprietorship's main address data:** includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Main address information is mandatory.
5. **Proprietorship's additional address:** The next section deals with the Additional address data, and includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Additional address data is not mandatory, but if one field of the additional address section is filled, all other fields of the section must be filled as well.
6. **Telephone number:** The phone number of the proprietorship.
7. **Sector Data:** including Sector type (Public or Private) and Sector Code (from the drop-down menu).
8. **Owner title:** this is the title of the owner of the proprietorship. Please note! The title should always be separated from the name, and not repeated in the name
9. **Owner's Name:** the name of the owner (without title). Given the variance of names, and the fact that at least a document is mandatory, the name should be reported exactly as written on the provided identification document
10. **Owner's Father's title:** this is the title of the owner's father. Please note! The father's title should always be separated from the father's name, and not repeated in the name
11. **Owner's Father's name:** the name of the owner's father (without title).
12. **Owner's Mother's title:** this is the title of the owner's mother. Please note! The mother's title should always be separated from the mother's name, and not repeated in the name
13. **Owner's Mother's name:** the name of the owner's mother (without title).

14. **Owner's Husband's title:** this is the title of the owner's husband (if any). Please note! The husband's title should always be separated from the husband's name, and not repeated in the name
15. **Owner's Husband's name:** the name of the owner's husband – if any (without title).
16. **Owner's Date of Birth:** the date of birth of the owner. Ideally provided from an official document. This can be entered either directly in the box in format dd/mm/yyyy. Alternatively, by clicking on the calendar icon next to the field date of birth, a Calendar will be visualized from which the correct date can be selected
17. **Owner's Gender:** whether the owner is a male or female
18. **Owner's District of Birth:** if the owner was born in Bangladesh, this is filled with the District of Birth, if the owner was born abroad; this field is filled with the City of Birth
19. **Country of Birth:** selected from the drop-down menu
20. **National ID Available:** all possible efforts should be made to be provided the national ID document from the individual on application. If this should not be available, the checkbox needs to be unchecked.
21. **National ID Number:** mandatory unless National ID available is unchecked.
22. **TIN:** tax identification number of the owner
23. **Owner's main address data:** includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Main address information is mandatory.
24. **Owner's additional address:** The next section deals with the Additional address data, and includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Additional address data is not mandatory, but if one field of the additional address section is filled, all other fields of the section must be filled as well.
25. **Identification Document Data:** The next section refers to Identification Document Data. At least one identification document must be provided at loan application from the following list: National ID (already seen above – preferred), Passport, Driving License, or Commissioner Certificate. The

section includes: ID Type (drop-down menu allowing Passport, Driving License, or Commissioner Certificate); ID Number (from the document); ID Issue date box in format dd/mm/yyyy; ID Issue Country (from the drop-down menu).

C. **Company:** For a Company, the following information will be asked:

1. **Title:** the title of the company if present. Please note, this is not the title of the Owner
2. **Trade Name:** the official name the Company operates under
3. **Legal form:** chosen from the drop down menu
4. **TIN:** tax identification number of the company
5. **Main address data:** includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Main address information is mandatory.
6. **Additional address:** The next section deals with the Additional address data, and includes Street name and Number, District (must be filled with district name if the address is in Bangladesh, or city name if the address is abroad), Postal Code, and Country (from the drop-down list). Additional address data is not mandatory, but if one field of the additional address section is filled, all other fields of the section must be filled as well.
7. **Telephone number:** The phone number of the company.
8. **Sector Data:** including Sector type (Public or Private) and Sector Code (from the drop-down menu).

After filling the fields above, "Send Request" button is used to launch the inquiry. The System automatically checks whether all mandatory fields have been filled and whether any dependent fields are filled incorrectly. If either case occurs, an on-screen message will display the problems. If there are no errors, it will show loading message (Bangladesh Bank, 2015).

II. **Existing Contract Inquiry:** This functionality is used for two main purposes:

- To add a Borrower, Co-Borrower, or Guarantor to an existing credit, or
- To provide information on Owners of Companies that has applied for a credit.

Adding a Borrower, Co-Borrower, Guarantor on an Existing Request: We saw earlier that when a client comes to request new credit, the Institute user will perform a New Contract Inquiry on them to retrieve their credit history. If the clients are more than one, and want to be Co-Borrowers or Guarantors, the correct procedure is to perform a New Contract Inquiry on one Subject, followed by Existing Contract Inquiry on all other related Subjects. While the New Contract Inquiry can be performed on any Subject with any role, we suggest, whenever possible, to perform the New Contract Inquiry on the main Borrower. Then Co-Borrowers and Guarantors can be added with the Existing Contract Inquiry. Regardless of whom the Institute chooses to define the main Borrower, the assigned roles within the group of applicants will need to be provided during following monthly contributions if the contract is finalized.

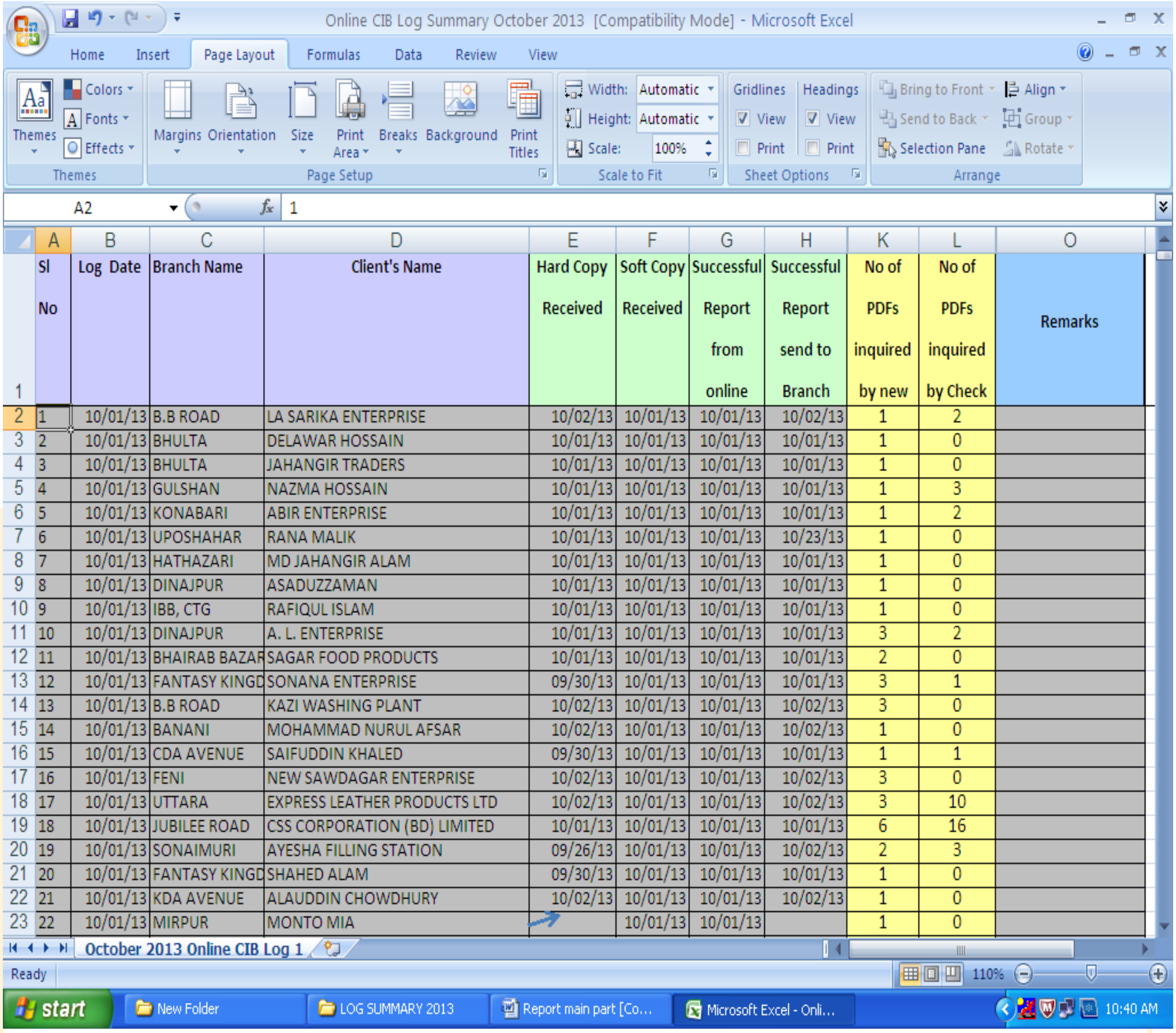
We should also add that the Existing Contract Inquiry does not need to be made right after the New Contract Inquiry. For example, a client could go alone to Bank and request a loan, the Bank performs a New Contract Inquiry on the Subject as the Borrower. Based on the Credit History they might tell the Subject that in order to provide the requested loan, they would need a Guarantor. The Subject could come back a week later having found a Guarantor. The Bank would then perform an Existing Contract Inquiry a week later on the same contract.

To add a Borrower, Co-Borrower or Guarantor to an Existing Contract, we must identify what Contract we are intending to update. In order to do so, we must provide either the CIB contract code that was returned in the New Contract Inquiry response or the F.I. contract code. Secondly, we need to make sure that the Role radio button is clicked. Next, we need to choose the specific Role from the drop-down menu. We then turn to the identification of the type of subject from the drop-down menu. Depending on the Type of Subject, different identification information will be asked. Then we should follow exactly the same format as those described for the New Contract Inquiry. The System automatically checks whether all mandatory fields have been filled and whether any dependent fields are filled incorrectly. If either case occurs, you will receive an on-screen message displaying the problems. If there are no errors, you will briefly see a loading message (Bangladesh Bank, 2015)

Step #4: Receiving the PDF document from Bangladesh Bank CIB online server

After Inputting all the information of the applicant and then sending it to the server to generate CIB report, MIS receives a PDF document from the Bangladesh Bank CIB online Server. MIS officer download the Document from server. Then open the file to further analysis.

At this step, after receiving the CIB report from Bangladesh Bank CIB, in accordance with the previous inquiries, borrowers' information is kept on Dhaka Bank Limited CIB Database.



Sl No	Log Date	Branch Name	Client's Name	Hard Copy Received	Soft Copy Received	Successful Report from online	Successful Report send to Branch	No of PDFs inquired by new	No of PDFs inquired by Check	Remarks
1	10/01/13	B.B ROAD	LA SARIKA ENTERPRISE	10/02/13	10/01/13	10/01/13	10/02/13	1	2	
2	10/01/13	BHULTA	DELAWAR HOSSAIN	10/01/13	10/01/13	10/01/13	10/01/13	1	0	
3	10/01/13	BHULTA	JAHANGIR TRADERS	10/01/13	10/01/13	10/01/13	10/01/13	1	0	
4	10/01/13	GULSHAN	NAZMA HOSSAIN	10/01/13	10/01/13	10/01/13	10/01/13	1	3	
5	10/01/13	KONABARI	ABIR ENTERPRISE	10/01/13	10/01/13	10/01/13	10/01/13	1	2	
6	10/01/13	UPOSHAHAR	RANA MALIK	10/01/13	10/01/13	10/01/13	10/23/13	1	0	
7	10/01/13	HATHAZARI	MD JAHANGIR ALAM	10/01/13	10/01/13	10/01/13	10/01/13	1	0	
8	10/01/13	DINAJPUR	ASADUZZAMAN	10/01/13	10/01/13	10/01/13	10/01/13	1	0	
9	10/01/13	IBB, CTG	RAFIQUL ISLAM	10/01/13	10/01/13	10/01/13	10/01/13	1	0	
10	10/01/13	DINAJPUR	A. L. ENTERPRISE	10/01/13	10/01/13	10/01/13	10/01/13	3	2	
11	10/01/13	BHAIRAB BAZAR	SAGAR FOOD PRODUCTS	10/01/13	10/01/13	10/01/13	10/01/13	2	0	
12	10/01/13	FANTASY KINGD	SONANA ENTERPRISE	09/30/13	10/01/13	10/01/13	10/01/13	3	1	
13	10/01/13	B.B ROAD	KAZI WASHING PLANT	10/02/13	10/01/13	10/01/13	10/02/13	3	0	
14	10/01/13	BANANI	MOHAMMAD NURUL AFSAR	10/02/13	10/01/13	10/01/13	10/02/13	1	0	
15	10/01/13	CDA AVENUE	SAIFUDDIN KHALED	09/30/13	10/01/13	10/01/13	10/01/13	1	1	
16	10/01/13	FENI	NEW SAWDAGAR ENTERPRISE	10/02/13	10/01/13	10/01/13	10/02/13	3	0	
17	10/01/13	UTTARA	EXPRESS LEATHER PRODUCTS LTD	10/02/13	10/01/13	10/01/13	10/02/13	3	10	
18	10/01/13	JUBILEE ROAD	CSS CORPORATION (BD) LIMITED	10/01/13	10/01/13	10/01/13	10/01/13	6	16	
19	10/01/13	SONAIMURI	AYESHA FILLING STATION	09/26/13	10/01/13	10/01/13	10/02/13	2	3	
20	10/01/13	FANTASY KINGD	SHAHED ALAM	09/30/13	10/01/13	10/01/13	10/01/13	1	0	
21	10/01/13	KDA AVENUE	ALAUDDIN CHOWDHURY	10/02/13	10/01/13	10/01/13	10/02/13	1	0	
22	10/01/13	MIRPUR	MONTO MIA		10/01/13	10/01/13		1	0	

Figure 12: Sample of the CIB database of Dhaka Bank Limited

Step #5: Sent CIB report to the Branch and Analyze the Loan Status

In this step, the PDF file which is the information paper of a borrower is forwarded to the particular branches which were requested for their client. After receiving the PDF, the branch Manager and Operation Manager analyze the loan status of the applicant provided by Bangladesh Bank Credit Information Bureau (Bangladesh Bank, 2015) (Bangladesh Bank, 2015).

There are mainly two types of Loan Classification Status. They are:

- Unclassified Loan Status

- Classified Loan Status

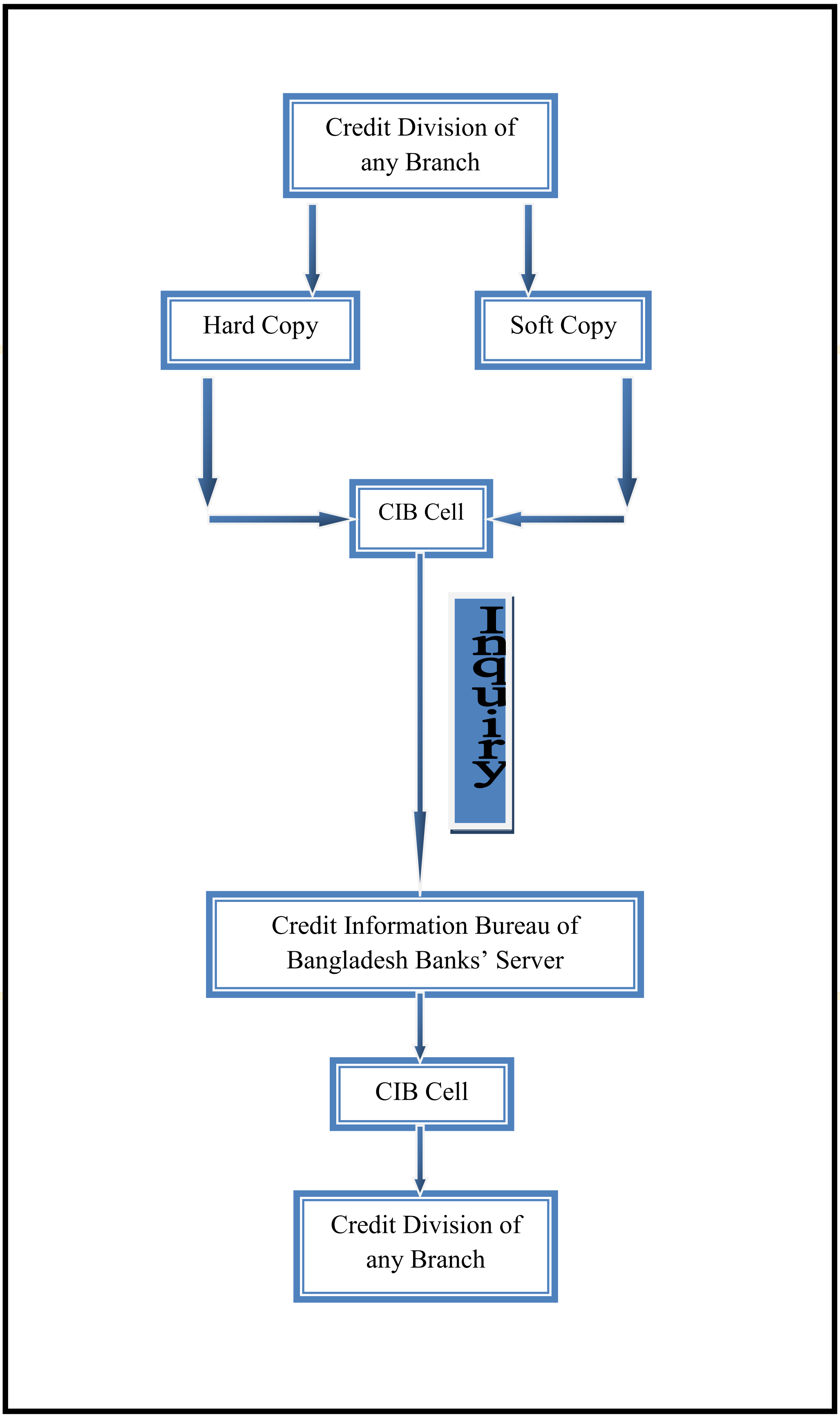
Unclassified Loan Status: These are the loans of which the bank is fully satisfied about. This can be of two types. They are as follows.

1. **UC (STD):** It means Unclassified Standard loan. If the client has any loan facility in any bank or financial institution and if the installment paid in time (usually month basis), then BB use UC (STD) in the report.
2. **SMA (Special Mentioned Account):** Any loan which will remain overdue for a period of 90 days or more will be put into the "Special Mention Account (SMA)" and interest accrued on such loan will be credited to Interest Suspense Account, instead of crediting the same to Income Account. This will help banks to look at accounts with potential problems in a focused manner and it will capture early warning signals for accounts showing first sign of weakness.

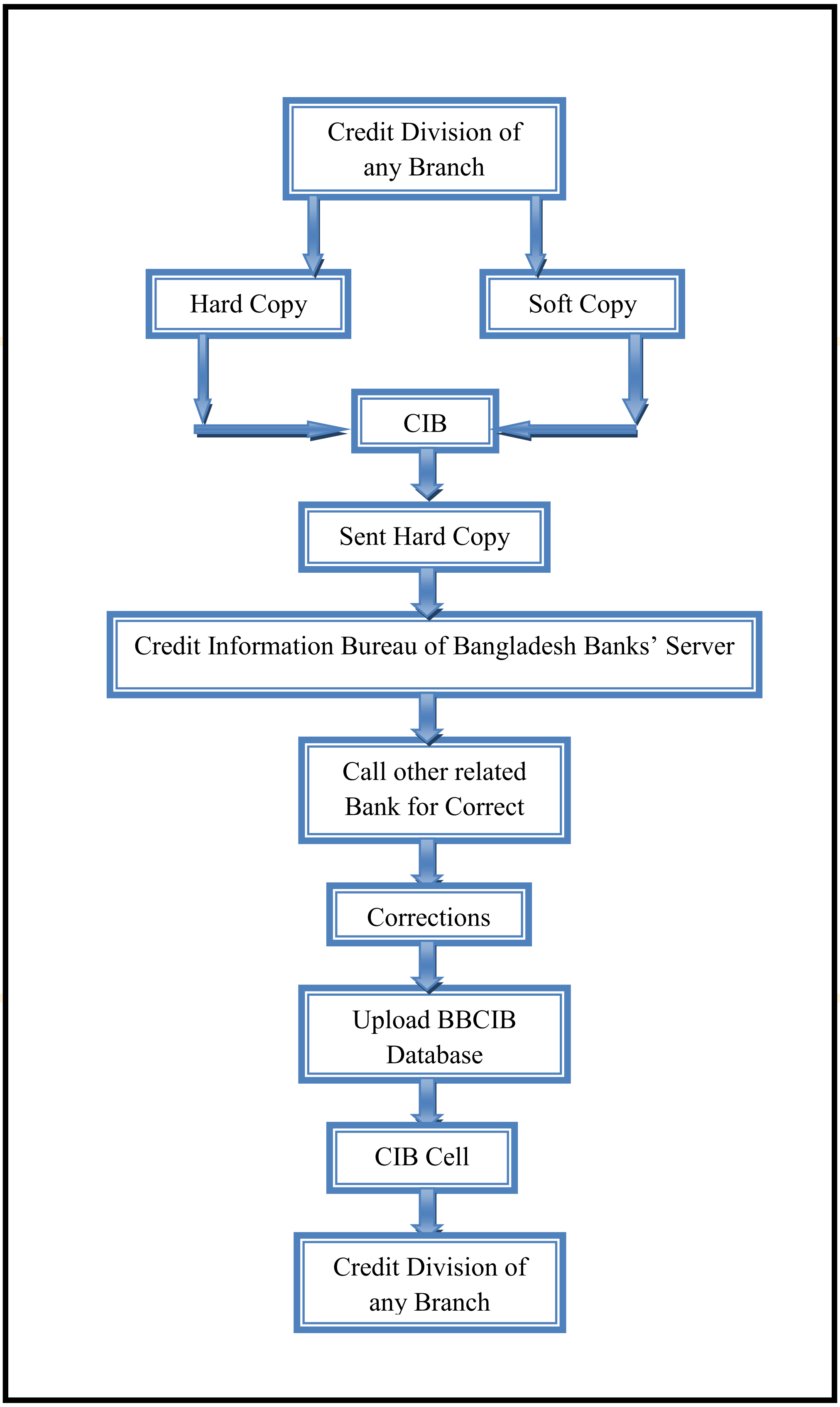
Classified Loan Status: Borrowers having classified account are treated as defaulters. There are four types of loan status which are known as classified loan status. The four tpes are-

1. **SS (Sub-Standard):** If any loan amount remains overdue for 6 months or beyond but not over 9 months from the date of claim by the bank or from the date of creation of forced loan is known as Sub-Standard loan. These are the loans where bank has reason to doubt about the repayment of the loan although recovery prospect is encouraging.
2. **DF (Doubtful):** If any loan remains overdue for 9 months or beyond but not over 12 months from the date of claim by the bank or from the date of creation of forced loan is called the doubtful. Full repayment of principal and interest is unlikely and the possibility of loss is extremely high of this type of loan.
3. **BL (Bad and Loss):** Any loan will be classified as BL if it remains overdue for 12 months or beyond from the date of claim by the bank or from the date of creation of forced loan.
4. **BLW (Bad and Loss Written-off):** Any loan will be classified as BLW if it remains totally unpaid after one year from the date of claim by the bank or from the date of creation of forced loan.

Regular Online CIB Inquiry at a glance



CIB Online Error Reports at a glance



Other Operating Procedures of CIB Online Services

In this section, different procedures of CIB online operations are depicted. Starting from uploading credit information of borrowers to the system to retrieving credit information of prospective/existing borrowers from the system by different banks/Financial Institutions are discussed. Correction of subject data and contract data are also the activities that are also done by the bank. Other operating procedures of CIB online services are as follows.

- CIB Reporting: Dhaka Bank Limited has developed its own system for Online CIB reporting. The information required to be submitted for Online CIB is input at the time of account opening with a valid Identity. It gives the bank the liberty of not using any specialized software. Rather, the bank retrieves data directly from its core banking system. Information Technology division, with the help of Credit Operations, retrieves the data from the system at the end of every month, processes it to meet the Bangladesh Bank requirements, and then makes it available to respective branches in editable excel format. It allows the branches to verify if all the required information is present and accurate and if required to rectify. Branches then send their respective data to Credit Operations. Credit Operations then accomplices the data, checks for validation and then sends to CIB in proper format through file transfer protocol. CIB provides a validation check one or two days after receiving the data and the Bank has to resubmit it with corrections (if any) within three days of receiving such validation. After receiving validated data CIB uploads it to server. Data of Dhaka Bank Limited and all other financial institutions together makes the CIB database.
- Database Update/Correction: Company owners/directors may change time to time. Thus database information need to change in that circumstances. To perform such action branches send necessary information with CIB-1A (for individual/company information). CIB-2A contains information of owners/directors (if client is company).

Charges

Banks and financial institutions can opt to register to Online CIB of Bangladesh bank. To register, an application must be sent to Bangladesh Bank with some certain documents. After the verification of documents, an undertaken signing takes place in Bangladesh Bank. Should the bank/financial institute choose to comply with the conditions stated in the undertaking, they will have to set up a CIB Cell. Bangladesh bank charges BDT 10,000 for setup costs. Initially, 3 secured connections are provided. These secured connections directly link the CIB Cell to Bangladesh bank server and maintained regularly by Bangladesh bank for security measures. In the beginning, 3 pairs of usernames and passwords are provided by Bangladesh Bank. Another pair may be requested for an Additional charge of BDT 5,000.

Online CIB charges based on the reports generated. For New Inquiries, BDT 100 is charged per report. For modification of Existing Inquiries, BDT 100 is charged. For checking Existing Inquiries, BDT 10 is charged. A bill with details is sent at the end of the month by Bangladesh Bank. The billing sheet contains details of the inquiries (Bangladesh Bank, 2015).

Problem Statement

I have spent the whole of my internship tenure (3 months) in the CIB Cell of Dhaka Bank Limited in an effort to understand the process of CIB and its purposes. During this time of observation I have reached to a conclusion that the CIB Cell is not performing at its full potential because of some limitations and redundancies.

Objectives of the Project

The purpose of the project, in simple sense is to identify the key factors in restoring or increasing the efficiency. To elaborate for clarity, the purpose is to

- Identify the limitations and recommend means to overcome the shortcomings.
- To increase the overall efficiency by decreasing the lead time.
- Reduce Structural/procedural redundancies to ensure smoother operations.
- Increase the overall efficiency (may or may not through a proposed model).

Timeline

The report as well as the data and information required to complete the report was collected and done (processed) during the time frame of my internship tenure, which lasted from 1st September, 2016 to 30th November, 2016 (3 months).

The whole report was done and based on the Credit Information Bureau (CIB) department of Dhaka Bank Limited situated in the CIB Cell, Head Office, where the credit report related reports are generated and processed.

Methodology

The data needed for conducting the project this report is based on was collected through various primary and secondary sources. Majority of the data needed for this was collected from the primary sources.

Primary sources include

- Personal observation while working on different tasks.
- Discussions with the Officers in charge.
- Studying of different operation manuals and guidelines.
- Informal discussion with the professionals in the industry.

Secondary sources include

- Annual reports of Dhaka Bank Limited.
- Desk reports and billing memos of relevant departments.
- Brochures, leaflets, loan files of the bank.
- Balance Sheet, statements of Dhaka Bank Limited.

- Website of Dhaka Bank Limited.

All data are collected from direct observations and processes by the means of simple statistics to make them easy to interpret and presentable.

Limitations

While conducting this project I have faced some limitations, such as

- Time constraint: I had only 3 months for making the observations and reports. In my opinion, 3 months was not enough since it does not provide an adequate window for observation.
- Confidentiality: CIB is one of the more confidential parts of a Bank and it was no different in Dhaka Bank Limited, which hindered my observations. This report would have been much richer had I had a little more access to the resources.

Rationale

I observed the CIB Cell of Dhaka Bank limited to find out means of increasing its efficiency. During this time I realized that if the redundancies are bypassed and the limitations are mitigated, it would increase the efficiency on its own.. There were some limitations and short comings I found were present and they are described below in brief.

Currier Lag: As a standard of the procedure, the credit officers present in the branches collect the necessary documents for generating a CIB report from the client and prepares the undertaking. He then prepares a soft copy of those information and a physical hard copy with scans and copies of the documents, attested. The hard copies are sent by currier services and the soft copies are e-mailed. The process of generating reports begin after receiving the physical hard copy of the undertaking. In most cases, since the curriers are sent from different corners of the country, they take longer than some would be comfortable with.

Missing Mail: After the currier is received, the attachments from e-mails are downloaded. In a lot of case, these e-mails are not found. This may happen because the currier took too long to arrive, or because of the unique ways we fancy spelling our names. In either cases, e-mail attachments are often found missing. Even if the e-mails are found, they sometimes come without attachments and a lot of the times with wrong attachments.

Unsophisticated Server: After the hard copies are received, the soft copies are downloaded from the e-mail servers. The soft copies usually contain an MS Excel file. This MS Excel file usually has multiple sheets. The first sheet specifies the branch the request is from, the type of client, the type of loan and some other loan specifications. The next sheets contain details about the borrower/borrowing entity and the guarantors backing the borrower(s). Along with this MS Excel file, scanned copies of the attested documents are sent for verification purposes.

The data from the MS Excel sheets are then copied to the Bangladesh Bank CIB Server webpage as inputs for finding a matching/generating credit report, also known as CIB report. The process is simple and unsophisticated. The server generates a webpage that seems like a form. The form is then filled with the details from the MS Excel file. Some of them are mandatory while the others are optional. The server then matches the data against files in its storage to provide the user with a CIB report. On paper this seems like a very easy task but in reality, it's not. A lot of reports are generated against each of these requests.

The more borrowers/co-borrowers/guarantors a request has tagged with it, the more CIB report it generates. This takes up a lot of the time. This could be minimized to a fraction if the server did not need to be fed input by filling up a form. This unsophisticated server and technology is one of the barriers in reaching full efficiency.

Obsolete Technologies: The personal computers set up in the CIB Cell used for CIB inquiries are old. They still run Windows XP, a discontinued OS. The hardware is mid-range hardware from mid 2000's. on top of that, the machines are 32 bit. While I was there in the

CIB Cell observing I would often watch the computers freeze on Officers who were trying to inquire. Freezing was more common in the mornings when the mails that came over night rushed to the inbox from the remote mail server. These freezes were so severe that the computers would become unusable for 30-40 minutes before start normally functioning again.

Poor Server Maintenance: The CIB server managed by Bangladesh Bank has poor management record. Every now and then, the server would stop working. As a result, the webpage to CIB inquiries will not load. This usually last for often up to 2 days, and happens almost at least once every month. Other than this the credit report files are not encrypted which means anyone who can get one on their hands can read them. For something that is considered confidential information, the security measure taken to protect them are quite poor.

Findings

My internship tenure in CIB Cell of Dhaka Bank Limited lasted 3 months, from September 1 to November 30, 2016. During this time, in an effort to understand how CIB reports work and how CIB Cell operates to increase the efficiency, I came across some findings.

At first, I came across the past billing files of the CIB Cell. The billing pattern provided me with an insight to the pattern of workflow which I needed to know where to pick my samples from.

Quarter	Month	Existing Inquiry	New Inquiry	Check Inquiry	Amount
		Rate : 100	Rate : 100	Rate : 10	
Q3	September	43	993	4177	145370
	August	75	944	5271	154610
	July	20	565	3451	93010
Q2	June	50	794	4766	132060
	May	30	1158	6158	180380
	April	72	1095	5374	170440
Q1	March	91	1008	5824	168140
	Februrary	139	827	5078	147380
	January	116	907	4647	148770

Figure 13: Billing Report

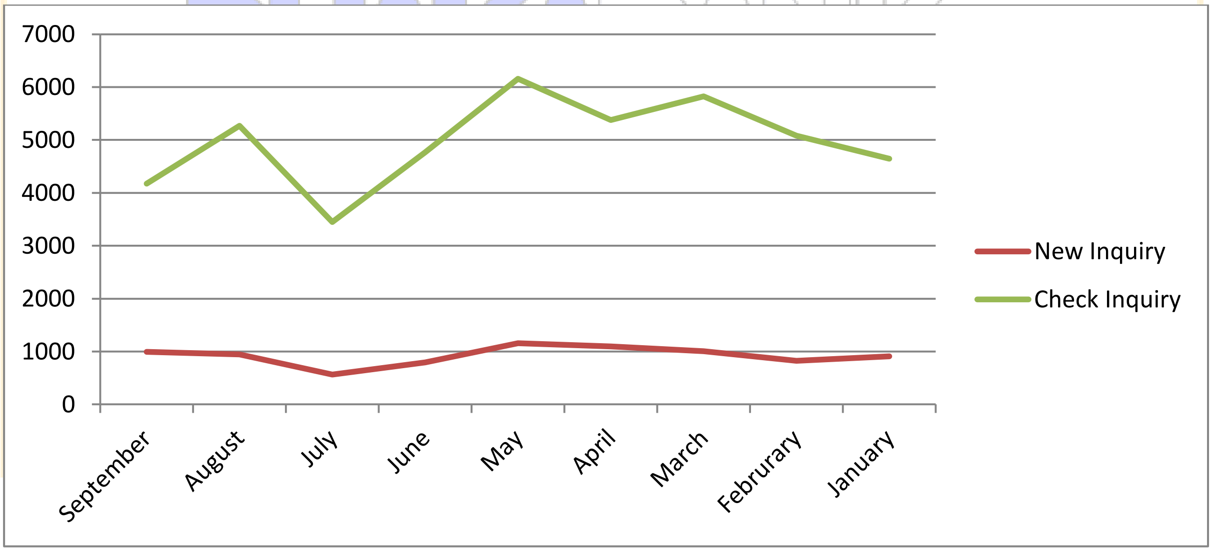


Figure 14: New Inquiry and Check inquiry

From the table above, a chart is produced. A trend is noticed in the chart. It is evident that the activity usually peaks in the middle of the quarter (February, May, August). It is also noticed that there is a steep decline in July. July marks the marks the start of a new fiscal year. So it can be assumed that all proprietors/companies want their books closed by the end of the fiscal year, thus the decline. Now, on to Existing Inquiries.

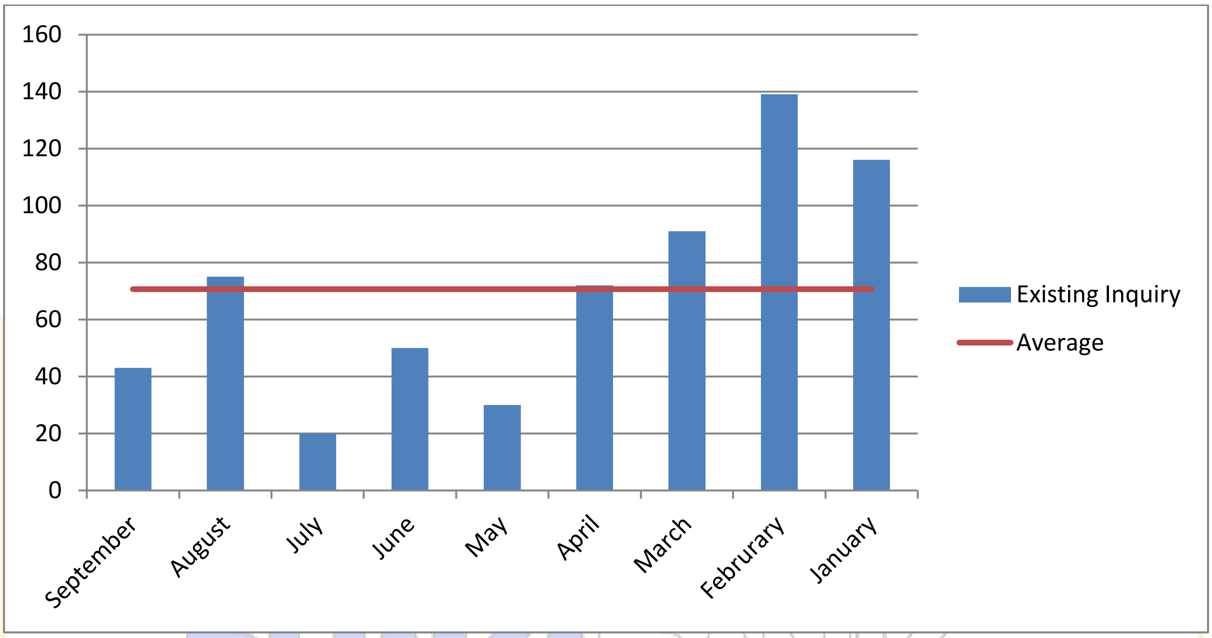


Figure 15: Existing Inquiry

For some reason, the rush is high at the starting months of the year. However, the middle of the year again sees a steep decline and followed by the return to the average. It can be assumed that proprietors/companies do not want to go through changed or modifications at the fiscal end, but rather at the year beginning.

As per the procedure, at first the hard copies of the documents and the undertaking come by the currier and then the inquiries begin. On average, around 50 or so hard copies, or requests come to the CIB Cell every day. I took a sample of 100 of these requests at random to see how long it usually takes for them to reach the CIB Cell form the branch. Currently, Dhaka

Bank Limited has 90 branches all over Bangladesh. Among these, XX of the branches are located right here in Dhaka. Here, the minimum time taken was 0 days (it got here the day it was sent) and the maximum is 8 days.

Average	1.88
O days	6
1-3 days	80
>3 days	14

The average time taken to get to the Head Office from the branch is 1.88 days. 6% of the requests arrived the day they were sent, 80%, the majority, took 1-3 days to arrive and 14% needed more than 3 days. To put this in perspective, a graphical chart is provided below.

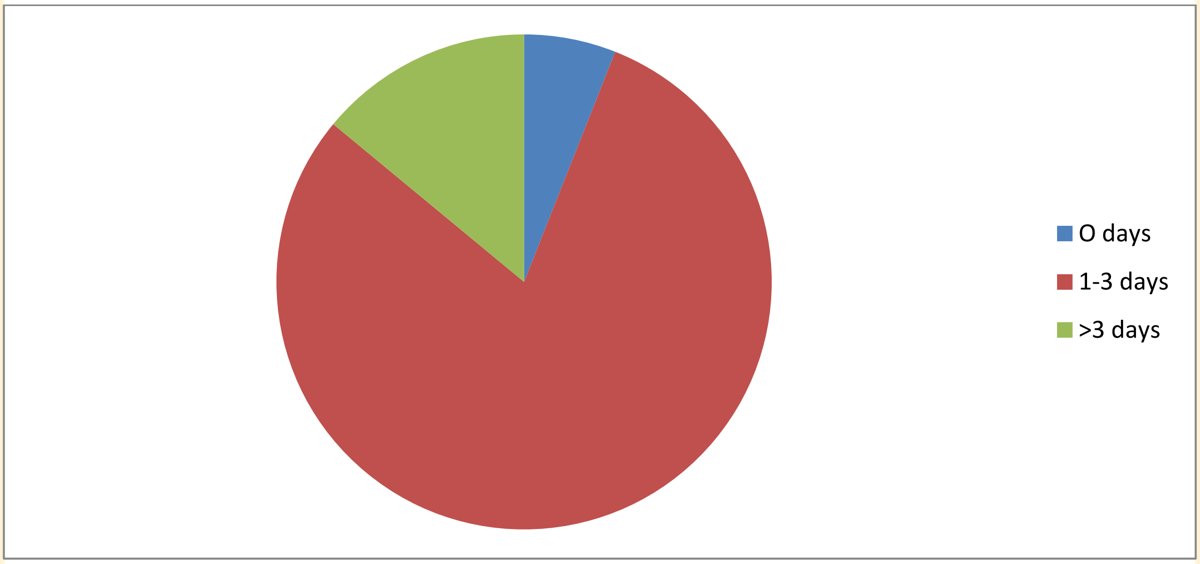


Figure 16: Currier Time Distribution - I

Now, Dhaka being the capital and the largest city (by population) of Bangladesh, most of the economy is Dhaka-centric. So it's no surprise that 47% percent of the requests come from branches of Dhaka. Unsurprisingly, none of the ones sent from outside of Dhaka region had arrived the day they were sent. On average they took 2.66 days to arrive.

Average	2.66	Percentage
1-3 days	40	75.47%
>3 days	13	24.53%

75.47% of them came with 1-3 days and the rest took more than 3 days to arrive. To show it graphically, a chart is given below.

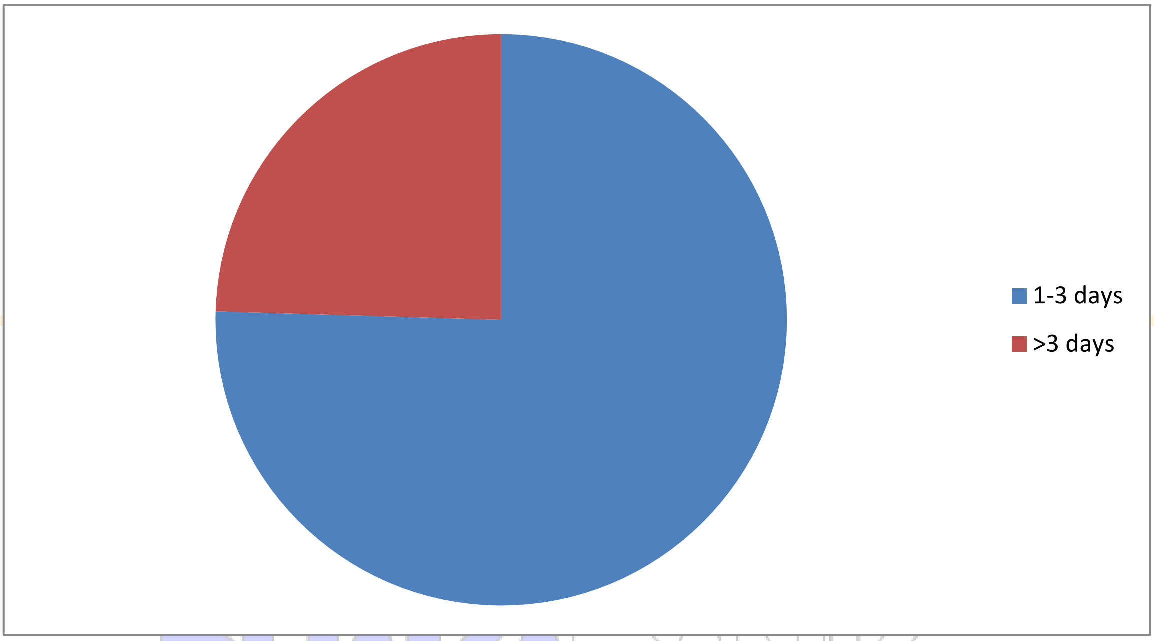


Figure 17: Currier Time Distribution - I I

Now that it is established that the middle of a quarter busiest, I took a sample of 5 days from the middle of the current quarter (5 working days from November). The sample gives a deeper view to how the work load is distributed. The CIB cell usually receive requests in 3 forms; individuals, proprietorships and companies. These requests ask to inquire individuals, guarantors, proprietorships, companies, partnerships, directors etc depending on their classification and requirements.

During this sample period, the CIB Cell has received more than 250 requests. The data is then processed to create the table above. From the table it is observed that on average the CIB Cell receives 56 requests every day. Among this requests, 30 are to inquire individuals, 16 are to inquire proprietorships and 9 are to inquire companies. Among the requests sent every day, soft copies of 1 request usually goes missing and is not found, which usually happens because of the unique ways for spelling names. This amounts to 1.61% of requests missing. To graphically show the distribution, a diagram is given below.

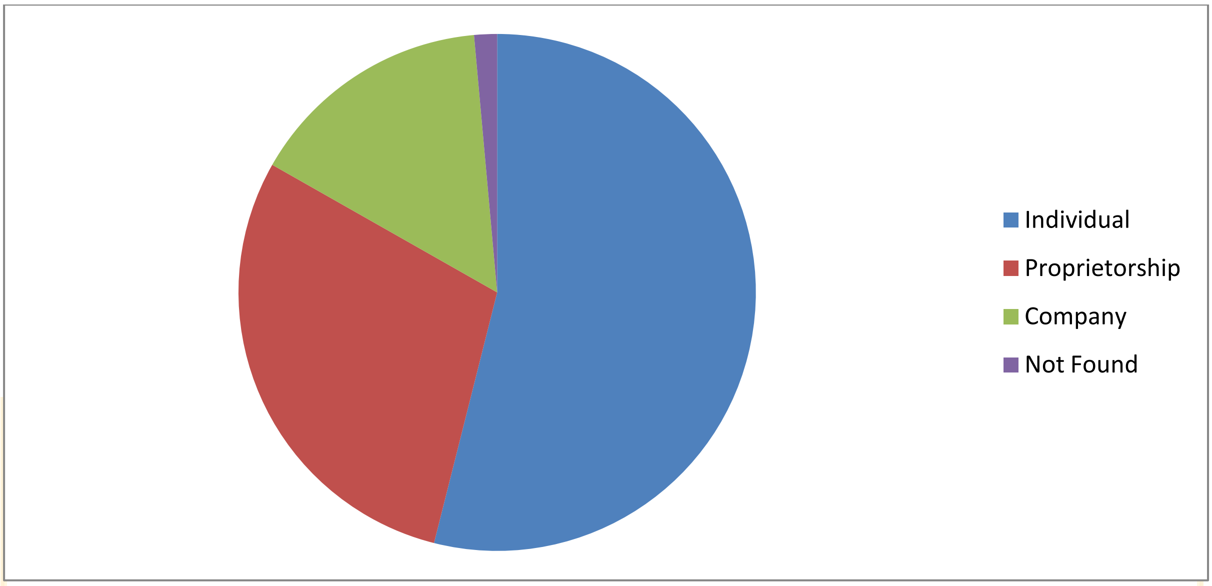


Figure 18: Distribution of Requests

"Individual" requests are usually for personal loans. they request to inquire a person/borrower. The borrower may or may not be accompanied by one or more guarantors. Observing the requests and processing according to needs, the following table was prepared.

Individuals			
Count	Requested	Generated	
151	174	262	Total
30	35	52	Average

During the sample period, 151 requests we received were individual requests. Further processing the data, we arrive at a conclusion that on average, we received 30 individual requests. Many of those requests had guarantors with them, while majority of them did not. Overall, 52 reports were generated against these requests.

To put things on perspective	
Request	1.0
Inquiry	1.2
Generates	1.7

So to put things in perspective, 1.2 inquiries were requested per individual requests. Which translates to every 1 in 5 requests had its lender borrow against a guarantor. Furthermore, each of these requests produced 1.7 credit reports on average.

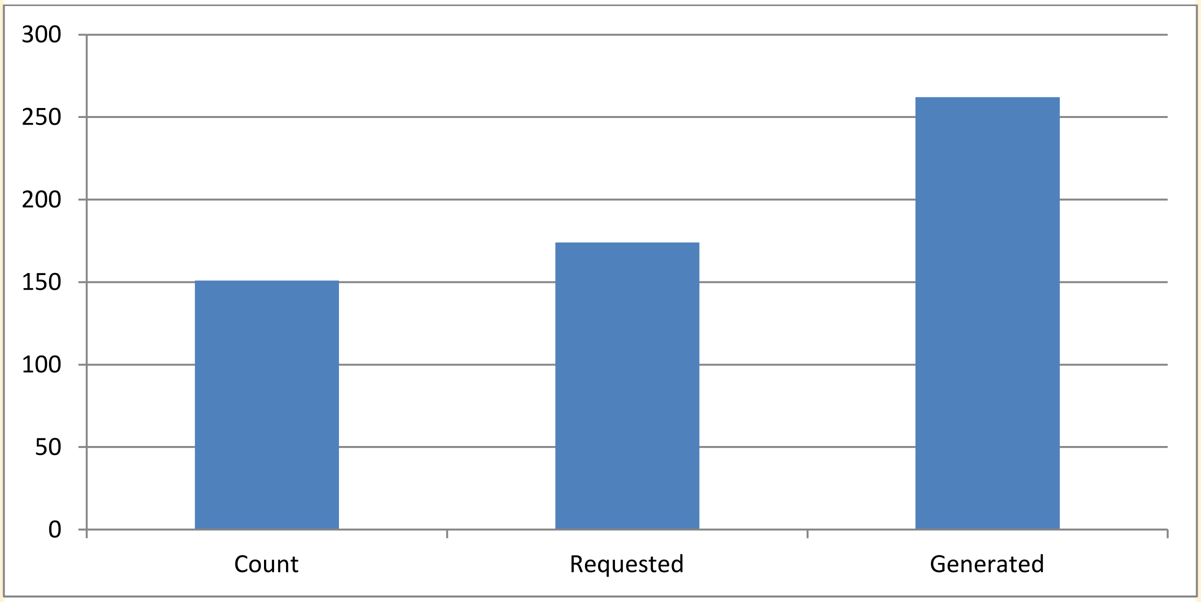


Figure 19: Individual Requests Represented Graphically

Now, moving on to proprietorship requests. Proprietorship requests mean that the entity asking for funding or a loan is a proprietorship. Like individuals, proprietorships may or may not have guarantors backing the loan. But unlike individual loans, proprietorship loans must be sought by a proprietor, and a proprietor only. However, a proprietor can have another individual or another proprietorship concern as a co-borrower.

Proprietorships			
Count	Requested	Generated	
82	196	279	Total
16	39	56	Average

During the sample period, we had received a total of 82 proprietorship loan requests. That is, on average, 16 proprietorship requests come daily. These requests are more likely to come with guarantors to inquire as only 16 requests had us inquire a total of 39 individuals and proprietorships. These requests produced 56 reports.

To put things on perspective	
Request	1.0
Inquiry	2.4
Generates	3.4

Again, to put things on perspective, against each requests we were asked to inquire 2.4 proprietorship concerns or individuals, compared to 1:1.2 ratio in individual requests. Each of the proprietorship requests generate 3.4 reports per requests on average, that's double of that of individual requests.

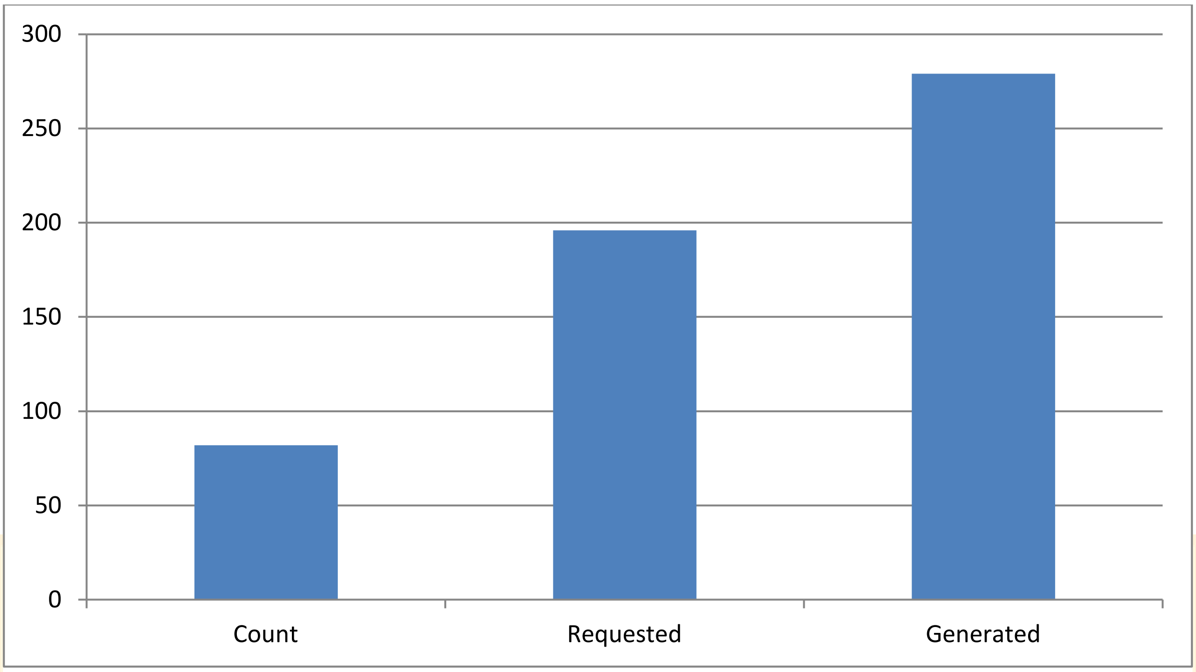


Figure 20: Proprietorship Requests Represented Graphically

The last classification of our requests was company requests. Companies included partnerships, corporations, private limited etc. entities. These entities are significantly bigger than proprietorships and usually has multiple owners. This type of requests are rather large in size and they take more time to fulfill. company requests ask to inquire companies and their directors; often their top management as well. Companies can have guarantors, and many of the companies have allied/sister concerns. Since all of them are connected, they all have to be inquired.

Company			
Count	Requested	Generated	
43	201	843	Total
9	40	169	Average

43 company requests were made during the sample period, which translates to about 9 company requests every day. Against these 9 requests, 40 inquiries are asked to be

conducted. Since they tend to have a lot of allied/sister concerns and they all are connected, every day 169 reports related to companies are generated, on average.

To put things on perspective	
Request	1.0
Inquiry	4.7
Generates	19.6

Which means, against each company requests, 4.7 inquiries are conducted. Each of these companies produce 19.6 reports on average. There are companies so big that they produce upwards of 100 reports against them.

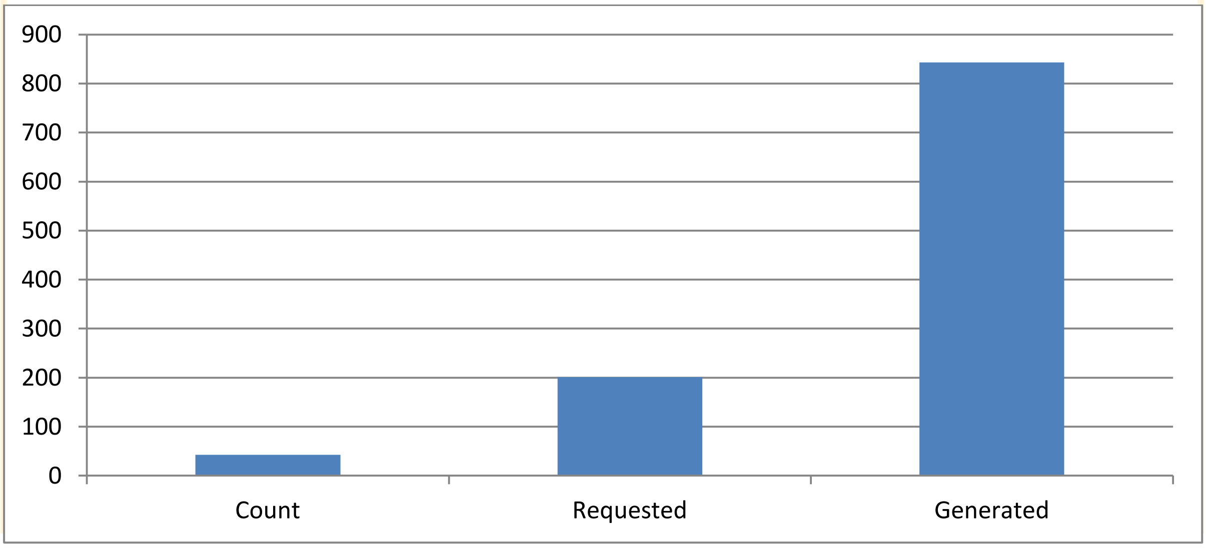


Figure 21: Company Requests Represented Graphically

To give a fair view of how big the companies are, let's put things in perspective once again. The companies produce 19.6 reports per requests, while the proprietors produce 3.4 reports per requests and individuals produce 1.7 reports per requests.

A chart is given below to summarize the ratio differences between the number of requests and the amount of reports generated against them of all three types of requests for basic understanding.

Day	Individuals			Proprietorships			Company		
	Count	Requested	Generated	Count	Requested	Generated	Count	Requested	Generated
Total	151	174	262	82	196	279	43	201	843
Average	30	35	52	16	39	56	9	40	169
Ratio	1	1.2	1.7	1	2.4	3.4	1	4.7	19.6

To sum up, on average the CIB Cell gets 56 requests and against these requests, a total of 277 credit reports are prepared.

Moving on to the time it takes to prepare or generate a CIB report. A modest sample was taken and it was found out that on average it takes 1 minute and 44.1 seconds to generate each of the CIB reports, which includes times taken to check, input all information, for the server to search for a match(es).

It should also be noted that the Bangladesh Bank server, which is used for generating these reports went offline on 3 separate occasions. All three times it happened during the middle of them month. The server was offline for 3 days in September (19th to 21st September) and a day each on the months of October and November. All three times it occurred without any prior notification. It should also be noted that the internal e-mail servers were down from 24th to 30th October. But when asked around, it was confirmed that it's a rarity, unlike the Bangladesh Bank servers going offline which is rather frequent.

Therefore, to sum up the findings:

- Even though the end of the budget year, or the fiscal end is usually the busiest, the work load is distributed pretty evenly on the middle of the quarters, which make nice samples.
- The curriers take around 2 days on average to come, about 3 days if only branches outside of the Dhaka region are considered.

- Soft copies are often missing because of the uniquely spelled names or the delay of curriers.
- Individual requests are the smallest ant take the least time to complete. They are also the most common type.
- The rest two types are proprietorship requests and corporation requests. They require more documents and they are much bigger in size.
- Requests with more borrowers/co-borrowers/guarantors/allied concerns generate more CIB reports and thus they take longer to complete.
- It takes 1 minute and 44.1 seconds to generate each reports on average, which could have been brought down to a fraction if the server was sophisticated and did not require to have inputs by filling web-forms.
- The Bangladesh Bank server goes offline and stops functioning at least once every month. While it takes up a whole day to fix this, it can sometimes take multiple days.
- Better hardware would have been nice, the computers used in the CIB Cell of Dhaka Bank limited tends to freeze under load, quite small load.
- There is no encryption. The servers are quite secured. They use secured lines and quite strong security measures but they reports they generate are not encrypted. which means anyone who can get their hands on these files, can read the files; no extra computer skills required.

Recommendations

As one can see, most of the limitations and redundancies are caused by the lack of technological advancements. Technologies have changed; newer and more means have been invented. But this particular sector still has not been touched by it. And the fact that the need has not been recognized yet is astonishing.

Some changed can be brought to mitigate the limitations or handicaps. From the analysis it is clear that the most time is wasted on the currier. The currier delivering the hard copies take 2 to 3 days on average to arrive. They are sent to the CIB Cell primarily for achieving purposes. it is pretty surprising that the thing has not gone digital even in 2016.

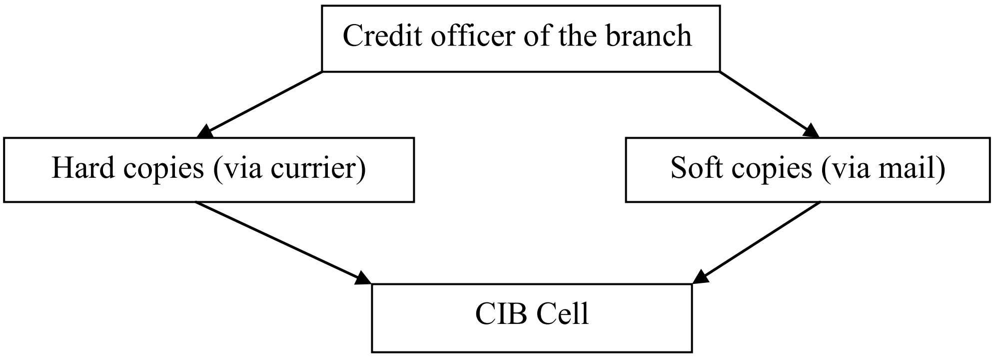


Figure 22: How Requests Are Sent

The diagram above crudely shows how requests come to CIB Cell from the branch. Now, what if the need for paper copies were eliminated? All achieving can be digitally done, stored in a remote server. All documents can be stored on the server; can be printed out whenever necessary. The credit officer can login and directly upload the information files on the server. The server can be configured to sort the undone and done requests. The officers from CIB Cell can login to the server and download the undone requests, and upload the done ones. Notifications and alerts are fairly easy to set up, I imagine.

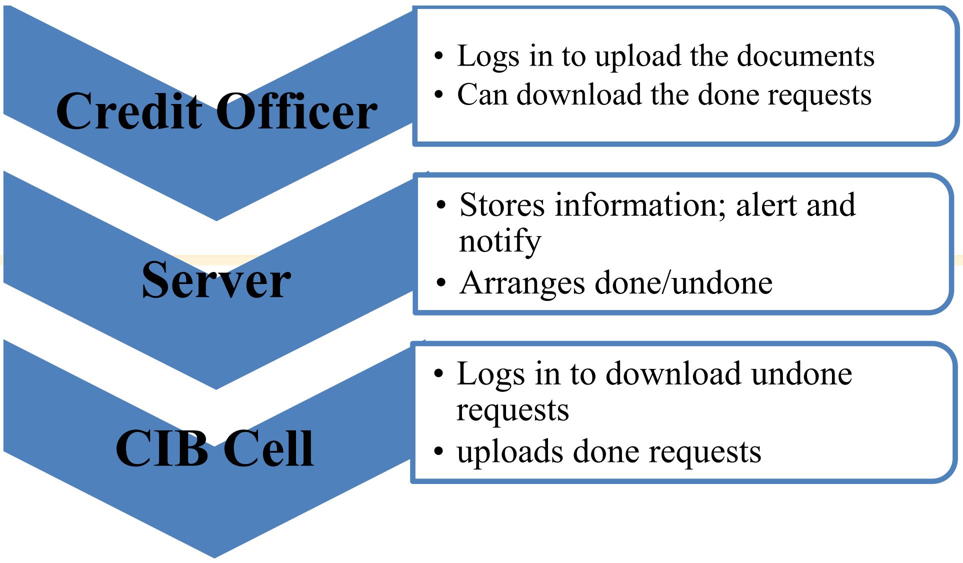


Figure 23: Proposed New Structure

With an intermediary server, there are a lot of benefits; such as,

- **Added security:** Since the Bangladesh Bank server does not encrypt the files, sharing files through the intermediary bank server seems more secured. That way, the data is never leaked, and only those with authorization can view them.
- **Faster currier:** Once uploaded, that server immediately informs the CIB Cell about the pending request. the branch does not have to wait for days till the CIB Cell receives the files to achieve via currier.
- **Seamless connectivity:** It seems that the further the branch is from the Head Office, the more time the curriers take. The server can be set up via internet connection. All that would be needed is internet connection, which, thanks to our road mobile networks, is available in most places of our country even some of the remote areas although with variable network strength.
- **Easy and green archiving:** Digital servers are easy to maintain and back up, The data on the server is more secured than locked rooms with files and files full of documents

Figure 24: Let's be honest, which one of these look like they could do more? via **(Google, 2016)**

Servers are tough to manage, and costs more to set up. But a proper server can do a lot more than archiving, and would help a lot in the long run.

Moving on, currently, the Bangladesh Bank server takes 13/17 digit NID numbers only. The new SMART NID card have been issued. The numbers on them are of 10 digits. So I suspect that the Bangladesh Bank Server is going to go through some changes soon.

Figure 25: SMART NID, noticed the chipset on the card?

The Individual CIB requests are mostly based on the NID card; it requires basic identifications, and prove that the borrower is a Bangladeshi citizen. Things get interesting here.. The SMART NID card features a 64K/128K chip included on it, much like the ones found on SIM cards or credit cards. A swipe of the card on proper scanners will send the reader, or swiper directly to a public server, where 32 different types of information about the person will be shown. This information include basics like name, parents' names, address, blood group and some other information like retinal and finger print scans. I assume these information can be downloaded in a PDF file, which can easily replace the MS Excel files used to send information on CIB requests.

Now the question may arise, can a server read PDF files? Yes, it can, and it can take the necessary information out from them as well if needed. it is not considered revolutionary either. There is a website called citethisforme.com which has caught my attention in this regard, and I shall demonstrate.

For referencing my articles, I prefer using the referencing tool by MS Word. But it has some certain limitations; a form has to be filled up while referencing. Say, if I were to add the Dhaka Bank Limited's annual report of 2015, I would have to fill up a certain form in the reference tab.

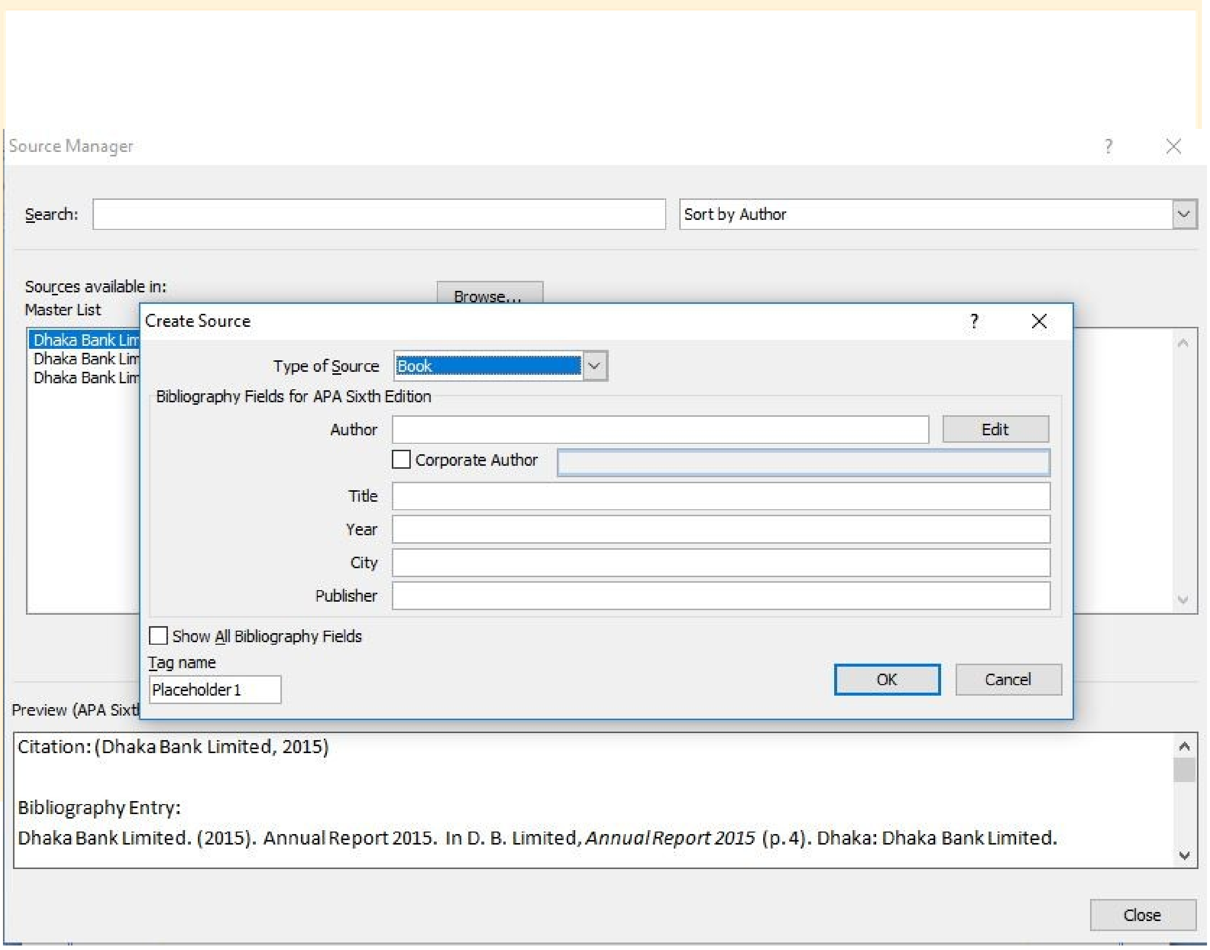


Figure 26: Referencing using MS Word can be Painful

While it is more useful, it can be a bother at times. But this website, citethisforme.com does make things a lot easier.

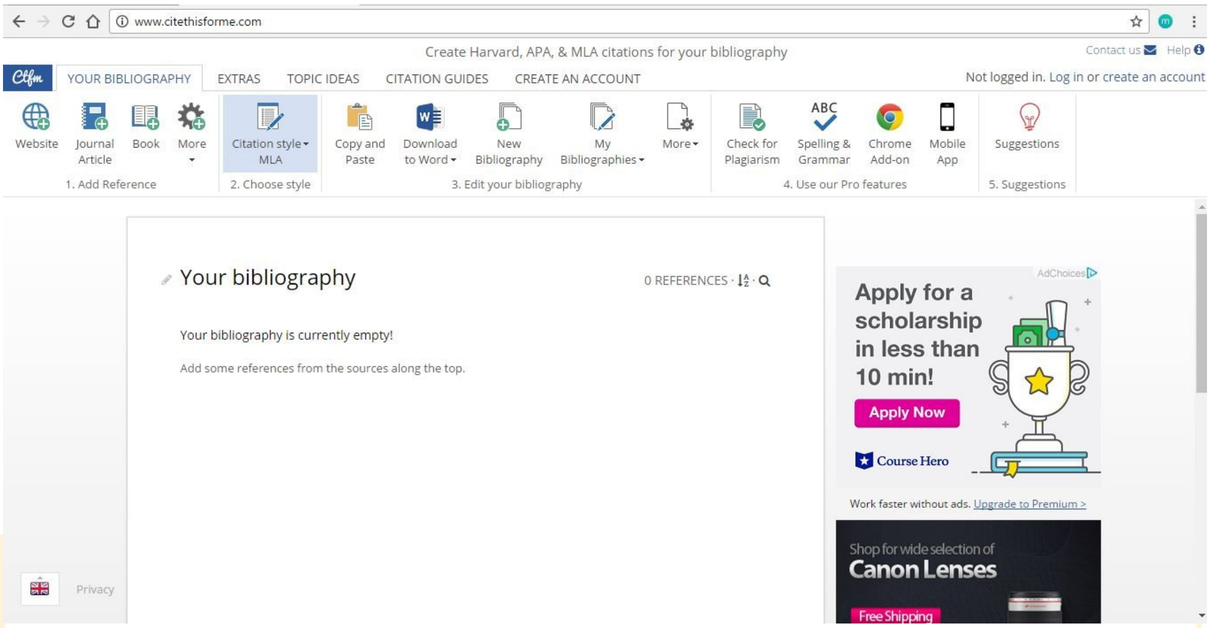


Figure 27: www.citethisforme.com, where magic happens

Citing is pretty easy with this one; On the upper-left hand corner, there are buttons. The type of article one is citing can be chosen by clicking the button. If one is to cite a webpage, clicking on the website icon will open a new window (citethisforme, 2016).

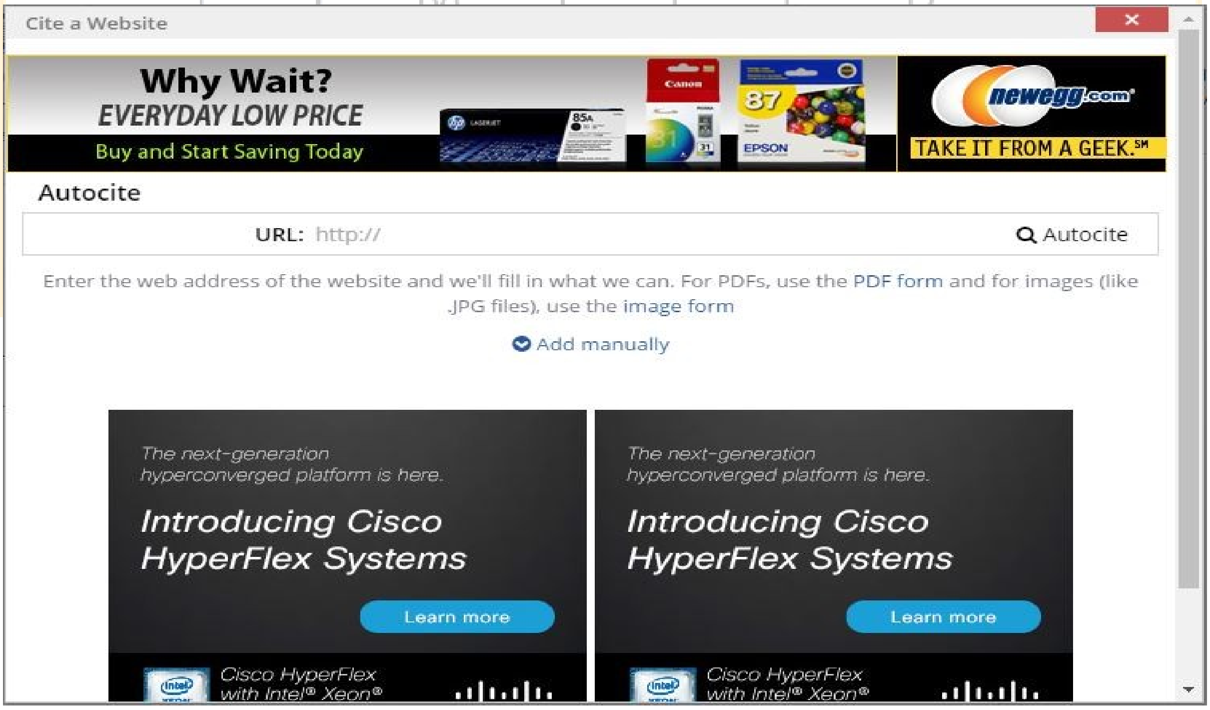


Figure 28: Just paste it there and we'll do things for you

Just pasting the link on the dialog box will generate referencing in seconds. This webpage also does bibliographies, and citations in different formats. The algorithm is simple; the website seeks the necessary information from the webpage/book/journal or whatever that needs to be cited and fill ups the forms on its own to give back a proper citation.

Moving back to the point; if a free website can do these things, I am sure that a server can be configured to read a PDF file and take the necessary information from it. If it becomes possible,

- One could easily just swipe the SMART NID card;
- Download the PDF containing information generated by the server;
- Upload the PDF file in Bangladesh Bank Server to generate a CIB report.

With technologies we currently have, I believe that it is possible to make the whole process as simple as that.

Conclusion

Dhaka Bank Limited joined the Online CIB network in hopes to fulfill the objective and the visions it offered. These visions covered many objectives such as eliminating the necessity of paper works for loan approvals or disbursements and decreasing the time taken for credit inquiries. It has fulfilled those promises; but the standards have improved. We now have newer technologies, better technologies. All those might have sufficed a decade ago, but this era wants more done in less time. So while a lot of the things are done right, a lot of the things are not, yet. Things have not become so obsolete that they must be replaced, there is still hope for amendments. The route to change is simple; a few adjustments and the efficiency will go up so high that it will be seen as a revolution. So while the present process still works, I firmly believe that if Dhaka Bank Limited is to expand and become the market leader, they need to bring changes, even on small areas like the CIB Cell to increase efficiency, to prove that they are ready for a much larger customer base.

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Appendix

Charts used in analysis of the findings:

Billing Report

Quarter	Month	Existing Inquiry	New Inquiry	Check Inquiry	Amount
		Rate : 100	Rate : 100	Rate : 10	
Q3	September	43	993	4177	145370
	August	75	944	5271	154610
	July	20	565	3451	93010
Q2	June	50	794	4766	132060
	May	30	1158	6158	180380
	April	72	1095	5374	170440
Q1	March	91	1008	5824	168140
	Februrary	139	827	5078	147380
	January	116	907	4647	148770

Currier Time

Smaple size	100

Sample 1	1	Sample 35	2	Sample 68	1
Sample 2	1	Sample 36	1	Sample 69	1
Sample 3	2	Sample 37	1	Sample 70	1
Sample 4	3	Sample 38	1	Sample 71	1
Sample 5	3	Sample 39	1	Sample 72	1
Sample 6	0	Sample 40	1	Sample 73	2
Sample 7	0	Sample 41	1	Sample 74	5
Sample 8	1	Sample 42	8	Sample 75	5
Sample 9	1	Sample 43	8	Sample 76	1
Sample 10	2	Sample 44	8	Sample 77	2
Sample 11	1	Sample 45	5	Sample 78	2
Sample 12	2	Sample 46	8	Sample 79	4
Sample 13	1	Sample 47	5	Sample 80	0
Sample 14	1	Sample 48	2	Sample 81	0
Sample 15	2	Sample 49	5	Sample 82	1
Sample 16	1	Sample 50	1	Sample 83	1
Sample 17	1	Sample 51	1	Sample 84	1
Sample 18	1	Sample 52	2	Sample 85	8
Sample 19	1	Sample 53	1	Sample 86	0
Sample 20	1	Sample 54	1	Sample 87	1
Sample 21	1	Sample 55	1	Sample 88	1
Sample 22	3	Sample 56	1	Sample 89	1
Sample 23	1	Sample 57	2	Sample 90	1
Sample 24	2	Sample 58	1	Sample 91	1
Sample 25	2	Sample 59	0	Sample 92	2
Sample 26	1	Sample 60	1	Sample 93	1
Sample 27	2	Sample 61	1	Sample 94	1
Sample 28	3	Sample 62	1	Sample 95	1

Sample 29	1	Sample 63	1	Sample 96	1
Sample 30	2	Sample 64	1	Sample 97	4
Sample 31	1	Sample 65	1	Sample 98	6
Sample 32	1	Sample 66	2	Sample 99	1
Sample 33	1	Sample 67	1	Sample 100	4
Sample 34	1				

Sample size (outside Dhaka)	53

Sample 1	8	Sample 26	1	Sample 51	3
Sample 2	1	Sample 27	2	Sample 52	1
Sample 3	1	Sample 28	1	Sample 53	2
Sample 4	2	Sample 29	2		
Sample 5	1	Sample 30	1		
Sample 6	2	Sample 31	1		
Sample 7	2	Sample 32	2		
Sample 8	6	Sample 33	5		
Sample 9	5	Sample 34	5		
Sample 10	4	Sample 35	2		
Sample 11	1	Sample 36	2		
Sample 12	1	Sample 37	2		
Sample 13	8	Sample 38	1		
Sample 14	8	Sample 39	2		
Sample 15	8	Sample 40	2		
Sample 16	5	Sample 41	1		
Sample 17	8	Sample 42	1		
Sample 18	5	Sample 43	2		
Sample 19	2	Sample 44	1		
Sample 20	5	Sample 45	1		
Sample 21	1	Sample 46	3		
Sample 22	1	Sample 47	1		
Sample 23	1	Sample 48	2		
Sample 24	1	Sample 49	2		
Sample 25	1	Sample 50	2		

Mid Quarter Project Sample

Day	Total CIB	Individual	Proprietorship	Company	Not Found	Percentage
Sample #1	35	17	11	7	1	2.86%
Sample #2	69	41	16	12	0	0.00%
Sample #3	63	30	25	8	0	0.00%
Sample #4	48	20	18	9	1	2.08%
Sample #5	64	43	12	7	2	3.13%
Total	279	151	82	43	4	1.43%
Average	56	30	16	9	1	1.61%

Individuals			
Count	Requested	Generated	
17	19	20	
41	47	59	
30	34	55	
20	21	37	
43	53	91	
151	174	262	Total
30	35	52	Average

Proprietorships			
Count	Requested	Generated	
11	27	43	
16	50	62	
25	54	87	
18	42	57	
12	23	30	
82	196	279	Total
16	39	56	Average

Company			
Count	Requested	Generated	
7	31	79	
12	52	185	
8	42	232	
9	40	133	
7	36	214	
43	201	843	Total
9	40	169	Average

Report Generating Sample

Run #1 [individuals only]	
Sample size	10
Total time	22:32.9
Average time taken	02:15.3
Average time taken (adjusted)	01:44.1

Sample	Individuals to inquire	Total Inquiries
Sample 01	1	1
Sample 02	1	1
Sample 03	1	1
Sample 04	1	1
Sample 05	1	3
Sample 06	1	1
Sample 07	1	1
Sample 08	1	2
Sample 09	1	1
Sample 10	1	1
Total	10	13

Index

DBL: Dhaka Bank Limited

HRD: Human Resource Division

GB: General Banking

FDR: Fixed Deposit Rate

DPS: Deposit Pension Scheme

PO: Payment Order

SAVP: Senior Vice President

CPC: Central Processing Center

LC: Letter of Credit

CIB: Credit Information Bureau

STL: Short Term Loan

CRAB; Credit Rating Agency of Bangladesh

SME: Small & Medium Enterprises

SOD: Secured Overdraft

HO: Head Office

EMI: Equal Monthly Installment

KYC: Know Your Customer

FMDI: Family Monthly Disposable Income

ATM: Automated Teller Machine

BB: Bangladesh Bank

CA: Credit Approval

CSE: Chittagong Stock Exchange

DPD: Days Past Due

DSE: Dhaka Stock Exchange

IGPA: Irrevocable General Letter of Credit

MoI: Ministry of Industries

RM: Risk Manager

UC: Under Classification

SMA: Special Mentioned Account

SS: Sub-Standard

DF: Doubtful

BL: Bad and Loss

BLW: Bad and Loss Written-off