

Report On
Should all Cash Deposit Machines of BRAC BANK LIMITED be
abolished?

By

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An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of
Bachelor of Business Administration

BRAC Business School
Brac University
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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

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Mrs. Ummul Wara Adrita
Lecturer, BRAC Business School
BRAC University

Letter of Transmittal

7th January, 2020

Mrs. Ummul Wara Adrita

Lecturer, BRAC Business School

BRAC University

Subject: Submission of internship report for completion of BUS 401 course

Dear Miss,

This letter is regarding the successful completion of my internship report as a mandatory requirement for Internship (BUS401 course) segment of my Bachelors of Business Administration Degree. The topic of the report is “Should the Cash Deposit Machines of BRAC BANK LIMITED be abolished?”

I have been doing my internship in an international standard, premium serviced bank, BRAC BANK LIMITED. . I fulfilled my role in this organization as a Business Administration Intern. This report explores the importance of CDM machines and how it affects the overall revenue of the company. Through this report, I had attempted to assess the viability of this concept within the setting of Bangladesh. I was in attachment at different branch locations of BRAC BANK LIMITED, which of these include Asad Gate branch, Satmosjid Roadbranch, and Dhanmondi Branch. I attempted to exert my utmost effort in providing as much information from different sources as possible within this limited period of internship.

I would like to thank you for your supervision and co-operation. Thank you for consistently assisting me throughout my internship program for the completion of my Bachelor’s Degree. This internship program has given me the opportunity to explore the practicalities of the business sector. Moreover, I got the opportunity to explore one of the latest and unexplored areas of business of serviced offices in the context of a developing nation as Bangladesh.

It was a wonderful experience to work at BRAC BANK LIMITED. This gave me an opportunity to learn and understand the corporate culture, especially the service sector of the business world. I hope this will help me to secure and develop a strong professional career in the future. Also through this internship, I have been able to address and improve my weaknesses and intensify my strengths. I had learnt to overcome several challenges and had developed some fascinating insights about the business world and corporate culture.

I hope this report will meet your expectations. I would be honored if this report would successfully contribute to any academic research and enhance any knowledge regarding the corporate sector. Please feel free to contact me any time for further queries or clarifications. I will be happy to provide you any kind of elucidation regarding this report.

Thank you.

Sincerely,

Adiba Farhin Hassan

ID-15104175

01880299336

BRAC Business School

Non-Disclosure Agreement

This agreement is made and entered into by and between BRAC BANK LIMITED, Head Office, and the undersigned student at BRAC University, Adiba Farhin Hassan, ID-15104175, BRAC Business School.

Acknowledgement

Firstly, I would like to begin my acknowledgement by thanking BRAC Business School for providing me the opportunity to implement my knowledge and skills that I had acquired over my undergraduate years at BRAC University. Through this internship, I received an opportunity to demonstrate my learnings within a corporate setting.

Next, I want to thank my honorable faculty supervisor, Mrs. Ummul Wara Adrita for assisting me with all my uncertainties and queries all throughout my internship period.

After that, I would like to extend my gratitude to my organization, BRAC BANK LIMITED and to the organizational supervisor of my internship program, Mr. Omar Faruk, Senior Manager of BRAC BANK LIMITED, Distribution Network Division, Branch Governance Team Department. I would like to thank him for his continuous support, motivation and supervision throughout my internship period. Mr. Omar Faruk and the entire team of BRAC BANK LIMITED helped me to adjust to a fresh corporate setting and motivated me all the way to perform to my maximum potential in this research report.

Finally, I would like thank the other organizations and the various personnel all of whom had helped me conduct my research. In particular, I would like express my appreciation to Ms. Dil Afroz - the Office Manager of Shuru Campus, Mr. Salman Hossain Mimo – the Business Development Executive of Madhub and Mr. Md. Khairul Alam Rabi – the Community Manager of Madhub for their sincere co-operation during the completion of my internship report.

Executive Summary

This report analyzes the importance of CDM machines at BRAC BANK LIMITED. For this report, a research was conducted at three different branches of BRAC BANK LIMITED. Surveys were conducted at the banks and interviews of randomly chosen clients of BRAC BANK LIMITED were also taken. Since I was actually completing my internship at BRAC BANK LIMITED, HEAD OFFICE it was possible for me to use their financial data and perform a financial analysis. To compare the financial analysis with other serviced offices, a question was included within the interview so that some idea may be developed.

The results from all the research conducted revealed that CDM machines should be abolished from BRAC BANK LIMITED. Recently, the management committee decided to indulge clients in making cash deposits worth of taka seventy five thousand or less, to be deposited through the machines only. The clients could not be able to deposit cash through the cash services department.

Despite of the fact that the number of cash deposits were made escalated on the first day of the new rule, the number dropped significantly by the rest of the days. To summarize, I have shown number of cash deposits for five consecutive days only.

Some clients were in favor, whereas majority complained that it was a lengthy process for the time to reach the amount to the receiver's account and experienced difficulty in operating the machine itself. A big chunk of the client base of BRAC BANK LIMITED, are the middle-class to lower middle-class income holders, who are not fully educated to be viable to operate this machine.

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Chapter 1

Research

1.1 Organizational Overview

BRAC Bank Limited provides various commercial banking products and services in Bangladesh. The company offers retail, wholesale, small and medium enterprises (SME), and Probashi banking products and services. It provides various deposit products, such as current accounts, fixed deposits, SME deposits, savings accounts, and term deposits. The company also offers loan portfolio comprising personal loans, auto loans, home loans, and secured loans/overdrafts.

BRAC Bank Limited began with the vision to provide banking solutions to the ‘unbanked’ Small and Medium Entrepreneurs. Taking inspiration from its parent organization BRAC, the largest NGO in the world, BRAC Bank introduced small ticket loans to the small and medium enterprises (SME), to specifically bring the grassroots entrepreneurs under the umbrella of formal banking service. Approximately half of BRAC Bank’s lending portfolio comprises of small and medium enterprises – popularly known as the ‘SME’.

In 2001 BRAC Bank did not start its journey like any other conventional bank. The visionaries who led the bank realized that the previously neglected Small and Medium Enterprises (SME) sector plays significant role in generating growth and creating employment in the country. Over the past few decades, traditional banks were reluctant to invest in this sector. At a time when it was almost impossible for the SME entrepreneurs to get financing from the banking sector in Bangladesh, BRAC Bank stepped forward and came to finance these unbanked SME entrepreneurs.

BRAC Bank is a performance driven dynamic organization, where its values founded at the core of each and every activity as pillars. It is the only member of the Global Alliance for Banking on Values (GABV) from Bangladesh. The Global Alliance comprises of 48 (as of May 2018) financial institutions operating in countries across Asia, Africa, Australia, Latin America, North America and Europe - serving more than 41 million customers, holding up to USD 127 billion of combined

assets under management and powered by a network of 48,000 co-workers.

BRAC Bank shares the 3P Philosophy – People, Planet and Profit with the other partners of GABV. We believe that we have responsibility towards the people we work with and the places we operate in. As a mission-driven bank, we prefer to work for the welfare of our people and society.

I have been fulfilling the role of a Business Administration Intern throughout my internship period. I truly appreciate the experience of handling responsibilities related to multiple sides of a business. I get assigned to tasks from the Branch Governance Team of the Distribution Network Department.

My responsibilities included the following:

- Monitoring coordination between different Branch Managers and Branch Operation Manager
- Arranging meetings held by the Distribution Network
- Managing Branch Sales Service Officers of the Head Office
- Assisting interviews for selection of new eligible Branch Managers
- Attachments at different branch locations to monitor the harmony and report on any possibilities of cannibalism between different branches of BRAC BANK LIMITED.

1.2 Introduction to the report/study

The Cash Deposit Machine (CDM) is a self-service terminal that lets you make deposits and payment transactions by cash.

All successful transactions are immediately credited and customers will be issued an advice slip confirming the transaction. To use the CDM, customers need to have either his / her Brac Bank Card (ATM or Credit Card) or know his / her card number (ATM or Credit Card).

Services

Services available on the CDM:

- Cash Deposit
- Cash Deposit to Account
- Credit Card Payment
- Cheque Deposit to Account*

* Services available within select branches only

CDM Machines Location of BRAC BANK LIMITED IN DHAKA

SL NO.	Name	Address
1	MOTIJHEEL GRAPHICS	9-G Motijheel C/A, Dhaka-1000
2	GANDARIA BRANCH	Holding # 119/E, Distilary Road, Gandaria. Dhaka
3	SADARGHAT SSSC	Rahmat Ullah Mansion, 5/1/1, Simson Road, Sadarghat. Dhaka-1100.
4	BIJOYNAGAR	H # 202, Shohoid Syed Nazrul Islam Avenue (New), Old Bijoy Nagar, Dhaka-1000
5	MOTIJHEEL BRANCH	107, Motijheel C/A Dhaka
6	SHANTINAGAR SMESC	Shaan Tower, Holding # 24/1, Chamellybug, Shantinagor Chourasta, Word- 36, Dhaka-1217

7	ELEPHANT ROAD BRANCH	Ground Floor, Holding No. 136, Dr. Kudrat-E-Khuda Road (Elephant Road), Dhaka-1205
8	Dholaikhal SME	Nahar Complex, Holding No-10/1, Ananda Mohan Basak Lane, Naya Bazar, Ward-71, Dhaka City Corporation, Thana-Kotwali, Dhaka.
9	CENTRAL BASHABO	454, 455 South Bashabo
10	BASHABO BRANCH	Holding # 213, Road # 19, Bashabo
11	NARAYANGONJ	147, Alam Khan Lane, BB Road, Narayangonj
12	DONIA BRANCH	342, Donia, Donia Bissa Road, Jatrabari, Dhaka-1236
13	BANANI BRANCH	10, Kemal Ataturk Avenue
14	MOGHBAZAR BRANCH	Arong Plaza 211, Moghbazar
15	RAMPURA	Green Tower, 15 East Rampura
16	BRAC UNIVERSITY	66, Mohakhali

17	GULSHAN BRANCH	H-59, R-3 Plot-2 Gulshan
18	SHAHJADPUR	KA-32/6, Shahajadpur
19	RAMPURA BRANCH (NEW)	359 East Rampura
20	KHILKHET	Kazi Shopping Complex, Khilkhet
21	BASUNDHARA BRANCH	H-193, B-b Bashundhara.
22	UTTARA JASHIM UDDIN BRANCH	H#3, P # 3/A, Uttara Sec-3
23	NATUN BAZAR BRANCH	Miah Bhai Plaza (1st Floor), Notun Bazar
24	BASABO SSSC	926/C, Khilgaon
25	NORTH GULSHAN BRANCH	H-166/2, Gulshan Avenue
26	ASHKONA BRANCH	567/1 Hazicamp Road, Ashkona, Uttara
27	ICDDR B	ICDDR B, Mohakhali

28	SOUTHEAST UNIVERSITY	H# 64, R#18, Block-B, Banani
29	KALACHANDPUR	Ka-12, Baridhara North road
30	ANIK TOWER	20/B, Tejgoan C/A,
31	ESKATON BRANCH	9, New Eskaton Road, Eskaton
32	NIKUNJU	Plot No. 3, Road No. 13, Nikunja R/A
33	NOYATOLA	652/1 Noyatola
34	ARONG CENTER	346 Tejgaon I/A,
35	BONOSREE BRANCH	Plot# 12, Block# C, Bonosree,
36	JAMUNA FUTURE PARK	Jamnuna Future Park,
37	SATMOSJID ROAD AS	766, SATMasjid Road, Dhanmondi R/A, Dhaka
38	MIRPUR BRANCH	H # 13, R # 3, Block A, Section 11, Mirpur, Dhaka.
39	GREEN ROAD	Green Road ATM Booth "Suvastu Edifice Holding-51-52, Green Road Shop-5, Dhanmondi, Dhaka-1205.

40	RIFLES SQUARE	Simanto Square, Dhanmondhi, Dhaka
41	PANTHAPATH SMESC	Akankha Baniya Bhaban 57/E, East Rajabazar, Panthapath, Dhaka
42	MIRPUR DELTA	DELTA Medical Center Limited. 26/2, Darussalam Road, Mirpur-1, Dhaka-1216.
43	SHAYMOLY BRANCH	19-20, Adarsha Sayaneer Housing Society, Ring Road, Shamoly, Dhaka
44	MIRPUR-10	Shatabdi Bhaban, Plot#19, Main Road, Shen Para-Parbata, Section- 10, Mirpur, Dhaka
45	MIRPUR-2	Shop-1, Plot-13, 1-B/1- 13, Kawalla Para, Main Road, Mirpur, Dhaka
46	KARWAN BAZAR SMESC	H # 92, Ali Bhaban, Kazi Nazrul Islam Avenue, Kawranbazar, Dhaka
47	DHANMONDI BRANCH	Plot - 1, Asad Gate, Mirpur Road, Mohammadpur Dhaka

48	NEW SATMOSJID BRANCH	Green Akshay Plaza, House # 59 (New), Road # 2/A, Dhanmondi, Dhaka.
49	ALLIANCE FRANCAISE	26, Mirpur Road, Dhanmondi, Dhaka-1205
50	SHAWRAPARA AS	1039 East Shewrapara, Mirpur Dhaka-1216
51	MIRPUR-1	Holding No. 1, Road No. 4, Block No. F, Section No. 1, Mirpur, Dhaka
52	RUPNAGAR	Holding No. 58, Road No. 21, Rupnagar R/A, Mirpur, Dhaka-1216
53	DHANMONDI-7 BRANCH	Rupayan Khan Plaza, Holding 500A, Road-7, Dhanmondi, Dhaka-1207
54	AGARGAON	121, West Kafrul, Taltala, Dhaka-1207
55	BEGUM ROKEYA SARANI BRANCH	Holding # 129, Senpara Parbata, Ward# 14, Mirpur-10, Dhaka.

56	IBRAHIMPUR AS	279/1 Ibrahimipur, Kafrul, Dhaka.
57	HAZARIBAG SMESC	AR House (1st Floor) 55 Nawabgonj Road Hazaribag-section Lalbag, Dhaka (Hazaribag SME Branch, BRAC BANK LIMITED)
58	SAVAR BRANCH	Savar Branch, BRAC Bank Ltd. Amin Tower, Holding # A/44, Bazar Road, Savar, Dhaka.
59	GANAKBARI (DEPZ)	Hashem Plaza, DEPZ Gate, Ganak Bari, Savar, Dhaka.
60	GANAKBARI BRANCH	Ganakbari Branch, BRAC Bank Ltd. Neyath Solim Plaza, Boli Vhadra Bazar, Dhamsona, Ganakbari, Ashulia, Savar, Dhaka.

1.3 Objectives and research questions

1.1 Rationale of the Study

This report analyzes the significance of CDMs of BRAC BANK LIMITED.

1.2 Statement of the Problems

Are CDM machines aiding in building up the client base and adding to the revenues generated by BRAC BANK LIMITED?

1.3 Scope and Delimitation of the Study

The scope of the research measures the ATM and CDM services in BRAC BANK LIMITED. The delimitations of the study are the availability of data is limited and time allocated for conducting the research is short. Furthermore, conducting the financial analysis of a service can be a major challenge. Additionally, few of the clients of the branches were reluctant to communicate any company information. They showed reluctance when approached for an interview.

1.4 Objectives of the Report

- To understand use of the CDM machines at BRAC BANK LIMITED
- To determine the quality of facilities and services which are available for clients
- To identify expectations of clients
- To identify any service quality issues and mismatch between client and business

1.5 Research Questions

- What strategies are being used to create demand for use of CDM machines?
- How is the service quality of BRAC BANK ATM and CDM booths?

- Are CDM machines significantly contributing to the overall sales of the company?

Chapter 2

Data Collection Methods and Study Area

Data and Study Areas:

Data was collected from an array of randomly chosen clients. As the sample of respondents was selected on the basis of personal judgment and the probability of selecting any respondent was unknown, non-probability sampling was used to research.

Data Collection Methods:

Questionnaires, interviews, observations and quantitative financial records were used to research where possible. Personal interviews were conducted and self-administered questionnaires were issued.

The interview questions were open ended. The survey questionnaire was designed with various research instruments to prevent monotony for the respondents.

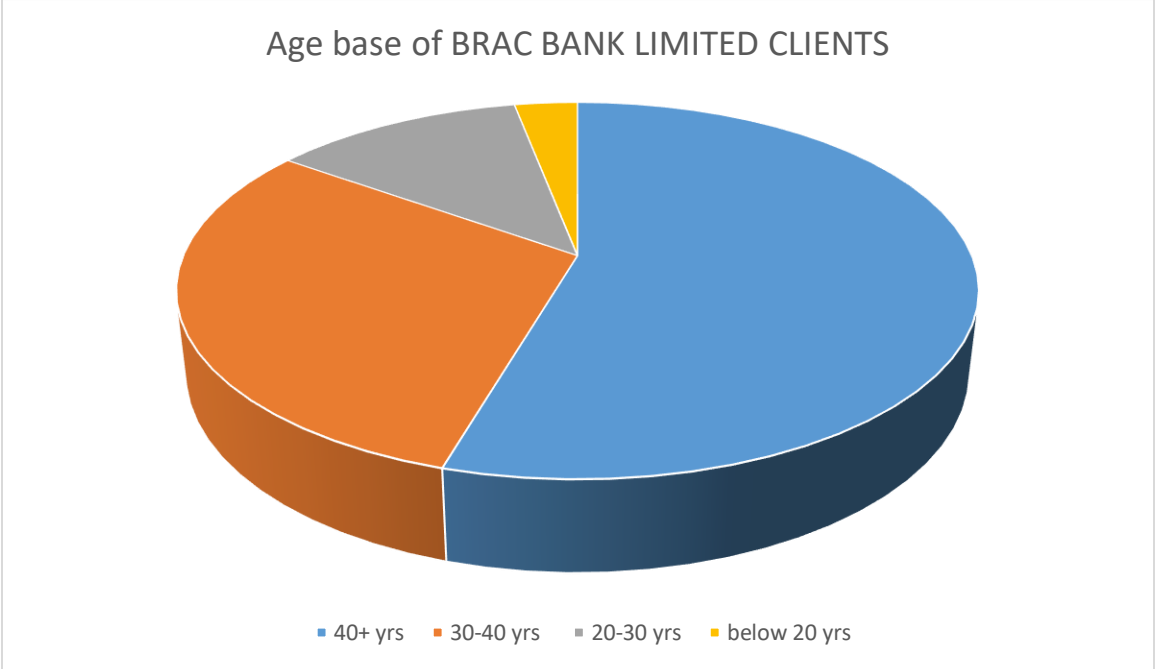
Questions were asked in the survey questionnaire and several variables were fixed for accuracy. These were mostly close ended questions but one question regarding the difficulties faced with CDM machine was open-ended and recipients had the choice of expressing their views in their own feasible way.

Chapter 3

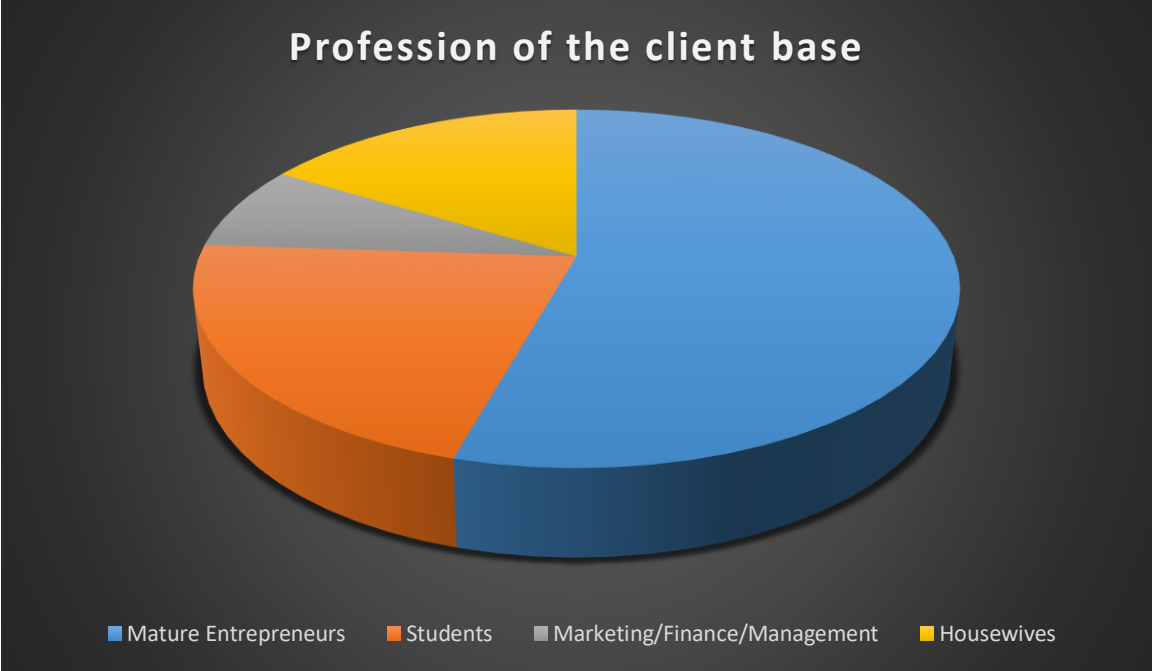
Analysis of Research

Analysis of the Target Market from Clients Survey:

1. What is your age?

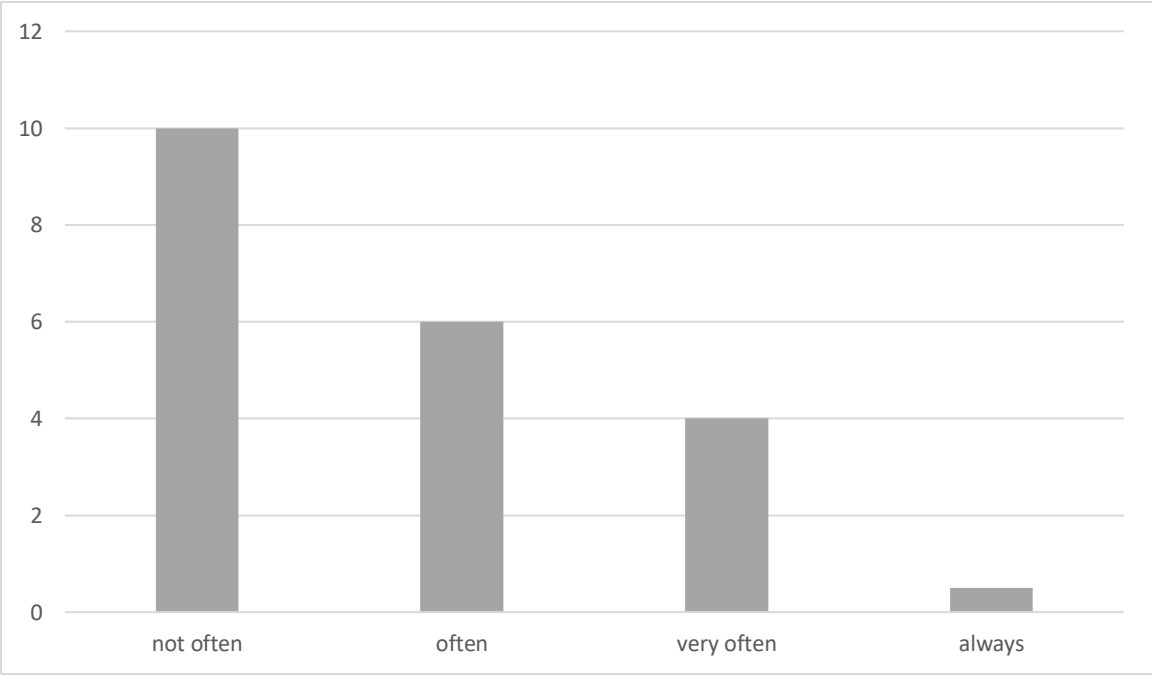


2. What is your profession?



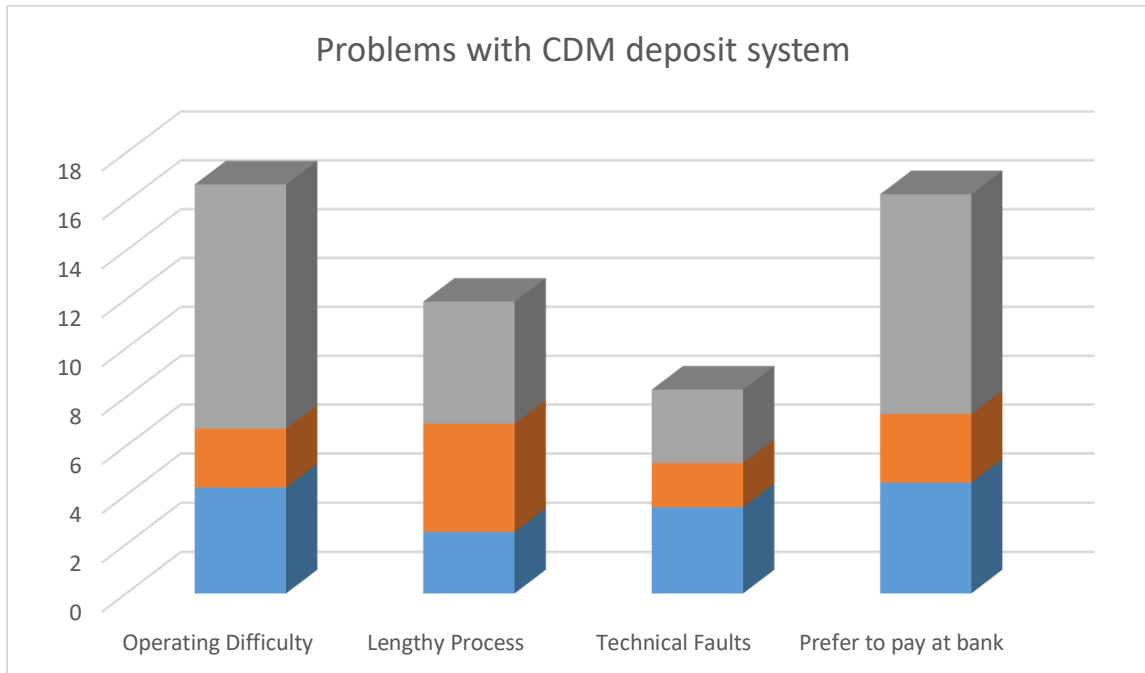
Survey reveals the highest number of clients fall on 50+ years of age and in the self-employment profession.

3. How often do you use the CDM machine?



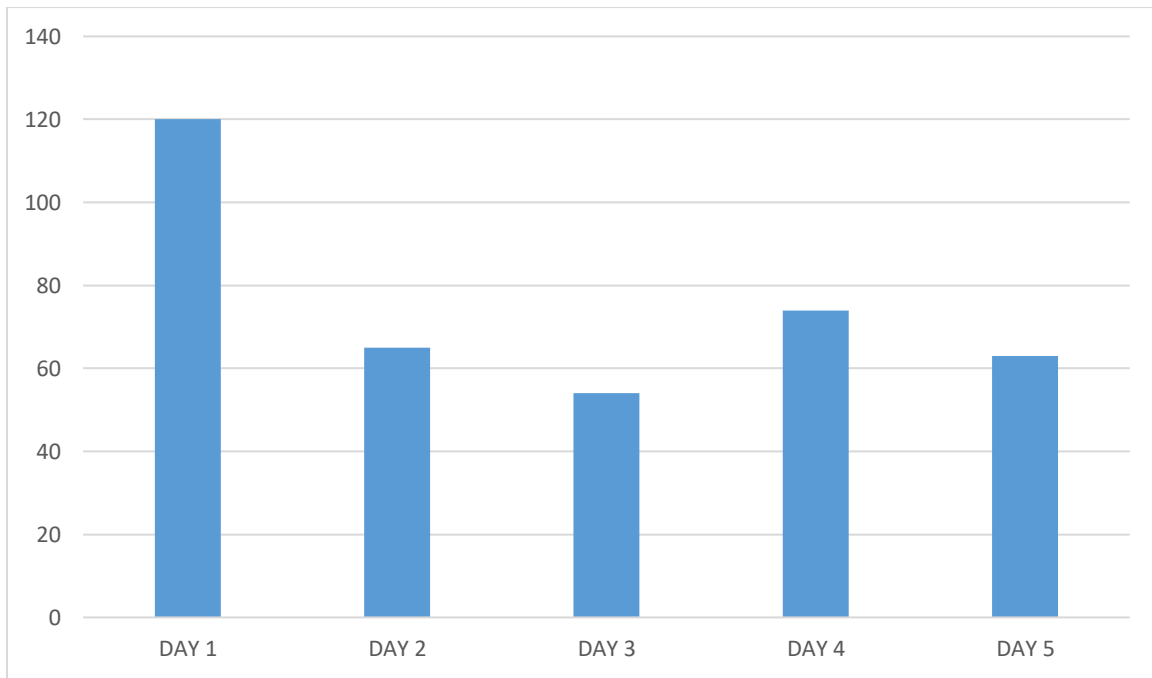
This suggests not many clients are not using the CDM machines.

4. What are the difficulties you face with the CDM machine system?



Results show that clients are more comfortable with payment through cash services department at BRAC BANK LIMITED. Majority of the customer base are not well educated to be able to use the CDM machine successfully.

Analysis of the number of cash deposits made through the CDM machine:



This shows the case of 5 consecutive days of the Mirpur Section 1 branch of BRAC BANK LIMITED. A gradual decrease can be seen in the number of cash deposits made through the CDM machine.

Chapter 4

Findings

Research suggests that CDM machines are a dilemma for people to use. There are a series of steps to follow in order for the deposit to take place. Firstly, the client needs to keep the cash in an envelope designed by BRAC BANK LIMITED. On the envelope, customer needs to fill in basic details such as the account name, number, contact number and the cash amount to be deposited, with the depositor's signature. After filling in the necessary details, clients go to the machine where they can operate with the touch. Same information as the one given on the envelope, clients will again fill in the necessary details asked by the machine. At the bottom of the envelope is given the SL NO. which is a unique identity number. Depositor can then drop the envelope into the machine and receive a token, that validates the transaction.

Some of the clients did like the process of using CDM machines. As with paying through the bank directly, it was very time consuming as they had to wait in a cue. These depositors also claimed that through the CDM machines it was easier to make deposits. This was basically for clients who were able to operate the machine smoothly and hence, faced no difficulties.

However, majority of the clients refused to deposit through the machine. Firstly, they complained that they did not understand the language used by the CDM machine, even though it also had Bengali language as option with English as the other one. Majority of the clients belonged to Bengali medium background so they suggested the writings to be made in easier Bengali and English should be demolished.

Customers also complained that they could not make instant payment through CDM machines. The custodians came at only 2 times of the day, and then they would collect all the envelopes, which then lead to cash being deposited at the receiver's account. Customers refused to make deposits regarding the urgent deliveries.

BRAC BANK LIMITED has an enormous client base, making more than 1.5million customers, so by encouraging people to deposit through the machine, they want to reduce the number of clients who make deposits and withdrawals instantly which does not bring additional profits for the bank.

4.1 Recommendations

Analyzing the pros and cons, I would like to suggest that BRAC BANK LIMITED should make the machine more user friendly. The language should be used easier and unnecessary details like the account number and the contact details should be eliminated as they are already mentioned in the envelope. According to my opinion, these only add up to the clients' time.

BRAC BANK LIMITED wants to decrease its customer base. But by doing so the managing authority might not be able to retain the required client profile. Thus, it is also recommended the implementation of rules such as depositors holding seventy-five thousand or less quota must pay by the machine, are harsh and should be removed. After all clients are the bank's greatest assets.

Conclusion:

In a nutshell, BRAC BANK LIMITED is a successful banking company. It is the best among the local ones in Bangladesh. The bank has made a complementing number of assets and has successfully maintained a big customer profile. Despite of the low interest rates offered to the customers, it has maintained a goodwill as a trustworthy bank. BRAC BANK LIMITED also abides by government regulations and policies. They are offering a wide range of loans and credit options. They have provided premium services by segmenting some niche markets for the most reliable customers. The bank can decrease the client base by making strict credit policies. Focus can be on the credit section as this is where clients credibility holds most concern.

In a nutshell, these are the possible ways to deal with increasing number of customers. However, to conclude I would recommend that BRAC BANK LIMITED should not abolish the CDM machines as there are people who do like to make deposits to avoid the time spent on standing on the cue of the cash services department.

References

1. <http://www.bracbank.com/about.php>
2. https://www.bracbank.com/financialstatement/Annual_Report_2018.pdf
3. Senior Manager Mr. Omar Faruk, Branch Governance Team, Distribution Network Department, BRAC BANK HEAD OFFICE, Anik Tower.

Appendix

Questionnaire Filled by Clients of BRAC BANK LIMITED

1. What is your age?

- Below 20 yrs
- 20-30 years
- 30-40 years
- 40+ years

2. What is your profession?

- Entrepreneur
- Housewife
- Student
- Marketing/Finance/Management
- Others: _____

3. How often do you use the CDM machine?

- Always
- Very Often
- Often
- Not often

4. What are the difficulties you face with the CDM machines?(Comment below)
