



Inspiring Excellence

***Retail Banking, Credit Facility & Performance Appraisal of  
the employee of The City Bank Limited***

*First Hand Initiatives through the New Market Branch*

**Submitted To:**

Mohammad Rezaur Razzak

Associate Professor

BRAC Business School

BRAC University

**Submitted By:**

Nafisa Islam

ID: 12104128

Course: BUS404

Bachelor of Business Administration

**Date of Submission: November 15, 2015**

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## Letter of Transmittal

Date: November 15, 2015

Mohammad Rezaur Razzak  
Associate Professor  
BRAC Business School  
BRAC University

**Subject: Submission of Internship Report**

Dear Sir,

With due respect, I would like to inform you that, it is a great pleasure for me to submit the internship report on “ **General Banking Activities, Credit Facility and Employee Performance Evaluation by The City Bank Ltd**”. As it is a fulfillment of partial requirement to achieve BBA degree under the curriculum of BRAC University.

To prepare this report, I have gathered what I believe to be the most complete information available on general banking and performance evaluation of the employee by The City Bank Ltd (CBL) and enjoyed working there on. The experience I have gathered during this period will remain as an invaluable asset of immense useful in my life. I have worked hard preparing this report and I hope that it will fulfill my degree requirement. I will be always available for answering any query on this report.

I am thanking you for your kind consideration and proper guidance to prepare this report.

Sincerely yours,

Nafisa Islam  
ID: 12104128

## **Acknowledgement**

First of all, I am expressing my heartfelt gratitude to the Almighty Allah, the most Merciful and the Benevolent, for his special kindness to give me the opportunity to complete the internship successfully and prepare internship report timely.

I would like to express my gratitude to the authority of BRAC University and to my academic supervisor Associate Professor of BBA Program Mohammad Rezaur Razzak for providing me such an opportunity. I also give my sincere gratitude to my academic supervisor for his continuous guidance, individual suggestions, continuous encouragement and unfailing enthusiasm throughout the process of completion of this report.

I would like to extend my deepest appreciation to all my faculty members of School of Business of BRAC University for their individual contribution and cooperation in advancing this report and hereby completing my BBA program successfully.

I am also thankful to the Head of Human Resource Division of Mr. Hasan Md. Lablu, The City Bank Limited for giving me the opportunity to do the internship in their organization, ad specially Mr. Md Mohibur Rahman, VP & Branch Manager of New Market Branch for his sincere advice, encouragement and support in my internship program as my organization's supervisor. Thanks go to all of my colleagues of The City Bank Ltd. New Market Branch, Dhaka, for sharing their experience and knowledge with me.

The people who helped me by giving their advice and providing me necessary information about making the report possible, I am thankful to them. Without their contribution, it is difficult for me to complete such a report like this.

## Executive Summary

The main focus point of the report was to understand the general banking activities of the city bank limited. By the study on the city bank limited, I try to achieve the objective of the study is to match up theoretical knowledge with practical experiences and try to show current general banking activities and employees performance appraisal by the city bank limited.

The city bank limited is one of the first generation private commercial bank operating in Bangladesh. It is a top bank among the oldest five Commercial Banks in the country which started their operations in March 27, 1983. The functions of the bank cover a wide range of banking and functional activities to individuals, firms and corporate body's etc. banks loan are greatly emphasized and it can be called the heart of the bank because it is the main source of the income of the bank. It is very important for the national economy as a whole because the expansion and condition of the bank loan affect the level of business activities to the different sectors to diversify its credit portfolio in compliance with credit policies of traders, manufacturing processing plants and export industries and other business.

**General Banking** section is what keeps the overall banking going. All sorts of day-to-day transactions are performed in here as it plays a vital role in banking. The general banking department that consists mainly of the following and they are given below: Account opening section/ Department, Bills & Clearing, Remittance, Cash section/ Department. City Bank wants to become the most popular bank to all individual clientele of the country, at least of the cities and towns everywhere to operate. They want to provide their customers the best-in-class services, innovative products and financial solutions.

City Bank practices internal marketing activities to motivate their employees so that they can ensure best service to their customers. At last, the service provided by the young energetic officers of the city banks ltd is very satisfactory. The City Bank Limited follows all the rules and regulation of Bangladesh Bank.

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# *Chapter – 01*

## *Introduction*



## **1.0 Introduction:**

The internship program is an opportunity for the students and it bears a great significant for a student. It familiarizes the student with the practical business operations. The student of internship program get the chance to understand the real business world closely and familiarize themselves with internal and external expects of business. It gives us an opportunity to develop the analytical skill and scholastic aptitude.

All over the world the dimension of banking has been changing rapidly due to Deregulation, Technological innovation and Globalization. Commercial banks in Bangladesh have to keep place with the change in global business. Now banks have to compete in market place both with the local institutions as well as with the foreign institutions.

City Bank is a major player in Bangladesh wholesale banking industry to offer the full scope of innovative, customized solutions and services. They offer service at the highest level. Their focus is not on short-term profit, but on building long-term relationships and standing by our clients whenever they need them.

## **1.1 Origin of report:**

This report is originated as an academic requirement of BBA Program of BRAC University. After completion of the program period a student must submit the report on the assigned topic to the Supervisor. The program is of three months duration. I was assigned at The City Bank Limited, Newmarket Branch at Dhaka to complete the program.

## **1.2 Objectives of the report:**

The objective of this report is to complete the partial fulfillment requirement of the BBA program by gathering practical knowledge regarding retail banking, credit management and performance evaluation of the employees of City Bank. This practical orientation gives me a chance to co-ordinate my theoretical knowledge with the practical experience.

- To know about the measurement of retail banking of The City Bank.
- To identify the problems related with the measurement of retail banking and performance appraisal.
- To provide suggestions relating to performance evaluation of the city bank Ltd.

- To analyze the bank's overall performance evaluation.
- To know the procedure of retail banking.
- To know about the retail banking services & products provided by the bank.
- To gain an overall idea and know about the performance appraisal of the bank.
- To recommend solutions to the existing problems of retail banking.

### **1.3 Methodology of the report:**

While conducting the study, sources were explored for primary information and data. In order to make the report more meaningful and presentable, two sources of data and information have been used widely. These are both primary data and secondary data.

In conducting the study the data have been used were collected by using two methods. The methods are as follows:

#### **Observation Method**

Observation method may be defined as the systematic watching of facts and events occurring in the field of study. I have observed all the activities of retail banking services. Through this method, some data about retail banking services and performance evaluation has been collected.

#### **Interview Method**

Interview is a face to face situation where one person (the interviewer), asks a person being interviewed (the respondent), questions to obtain answer pertinent to research problems. To get the real information and data about retail banking services and performance evaluation, some respondents and clients were asked questions directly.

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

In preparing this report, both primary and secondary sources of information have been used.

#### **Primary Sources of Data**

When data are collected through direct searching in the field then it is called primary source of data. Primary Sources are:

- Personal observation.
- Desk work in different section.
- Discussion with the bank's officers.

- Discussion with bank's advisor/ supervisor.
- Face to face conversation with the bank officers and staffs.
- Direct conversation with the client.
- Data collection by own supervision.

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

The secondary data are collected from Internet, different article published in the journals and magazines. Secondary sources are:

- Annual report of the bank.
- Publication's of Bangladesh Bank.
- Different types of book related with banking.
- Newspaper.
- Website information.
- Booklets of international division of The City Bank Limited.

### **1.5 Scope of the report:**

It is said that my working area for internship program was just the New market branch of the bank. I tried with all my best to observe the overall banking operations and day-to-day transactions & functions of the branch. For the purpose of the relevant information of other branch and also head Office, I have communicated with the branch manager Mohibur Rahman of Newmarket Branch.

Banking scenario now a day has been undergoing a transformation, especially with regard to competition, technology and innovation. Due to the persistent competition within and without banking field, bankers now have been compelled to make concentrated effort to market a product and retain it. The study is mainly focused on retail banking products and activities as well as performance appraisal of the employees. There is a lot of scope for studying further in this field by looking into what other banks and financial institutions are doing all over the world and how they can be incorporated in Bangladesh

## **1.6 Limitations of the study:**

I have tried my best to provide with all necessary information about The City Bank Limited, supplied by the manager's and employee's best abilities; but due to the exhaustive nature of this study most secret & strategic ethics could not be brought in this reports. This report is subject to the following limitations:

- Every organization has their own secrecy that is not revealed to others. While collecting data interviewing the employees about performance appraisal, they did not disclose much information for the sake of the confidentiality of the organization.
- Another problem is that there is a lot of confusion regarding information about retail banking. In some cases more than one person were interviewed to clarify each concept as many of the bankers failed to provide clear-cut idea about the job they perform.
- Some clients are interviewed with the intention to get their response and satisfaction level from the services. But the clients were too busy to provide me much time for interview.

## ***Chapter - 02***

### ***Company Profile***

## **2.0 All About The City Bank:**

### **Historical overview:**

In Bangladesh city bank is one of the private commercial banks operating. Their operation in 1983 it is a top bank among the oldest five commercial banks in the country which began. The bank began its journey on 27<sup>th</sup> March 1983 through opening its first branch at B. B. Avenue Branch in the capital, Dhaka City. With bravery and zeal that made the establishment and forward march of the bank possible, it was the visionary entrepreneurship of around 13 local businessmen who braved the immense uncertainties and risks. Directors commenced the journey with only taka 3.4 corer worth of capital, which now is a respectable taka 2311.78 corer as capital and reserve those patronize.

### **Units if the bank:**

The traditional, decentralized, geographically managed, branch based business or earnings framework city bank is among the very few local Banks which is do not follow. Its business and operation vertically from the head office through 5 distinct business divisions instead the bank manages which namely-

- Business Unit
- Operations Unit
- Branch Banking
- Risk Unit
- Support

Under a real-time internet economic climate, these 5 organization segments are strengthened at the back by an effective service submission or features set up and also an intelligent IT Main resource. Such central organization area based organization and working style make sure particular treatment and services to the lender's different client segments.

City Financial institution is one of the biggest business financial institutions in the nation with a current company structure that intensely motivates and facilitates the growth of the lender in Retail store and SME Financial. The bank is very much on its way to starting many separate SME facilities across the nation within a few months. The bank is also very effective in the staff members' foreign remittance company. It has powerful tie-ups with major return companies in the Center Eastern, European countries, Far Eastern & USA, from where a

large number of individual remittances come to the nation every month for payments through the lender's large system of 99 online divisions.

**Branches and ATM booths:**

The bank currently has 99 online branches and 1 SME service centers and 11 SME/Agri branch spread across the length & breadth of the country that include a fully fledged Islamic Banking branch. Besides these traditional delivery points, the bank is also very active in the alternative delivery area. It currently has 256 ATMs of its own; and ATM sharing arrangement with a partner bank that has more than 1150 ATMs in place; SMS Banking; Interest Banking and so on. It already started its Customer Call Center operation. The bank has a plan to end the current year with 300 own ATMs.

**Cards:**

Town Financial institution has launched United states Show Credit score Cards and United states Show Gold Credit score card in Nov 2009. Town Financial institution is the local caretaker of the brand and is responsible for all operations supporting the issuing of the new credit cards, such as billing and accounting, customer support, credit management and charge authorizations, as well as marketing the money cards in Bangladesh. Both credit cards are international credit cards and accepted by the millions of suppliers operating on the United States Show global merchant network in over 200 nations and territories such as Bangladesh. Town Financial institution also introduced exclusive rights for the money card associates under the United States Show Chooses program in Bangladesh. This will entitled any United States Show card associates to enjoy fantastic savings on retail and dining at some of the finest establishment in Bangladesh. It also provides incredible rights all over the globe with more than 13,000 offers at over 10,000 suppliers in 75 nations.

City Financial institution is the first bank in Bangladesh to have released Double Currency Credit Cards. The lender is a major participant of VISA worldwide and it issues both Local Currency (Taka) & International Currency (US Dollar) card boundaries in a single nasty. VISA Charge Cards is another popular product which the bank is forcing hard in order to convenience out the lines at the division created by its impressive platform of some 400,000 retail store customers. The release of VISA Pre-paid Cards for the travel industry is currently ongoing.

**Customer service:**

City Financial institution is honored in offering a very personalized and friendly customer support. It has in place a personalized support quality model called CRP that concentrates on guaranteeing happy customers through setting standards for the lender's employees' attitude, behavior, preparedness level, precision and timeframes of support quality.

**SME:**

City Standard financial organization is one of the greatest business banking organizations in the country with a current organization framework that extremely encourages and helps the growth of the lending organization in Retail store outlet and SME Economical. The lender is very much on its way to starting many individual SME features across the country within a few months. The lender is also very effective in the employees members' foreign remittance organization. It has highly effective tie-ups with major return companies in the Center Southern, Europe, Far Southern & USA, from where a huge number of individual remittances come to the country every month for expenses through the banker's huge system of 99 online sections and SME service features.

**Managerial:**

The current older management of the lending company includes mostly people from the international financial institutions with superior management techniques and knowledge in their specific "specialized" areas. The newly launched company brand name and the pay-off line of the lending company are just one place to start towards getting that factor.

**2.1 Vision, Mission, Values and Objectives of The City Bank****Limited:**

The effort of The City Bank Limited is focused on delivery of quality service in all areas of Banking activities with the aim to add increased value to shareholders' investment and offer Highest possible benefits to the customers.

**Vision:**

The Financial Supermarket with a Winning Culture Offering Enjoyable Experiences.



### **Mission:**

- Offer wide array of products and services that differentiate and excite all customer segments.
- Be the “Employer of choice” by offering an environment where people excel and leaders are created.
- Continuously challenge processes and platforms to enhance effectiveness and efficiency.
- Promote innovation and automation with a view to guaranteeing and enhancing excellence in service.
- Ensure respect for community, good governance and compliance in everything we do.

### **Values:**

- Result Driven
- Accountable & Transparent
- Courageous & Respectful
- Engaged & Inspired
- Focused on Customer Delight

### **Objectives of The City Bank Limited:**

The City Bank’s objectives are reflected in the following areas:

- Highly personalized service
- Customer – driven focus
- Total commitment to quality
- Contribute in the economy
- Quality of human resources
- Commitment to its clients at each level

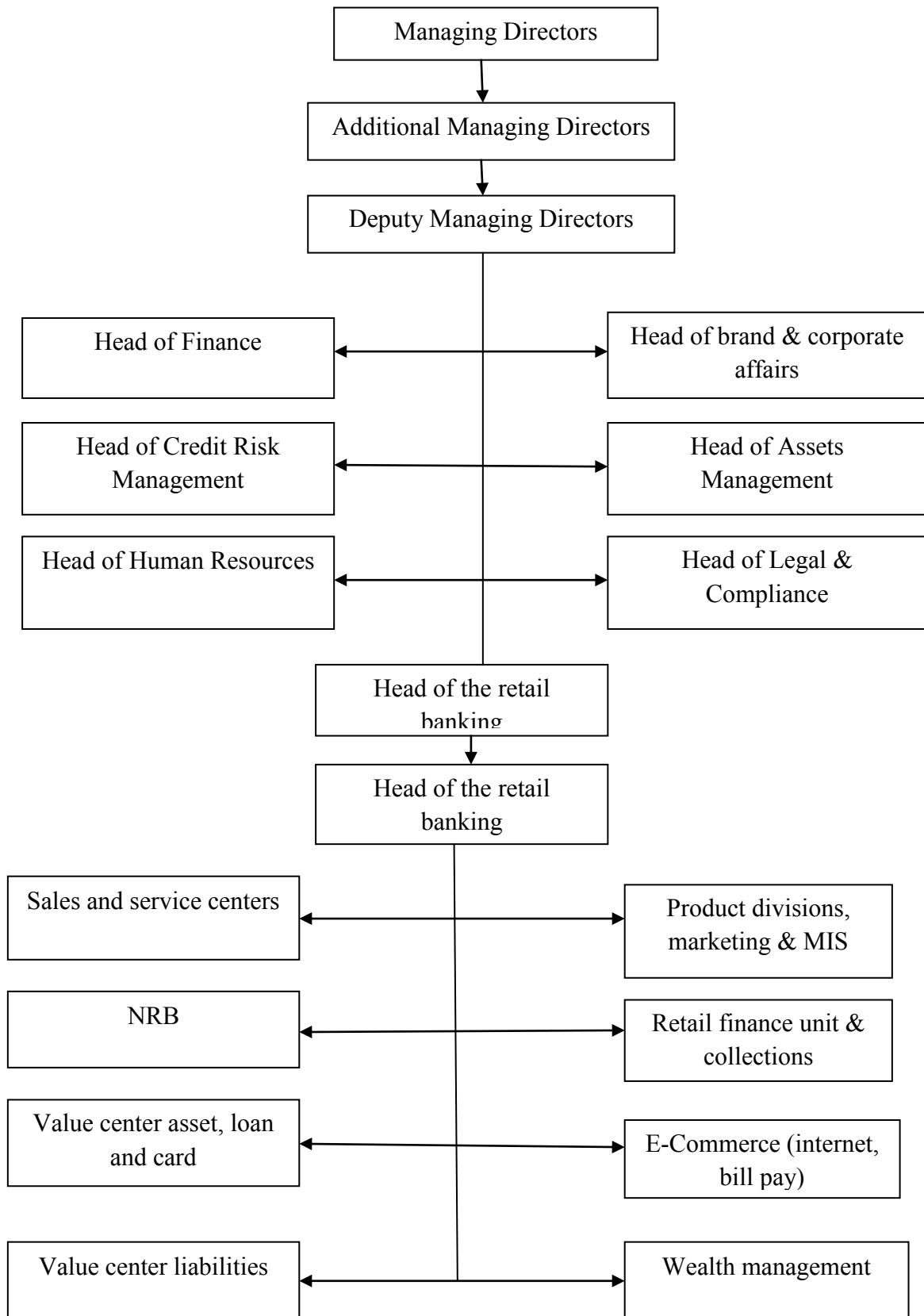
The company believes that communication with and feedbacks from its clients help it achieve its goal of providing world class products and services. The City Bank Ltd regularly conducts client satisfaction surveys and make immediate accommodations and adjustments where needed. It also constantly monitors its standards and strives to meet clients’ requirement.

#### 2.2 Functions and Operation:

The bank has by now a network of 99 branches strategically located in different cities. All the branches are functioning in computerized environment and integrated through Wide Area

Network (WAN). The branches are full-fledged units and can provide all commercial and investment banking services ranging from small and medium enterprises to big business conglomerates and houses. The bank always tries to reduce its dependence on interest earnings by giving more emphasis on the fee based income through introduction of capital market operation and leasing. The capital market operation includes Portfolio Management, Investors Account, Underwriting, Mutual Fund Management etc. The bank introduced modern system of leasing operation as in practice with banks in all other countries of the world. The lease finance portfolio of the bank is the first of its kind in a commercial bank in Bangladesh. Entrepreneurship Development Training is arranged to impart operational skill and modern technique of management to introduce new entrepreneurs in the field of industrialization on the basis of participatory finance. The City Bank Limited is one of the first Bangladeshi Banks who have become member of SWIFT (Society for Worldwide Inter-Bank Financial Telecommunication). Swift is a member owned co-operative, which provides a fast and accurate communication network for financial transactions such as Letter of Credit, Fund transfer etc. The City Bank Limited is operating branches in both interest based banking and Islamic based banking. The Islamic Shariah based banking is completely different from the conventional one. The bank is maintaining separate set of accounts for Islamic Banking Branch (1 branch which is situated beside the Dhaka Stock Exchange) according to the standard adopted by Financial Accounting and Auditing organization for Islamic Financial Institution. The City Bank Limited is trying to achieve excellence in customer service. The customer is the most important for them. Their policy is customer driven. The bank has introduced Special Saving Schemes, Special Credit Schemes for the benefit of the low income group, especially for self employment of educated youth.

## 2.2 Organogram of The City Bank Limited (CBL):



## **2.3 Board of directors:**

	<b>Mr. Rubel Aziz</b> Chairman	
	<b>Mrs. Meherun Haque</b> Vice Chairperson	
	<b>Sohail R. K. Hussain</b> Managing Director & CEO	
<b>Mr. Aziz Al Kaiser</b> Director	<b>Mr. Deen Mohammad</b> Director	<b>Mr. Mohammad Shoeb</b> Director
<b>Mr. Hossain Mehmood</b> Director	<b>Barrister Tanjib-ul Alam</b> Independent Director	<b>Mr. Hossain Khaled</b> Director
<b>Mr. Rajibul Huq Chowdhury</b> Director	<b>Mrs. Tabassum Kaiser</b> Director	<b>Mr. Rafiqul Islam Khan</b> Director
<b>Mr. Aziz Al Mahmood</b> Director		<b>Mrs. Syeda Shaireen Aziz</b> Director

## **2.4 The City Bank At a Glance:**

<b>NAME</b>	<b>The City Bank Limited</b>
Legal Status	Public Limited Company
Date of Incorporation	March 14, 1983
Formal Inauguration	March 27, 1983
Chairman	Md. Rubel Aziz
Vice- Chairman	Meherun Haque
Managing Director & CEO	Sohail R. K. Hussain
Company Secretary	Md. Kaif Khan
Authorized Capital	Tk. 10,000,000,000
Paid up Capital	Tk 6,318,889,120
Reserves	Tk. 11,642,537,751
Total Assets	Tk.130,185,631,812
Total Manpower	3,190
Number of Branches	113
Number of SME Business Centers	11
Number of SME Service Centers	01
Number of ATM Booth	256
Web Site	<a href="http://www.the citybank.com">www.the citybank.com</a>
Registered Office	136, Bir Uttam Shawakat Sarak (Gulshan Avenue) Gulshan-2 Dhaka-1212, Bangladesh

## ***Chapter 03***

# ***Retail Banking***

### **3.0 City Retail:**

One of the most remarkable success stories of last 50 years’ banking industry globally has been the conceptualization and innovative execution of banking with individual customers, their friends & families. The industry has termed it as Retail Banking or Personal Banking or Consumer Banking; and it has now - at a very rapid pace – become the major revenue line for most of the top banks in the world. City Bank, too, recently has started its journey in Retail Banking.

“City Retail - add a little city to your life” is the new brand-mantra, the pay-off line for City Retail.

Their aim is clear. They want City Bank to become the most preferred bank to all individual clientele of the country, at least of the cities and towns where they operate. They want to provide their customers the best-in-class services, innovative products and financial solutions from smart.

<b>Deposit</b>	<b>Loan</b>	<b>NRB</b>	<b>NFB</b>	<b>Card</b>
Current Account	Auto Loan	NRB	Student file	Debit card
Savings account	Personal Loan		Medical file	Visa debit card
City Onayash	Secured Overdraft		SMS alert	Master card debit card
General DPS	Partial Secured Personal Loan		City touch	Credit card
Insurance Back DPS	Student Loan		Locker service	The American Express Cards
Monthly Benefit Scheme	Home Loan			Visa classic local
FDR				Visa classic dual
				Visa gold local
				Visa gold dual

### **3.1 Deposit Products:**

- ✓ **Current Account**
- ✓ **Savings Account**
- ✓ **City Onayash**
- ✓ **General DPS**
- ✓ **Insurance Back DPS**
- ✓ **Monthly Benefit Scheme**
- ✓ **Fixed Deposit**

#### **A. Current Account:**

City Bank's current account meets the needs of individual and commercial customers through its schedule benefit.

**Minimum balance : Taka 500/-**

**Interest Rate : Nil**

**Customer Benefit:**

- Cheque-book facility
- Opportunity to apply for - safe deposit locker facility
- Transfer of fund from one branch to another by online service
- Transfer of fund on Standing Instruction Arrangement
- Collection of cheques through Clearing House.
- Online banking service

#### **B. Savings account:**

It is a sound savings for retail customer. The City Bank gives the major facilities and services to their customers through 86 branches all over in Bangladesh with their skilled manpower.

**Minimum balance : Taka 500/-**

**Interest Rate : 4%**

**Customer Benefit:**

- Cheque-book facility
- Opportunity to apply for - safe deposit locker facility
- Utility payment service
- Transfer of fund from one branch to another by online service
- Transfer of fund on Standing Instruction Arrangement



- Collection of cheques through Clearing House.
- Online banking service

### **C. City Onayash:**

City Onayash – one can earn easy on ones savings account, earn profit every month. City Onayash is a unique kind of savings account, which calculates interest on a person's daily balance and pays interest every month. It is a major departure from the conventional savings account available in the market. All such accounts calculate interest on the average or lowest balance of the month, while City Onayash does on daily product basis. Not only that, while those conventional savings accounts pays interest only twice a year - in December and June - City Onayash pays it to clients every month.

**Interest Rate: 6%**

#### **Eligibility:**

- ✓ Age: At least 18 years
- ✓ Nationality: Bangladeshi
- ✓ Minimum Balance: Taka 25000/-

#### **Availability:**

All 113 of City Bank branches spread across the country.

#### **What is needed:**

Its needed to just fill up the City Onayash account opening form and hand it over to the branch staff.

#### **Special Feature:**

- Withdraw and deposit cash as - without at all having ones monthly interest earning eligibility.
- No hidden or undisclosed fees or charges or profit-cutting
- Interest forfeiture rules of a common conventional savings account do not apply here. So, stay tension-free-100%
- Every month's interest earning goes into ones account automatically. Best way to take care of one's family's recurring monthly expenses.

## **D. General DPS:**

General DPS - A unique offer from City Bank. City Shomridhdhi was the previous name which is an exceptional DPS product that is distinctly more attractive than the prevalent DPS products in the market. A client receives a hefty sum at the end of the term against his/her monthly deposit of small installments. It's a perfect way to secure a person's financial future.

### **Eligibility:**

- ✓ Age: At least 18 Years
- ✓ Nationality: Bangladeshi

### **Features**

- No initial deposit required
- Monthly installment deposit ranges from Tk. 500 to Tk. 50,000
- Flexible tenor of 3, 5, 7 and 10 years
- On premature encashment, you get the maturity value of nearest term - not the routine savings rate.

### **Profitability Matrix:**

<b>Term</b>	<b>Interest Rate</b>
3 (Three) Years	8.75%
5 (Five) Years	8.75%
7 (Seven) Years	8.75%
10 (Ten) Years	8.75%

## **E. Insurance Back DPS:**

Insurance Back DPS – financial safety for a client's future generations backed by complete immense protection. Insurance Back DPS is a unique monthly deposit scheme that a client opens for his/her kids to safeguard their future against all uncertainties and risks. As a guardian of the child one can open this account which builds great & unmatched savings for his/her over the years. By the time his/her child is past his or her school age, there is this sufficient cash in his/her hand to take care of his / her higher education, marriage or other such large expenses. However, the most interesting part of this scheme is the full insurance protection that one automatically enjoys. This simply means, in case of death or total physical

collapse of the parent or guardian, the bank will pay the full value of the scheme for the full term no matter in reality how many months or years have been actually completed by him/her.

**Eligibility:**

- ✓ Age: At least 18 years
- ✓ Nationality: Bangladeshi

Customer will have to have a savings or current account in your name in order to operate your Insurance Back DPS account.

**Availability:**

All 113 branches of City Bank spread across the country.

**What is needed:**

It's needed to just fill up the Insurance Back DPS account opening form and hand it over to the branch staff.

**Profitability Matrix:**

<b>Term</b>	<b>Interest Rate</b>
5 (Five) Years	8.50%
10 (Ten) Years	8.25%
15 (Fifteen) Years	8.00%
20 (Twenty) Years	8.00%

**F. Monthly Benefit Scheme:**

Monthly Benefit Scheme – a great opportunity to earn against a person’s savings every month. This product allows a client to earn interest and enjoy interest every month that accrues in his/her fixed deposit account, no matter what the term of the deposit is. It helps make his/her financial planning more disciplined, and his/her life more organized. While his/her fixed deposit remains untouched and well-kept for future, he/she keeps on getting the profit on a monthly basis. Best way to take care of anyone’s monthly recurring expenses like children’s education or school fees, house tutor’s remuneration, utility bill payments, saving money in some DPS scheme.

**Eligibility:**

- ✓ Age: At least 18 years.
- ✓ Nationality: Bangladeshi

**Availability:**

All 113 of City Bank branches spread across the country.

**What is needed:**

It is just needed to fill up the Monthly Interest Paying Fixed Deposit account opening form. Deposit money. And now one can enjoy the fixed deposit interest every month.

There is the scope of getting personal loan worth up to 90% of Monthly Benefit Scheme.

**Profitability Matrix:**

<b>Term</b>	<b>Interest Rate</b>
1 (One) Years	10.50%
2 (Two) Years	10.80%
3 (Three) Years	10.80%
4 (Four ) Years	11.00%
5(Five) Years	11.34%

**G. Fixed Deposit:**

If anyone believes in long-term investments and wishes to earn higher interests on his/her savings, now is the time to invest his/her money in City Bank's Fixed Deposit. Minimum deposit amount is tk 50000.

**Fixed Deposit Rate**

<b>Term of Deposit</b>	<b>Interest Rate</b>
<b>1(one) month</b>	6.00%
<b>45 day's</b>	6.00%
<b>3 (Three) months</b>	
<b>Below Tk. 5.00 Crore</b>	6.50%
<b>Tk. 5.00 Crore &amp; above</b>	6.75%
<b>6 (Six) months</b>	
<b>Below Tk. 5.00 Crore</b>	6.75%

<b>Tk. 5.00 Crore &amp; above</b>	7.00%
1 (One) Year	7.00%
02 (Two)Years	7.50%
03 (Three) Years	7.50%

### **3.2 NRB:**

The city Bank's Foreign Remittance unit meets growing customer needs for fast, secure & easy money transfers to an extensive range of destinations. Being a committed bank to its customers, they go all the lengths to remit customers hard earned money safely to their loved ones. Apart from a range of high-class modern remittance solutions, customers will get peace of mind.

#### **Facility**

City Bank Limited has 83 online branches across the country, Besides, the Bank has a strong remittance network with other major banks of the country. Therefore, wherever your account is, they are able to send money instantly.

CBL understands the value of time. That is why have made the payment procedure simple & easy. Customers have the privilege of encashing the remitted money instantly from the branch counter without going through any hassle.

### **3.3 NFB:**

- Student file
- Medical file
- SMS alert
- City touch
- Locker service

#### **A. Student File:**

Any student going abroad for higher studies needs to submit some documents confirming his admission / offer at foreign educational institution, passport etc to City Bank branches. City Bank, keeping all the attested photocopies, opens a 'City Student file' in the name of that

particular student. To meet all the foreign currency requirements related to his/her education & accommodation under that admission, City Bank then remits to the institution (or in favor of him/her) the foreign currencies as the file opening bank.

### **Required Documents**

- Letter issued by the foreign educational institution in support of admission
- I-20 for USA based institutions
- Details of tuition fee & living cost
- Refund policy
- Educational certificates completed in Bangladesh
- Details of the nominee
- Original valid passport
- Photograph of the student

### **Eligibility**

- ✓ Any Bangladeshi passport holder student can apply for City Student File
- ✓ Needs to have an account relationship with City Bank

### **B. SMS Alert:**

City Wallet is the first mobile banking application that allows having the facilities in your handset's menu option. If a person have a JAVA enabled cell phone with internet access, it's no longer required to typing in the keywords in order to get SMS Banking services. Instead, one will go to the menu option of the phone set.

### **C. City Touch:**

City Touch is a simple, hassle-free and secure internet banking service available to all City Bank customers in Bangladesh introduce by The City Bank Limited (BD). You will get lots of service in City touch.

It's so easy to apply. And, it's free.

- Instant access to up-to-date information on accounts.
- It's safe & easy. Using internet banking ID and internet banking Password, one can now bank with confidence knowing that the transactions remain safe. With simple and intuitive navigational toolbars and buttons, the customer doesn't need other instructions or assistance.

- It's fast. It takes only a few minutes to get updated account information and complete a banking transaction - giving more time to do other things.
- It's convenient. One can perform on-line banking right from the comfort of home or office.
- Its 24 hours. With this service, one can access City Bank accounts 24 hours of the day, 365 days of the year.
- It's worldwide access. As long as the customer can access the Internet, s/he can access City Bank accounts, anywhere in the world.
- No special software required. Customers don't need to purchase any special software. As long as one has a personal computer (PC) with the minimum configuration, is ready to start.

### **3.4 Card Products:**

#### **A. CITY Visa Electron Debit Card:**

The Visa Debit Card from City Bank. Life becomes hassle-free and safe; and it is Visa Electron branded, which makes the customer a proud owner of a meaningful plastic.

#### **Features:**

- Cash withdrawal from 500+ Visa ATMs 24/7/365 all over the country
- Shop and dine at hundreds of merchant Visa outlets all over the country
- Balance enquiry
- PIN Change
- Mini statement
- Cash withdrawal @ Taka 25 per transaction at 583 DBBL ATMs
- Cash withdrawal @ Taka 10 per transaction at 110 Q-cash network ATMs

#### **Eligibility:**

If one is an individual and has a savings, current or STD account in CBL, s/he is eligible to avail this card. He/she just needs to drop in any nearby CBL branch, collect an application form and submit duly filled up form. Within shortest time s/he will get the card delivered at their mailing address or at their designated branch.

Annual Fee	BDT 575
Card Replacement Fee	BDT 375
Pin Replacement Fee	BDT 150
Cash Withdrawal Fee	City Bank ATM – Free
	Q-Cash ATM – BDT 10
ATM Cash Withdrawal Limit	BDT 20,000 (per transaction)

### **B. City Visa Credit Card:**

City Visa Credit Card is designed to be a privileged card for anyone to enjoy benefits to make the best of their lifestyles. This is not just a credit card; it is the modern solution for financial situations that gives the prestige and respect for every transaction made with this card.

### **C. Card features:**

A City Visa Credit Card holder can enjoy a diverse array of features that comes with Visa Credit Cards issued by The City Bank Limited. These features are listed below:

- Complementary companion dining at the platinum suites
- City privilege discounts
- Annual fee waiver
- Cash withdrawal
- Interest rate
- Balance transfer
- 24 hours customer service center
- SMS service
- Auto debit payment facility
- Fees and charges of a VISA credit cards

### **Eligibility:**

- ✓ Bangladeshi Nationals
- ✓ Age range for primary card holder is 18 years to 60 years
- ✓ Age range for supplementary card holder is 18 year to 60 years
- ✓ Age bar can be relaxed for secured cards
- ✓ Minimum Gross Monthly Income(GMI) for silver card Tk 15,000
- ✓ Minimum Gross Monthly Income(GMI) for gold card Tk 30,000



- ✓ Minimum 6 month permanent employment for salaried executives (this indicates total length of service as a total of all companies he or she has worked for), and 1 year of experience in business or practice for self employed professionals and business person

#### **D. City Credit Cards:**

- VISA Local Classic
- VISA Classic Dual
- VISA Gold Local
- VISA Gold Dual

1. **VISA Local Classic:** This is a local Visa Credit Card which is valid only in Bangladesh. It can only be used in local currency (BDT) within the country. This type of credit card has a limit ranging from BDT 10,000 to BDT 49,999. This type of card has designed for medium earner category customers.

##### **Usage**

Local Classic/Silver Card (For Domestic use only)

2. **VISA Classic Dual:** This is basically one plastic that has dual options to make transaction in two currencies. Its acceptance jurisdiction is in country and outside country in BDT and USD respectively. Classic dual is for the medium earner category customers. Its credit limit is USD 100 to 1000 and BDT 10,000 to BDT 49,999.

##### **Usage**

Dual Classic/Silver Card (For both International & Domestic use)

##### **Limit**

Dual Classic/Silver Card BDT 10,000 – BDT 49,999 + US\$ 500 – US\$ 1,999

3. **VISA Gold Local:** This type of card is taka card of which acceptance jurisdiction is only in Bangladesh and transaction currency is BDT. The differences between these two cards are higher credit limit than classic card. Credit limit of Visa Gold card is ranging from BDT 50,000 to BDT 5, 00,000. This type of card has been designed for the higher earner category customers.

**Limit**

Local Gold Card BDT 50,000 – BDT 500,000

4. **VISA Gold Dual**: This is a high value dual card remaining other features same with classic dual. Gold dual is also for the higher earner category customers and its credit limit is USD 1,001 to 4000 and BDT 50,000 to BDT 500,000. A secured dual card's limit will be maximum USD 28,000 against lien on RFCD or ERQ account.

**Usage**

Dual Gold Card (For both International & Domestic use)

**Limit**

Dual Gold Card BDT 50,000 - BDT 500,000 + US\$ 2,000 – US\$ 3,000

## ***Chapter 04***

### ***Credit Management Activities***

## **4.0 What does the term Credit mean?**

Lending is fundamental precept of banking every there that advances are made to customer in reliance on his promise to repay, rather than the security held by banker, Security is required by bankers as a protection against unquoted default in repayment by the customer. Thus, the object of both external on internal control is to ensure the employment of bank fund in a profitable manner without under risk of loose to the capital.

“Loan contains some degree of risk, sound principles of credit must be employed in approving loans on order to keep the risk to minimum. The principles of sound lending may therefore be summarized on safety, purpose, security, liquidity, diversity, adequate return, credit control and tribally to serve national interest the main objective of lending policy is to increase import, export, trade and at the same time to promote industrial growth by providing industrial landing.”

Bank credit plays a dominant role in economic development of a country. Long run and sound credit policy of a country is the precondition for its economic development, and existence of sound credit policy is inevitably linked with timely recovery of loans.

## **4.1 Credit Risk Management division:**

In 2015, Credit Risk Management division (CRMD) has taken lot of initiatives to protect the interest of the Bank from the credit risk perspective. Credit risk at CBL governed by Credit Policy Manual (CPM) which was amended according to the business needs as well as risk management is concerned.

### **Vision: 2015**

- Maintain a high standard credit quality, control & compliance in place
- Bring down NPL ratio further
- Basel II guidelines implementation in terms of content & spirit
- Promote continuous on the job local and overseas training.

## **4.2 Products of Credit Division:**

There are many types of loan in City Bank, which takes customer to fulfill their needs. Such as-

a) Retail loan = Most types of loan processing from here. These Are:

- City Express
- City Solution

- City Drive
- City Credit Card
- City Scholar
- City Double Loan

b) Corporate loan = Big company/organization are including here.

c) SME loan = Small/Medium entrepreneur are including here.

### **4.3 Credit policies & practices:**

Loan Amount	Local Classic/Silver Card	BDT 10,000 – BDT 49,000
	Local Gold Card	BDT 50,000 – BDT 500,000
	Dual Classic / Silver Card	BDT 10,000 – BDT 49,999+US\$ 100 – US\$ 1,999
	Dual Gold Card	BDT 50,000 – BDT 500,000 + US\$ 1,000 – US\$ 3,000

**Table-Credit policies & practices for City Credit Card**

Loan Amount	90% of FDR amount
Rate of interest	3% added with FDR interest rate (FDR interest + 3%)
Guarantee	Customer FDR is treated as Guarantee
Target Customer	Who have FDR in this bank

**Table-Credit policies & practices for City Express**

Loan Amount	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 12 times of gross monthly income, whichever is lower. Category wise income multiplier will apply
Target Customer	Salaried executives, Professionals like Doctor, Architects, Engineers, Chartered Accountants, Consultant, IT professionals and Businessperson
Rate of interest	18%
Processing Fee	1% of loan amount
Personal Guarantee Required	Yes, One personal guarantee is required

**Table-Credit policies & practices for City Solution**

Loan Amount	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 12 times of gross monthly income, whichever is lower. Category wise income multiplier will apply
Minimum Monthly Income	Minimum BDT 30,000/- per month
Rate of interest	18%
Processing Fee	1% of loan amount
Target Customer	Salaried executives, Professionals like Doctor, Architects, Engineers, Chartered Accountants, Consultant, IT professionals and Businessperson
Personal Guarantee Required	Yes, One personal guarantee is required

**Table-Credit policies & practices for City Drive**

## **4.4 Identification and Documentation of loan:**

### **1) Personal Loan**

- Passport or Voter identity or driver license or Employee Id or Nationality or Ward Commissioner's Certificate with photo attachment
- Photograph and business card
- Bank Statement for last 6 months
- Any document showing TIN
- Copy of house ownership and rent agreement for landlord and landlady
- Letter of Introduction (LOI) for salaried executives or salary slip, if it covers the major information of LOI
- Trade license/MOA for businesspersons

### **2) Auto Loan**

- Passport or Voter identity or driver license or Employee Id or Nationality or Ward Commissioner's Certificate with photo attachment
- Recent color photograph and business card
- Copy of TIN related certificate
- Letter of Introduction (in case of salaried executives) as per our format or Pay Slip, if it covers the major information of LOI
- Trade license/MOA for businesspersons
- Bank Statement for last 6 months
- Rent or Lease Agreement of house / property (if applicable)

### **3) Secured Overdraft**

- Firstly he must open any FDR in this bank and FDR document treated as City Express document. Such as-
- Passport or Voter identity or driver license or Employee Id or Nationality or Ward Commissioner's Certificate with photo attachment
- Trade license/MOA for businesspersons
- Recent color photograph and business card

- Any document showing TIN
- 1 copy photo of nominee

4) **City Credit Card**

<b>Salaried</b>		
<b>Salaried Executives</b>	Salary certificate/ LOI /pay-slip signed by branch managers/manager accounts/HR/Admin/Finance/ or any other authority acceptable to CBL. Bank statement, TIN & passport copy/photo ID	Salary certificate /LOI /pay-slip/bank statement not required where the Customer's salary account is maintained by bank.
<b>Self-employed</b>		
<b>Sole proprietorship</b>	Trade license, last 6 months bank statement, & passport copy/photo ID and TIN. Bank Statement for last 6 months .Sole-Proprietorship Account	Income documentation requirements may be waived for the existing loan customers if customer's income recorded with us covers additional exposure on credit card.
<b>Partnership</b>	Partnership deed, Passport copy and TIN Bank Statement for last 6 months .Business Account	
<b>Limited company</b>	Passport copy, memorandum of Association, TIN .Bank statement of Business Account .Board resolution Regarding ERQ accounts	
<b>Secured Card</b>		
<b>Lien against deposit account</b>	.Letter of lien and set-off over deposit account. .Fund holding instruction .FDR receipt/RFCDA Advice/ERQ Advice .TIN .Other bank's lien confirmation from Head Office level	

**Table-Identification and Documentation of loan for City Credit Card**



### **5) Student loan-**

City scholar is a unique education loan offered to fund higher studies not only in Bangladesh but also abroad. It offers up to 95% of you fixed deposit value as student loan or up to tk.10 lac on purely collateral-free basis.

- One valid Passport copy of applicant and student (for study abroad)/ Driving License/ Voter ID
- Copy of College / University admission paper and proof of formal acceptance by student along with other documents (for abroad)
- 2 copies of photograph of the applicant and 1 copy photograph of the guarantor (if availing unsecured loan portion)
- Business card (if any), Copy of Tin related documents (TIN certificate in not mandatory)
- Letter of Introduction (in case of salaried executives) as per City Bank's format or salary slip if that covers the major information of LOI
- Bank Statement for last 3 months for salaried persons and 6 months for professionals/businessmen for unsecured loans.

### **6) Partial Secured Personal Loan-**

City Double is a unique loan facility where your fixed deposit in City Bank or in any other financial institution will now allow you to avail two loans at the same time from us – one as overdraft (up to 95% of FD value) and other as an EMI loan (up to Tk. 10 Lacs).

#### **Minimum Income**

<b>Category</b>	<b>Requirement</b>
Salaried executives	Minimum Tk. 15,000/- per month
Self employed professionals like doctors, engineers and architects	Minimum Tk. 25,000/- per month
Businessperson, landlord and other-income individuals	Minimum Tk. 30,000/- per month

- City Bank fixed deposits
- City Bank's deposit scheme of minimum 2 years maturity attained
- Wage Earner Development Bond/FDR of other eligible banks and financial institutions
- Passport/National Identity/Driver's License/Ward Commissioner's Certificate with photo attached
- 2 copies photograph of the applicant and 1 copy photograph of the guarantor (if availing unsecured loan portion)
- Business card (if any)
- Bank statement for last 6 months
- Any document showing TIN
- Trade license/Memorandum of Association/ Partnership deed for businessmen
- Letter of Introduction (LOI) for salaried executives or pay slip if that covers major information of LOI.

## **4.5 Securities/Guarantee:**

**1) Personal Loan:** One personal guarantee will required availing City Solution

### **Eligibility of guarantor:**

- Any salaried executive deemed acceptable to CBL or
- Professionals (Doctors, Chartered Accountants, and Engineers etc) deemed acceptable to CBL or
- Reputed Businessman deemed acceptable to CBL
- A guarantor can provide personal guarantee not exiting maximum exposure of the product ceiling
- CBL staff cannot give guarantee against City Solution

### **Required guarantor's Documents:**

- Any document showing TIN
- Photograph and business card

**2) Auto Loan:** One personal guarantee is required from any of the following individuals

**Eligibility of guarantor:**

- Spouse or blood relative (parents, siblings)
- Any salaried executive deemed acceptable to CBL or
- Professionals (Doctors, Chartered Accountants, and Engineers etc) or
- Reputed Businessman acceptable to CBL
- A guarantor can provide personal guarantee not exceeding maximum exposure of the product ceiling and creditability.
- CBL staff cannot give guarantee against any retail loan

**Required guarantor's Documents:**

- Any document showing TIN. In case of spouse and blood relative, TIN will not required
- Photograph

**3) Secured Overdraft:** Customer FDR which deposited in this bank, is treated as his/her Securities/Guarantee. In addition, he/she can takes as loan 90% of FDR amount.

**4) City Credit Card:** No guarantor is required, only a reference is required.

## **4.6 Credit information:**

### **1) Personal Loan**

**Features:**

- Loan amount ranting from Tk.50, 000 to Tk. 10, 00,000
- Loan tenor 12 to 60 months
- No guarantor required for the loan amount up to Tk. 3 lac
- No hidden charges
- Competitive interest rate
- Processing fee 1.5%

**Eligibility:**

- Age: 22 to 60 years
- Experience: Salaried executive total 1 year including 6 months with current employer, Businessperson 2 year and professional 1 year

- Minimum monthly income: Salaried executive Tk.15, 000, Self employed Tk. 25,000 and businessperson Tk. 30,000

## 2) Auto Loan

### Features:

- Loan amount ranging from Tk. 3, 00,000 to Tk. 20, 00,000
- Car financing up to 90% of reconditioned or new vehicle price
- Lower interest rate & up to 100% financing for loan against cash security
- Loan tenor 12 to 60 months
- No hidden charges
- Loan processing fee 1% of loan amount

### Eligibility:

- Age: 22 to 60 years
- Experience: 1 year for Business person, and also 1 year for Salaried executive including 6 months with current employer
- Monthly income: Minimum Tk. 30,000

## 3) CBL Credit Card

### Features:

- Interest Free Days: Minimum 15 & Maximum 45 Days
- CBL Dual Currency 'CITYCARD' is accepted all over the world
- Balance Transfer
- Flexi-Pay/Installment Payment
- Lower Annual/Renewal Fee
- International Mobile Roaming
- Supplementary Card
- Internet Transaction
- Immediate Cash Advance
- Auto Debit Facility
- Convenient Payment Option
- E-Statement
- Global Emergency Assistance Service
- Self-set Limit

- Limited Lost Card Liability

**Eligibility:**

- Age: Primary Card-18 to 60 years
- Supplementary-18 to 60 years
- Target market:
  - Salaried Executive
  - Self-employed
- Minimum monthly income:
  - For Silver/Classic CITYCARD: BDT 12,000
  - For Gold CITYCARD: BDT 30,000
- Citizenship: The applied cardholder must be a Bangladeshi or a non-Bangladeshi holding a valid work permit with prior approval from Bangladesh Bank

**4) Secured Overdraft**

**Features:**

- Loan amount ranging up to 90%-95% of FDR
- Lower interest rate only 3%
- No guarantor required for the loan amount
- No hidden charges
- Competitive interest rate

**Eligibility:**

- Everyone can take this loan, which have any FDR in this Bank

**5) Student Loan**

**Features:**

- Secured overdraft facility –value can be up to 95% of the security deposit.
- Unsecured facility – loan amount up to Tk. 10 Lac
- Secured Equal Monthly Installments Facility – loan amount up to 95% of the security deposit
- Quick processing time
- Interest rate lower than other competitive products
- Student file service facility

**Eligibility:**

- This education loan is designed to meet any type of educational financial need of a student. Any creditworthy individual can avail this loan facility for his/her offspring or for himself/herself.

**6) Partial secured personal loan****Features:**

- Fully secured loan in the for up to 95% of FD value
- Unsecured loan for up to Tk. 10 Lac payable in Equal Monthly Installments (tenor ranging from 12 to 60 months).
- Zero processing fee for the overdraft facility
- Interest rate lower than other competitive products

**Eligibility:**

- Any credit worthy individuals like: salaried executives, professionals like doctors, architects, engineers, chartered accountants, consultants, IT professionals and businesspersons etc. can apply for this loan.

**4.7 Loan handling:**

Loan Disbursement Procedure- After the sanction of the loan, the loan is disbursed as follows:

- At first branch provides a sanction advice including all terms & conditions asking their opinion.
- When the party agreed, send a reply.
- As per the terms & conditions, the party submits all documents.
- After collecting the documents, bank submits it to the lawyer for the purpose of registration.
- After getting his/her permission, the bank then register the document.
- At this stage the bank, require a permission mentioning that all necessary activities are completed.
- After getting the permission, the party opens an account in the name of loan.

## **4.8 Credit processing steps:**

- Step 1: Request for credit from the client to a Branch
- Step 2: Credit application form filled up by the Customer & collection of documents
- Step 3: Scrutinizing the documents
- Step 4: Analyzing the information & preparing the proposal
- Step 5: The proposal goes to the Board of Directors through other necessary steps
- Step 6: Sanctioning the credit
- Step 7: Information on the credit, loan disbursement, supervision and monitoring.

## **4.9 Credit principles/Principles of Lending:**

Banks are profit-oriented organizations for which a bank invests its funds in many ways to earn income. At the same time, a bank runs the risk of default in repayment. As such, banks are required to follow certain basic principles of lending. These principles are-

- Know Your Customer: Know your Customer (KYC) is the most important guiding principle of The City Bank Ltd. for extending credit facilities to its prospective borrowers. Complying with this principle helps the bank to avoid money laundering crime and adverse selection of borrowers.
- Safety: Safety depends first upon
  - The security and its value offered by the borrower and
  - The repaying capacity and willingness of the borrower to repay the loan with interest.
- Liquidity: It refers to the ability of an asset to be converted into cash without loss and within a short time to meet depositor's demand for cash.
- Profitability: The City Bank Ltd. must employ its funds in such a way that they will bring adequate return for the bank, which should be more than the cost of the funds.
- Purpose: The purpose for which The City Bank will provide a loan should be productive so that the money is not only safe but also provides a definite source of repayment.
- Spread: It refers to the diversification of advances. So far, The City Bank Ltd. could maintain a considerable margin on its disbursed loans but recently Bangladesh Bank has

imposed restriction on lending rate and to comply with Bangladesh Bank policy guidelines, The City Bank Ltd. lowered its lending rate.

#### **4.10 Credit Supervision and Monitoring techniques in The City Bank Ltd:**

Lending always involves risks as discussed before. The primary and the most important risk associated with a loan is default risk or the borrower to repay the loan with interest. To protect loan assets from being nonperforming The City Bank Ltd. both in the pre-sanction and in the post-sanction stage or for ongoing credit does assets effective supervision and monitoring. In simple words, supervision and monitoring of a loan denotes continuous checking and assessing the borrower, his business, and his willingness to repay the loan based on some predetermined manners. Purpose of Credit Monitoring in The City Bank Ltd. - are pointed out below-

- To prevent loan classification
- To return flow of fund
- To ensure compliance of terms and conditions
- To obtain feedback from the borrowers
- To take timely corrective action regarding a particular loan

##### **a. Credit Administration as a Tool for Credit Monitoring**

- To maintain control over all security documentation.
- To ensure that all security documentation complies with the terms of approval and is enforceable.
- To control loan disbursement only after all terms and conditions of approval have been met, and all security documentation is in place.
- To monitor borrower's compliance with covenants and agreed terms and conditions, and general monitoring of account conduct/performance.
- To minimize credit losses, monitoring procedures and systems should be in place that provides an early indication of the deteriorating financial health of a borrower.
- Past due principal or interest payments, past due trade bills, account excesses, and breach of loan covenants.
- Loan terms and conditions are monitored, financial statements are received on a regular basis, and any covenant breaches or exceptions need timely actions.



- Timely corrective action is taken to address findings of any internal, external or regulator inspection/audit.
- An Early Alert Account is one that has risks or potential; weaknesses of a material nature requiring monitoring, supervision, or close attention by the management.
- Moreover, regular contact with customers will enhance the likelihood of developing strategies mutually acceptable to both the customer and the bank.
- Determine Account Action Plan Recovery Strategy.
- Ensure adequate and timely loan loss provisions are made based on actual and expected losses.
- Regular review of worse accounts.

#### **b. Risk Grading as a tool of Credit Monitoring**

The system should define the risk profile of borrower's to ensure that account management, structure and pricing are commensurate with the risk involved. Risk grading is key measurement of a Bank's asset quality, and as such, it is essential that grading is a robust process. All facilities should be assigned a risk grade. It is recognized that the banks may have more or less risk grades; however, monitoring standards and account management must be appropriate given the assigned Risk Grade.

	<b>Risk-rating</b>	<b>Grade</b>	<b>Definition</b>
i)	Superior-Low risk	1	Facilities are fully secured by cash deposits, government bonds or a counter guarantee from a top tier international bank.
ii)	Good-Satisfactory Risk	2	The repayment capacity of the borrower is strong. The borrower should have excellent liquidity and low advantage. The company should demonstrate consistently strong earnings and cash flow.
iii)	Acceptable-Fair Risk	3	Adequate financial condition though may not be able to sustain any major or continued setbacks, but should still demonstrate consistent earnings, cash flow and have a good record of accomplishment.
iv)	Marginal-Watch list	4	Grade 4 assets warrant greater attention due to conditions affecting the borrower, the industry or the economic environment. These borrowers have an above average risk due to strained liquidity, higher than normal advantage, their cash flow and/or inconsistent earnings.
v)	Special Mention	5	In this, grade assets have potential weaknesses that deserve management's close attention. If left uncorrected, these weaknesses may result in a deteriorating of the repayment prospects of the borrower.
vi)	Substandard	6	Financial condition is weak and capacity or inclination to repay is in doubt. These weaknesses jeopardize the full settlement of loans. Still may not be considered non-performing as the correction of the deficiencies may result in an improved condition and interest can still be taken into profits.
vii)	Doubtful and Bad (Non performing)	7	Fill payment of principal and interest is unlikely and the possibility of loss is extremely high. However, due to specifically identifiable pending factors, such as litigation, liquidation procedures or capital injection, the asset is not yet classified as loss. Loan loss provisions must be raised against the estimated unrealizable amount of all facilities.
viii)	Loss (Non performing)	8	Assets under this category are long outstanding assets with no progress in obtaining repayment or in the late stages of wind up liquidation. The prospect of recovery is poor and legal options have been pursued. The proceeds expected from the

			liquidation or realization of security may be awaited. The continuance of the loan as a bankable asset is not warranted, and the anticipated loss should have been provided for.
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**Table: Risk Rating Grading Definition**

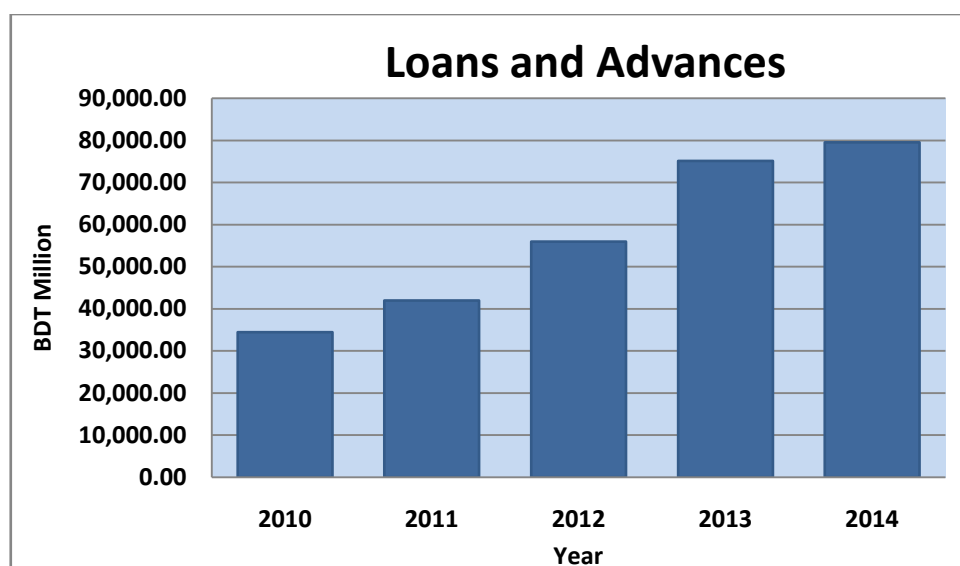
## ***Chapter 05***

# ***Performance & Ratio Analysis of CBL***

## **5.1 Credit Performance of The City Bank Limited:**

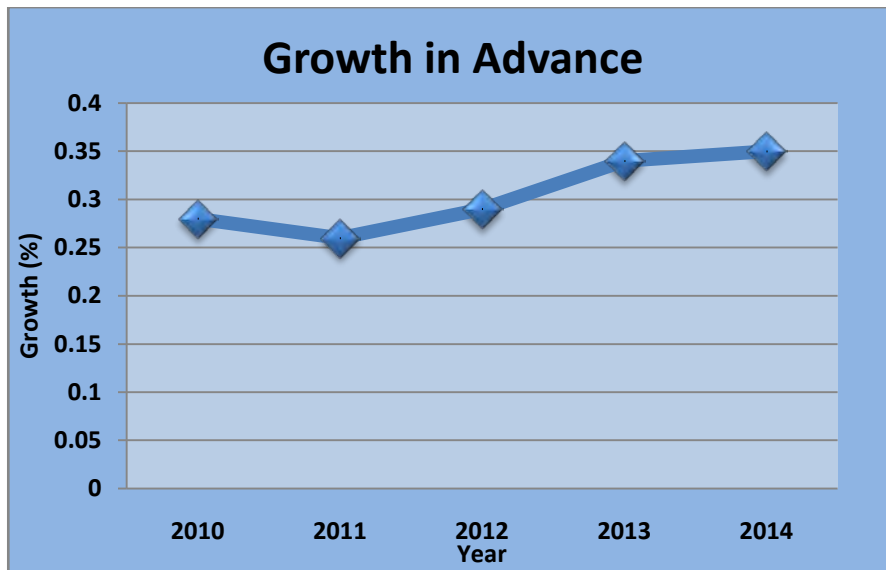
<b>Particulars</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Loans and Advances (In BDT Million)</b>	34,420.94	41,945.25	55,891.89	75,052.90	79,483.30
<b>Loans and Advances (Growth in percentage)</b>	28%	26%	29%	34%	35%

**Table: The Growth rate of CBL Loans and Advances since last 5 years**



**Fig-3.1.1 The picture of last 5 years Loans and Advances**

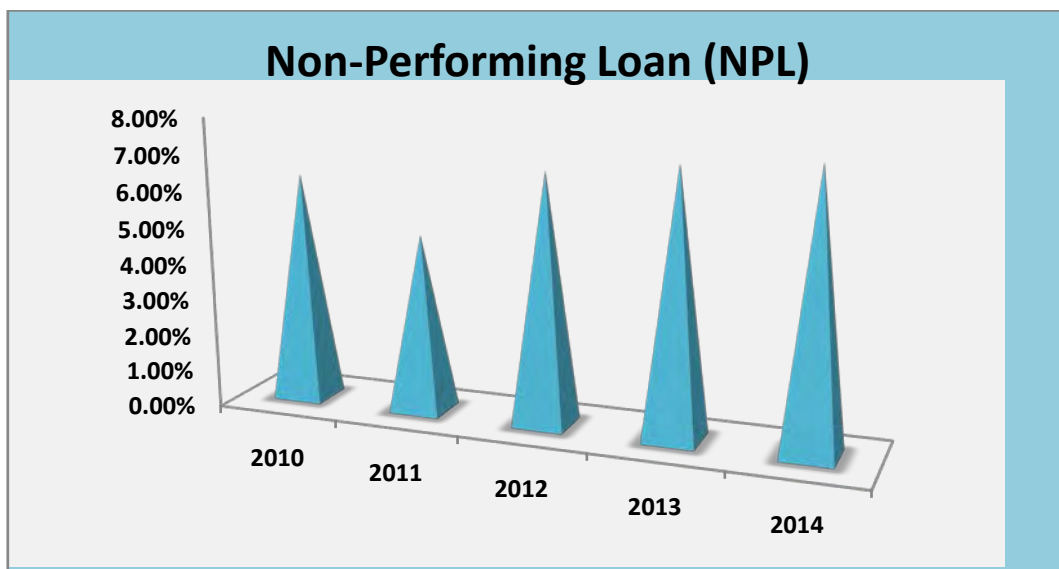
Loans and Advance of the bank as on December 31, 2014 stood at BDT 79,483.30 million compared to BDT 75,052.90 million of previous years reflecting a staggering growth of 35%. This growth was the result of the strong drives undertaken by the bank's C&I and SME divisions with strong focus on good names, strong credit risk and good security structure.



**Fig-3.1.2 The Growth Percentage (%) of last 5 years Loans and Advances**

Particulars	2010	2011	2012	2013	2014
<b>Total loan and advances</b>	34,420.94	41,945.25	55,891.89	75,052.90	79,483.30
<b>Non-Performing Loan (NPL) over total loans and advances in (%)</b>	6.30%	4.87%	6.85%	7.25%	7.5%

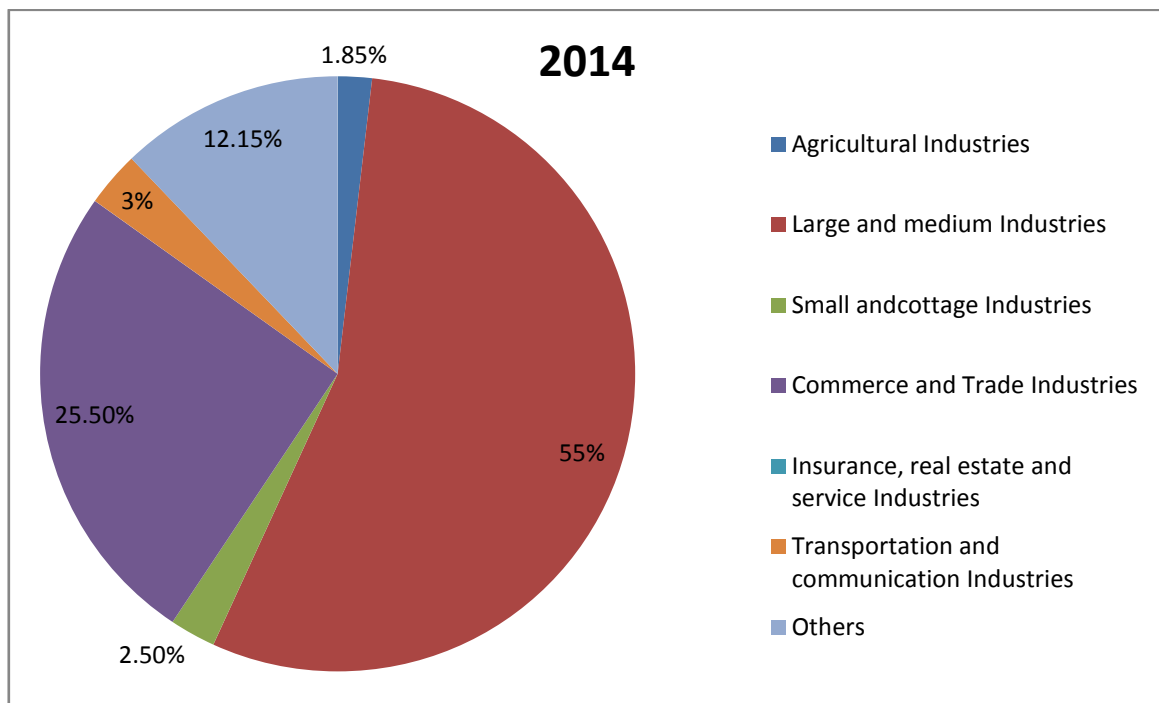
**Table: 3.1.2- Non-Performing Loan (NPL) of CBL over last 5 years**



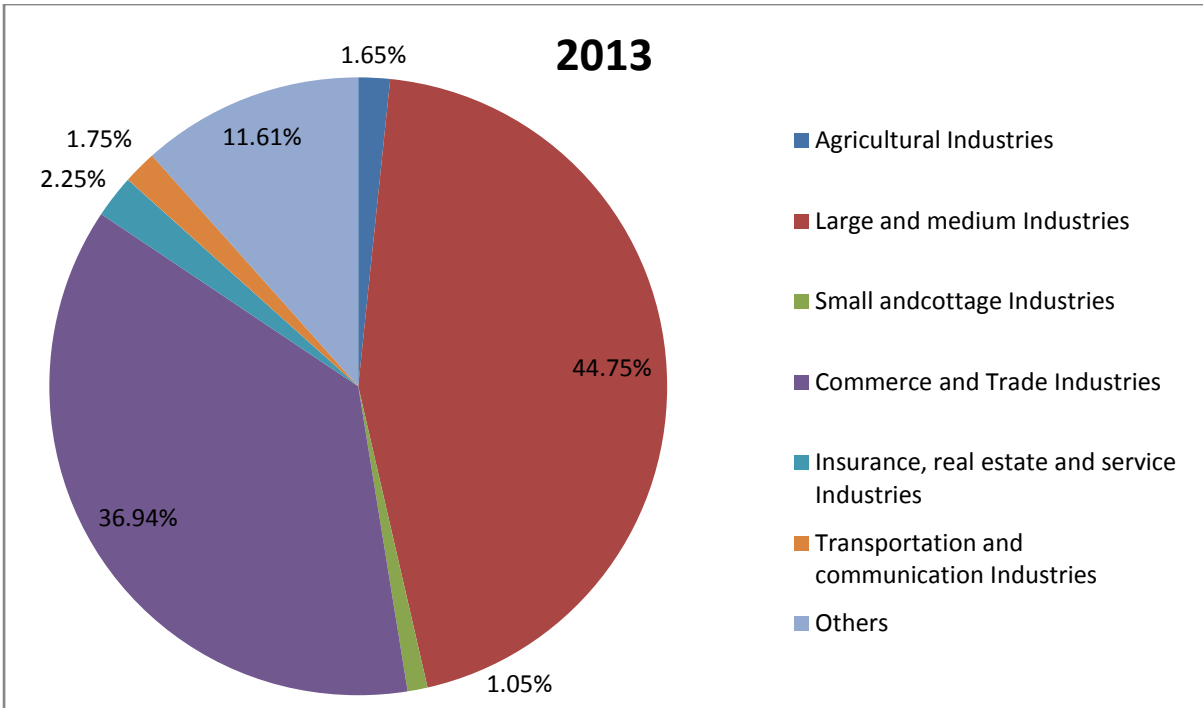
<b>Particulars</b>	<b>2014</b>	<b>2013</b>
Agricultural Industries	1.85%	1.65%
Large and Medium Industries	55%	44.75%
Small and Cottage Industries	2.5%	1.05%
Commerce and Trade Industries	25.5%	36.94%
Insurance, Real Estate and Service Industries	0%	2.25%
Transportation and Communication Industries	3%	1.75%
Others	12.15%	11.61%
<b>TOTAL</b>	<b>100%</b>	<b>100.00%</b>

**Table: Last two years sector wise allocation of total loans and advances**

We can see that, here in 2014 Large and Medium Industries, Small and Cottage Industries, Transportation and Communication Industries sector are allotted more amounts from 2013. On the other hand, Agricultural Industries, Commerce and Trade Industries, Insurance, Real Estate and Service Industries sector are fewer amounts fixed.



**Fig-Sector wise allocation of total loans and advances in 2014**



**Fig-Sector wise allocation of total loans and advances in 2013**

Particulars	2010	2011	2012	2013	2014
<b>Yield on Loans and Advances (In Percentage)</b>	13.50%	13.07%	13.75%	14.25%	14.67%

**Table: 3.1.4- Yield on Loans and Advances for last five years**

The table shows that, the yield on loans and advances in 2014 is 14.67% compared to 14.25% in 2013 which shows an increasing trend. But from 2010 to 2011 there is a decreasing tendency in loans and advances.



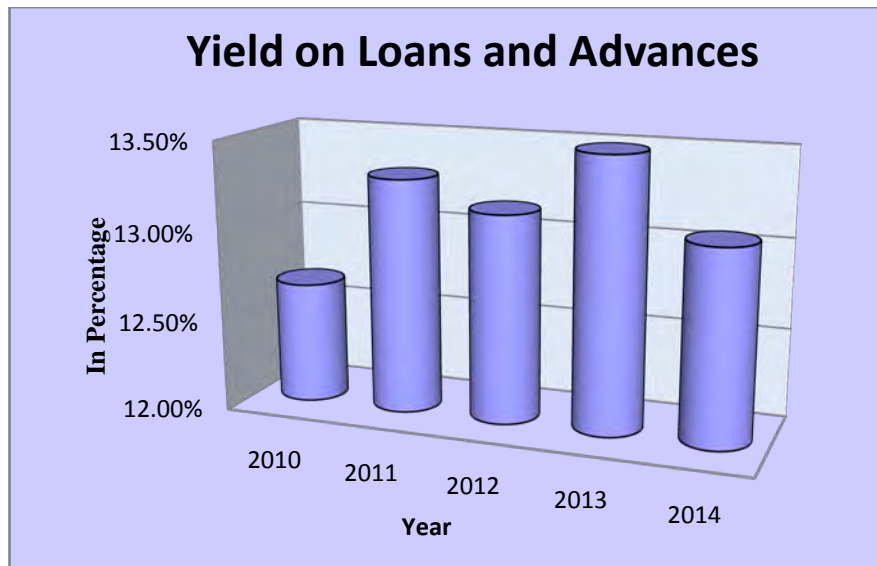


Fig- The Growth Percentage (%) of last 5 years Yield on Loans and Advances

## 5.2 Price Earnings Ratio:

Particulars	2010	2011	2012	2013	2014
Price Earnings Ratio (Times)	17.82	14.00	5.00	11.07	23.48

Table: The picture of last 5 years Price Earnings Ratio

PER= (Market) Price per share/Earning per share



Fig- The Growth Percentage (%) of last 5 years P/E Ratio

By analyzing price earnings ratio we see the bank's stock valuation and the income the bank is actually generating from each shares. The higher the price earnings ratio becomes, the better the condition of the company. We see that in 2011 the P/E ratio was 11.07 which increase in 2012 become 23.48; which mean that in 2012 the company generate income compared to 2011. But from 2008 to 2010 there is a decreasing trend in P/E ratio which shows the better financial condition of the bank.

### **5.3 Profitability Ratio:**

These ratios help us to evaluate the firm's profits with respect to operating income, assets, or equity. Ratios are -

- **Net Profit Margin**

It measures the percentage total operating income, that remains after all the costs and expenses have been paid. It is calculated as follows ---

$$\text{Net Profit Margin} = \text{Net Profit after Tax} / \text{Total operating Income} * 100$$

<b>Particulars/ years</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Net Profit after Tax</b>	1,849,238,709	2,018,327,222	762,735,156
<b>Total operating Income</b>	7,301,070,396	7,756,141,753	8,560,122,727
<b>Net Profit Margin</b>	25.32%	26.02%	8.91%

**Table: 3.3.1-The picture of last 2 years NPM**

The net profit margin indicates that how much the bank keeps in earnings against its sales. The higher the profit margin indicates a more profitable company that has better control over its costs compared to its competitors. The net profit margin is 8.91% in 2012 in compared to 2011 which was 26.02%. The decreasing profit margin shows the not better condition of the bank.

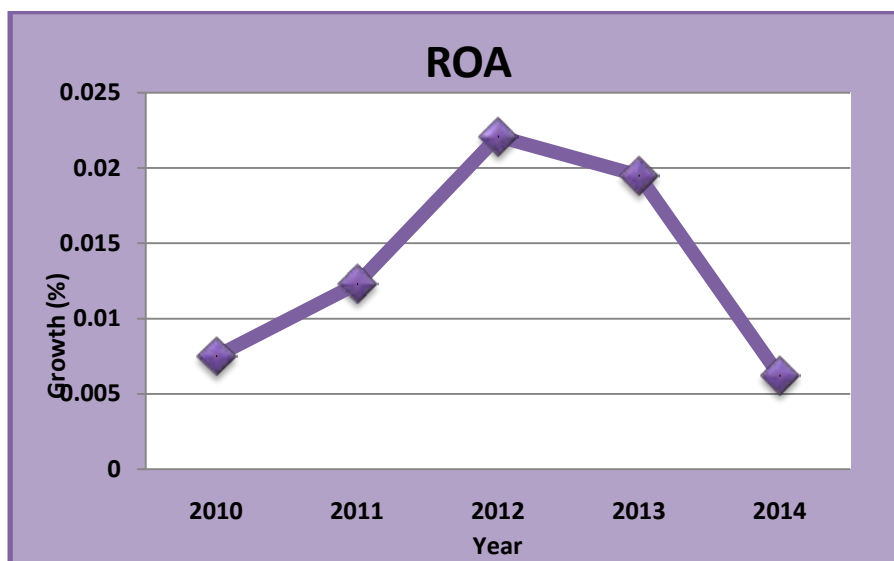
- **Return on Assets (ROA)**

It measures the overall effectiveness of management in generating profit with its available assets. It is calculated as follows:

Particulars / Years	2010	2011	2012	2013	2014
Return on Assets (ROA)	.75%	1.23%	2.21%	1.95%	0.62%
(Growth in Percentage)					

**Table: The picture of last 5 years Return on Assets (ROA)**

$$\text{ROA} = \text{Profit after tax} \div \text{Average assets} * 100$$



**Fig The Growth Percentage (%) of last 5 years ROA**

The higher return on asset shows that the company is well run and has a healthy ROA. Here from 2008 to 2011 the ROA is gradually increasing which shows that the bank is running well. But in the 2012 the ROA is fall.

- **Return on Equity (ROE)**

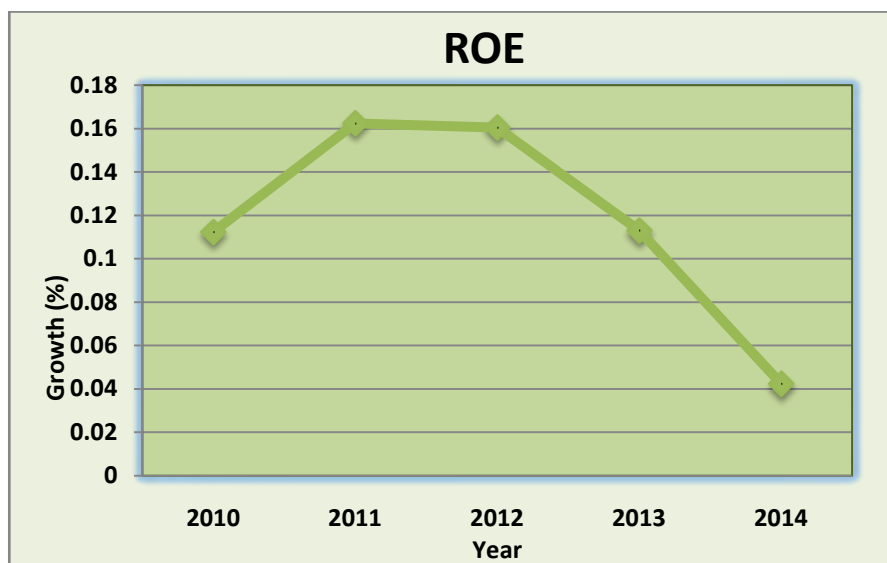
It measures the return earned by the funds invested by the common stockholders. It is calculated as follows:

$$\text{ROE} = \text{Net Profit after Tax} / \text{Shareholder's Equity} * 100$$

Particulars / Years	2010	2011	2012	2013	2014
<b>Return on Equity (ROE)</b> <b>(Growth in Percentage)</b>	11.23%	16.24%	16.05%	11.30%	4.24%

**Table: The picture of last 5 years Return on Equity (ROE)**

The return on equity is an important ratio to decide whether to invest in a company or not. It measures the return on the money the investors have put into the company. Here the ROE in 2014 is 4.24 compared to 2013 is 11.30% which shows a less return of the investors money.



**Fig-- The Growth Percentage (%) of last 5 years ROE**

## **5.4 Capital Ratio:**

This type of ratio analyze a particular Bank's capital structure and help us to determine the level of assets financed by the Bank's creditors and the level of assets financed by the firm's shareholder's funds. The common types of ratios are as follows:

- **Debt Ratios:**

This ratio analyzes a firm's debt position, which indicates the amount of other people money being used in the firm to generate profits by measuring the portion of total asset financed by the firm's creditor. This ratio is calculated as follows ---

$$\text{Debt Ratio} = \text{Total Liabilities or Debt} / \text{Total Asset} * 100$$

<b>Particulars / years</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total Liabilities</b>	79,379,126,182	97,880,049,519	112,224,204,941
<b>Total Asset</b>	90,898,051,972	115,735,967,684	130,185,631,812
<b>Debt Ratio</b>	87.33%	84.57%	86.20%

**Table: The picture of last 3 years DR**

The debt ratio measures that how much a bank is dependent on others capital. Lower the percentage, the less leverage a company is using and the stronger its equity position. In general, the higher the ratio, the more risk that company is considered to have taken on. In 2012 the debt ratio is 86.20% which shows a risky situation of the bank.

- **Equity Capital Ratio:**

The ratio shows the position of the Bank's owners' equity by measuring the portion of total assets financed by the share holders' invested funds and it is calculated as follows:

$$\text{Equity Capital Ratio} = \text{Total Shareholders' Equity} / \text{Total Asset} * 100$$

Particulars / years	2012	2013	2014
Equity Capital	11,518,925,790	17,961,426,871	17,855,918,166
Total Asset	90,898,051,972	115,735,967,684	130,185,631,812
Equity Capital ratio	12.67%	15.52%	13.71%

**Table: The picture of last 3 years Equity Capital Ratio (ECR)**

## **5.5 Operating Efficiency Ratio:**

The ratio measures a particular Bank's operating efficiency, which is the Bank's ability to serve its customers in the most effective way by using least amount of resources (such as time, cost etc.). The following ratios are widely used to measure a particular Bank's operating efficiency:

- **Operating Cost to Income Ratio:**

It measures a particular Bank's operating efficiency by measuring the percent of the total operating income that the Bank spends to operate its daily activities. It is calculated as follows:

$$\text{“Operating Cost to Income Ratio} = \text{Total Operating Cost/Total Operating Income*100}$$

Particulars / years	2010	2011	2012	2013	2014
Operating Cost (BDT mn)	1625.372	2112.244	3200.831	3559.814	3992.865
Total operating Income (BDT mn)	3380.292	4367.88	7301.070	7756.141	8560.122
Operating Cost to Income Ratio	48.10%	48.36%	43.84%	45.90	46.64

**Table: The picture of last 5 years Operating Cost to Income Ratio**

## ***Chapter 06***

# ***SWOT Analysis & Comparison with other banks***

## **6.1 SWOT Analysis of The City Bank Limited**

Every organization is composed of some internal strengths and weaknesses and has some external opportunities and threats in its whole life cycle. The following will briefly introduce the customers to The City Bank's internal strengths and weaknesses and external opportunities and threats as I have explored that are:

- ✔ **“S”- STRENGTHS**
- ✔ **“W”-WEAKNESSES**
- ✔ **“O”-OPPORTUNITIES**
- ✔ **“T”-THREATS**

### **Strengths**

- Stable source of fund
- Strong Liquidity Position
- Wide Network of branches
- Experienced Top management
- Diversified Product line
- Satisfactory IT infrastructure and online banking

### **Weaknesses**

- Asset infection rate is still high
- Relatively high overhead expense
- Problem in Delivery

### **Opportunities**

- Regulatory environment favoring
- Private sector development
- Credit card business
- SME and Agro based industry loan

### **Threats**

- Deposits as well as quality assert
- Market pressure for lowering the interest rate
- Shrinkage in export, import and guarantee
- Business due to economic slump and war
- Frequent currency devaluation
- Emergence of Competitors



## **6.2 Market analysis and opportunity for Personal Loan**

Major Key players of any purpose unsecured loans are SCB, HSBC, BRAC Bank and Eastern Bank. They are offering personal loan facility under the following criteria

<b>Category</b>	<b>CBL</b>	<b>SCB</b>	<b>HSBC</b>	<b>EASTERN BANK</b>	<b>BRAC BANK</b>
<b>Loan Amount</b>	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 12 times of gross monthly income, whichever is lower.	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 10 times of gross monthly income, whichever is lower.	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 6 times of gross monthly income, whichever is lower.	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 12 times of gross monthly income, whichever is lower.	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 12 times of gross monthly income, whichever is lower.
<b>Target Customer</b>	Salaried executives, Professionals like Doctor, Architects, Engineers, Chartered Accountants, Consultant, IT professionals and Businessperson	Salaried executives, Self Employed Professionals and Businessperson	Salaried executives, Self Employed Professionals and Businessperson	Salaried executives, Self Employed Professionals and Businessperson	Salaried executives, Self Employed Professionals and Businessperson
<b>Rate of interest</b>	18%	19% -20%	18%	18%-19%	18.5%
<b>Processing Fee</b>	1% of loan amount	2%	1%	1.5%	1.5%

### **6.3 Market analysis and opportunity for Auto Loan**

Major Key players of Auto loan are SCB, HSBC, BRAC Bank and Eastern Bank. They are offering the loan facility under the following criteria

<b>Category</b>	<b>CBL</b>	<b>SCB</b>	<b>HSBC</b>	<b>EASTERN BANK</b>	<b>BRAC BANK</b>
<b>Loan Amount</b>	Minimum Tk. 50,000/- and Maximum Tk. 10 lac or 12 times of gross monthly income, whichever is lower.	Minimum Tk. 2 lac and Maximum Tk. 20 lac or 10 times of gross monthly income, whichever is lower.	Minimum Tk. 1 lac and Maximum Tk. 20 lac or 8 times of gross monthly income, whichever is lower.	Minimum Tk. 3.5 lac and Maximum Tk. 20 lac or 15 times of gross monthly income, whichever is lower.	Minimum Tk. 2 lac and Maximum Tk. 20 lac or 15 times of gross monthly income, whichever is lower.
<b>Minimum Monthly Income</b>	Minimum BDT 30,000/- per month	Tk 25,000	Tk 20,000	Tk 30,000	Tk 30,000
<b>Target Customer</b>	Salaried executives, Professionals like Doctor, Architects, Engineers, Chartered Accountants, Consultant, IT professionals and Businessperson	Self Employed Professionals, Businessperson & Salaried executives	Self Employed Professionals, Businessperson & Salaried executives	Self Employed Professionals, Businessperson & Salaried executives	Self Employed Professionals, Businessperson & Salaried executives
<b>Rate of interest</b>	18%	15% to 17%	11% to 16%	14.50% to 16.50%	14% to 18%
<b>Processing Fee</b>	1% of loan amount	1%	1%	1.5%	1.5%
<b>Personal Guarantee Required</b>	Yes, One personal guarantee is required	Yes	No	Yes	Yes

## ***Chapter 07***

# ***Performance Management Theoretical Aspects***

## **7.0 Performance Appraisal**

### **Concept of performance management:**

Performance means doing a job effectively and efficiently, with a minimum degree of employees created disruption.

Performance appraisal is the process of evaluating each employee to determine how he or she is performing.

### **The Appraisal Process:**

1. Establishing performance standards; standards should be set up on the basis of job analysis and job description. Performance should be clear and measurable.
2. Communicating performance expectation to employees; communicating the performance standards in such a way that the subordinate can easily understand what he or she is given to achieve.
3. Measuring actual performance; collect information about performance. The source of information can be personal observation statistical report and written report.
4. Comparing actual performance with stand as; from the comparisons the deviation between actual and standards performance is find.
5. Discussing the appraisal with the employee, there is a feedback of the employee's performance.
6. If necessary initiating corrective action, corrective action can be two types. One is immediate with symptoms, the other is basis and delves into causes.

## **7.1 Performance Appraisal On the Basis of Objective:**

Employees are evaluated by how they accomplish specific set of objective. This approach is known as MBO. There are four steps in MBO process:

- Goals setting for the whole organization as well as for each and every individual from top to bottom.
- Action planning to achieve the predetermined goal.
- Self control-It refers to the systematic monitoring and measuring performance by individual.

- Periodic review with periodic progress reviews, corrective action is initiated when the behavior deviates from standard establishment in the goal setting phase.

## **7.2 Appraisal methods:**

There are three different approaches exist for doing appraisals: employees can be appraised against:

1. Absolute standard
2. Relative standard
3. Objective

**A. Absolute Standard-** Measuring an employee's performance against some established standards.

**A.1 The Essay Appraisal:** a performance appraisal method where by an appraiser writes a narrative about the employee.

**Advantage:** Simple method, It requires no complex forms or extensive training to complete.

**Provide Specific Information:** this appraisal is valuable in providing specific information.

**Disadvantage:**

This method is unstructured, likely to vary widely in terms of length and content. This makes it difficult to compare individuals across the organization.

**A.2 Critical incident appraisal:** A performance appraisal method that focuses on the key behaviors that makes the difference between doing a job effectively or ineffectively.

**Advantage:**

This method looks at behaviors. Additionally, a list of critical incident on a given employee provides a rich set of examples from which employees can be shown of their behaviors are desirable and which one call for improvement.

**Disadvantage:**

Appraisals are required to regularly write these incident down, and doing these on a daily or weekly basis for all employees is time consuming and burdensome for supervisor.

Critical incident suffer from the same comparison problem found in essay –mainly they do not lend themselves easily to quantification. Therefore the comparison and ranking of employees may be difficult.

**A.3 Checklist Appraisal:** a performance appraisal type in which a rater check of those attributes of an employee that applies.

**Advantage:** this appraisal reduces biasness in the evaluation process since the rater and the scorer are different.

**Disadvantage:** It is evaluated by the HRM staff not by the Appraiser so that the rater does not actually evaluate the employee's performance.

**A.4 Adjective Rating Scale:** A performance appraisal method that list a number of traits and the range of performance for each.

**Advantage:** This scale can be used to assess factors such as quantity and quality of work, job knowledge, cooperation, loyalty, dependability, attendance, honesty, integrity, attitudes and initiative. However, this method is most valid when abstract traits like loyalty or integrity are avoided; unless they can be define in more specific behavioral terms.

**Disadvantage:** This method helps to create biasness if the related factors are not evaluated absolutely.

**A.5 Forced Choice Appraisal:** A type of performance appraisal method in which the rater must choose between two specific statements about an employee's work behavior.

**Advantage:** It reduces bias and distortion because the appraiser does not know the right answer.

**Disadvantage:** Appraiser tends to dislike this method; many dislike be forced to make distinction between similar sounding statements.

**A.6 Behaviorally Anchored Rating Scales (BARS):** A performance appraisal technique that generates critical incidents and develops behavioral dimensions of performance. The evaluator appraises behaviors rather than traits.

**Advantage:** It reduces rating errors. This process is valuable for clarifying to both the employee and the rater which behaviors represent good performance and which don't.

**B. Relative Standard:** This method evaluating an employee's performance by comparing the employee with other employees. There are two types of ranking scale in this method. This are-

**B.1 Individual Ranking:** This method ranking employee's performance from highest to lowest. It carries the same pluses and minuses as group order ranking.

**B.2 Paired Comparison:** This method ranking individual performance by counting the number of times any one individual is the preferred member when compared with all other employees.

**C. Management by Objective:** A performance appraisal method that includes mutual objective setting and evaluation based on the attainment of the specific objectives.

This approach is frequently referred to as management by active objective. MBO is a process that convert organizational objective into individual objective. It consists of four steps:

1. Goal setting
2. Action Planning
3. Self control
4. Periodic review.

- **Goal setting:** In goal setting the organizations overall objective are used as guideline from which departmental and individual objective are set.
- **Action planning:** In action planning the means are determined for achieving the ends establish goal setting that is, realistic plans are developed to attain the objective.
- **Self Control:** This method refers to the systematic monitoring and measuring the performance-ideally, by having the employee review his or her own performance.
- **Periodic Review:** In periodic reviews corrective action is in initiate when behavior deviates from the standard established in the goal setting phase.

### **7.3 Multiple Rates:**

- **Peer evaluation:** A performance evaluation situation in which co workers provide input in to the employee's performance. The main advantage of peer evaluation is that 1) there is a tendency for coworkers to offer more



constructive insight to each other so that, as a unit each will improve and 2) there recommendation tend to be more specific regarding job behavior.

- **360 Degree Appraisal:** In this appraisal process supervisor, peers, employees, customer, and the like evaluated the individual. The 360 degree feedback process also has some positive benefits for development concern. Many managers simply do not know how their employees truly view them and the work they have done.

#### **7.4 Step to Make Performance Appraisal Interview Effective:**

1. Preparing for and schedule the appraisal in advance.
2. Creating a supportive environment to put employees at ease
3. Describing the purpose of the appraisal to employees
4. Involving the employees in the appraisal discussions, including a self evaluation.
5. Supporting evaluation with specific examples.
6. Focusing discussion on work behavior, not on the employees.
7. Giving both positive and negative feedback.
8. Ensuring employees understand what was discussed in the appraisal
9. Generating a development plan.

## ***Chapter 08***

# ***Performance Evaluation of City Bank***

## **PART 1- ACHIEVEMENT OF OBJECTIVE**

### **Performance Review**

#### **Management and Executive Staff**

Name: \_\_\_\_\_

Evaluation Period: \_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

### **PERFORMANCE PLANNING AND RESULTS:**

#### **Performance Review**

- Using a current job description.
- To Rate the person's level of performance, using the definitions below.
- Reviewing with employee each performance factor used to evaluate his/her work performance.
- To give an overall rating in the space provided, using the definitions below as a guide.

## **8.1 Performance Rating Definitions**

The following ratings must be used to ensure commonality of language and consistency on overall ratings: (There should be supporting comments to justify ratings of “Outstanding” “Below Expectations, and “Unsatisfactory”)

- (5) Outstanding, Performance is consistently superior
- (4) Exceeds Expectations, Performance is routinely above job requirements
- (3) Meets Expectations, Performance is regularly competent and dependable
- (2) Below Expectations, Performance fails to meet job requirements on a frequent basis
- (1) Unsatisfactory, Performance is consistently unacceptable

### **Performance Factors (using job description as basis of this evaluation).**

<b>Knowledge of Work</b> - Consider employee's skill level, knowledge and understanding of all phases of the job and those requiring improved skills and/or experience.	<b>Outstanding</b>	
	<b>Exceeds Expectations</b>	
	<b>Meets Expectations</b>	
	<b>Below Expectations</b>	
	<b>Unsatisfactory</b>	
	<b>NA</b>	
<b>Planning and Organizing</b> - Consider how well the employee defines goals for personal performance; how well work tasks are organized and priorities established; and the amount of supervision required to achieve it.	<b>Outstanding</b>	
	<b>Exceeds Expectations</b>	
	<b>Meets Expectations</b>	
	<b>Below Expectations</b>	
	<b>Unsatisfactory</b>	
	<b>NA</b>	
<b>Customer Relations</b> - Consider how well the employee interacts in dealing with internal staff, external customers and vendors; employee projects a courteous manner.	<b>Outstanding</b>	
	<b>Exceeds Expectations</b>	
	<b>Meets Expectations</b>	
	<b>Below Expectations</b>	
	<b>Unsatisfactory</b>	
	<b>NA</b>	

<p><b>Quality of Work</b> - Consider the accuracy and thoroughness in completing work assignments. Consider the individual's ability to self-identify and correct errors. Take into consideration incomplete assignments.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Quantity of Work</b> - Consider the volume of work completed in relation to assigned responsibilities. Consider the ability to meet and stay on schedule and the proper use of work time.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Dependability</b> - Consider how well employee complies with instructions and performs under unusual circumstances; consider record of attendance and punctuality.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Acceptance of Responsibility</b> - Consider the manner in which the employee accepts new and varied work assignments, and assumes personal responsibility for completion.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Self-Initiative</b> - Consider how well employee demonstrates resourcefulness, independent thinking, and the extent to which employee seeks additional challenges and opportunities on their own.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

<p><b>Teamwork</b> - Consider how well this individual gets along with fellow employees, respects the rights of other employees and shows a cooperative spirit.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Safety</b> - Consider this individual's work habits and attitudes as they apply to working safely. Consider their contribution to accident prevention, safety awareness and ability to care for equipment and keep workspace safe and tidy.</p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Overall Rating</b></p>	<p><b>Outstanding</b> <b>Exceeds Expectations</b> <b>Meets Expectations</b> <b>Below Expectations</b> <b>Unsatisfactory</b> <b>NA</b></p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>Employees Comments:</b></p>	<input type="text"/>	

### **JOB DESCRIPTION REVIEW SECTION:**

(Please check the appropriate box.)

Employee job description has been reviewed during this evaluation and no changes are recommended to the job description at this time.

Employee job description has been reviewed during this evaluation and modifications have been proposed to the job description.

Employee \_\_\_\_\_ Date \_\_\_\_\_

(Signature does not necessarily denote agreement with official review and means only that the employee was given the opportunity to discuss the official review with the supervisor.)

Evaluated by \_\_\_\_\_ Date \_\_\_\_\_

### **8.2 Competencies and Personal Attribute Management Skills:**

Organization and planning

To Analyze/arrange work process, anticipated needs, set priorities and realistic objectives.

Decision making and judgment

It makes sound and timely decision after due consideration of salient facts and alternative option.

Effective delegation

Allocate optimum amount of responsibility authority to team members and ensure that this is within their capabilities.

Training and development of staff

Set realistic training schedule, targets for a staff and provides constant feedback.

Leadership and motivation of staff

Recognize subordinates individual and group aspirations. Guides and encourage optimum performance.

Cost consciousness-productivity

Manage operating cost effectively without determine to output or quality of service.

Assessment of people

It makes correct and objective assessment of the performances of team members.

- **Technical Skills**

Job knowledge

It is the level of knowledge of methods, procedures and technical requirements and skills in applications in current operational area.

Quantity of outputs

Controls work volumes and products expected output of work to a satisfactory level.

Quality of outputs

Maintains a high standard of accuracy at all times

- **Customer Orientation and Courtesy** (customers may be external or internal)

Customer alignment

Focuses in delighting customers, proactive towards customer needs, appreciates customer feedback.

Customer service Standards

Achievement of required service standards/prompt response to customer needs

Persuasiveness

Negotiates and convinces others, changes people's view and influence their decisions

- **Personal Characteristics**

Analytical skills

Identifies and evaluates the key elements of a problem

Innovative ability

Resourceful with originality being shown in providing solutions to unusual situations

Written communication

Present information, facts and arguments in a clear, concise and unambiguous fashion.

Oral communication

It expresses information, ideas and recommendations in clear and articulate way.

Team oriented

Contribution to team performance and development of effective working relation with others

Personal relationship

Able to relate to and work effectively with colleagues and superior at all times

Flexibility

Flexible in approach to new technique and requirements and positive in the implementation



### **8.3 Overall Assessment:**

**(To be complete by the Reporting Officer)**

On the basis of achievement of objective and the ratings of the competencies and personal attributes, overall assessment is given of the job holder performance, using the rating scale

.....  
Name of the Reporting Officer      Signature      Position      Date

Job Holder to Complete

Employees are encourage to add their own remarks on any of the foregoing assessment and comment

Signature of job holder.....      Date.....

Reporting Officer's Supervising Manager to complete

Please confirm your agreement to this review and add any comment you feel necessary

.....  
Name of the Supervising Manager      Signature      Position      Date

### **8.4 Training & Development Plan:**

**(Job-holder and Reporting Officer to complete)**

- a) What do you consider to be your main strengths that contribute to your overall performance?
- b) What do you consider to be the aspects of your performance that needs to be improved?  
Reporting Officer's remarks on (a) and (b)
- c) What further training and/or experience do you feel would help your future performance and development?

Reporting Officer's remark:

Any other remarks:

.....  
Name of Reporting Officer      Signature of Reporting Officer

.....  
Name of Job-holder      Signature of Job-holder      **Date**

## **8.5 Who Evaluate the Performance in the City Bank Ltd. :**

- A. The immediate supervisor
- B. Peer Appraisal
- C. Rating Committee

## **8.6 Does The Employee of City Bank Support the Existing Evaluation Method?**

The below table showing the employees opinion regarding their evaluation method

<b>Category</b>	<b>No. of respondent</b>	<b>Percentage</b>
<b>Strongly Support</b>	7	46.7
<b>Support</b>	7	46.7
<b>Neutral</b>	0	0
<b>Don't Support</b>	1	6.67
<b>Strongly Don't Support</b>	0	0
<b>Total</b>	N= 15	100

From the above table it can be analyzed that there are 46.7% employee strongly support, 46.7% employee only support and 6.67% employee don't support their existing performance evaluation method.

## **8.7 Decisions taken after evaluating the performance:**

The concern department of The City bank Limited takes some steps after evaluating the performance which are describe shortly as under

### **Promotion**

Promotion / up-gradation depend on the availability of a position in the higher level and a proven track record of an individual's capabilities of taking over higher responsibilities. Promotion may also take place if the job responsibility, dimension, criticality etc. increased and the Management / Promotion Committee decide to upgrade the job. Promotion to the rank of two levels below of Managing Director lies with the Board of Directors of the Bank. All promotions, other than the above, have to be recommended by the functional heads and shall be approved by the promotion Committee or Managing Director. A minimum service of

two (2) years in an existing grade / position is the prerequisite for promotion, but for any exceptional case the promotion may be awarded at the full discretion of the Managing Director.

### **Transfers and Rotation**

A transfer is defined as the movement of an employee from one branch, department and/or position to another with no increase in the level of responsibilities (although job duties may change) and no increase or decrease in salary level. The employees who are linked with financial transactions (mainly in Branch) preferably should be transferred to similar position within 3 years. Exceptions may be granted base on the Socio economic situation of the area. A transfer occurs with no break in employment.

Individuals may apply for a transfer after at least 2 (two) years of continuous service in their current position provided they have not received any disciplinary action in the previous 24 (twenty four) month period. The employee must notify his or her immediate Manager/In-charge of the intent to apply for a transfer.

If there is any vacant positions arises, Individuals, who find that position of interest for which they feel qualified, and after consultation with his or her department head, should contact the Human Resources Division to apply or to obtain further information. When an employee is officially notified of selection for the new position, at least 4(four) weeks' notice must be given to the present department, In the event the transfer

is found unsuitable by either the employee or the Bank, consideration will be given to allowing the transferred employee to return to the former or a comparable position held prior to his or her transfer if there is available and suitable position.

Transfer Approval to be obtained from the Divisional Head if it is within the same division. Transfer in case of another division, must be approved by the Divisional Head in consultation with the Head of HR and Managing Director.

Employees who are not linked with the financial transaction and working in Division should be rotated periodically to enhance their skill and motivational level.

### **Increment**

Increment is awarded once a year on the basis of increment policy to all confirmed/ regular employees who have performed satisfactorily (Rating 1 to 3) in the given year for minimum period of 180 (one hundred eighty) days of confirmed service within 31st December.

### **Special Increment**

Managing Director can award a merit increase to any employee, excepting two levels below the Managing Director depending on their exceptional performance as per Increment Policy.

### **Bonus**

The regular employees of the bank are entitled to the Bonus provisions.

### **Entitlement of Bonus**

Subject to other provisions of the terms of service guidelines declared by the Management from time to time Bonus shall only be payable to the employees who would, at the time of declaration of Bonus, be in the service of the Bank and entitled to the same at that time.

### **Festival Bonus**

Festival Bonus is paid to graded employees equivalent to one month's Basic Salary.

### **Performance Bonus**

The Bank may award performance bonus from time to time depending on the actual profit made in a given year. This bonus is subject to payment only upon Board approval. This bonus will only be awarded to those who have been rated in the performance evaluation and have a satisfactory rating that entitles the performance bonus. Those who have completed **180 (one hundred and eighty)** days' confirmed service with the Bank will get the bonus.

### **Training:**

“Continuous professional development for all the employees of the Bank to strengthen the skill level by removing the weakness to perform the assigned job with perfection”

There are two types of training HR provided to develop the performance of the employees.

These are:

**a. On the job learning** – learning by doing the activities other than formal training. On the job learning is usually focused on ‘learning by doing’ or self- initiated study.

### **Examples could be:**

- on the job training/coaching;
- counselling /mentoring;
- reading and research;
- expert briefing;

- team-based activities;
- projecting assignments and
- job rotation.

All the individuals of the bank will work with the unit/department/ Divisional Heads to explore how these opportunities can be maximized.

**b. Formal Training** – describes formal programs which can be anything from Computer Based Training to long/ short daytime Management Training in the Training Academy of the Bank or any outside Institutions.

**c. Overseas Training:** An employee receiving the overseas training will require to sign a bond to serve the Bank for at least 1 (one) year after returning from the overseas training. In case of resigning within this period (within one year), the employee has to return the full cost of the training (i.e, airfare, course fee, hotel, TA/DA etc.).

Management has to develop an appropriate band for the purpose.

There are three types of training:

- i. Core Business Training** addresses the development of the specific competencies which vary between positions to positions. It will be purely related with the core subjects of the banking.
- ii. Management Development** training primarily develops people in the managerial competencies. Different jobs throughout the Bank require different skill levels and combinations of core competency, although some ability in all these areas is needed, regardless of an individual's role. Management Development training are designed and co-ordinate through Bank's Human Resources Division in the Head Office.
- iii. Computer Training program** to match the computerization process of the Bank, all the employees of the bank have to be computer literate. Specific persons will be sent to different institutions for higher IT training, if needed.

## ***Chapter 09***

### ***Conclusion***

## **9.1 Findings:**

The City Bank Limited has been performing very well. The CBL is running with steady growth in almost every sphere. They are reducing non-performing loan. They are committed to be a leading Bank in Bangladesh. No doubt, this is the sign of good management. However, the appraisal and proposal system of The City Bank is said to be the best one in this kind certain factors are overlooked.

- The performance of the employee in City Bank evaluated regularly.
- Performance is evaluated by Boss, Peer and Rating committee.
- The evaluation method of the Bank is not highly appreciated by most of the employees.
- Performance report is considered for giving incentive.
- Initiated training for unskilled employees.
- 42% customers find retail deposits the best and 24% find retail loans helpful.
- Accordingly large number of customers are using deposit products now
- Major portion of customers think cash withdrawal facility provided by the bank is good.
- In terms of fees and charges customers are satisfied with current fees and charges
- Account opening procedure is comparatively critical
- City Bank has covered huge number of debit cards in the market.
- In appraisal system, the competitive position analysis is not focused while doing the appraisal system
- Lengthy lending process
- Lack of documentation
- Lack of monitoring of credits
- Shortage of efficient manpower
- The product appraisal is done on the customer base not any comparison is done with other product.
- The supplier's influence is overlooked.
- Due to the unavailability the credit demand assessment is not properly done.

## **9.2 Recommendation:**

- Absolute standard method should be chosen for evaluation which reflects the overall performance of the employees.
- In order to motivate employees, other rewards and facilities based on their performance.
- The training must develop the necessary level of proficiency to perform specific tasks properly
- Bank should be fast in cash payment and clearing cheques
- Should have 24 hours customer facility
- Should have ATM booths all over the country
- Account opening procedure should be less complex
- Finally, increasing marketing of retail products
- Maintain a high standard credit quality, control & compliance in place.
- Bring down NPL ratio further.
- Basel II guidelines implementation in terms of content & spirit.
- Promote continuous on the job local and overseas training.
- The bank should recalculate its lending rate on a periodic basis to cope up with changing lending scenario.
- Care should also be taken so that good borrowers are not discarded due to strict adherence to the lending policy.
- At the branch level, credit department must be adequately capable of collecting the correct and relevant information and analyzing the financial statements quickly and precisely.
- Credit officer must be skilled enough to understand the manipulated and distorted financial statements.
- Credit committees at all levels must work in co-ordination with each other for quick approval of loans and to reduce the loan processing cost.
- To expedite the lending process, board credit committee meeting should be held twice a month instead of once a month.
- To faster the lending process, The City Bank Limited should facilitate online loan application submission and personal credit processing.
- In case of mortgage, care must be taken to accept collateral on second charge.
- In case of assignment, the bank must ensure that the assignment debtor has given undertaking.
- Monitoring of a loan should be conducted at regular interval.
- Loan monitoring is a continuous task and requires expert work force. Therefore, it is suggested that The City Bank Ltd should set up a separate loan-monitoring cell, which will be responsible for monitoring its total loan portfolio with special care to the problem loan.
- There is still much more scope, left to make the credit recovery techniques effective to reduce on classified loan specifically NPL



### **9.3 Conclusion:**

Banking sectors no more depends only on traditional methods of banking. In this competitive world, this sector has stretched its wings wide enough to cover any kind of financial service anywhere in the world. Therefore, bank today face competition not only from local banks but also from foreign banks. The major task for bank, to survive in this competitive environment is by acquiring new advanced technology to cut down its operating expenses giving a way to earn more profit.

More experience and professional bankers need to overcome present competition in banking section .Effective training facility, to be continued for improvement of existing employee .employee may be motivated by providing incentive and other facility .

Accordingly, City bank has started its journey in Retail banking. Understanding customer's savings trend and market demand the bank has launched new products in the retail sector. City Bank has already set up a Retail Finance Center and centralizing retail credit and collection management unit to provide retail loans for all individuals.

Performance of an employee is most important in the CITY BANK for his future career. The career of an employee depend performance evaluation. Employee should work hard for development of the bank, in order to achieve proper incentive. They must keep in mind that their future carrier depends upon their hard working, honesty sincerity and royalty.

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