



CORE BANKING SYSTEM

PC (personal Computing) Banking System to Core Banking System (CBS): A case study based on United Commercial Bank LTD

Abstract

An Internship report based on United Commercial Bank why they transfer from PC banking system to Core Banking system and its effects

Nasim Ahmed
nasimahmed@outlook.com



BRAC University

66 Mohakhali, Dhaka, 1212.

Submitted By:

Nasim Ahmed

STD Id: 11104080

BRAC Business School

BRAC University.

Letter of Transmittal

June 02, 2015

Mr. Noman Hossain

Lecturer,

BRAC Business School, BRAC University

Dear Sir,

Submitting the internship report titled “PC (personal Computing) Banking System to Core Banking System (CBS): A case study based on United Commercial Bank LTD” to you, it’s a great pleasure.

The internship program provides the scope and gives the opportunity of learn different trends and aspects of a reputed organization. I have already acquired knowledge regarding corporative culture and I have tried to explain the knowledge by working in United Commercial Bank Ltd.

I have also picked up valuable experience in the last three months; I would like to thank you for assisting me a throughout and BRAC Business School for giving the opportunity to do my internship. I believe you will have a positive view point on me as my analysis is genuine and honest. I shall be thankful if you kindly approve my effort.

Sincerely,

.....

Nasim Ahmed

ID: 11104080

BRAC Business School

Acknowledgements:

The path toward completion of an internship is hard and often times can seem quite difficult. Thanks and all praises to Almighty Allah that by his blessing I completed my report on ‘PC (personalized Computing) Banking System to Core Banking System (CBS): A case study based on United Commercial Bank LTD.’ I was completed my internship form United Commercial Bank Ltd. Head Office in Finance and Accounts Division.

Yet it has been an enriching and rewarding experience for me both professionally as well as personally. I would like to express my thanks and appreciation to the many that have encouraged and lifted my feelings along the way.

Firstly thanks to my internship supervisor Mr. Riaz Ahmad and Mohiuddin Manik who provided inspiration, valuable guidelines, suggestions in the early stages of this report through the sense of enthusiasm that he continually exuded.

Also like to thankful to Mr. Azizul Islam, Executive officer who helped me a lot in the bank during my internship program.

And thanks to my family who always support me in my bad time during my internship periods.

Equally I would like to express my sincere gratitude and indebtedness to the authority of BRAC University, for their kind co-operation.

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Executive Summary:

United Commercial Bank is the oldest private commercial bank operating in Bangladesh. It has over the years created one of the largest networks among all the other banks in Bangladesh.

Although a trendsetter in offering a various ranges of products in the market, the product offers by United Commercial Bank are quickly imitated by competitors.

As a pioneer of Private Banking System in Bangladesh, United Commercial Bank Ltd. adopted some state of art banking system that helps bank to reduce banking risk similar to Hall marks and others.

In this report I tried to analyze the core banking activities of United Commercial Bank Limited. Behind the success of the bank they efficiently analyze the credit risk and the other risk and handle the risk in such a way that brings them the success.

The first part of the report I discuss about the background of the study, the literature review and the research methodology of the report. In the background of the study there is statement of the problem, rationale of the study, scope of the project and the objective of the project.

Second part of the report I discuss about the organization overview, mission and vision of the organization, goals and objectives, its operations and performance of the bank at a glance etc.

The third part of the report I will describe the common feature of Core Banking System and PC Banking system.

In the fourth part I will try to analyze both CBS and Pc Banking System from different aspect.

The Fifth part I would like to talk about different IT project taken by United Commercial bank which made them technological advanced than other banks.

The Sixth part of the report I tries to analyze SWOT and tried to give some suggestion about the findings of the report and I conclude the report with the conclusion part.

Introduction

In the present, world money is circulated all over the globe. Globalization, technological advances and other factors money is circulating unimaginably. Financial Institutions mainly Banks play a pivotal role in matching a depositor and lenders and channeling money and making the economy more efficient. Although the history of Banking goes back to the 14th century in Europe but Banks are now everywhere. Banks in Bangladesh play a significant role compared to other financial Institutions. Although there are different types of banks specialized for different purposes and with different brands and capital structure, they are regulated by standards such as the BASEL standards (to keep a minimum amount of capital) BASEL II etc. Banks offer a wide range of products and services to appeal to different customers and be competitive in the market place. Amongst the 53 commercial banks which operate in Bangladesh United Commercial Bank Ltd. has a unique position in the minds of clients and regulatory bodies. This First Generation Bank was founded in 1983 and doing business in more than 117 countries worldwide. The competition in the banking industry has intensified more than ever before. Global financial crisis, stock market crash, recessions and other factors affected the banking industry. So banks should position themselves at a unique place in the minds of the customers by offering attractive offers such as higher interest rates or by offering superior service to the customers. Services include financial advice, flexible rates or dates of payment, portfolio management etc. Nevertheless, the banking sector occupies an important place in Bangladesh because of its intermediary role; it ensures allocation and relocation of resources and keeps up the momentum of economic activities. It plays a pivotal role in the economic development of the country and forms the core at the money market.

To overcome those challenges, United Commercial Bank limited trying to modernize their facilities into state of the art so that can survive in its worst night mare. On these follow through UCB adopted Core Banking System from Oracle, this software is all in one solution. This software helps banks to automate all its transaction and help authority to monitor everything which was impossible by PC Banking System.

Nevertheless, the banking sector occupies an important place in Bangladesh because of its intermediary role; it ensures allocation and relocation of resources and keeps up the momentum

of economic activities. It plays a pivotal role in the economic development of the country and forms the core at the money market.

Banks can be defined in various ways. In Bangladesh, any institution which accepts for the purpose of lending or investment, deposits of money from the public, repayable on demand or otherwise, and is transferable by checks, draft order or otherwise, can be termed as a bank. The purpose of banking is thus to ensure transfer of money from surplus unit to deficit units or in other words, to work as the repository of money.

Background of the Report

This internship report is originated as a partial fulfillment of the BBA program of School of Business, BRAC University. This report is a mandatory requirement for BBA completion. I have worked at United Commercial Bank Ltd. Head Office, In Finance and Accounts Dept. for three months and the experience of working at United Commercial Bank Ltd. has helped me to match our theoretical knowledge with practical understanding. As an intern of United Commercial Bank Ltd I was provided with the topic “PC (personal Computing) Banking System to Core Banking System (CBS): A case study based on United Commercial Bank LTD”

Introduction of the Study

In the present, world money is circulated all over the globe. Globalization, technological advances and other factors money is circulating unimaginably. Financial Institutions mainly Banks play a pivotal role in matching a depositor and lenders and channeling money and making the economy more efficient. Although the history of Banking goes back to the 14th century in Europe but Banks are now everywhere. Banks in Bangladesh play a significant role compared to other financial Institutions. The financial services industry is undergoing significant transformations. Mergers, consolidation, expansion, shifting customer preferences, emerging nontraditional competition and a continuously evolving complex regulatory environment are just some of the issues on the minds of bankers worldwide. With change coming this rapidly, banks must quickly embrace the new world order and accelerate growth to stay a step ahead of the competition. This requires shedding away the complexity which has grown significantly across

business functions and operations. Banking leaders understand that technology is critical for simplifying c banking (Consumer Banking) to create sustainable business Growth. But, many are burdened with disparate host systems added piecemeal, over time, and developed on obsolete technology. These legacy systems are simply not equipped to readily respond to change. However, bankers, having grown weary of lengthy deployments and the ensuing business disruption, have apprehensions about transformation. Yet, the need to modernize the organization remains as compelling as ever. A pain free approach to banking transformation, with an adaptive solution at the core, will prove invaluable for banks looking to gear themselves for tomorrow

Scope of the Study

This report has been prepared on the basis of experience gathered during the period of internship. This study is limited with function banking technology transformation of United Commercial Bank Limited. Most of the data used in the reporting of the study are from Primary Source. All the data related to the reporting requirements are not available due to confidential reservation practice for the benefit of the organization.

Objective of the Study

Broad Objectives

Preparation of the report on “PC (personal Computing) Banking System to Core Banking System (CBS): A case study based on United Commercial Bank LTD” to completed my internship in the undergraduate.

Specific Objectives

1. To Understand different software used by bank
2. To know about core banking system and pc banking system
3. To identify the problem to both system
4. How do those software works
5. How to transform data between one system to another system
6. Employees adaptability used by Bank
7. How fluently new software works

Methodology of the study

I have got all the relevant information from my working experience with UCBL, their Annual report, some circular, various brochures, UCBL web site and such. Some information is taken from Employees of the Bank

Primary data:

The primary data of this report is the information, which is gathered from UCBL while I worked with them, most of the gathered from the IT departments.

Secondary data:

The secondary data of this report are collected from UCBL Annual report of 2015, and some reports from which I got idea about the way of writing a report.

Secondary Sources: Secondary data are collected in the following ways:

1. Data gathered within the organization itself.
2. Data gathered from Texts
3. Internet sources.
4. General reports.
5. Annual reports
6. Official documents

7. From the oracle itself.

Limitation

Objective of the practical orientation program is to have practical exposure for the students. My tenure was for twelve weeks only, which was somehow not sufficient. To prepare my internship report I faced some limitation. Those are:

- Core Banking System is very new in Bangladesh, there is very less information
- Data's are so sophisticated that authorities deny to pass some specific information
- Only a handful people in the organization have idea about core banking system or used to with it.
- CBS mainly used in Branch office, and head office monitors the branches. And as its implementing less than six months so employee don't want to talk about it.
- Unavailability to required published documents.
- Lack of my experience and efficiency to prepare the standard report.
- Large-scale research was not possible due to constrains and restriction posed by the bank as well as the university.
- Time constraint was also one of the factors that curtailed the scope of the study

An Overview of United Commercial Bank Limited

Sponsored by some dynamic and reputed entrepreneurs and eminent industrialists of the country and also participated by the Government, UCBL started its operation in mid-1983 and has since been able to establish one of the largest networks of 185 branches among the first generation banks in the private sector. With its firm commitment to the economic development of the country, the Bank has already made a distinct mark in the realm of Private Sector Banking through personalized service, innovative practices, dynamic approach and efficient Management. The Bank, aiming to play a leading role in the economic activities of the country, is firmly engaged in the development of trade, commerce and industry thorough a creative credit policy. United Commercial Bank Limited incorporated on 26 June 1983 as a public limited company

with limited liability under the Company Act 1994. The Bank obtained permission to commence business with effect from 26 June 1983 and started banking operations on 29 June 1983 with an authorized capital of Tk. 100 million ordinary shares of TK 100 each. The bank is listed with Dhaka and Chittagong Stock Exchange. The Bank has in its Management a combination of highly skilled and eminent bankers of the country of varied experience and expertise successfully led by Mr. Muhammad Ali, a dynamic banker, as its Managing Director and well educated young, energetic and dedicated officers working with missionary zeal for the growth and progress of the institution. The Company started its banking operation and entitled to carry out the following types of banking business.

- a. All types of commercial banking activities including Money Market operations.
- b. Investment in Merchant Banking activities.
- c. Investment in Company activities.
- d. Financiers, Promoters, Capitalists etc.
- e. Financial Intermediary Services.
- F. Any related Financial Services.

The Company (Bank) operates through its Head Office at Dhaka and 125 branches. The Company/Bank carries out international business through a Global Network of Foreign Correspondent Banks. The Registered Office of the Bank is: Plot: CWS (A)-1, Road: 34 Gulshan Avenue, Dhaka, Bangladesh. PABX: +88-02-8852500. E-Mail: info@ucbl.com. Web site: <http://www.ucbl.com>

Vision

To be the bank of first choice through maximizing value for our clients, shareholders & employees and contributing to the national economy with social Commitment.

Mission

To offer financial solutions that create, manage and Increase our clients' wealth while improving the quality of life in the communities we serve

Core Values

1. Prioritize customer first.
2. Emphasize on professional ethics
3. Maintain quality at all levels
4. Believe in being a responsible corporate citizen
5. Say what we believe in
6. Foster participative management

Strategic Priority

- To and to make the entire banking process an enjoyable experience .for everyone.
- To be compliant with all the rules and regulations applicable in Bangladesh.
- To foster creativity. Innovation and diversity with the view to sustainable business growth.
- Continuous development without compromising needs of future generation.
- To ensure satisfaction of all the UCB's customers through delivering services with the implementation of world class IT infrastructure.
- To establish good governance.
- Ensuring effective risk management system within entire phases of activities.
- Focusing on Corporate Social Responsibilities (CSR) in a responsible manner.
- To build & enhance brand image.

CORE Banking System

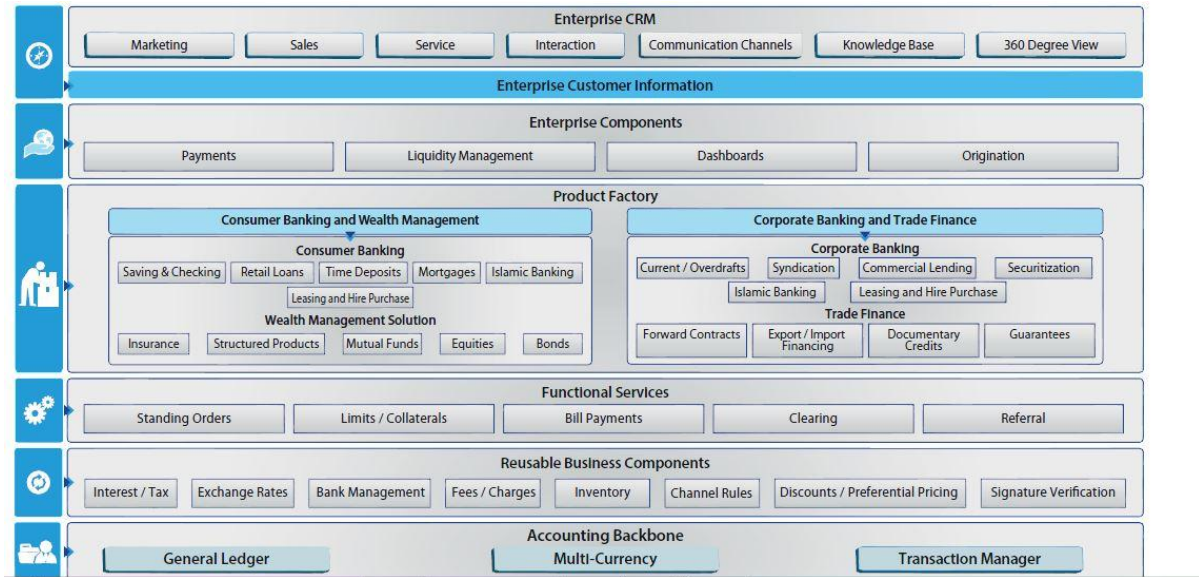
UCB has successfully implemented globally reputed Core Banking Software name FLEXCUBE. With the implementation of cutting edge technology in all sectors the bank started transforming all its branches and operations under the umbrella of the new Banking Software opening the horizon to provide its clients new transaction channels, services and products.

The major customer base branches of the Bank is already availing the service of Core banking system and the rest will be completed within December of 2015. As a result below IT improvements are in place:

Reason to shifting From PC Banking System to CBS

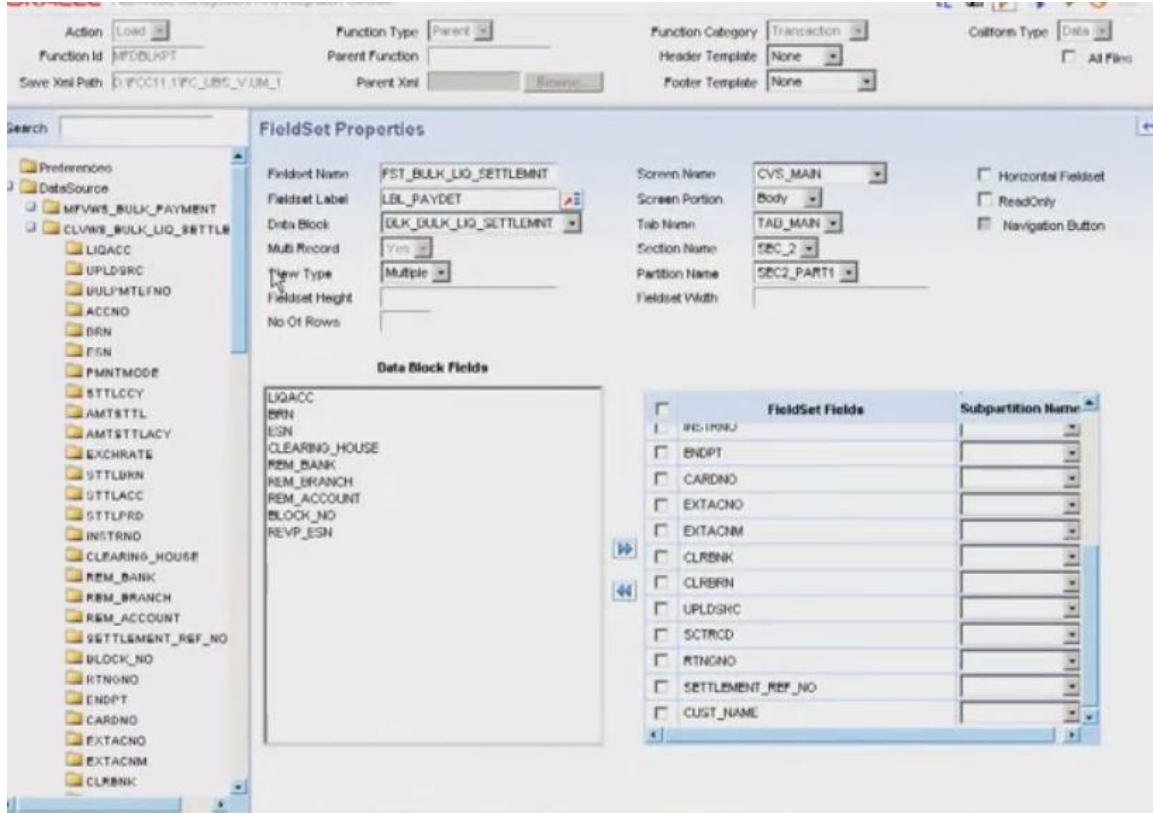
- Process simplification and Centralization.
- Increased Operational Efficiency.
- Enhanced Business Agility.
- Increased Responsiveness.
- Increased Information Visibility for Timely Decision Making.
- Enhanced Compliance and Regulatory Requirements.
- Improvement in Data Manipulation & Data Loss Risk.
- Improvement of Transaction Role Risk (Maker/Checker).
- Reduced in Fraud & Forgery Risk, etc.

Function of CBS:



User Interface:

General User Interface OF CBS



Highlights of CBS on the Basis OF UCB:

1 .State of the Art Data Centre and Disaster Recovery Site:

UCB has procured and implemented state of the art Hardware, Software and systems in its Data Centre and Disaster Recovery Site keeping in mind future scalability efficiency, fault tolerance and high availability. The environmental security features of the Data Centre and Disaster Recovery Site have been provided highest priority. The network system of the Bank has been reconfigured with latest technologies for highest availability, efficiency and security.

2. Debit Switching and Credit Card Management Software:

UCB has recently migrated to its on Debit Switch (TRANZWARE) from the outsourced debit switch. This change has reduced risk of card data related fraud and forgery as well as increased control of the bank over entire operational and business process. Bank has recently introduced SMS notification for Credit and Debit transactions, which reduces the fraudulent transaction risks. Bankers using Card Pro software for Credit Card management.

3. Network Security

To control malicious and suspicious traffic. New Firewall implemented in Core & Perimeter zone. For controlling malicious and unwanted traffic in application level, Intrusion Prevention System (IPS) is implemented. VPN has been successfully implemented in UCB environment to ensure secure and encrypted remote access from public network. Protecting from any types of cyber-attacks UCB has implemented web based firewall (Cyber Rom).

4. Two Factor Authentication

Bank is in the process of implementing Two Factor Authentication(2FA) for its e-commerce based Card Not Present transactions which will be completed by February' 2015 and will ensure that Card Not Present transactions is possible using UCB Cards ensuring security of card data.

5. ICT Policies, Process Implementation:

The ICT Policy of the Bank has been recently revised and restructured to comply with the recent technology and risk management trends to Bangladesh Bank guideline. The Business Continuity Plan. Disaster Recovery Plan and Information Security Management Policy have been republished after the revision.

PC Banking System

PC Business Banking is ideal for small to medium with large volumes of transactions. Business can segregate the accounts that each user can see, as well as who can create and authorize different types of transactions. This system was started early 2007 by UCB designed to distribute workload among different person and create specialization among different employee.

Feature:

- A isolated decentralized banking system compare to CBS
- Both PC and Paper based
- Head office cannot monitor transaction direction
- High chance of fraud and forgery
- High maintenance cost
- Highly paper based
- Customer have to wait a day to have their financial report, and, must take it from respective branch
- Bank Altima software needed to use
- Most of the Branch often delay to submit report
- Everything here was head office centric
- Have to store all data in paper, which often is disturbing

Software for PC Banking System:

Canopus EpaySuite:

Canopus EpaySuite is an open technologically advanced software solution designed to automate and streamline operations of a payment service business. Modular, multi-currency, multilingual, encompassing industry standards, flexible and easily configurable to meet specific needs of the customer, it is a solution of choice for a truly global payment service provider.

[BankUltimus:](#)

Real-time, online banking solution. N-Tier Architecture, Web Interface, Third Party Software Integration and more.

[Capital Global Banking](#)

Range of solutions designed for Banks, Private Banking, Management companies and Insurance companies.

[Accusystems - Document Imaging](#)

Banking software system providing bank imaging and bank document management to community banks and regional banks.

[Alkami Online Banking Suite](#)

Software designed to view, chart, search and export account data, transfer funds and make loan payments. For retail and business users

[Alnova Financial Solutions](#)

A full banking solution that stretches from back end through multichannel architecture integration & front end solution.

A competitive analysis between core banking system to PC Banking System

With a number of limitation, PC banking system comes with very much flexible working environment where an employee can do daily scheduled work efficiently. In banking business, flexible work load increases productivity whereas tight schedule produces inefficiency.

Oracle, the USA based software giant delivers the cluster banking system solution named as “Oracle Flex cube” which deliver core banking system solution among different bank. In Bangladesh, Dutch Bangla Bank Limited adopted this solution in early 2008 to modernize their huge network of ATM. However, from some source it is heard that early adaptation was complete failure.

On the other side, United Commercial Bank adopted core banking system in Mid-2014, According to officials I come to know this system is much cleaner and efficient than the previous system. However, still some paper work needed to maintain due to bureaucracy. I also come to know, through the server, a data has been kept in the several location in order to prevent major damage against any sort disaster.

However, Core Banking system comes with several limitation which actually seems bottleneck that I observed during the time of my internship. It takes much more time to create a simple Bills in flex cube, where as in PC banking System, it needed in few minute to get the work to be done. In oracle financial system, if any data is mistakenly inputted can't be reversed, to rectify it, whole the system needed to start again from the center.

Core banking system is totally internet based, and the environment we live in is not suitable for the advanced system is not suitable for such system. Many of the braches delays to send the report to the head office due to bad internet connection and head office were not able to check all the data and finalize the report. This was one of the major reason why UCB shifted to core banking system.

Core banking system reduces fraudulent activities dramatically, however, if someone can manipulate the system it might cause much more deadly situation than PC banking system. And there are some such incident in the world.

Core Banking system require highly tech savvy people who can used to any new technology. However, except a few organization, highly qualified people are missing.

Core banking system is much more expensive than the PC banking system. Also, PC banking system provides much more option than the core banking system. A user can choose his own set of software in pc banking system however, in core banking system everything is pre-determined by oracle.

In Bangladesh, only two bank is using PC banking system. Other bank is doing fine using PC banking system. HSBC also using PC Banking System and they can maintained themselves highly using those system. I believe it's up to how do the work, not to the software.

Both PC banking system and core banking system are great tools in Banking. Among these two, CBS is secured and modernized on the other side PC banking system is flexible and cheaper. A bank might choose different platform based on their needs.

Corporate Social Responsibility Initiatives

The notion of Corporate Social Responsibility (CSR) is highly embedded with the commitment of enterprises to contribute towards sustainable .and socially equitable development. CSR is the dedication whereby companies contribute to a better society through its business activities and social investment. United Commercial Bank Limited, the largest first generation private commercial bank of the county's firmly believes that we cannot expect to step forward to build a prospective country in relation to development leaving social concerns behind. Consequently, we focus on three major components comes priority basis as people, planet and profit

UCB integrates CSR into all. Its business activities with the belief that success is measured by more than financial results. It is also measured by customer satisfaction and employee engagement, strong governance practices and support for communities the Bank serves. Being a

responsible business; social engagement is integral to our success and that of the customers, clients, shareholders and communities we serve around the country. CSR is rooted in our values and informs how we conduct business, develop products and services and deliver on our goals and commitments

We have carried out our social responsible initiatives around three main areas: customers, employees and social development our paramount concern focuses to employees and consumers. We also aim to ensure meaningful social investment to development issues like education, poverty alleviation, health, sports, environment etc.

Customers

As a financial institution, we tend to provide communities with a broad range of financial services. This includes providing financial advice which helps our customers making best financial decisions. We have undertaken several initiatives in terms of product innovation and developing a healthy market of banking. The bank now has 148 branches which creates a strong network in every corner of the country. We believe that it is right of mass having the access of financial services. Financial inclusion is a major catalyst to development. We have already opted Mobile Financial Services as a core of our businesses. We have also implemented core banking systems (CBS) to fulfill customers diversified financial needs from a reliable technology platform.

Employees

Responsibilities to employees in UCB include taking care of the personnel's welfare and safety at work and developing their skills competences and proficiencies at work. Our endeavor is to provide equal opportunities to employees from any race or religion. UCB also provides special opportunity for underprivileged people. We have an equal opportunity policy for women to be considered and appointed to managerial and executive positions.

Social Development

UCB is concerned to all social causes and development. We have organized our activities for Social Developments in major areas like Education, Health, and Disaster Management. Sports,

Arts & culture, Socio-economic development. Environment etc. Project and policies are initiated on long term basis accompanied with sustainability and advancement. In the year 2014, our total expenditure in CSR arena was around 4.87 Crore.

Education

Education is the fundamental towards building a sustainable and advanced nationhood. UCB has long been practicing CSR in education sector through scholarship for poor and brilliant students, donation to educational events, education for underprivileged children, donation to different educational institutions etc. Some of our CSR initiatives to Education sector in 2014 are:

Donation to Proyash - a specialized school for autistic children.

Health

As continuous commitment to society, UCB has been contributing in health sector in Bangladesh by donating to different health care institutions, financial assistance to underprivileged & poor people, adoption and maintenance of healthy lifestyles, health & medical conferences etc. Some of the medical institutions and initiatives where UCB provided assistance were: Chittagong MA O Shisha Hospital. 13th Asian Spinal Cord Network Conference by Centre for the Rehabilitation of Paralyzed (CAP) etc. UCB also stood beside numerous poor and sick people for their medical treatment. Some of the names who received help for treatment were: Khondokar Naimur Rahman Rony, Suffering from Ankylosing Spondylitis; Financial assistance to mother of Mr.Mohammad Ashraf Hossain, suffering from Kidney complexity; Md. Jashimul Haque. Suffering from blood cancer and many more.

Disaster Management

Responding to the natural calamities with proper assistance and aid is considered as a major initiative in terms of CSR. In a country like Bangladesh. It is extremely important to come up with due assistance to fight against adverse effect of disaster. Winter comes with a massive havoc of cold and extreme suffering for the helpless poor people of Bangladesh. Those people are in need of essential and immediate aid and clothing for saving their lives. Moreover. Flood is a common phenomenon in our country. It sweeps away locality and makes people homeless.

In 2014, UCB distributed 80,000 blankets among the deprived and unfortunate people to provide them warmth during horrible winter months. Blankets were distributed in those areas where people are more prone to the wrath of cold winter. A sudden flood was occurred in the northern part of the country in the mid of 2014 where we assisted with aid and relief. We distributed dry food, pure water, saline etc. to almost 1.800 flood affected people.

Sports:

Bangladesh has been showing remarkable improvements in sports arena in recent years. UCB is a huge supporter of sports and accordingly UCB aims to continue supporting the sports sector of Bangladesh on a regular basis.

Lt. Sheikh Jamal Dhanmondi Club Limited is a very prestigious club in the sports arena of Bangladesh. They participate almost in all sorts of sports with high level of success. UCB has been continuously supporting Late Sheikh Jamal Dhanmondi Club for last several years and 2014 was no exception.

Green Banking

Green banking in general refers to the efforts of the Banking sector to keep the environment green and to minimize greenhouse effects through rationalizing their strategies, policy, decisions and activities pertaining to banking service, business and in-house operational activities. Green banking is seen as a component of the global initiative from bank end to save environment

Initiating in-house Environment Management

Initiatives have been taken to apply eco font in printing to reduce use of ink and paper, use scrap paper as notepads and avoid disposable cups/glasses and to install energy efficient electronic equipment's that will help the bank to reduce electricity consumption. Energy saving bulbs have replaced by normal bulbs in offices of the bank.

E-mail:

The electronic mail system for UCB decreases use of paper and chemical ink for printing. Using the nationwide computer network the email correspondences also decrease communication time, increase accuracy, faster decision making etc. Last year 2014 UCB has deployed around 900 new PCs for new user and all the new users are communicating through official e-mail. Currently Total number of e- mail Users are 3000.

Internet Portal (ice):

The introduction of intranet portal increased the dimension of paperless communication. IT related user request. Circular's, Policies, Process, Letters and other documents are stored and distributed through the portal, named as iUCB reducing the need to for printed hardcopies. Also it provides workflow process minimizing operational time to maintain and manage different banking software.

User ID Request; UCB users are doing their request through e-mail and web portal(iUCB) for critical systems(FCUBS, CardPro, BACH, OIBTS, Domain ID, Email , Network access, etc.). It saves paper, faster support, accurate tracking and more control

SWOT Analysis

SWOT analysis refers to analysis of strengths, weaknesses, opportunities and threats of an organization. This facilitates the organization to make its future performance improved in comparison to its competitors. An organization can also study its current position through SWOT analysis. For all of these, SWOT analysis is considered as an important tool for making changes in the strategic management of an organization.

Strengths of UCBL

1. **Top Management:** The United Commercial Bank Limited is operated by a very efficient management group. The top management officials have all worked in reputed banks and their years of banking experience, skill, and expertise will continue to contribute towards further expansion of the bank. So, the top management of the bank is the major strength for UCBL.

2. **Company Reputation:** UCBL has already established a favorable reputation in the banking industry of the country. It is one of the leading private sector commercial banks in Bangladesh. The bank has already shown a tremendous growth in the profits and deposits sector.

3. **Adequate number of Branches:** In Bangladesh, The bank has 185 branches to provide services to the people. All these branches are located in such places where customers feel comfortable and safe to make their transactions. This creates a positive image in the minds of the potential customers and many people get attracted to the bank.

4. **Corporate Culture:** UCBL has an interactive corporate culture. The working environment of UCBL is very friendly, interactive and informal. And, there are no hidden barriers or boundaries while communicate between the superior and the employees. This corporate culture works as a great motivation factor among the employees of the bank.

5. **Various Products and Services:** UCBL offers various types of products and services to their clients. So those, Customers can choose the right products that will fulfill their needs.

6. **Technological Advancement:** The bank started online service in all branches. It is fully online service provider.

Weakness of UCBL

1. **Heavily depended on head office for decision making:** All the decision comes from HO whereas branches can very little decisions by themselves. If the transaction received 10 lacs, branch manager have to take granted from the AVP, more than 10 Crore they needed to approve from DMD.

2. **Low remuneration package:**

United Commercial Bank's salary and other benefits are not good compare to other reputed bank and manufacture industry which makes employees turnover rate higher than the other bank.

3. **Low promotion campaign:**

Most of the product of UCB suffers lacks of promotional campaign which makes people less known to the actual product. Many people don't know the existences of UCBs product and services.

4. Lack of computerization and Tech Shabby people:

This is one of the acute problem UCB suffering right now. Many braches can't fully transferred due to lack of infrastructure and technical skilled people.

Opportunity of UCB

1. **Product line proliferation:** UCBL must expand its product line to enhance its sustainable competitive advantage. For example, UCBL can introduce mobile recharge through their mobile banking, and e payments.
2. **Improvements of Chain Banking:** There are many important places in Bangladesh, where customers are eagerly waiting for doing banking transactions. But no existence of banks is in those places. Although UCBL already has 185 branches to provide services to its customers, it must also open more branches in those places where people needs banking facilities.
3. **Introducing special corporate scheme:** UCBL can introduce special corporate schemes for the corporate customers or officers who have an income level higher from the service holders. At the same time, they can introduce schemes or loans for various service holders. And the schemes should be separate according to the professions, such as engineers, lawyers, doctors etc.
4. **Developing new products and services:** The bank should offer new products and services.

Threats of UCBL

1. The default risks of all terms of loan have to be minimizing in order to sustain in the financial market. Because default risk leads the organization towards to bankrupt. UCBL has to remain vigilant about this problem so that proactive strategies are taken to minimize this problem if not elimination.
2. The low compensation package of the employees from mid-level to lower level position threatens the employee motivation. As a result, good and potential employees leave the organization and its effects the organization as a whole.
3. Certain Bangladesh Bank rules and regulations. Recently Bangladesh Bank reduces all sort of term interest deposit which makes investor to draw their money from the bank.
4. Some commercial/ foreign as well as private banks. Investors are always interested for better banking solution and services.
5. Similar types of retail banking products: Other banks can also capture a huge market share by offering similar products and services provided by the Bank. Like Bkash is ruling over to UCASH

Conclusion:

Being the largest bank in Bangladesh by number of branches, United Commercial Bank moving to automated banking software solution provided by Oracle comes in real handy. It automated their all the banking activities and reduces a significant number of paper work which is not possible in PC banking system. The software is efficient enough to handle every thing by its own which helps bank to reduce number of works. Though UCB started converting the whole system in mid of July 2014, authority expected to complete the whole system conversion by Dec 2015. On this follow through, already more than 60% Branches are converted to CBS system. Every month's more and more branches are added. All the important branches are under CBS banking system. With a new generation of core banking solutions coming to market, United Commercial Bank find it easier to introduce innovative products and more quickly adapt to changing customer expectations. This is particularly important today as banks grapple with new online, mobile, cloud, social-networking and collaborative technologies.

Glossary:

AD: Authorized Dealer

ALCo: Assets Liability Committee

ALM: Assets Liability Management

BB: Bangladesh Bank

CBS: Core Banking System

CSR: Corporate Social Responsibility

GL: General Leisure

IS: Income Statements

VAT: Value Added Tax

PCBs: Private Commercial Banks

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