

Financial Condition of City Bank

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Abstract

I have conducted this report on “Marketing practices and the customer satisfaction level of The City Bank Limited. My hoarier supervising Hasan Al Mamun assigned this topic, Assistant professor Faculty of Business & Economics, United International University of Bangladesh. Now, in this article, I will present the financial condition of City bank Bangladesh with some specified heading.

Keywords: Background; Overview; Function; Management; Performance.

1. Introduction

The City Bank Limited is a full service scheduled commercial bank. It has both local and International Institutional shareholder. The bank is primarily driven with a view of creating opportunities and pursuing market niches not traditionally met by conventional banks. The City Bank has been motivated to provide “best-in-the-class” services to its diverse assortment of customers spread across the country under online banking. Today, The City Bank is one of the fastest-growing banks in the country. In order to support the planned growth of its distribution, network and its various business segments, The City Bank is currently looking for impressive goal-oriented, enthusiastic, individuals for various business operations. The bank wants to build a profitable and socially responsible financial institution. It carefully listens to the market and business potentials, It is also assisting The City Bank and stakeholders to build a progressive, healthy, democratic and poverty-free Bangladesh.

2. Historical Background

The City Bank Limited., one of the latest generations of commercial banks, which started its journey on the 4th of July 2001 with a vision to be the absolute market leader. The City Bank Ltd. is a commercial bank scheduled bank extending a full range of banking facilities as per the directives of Bangladesh bank. It intends to set standards as the absolute market leader by providing efficient, friendly and modern fully automated on-line service on a profitable basis. The City Bank is surviving in the large arena through its unique and competitive products and it is the only local bank providing 100% integrated online banking. The bank is mainly owned by privatized bank in Bangladesh-The City Bank Ltd. has positioned itself as a new generation Bank with a focus to meet diverse financial need a growing and developing the economy. The bank has embarked with a stated policy to promote broad-based participation in the exile economy all the way through the provision of high-quality banking service based on the latest information technology. The bank will ensure this by increasing access to economic opportunities for all individuals and businesses in Bangladesh with a special focus on currently underserved enterprises and households across the rural-urban spectrum. We believe that growing the ability of underserved individuals and enterprises to build their asset base and access market opportunities will increase the economic wellbeing for all Bangladesh. To keep in tied with its sponsor, The City goals, the bank endeavors to provide mass financing especially to focus on under-served enterprises across the urban area. The bank focused on relationship-based Banking, as it believes that the pursuit of profit and developmental goals are mutually reinforcing. This focus makes the bank to emphasize more on to explore and access market opportunities as well as build asset base to its clients conforming significant contribution to the profitability of the Bank.

3. Company Overview

Until the beginning of the eighties, the banking business in Bangladesh was only restricted to the nationalized sector in addition to two or three foreign banks. It is only in 1983 that the Government changed its policy on the banking sector paving the way for setting up new banks with the private sector. In fact, 1983 saw the emergence of a bevy of local banks with private entrepreneurship of which The City Bank limited stands out prominently. It came on stream on the 27th March 1983. The City Bank Limited is the first private sector Bank in Bangladesh. The Bank has been operating since 1983 with an authorized capital of more than TK. 1.75 Billion under the entrepreneurship of twelve prominent and leading businessman of the country. The noble intention behind starting this Bank was to bring about qualitative changes in the sphere of Banking and Financial management. Today The City Bank Limited serves its customers at home with 120 branches spread over the country and about three hundred oversea correspondences covering all the major cities and business centers of the world. The services encompass wide diversified areas of trade, commerce, and industry which tailored to the specific needs of the customers and are distinguished by an exceptional level of prompt and personal attention. Over the year the Bank has expanded the spectrums of Its Services. The extensive and ever-growing domestic network provides and carries various product and service to the doorsteps of millions. The City Bank Limited has already introduced some new Banking Products like dual currency Credit Cards, ATM and Online services which have created attraction among the clients. The Bank has introduced real-time Internet, SMS and Phone Banking systems with all modern delivery channels at an early date. For significant performance, the bank has earned national and international recognition. The City Bank Limited was one of the twelve banks of Bangladesh among the five hundred banks in Asia for its asset, deposit, and profit as evaluated by “Asia Week” in the year of 2000. Other the other hand, The City Bank Limited received the “Top Ten Company” award from the Prime Minister of the People’s Republic of Bangladesh. We have a distinguished Board of Directors which consists of thirteen successful and reputed businessmen. Mr. Aziz Al-Kaiser, atop leading businessman, industrialist, pioneer personality and entrepreneur of private sector bank of Bangladesh, is the Chairman of the Bank. Mr. Kazi Mohmood Sattar a dynamic, nationally and internationally reputed banker is the Managing Director and CEO of the Bank. The City Bank Limited recently won The Asian Banker “The Strongest Bank in Bangladesh-2010” Award The birth of The City Bank Limited as back as 1983 created a sensation on the financial sector and raised new hopes among the banking population. Within a few years of its launching, the bank made a tremendous impact on the economy and showed immense potentialities. Success after success was streaming. The bank was adorned with prestigious honors like one of the top ten companies, large taxpayer, one of the top five hundred banks in Asia. From 1984 through 1992the bank earned profits consistently and the performance

was remarkable. The bank, however, ran into rough waters from 1993 due to multiple events like business slump, default culture, rigorous provisioning, etc. The City Bank Limited has so far been highly successful in keeping its clients satisfied with its high-quality service while counting its expansion to reach more people around the country. The City Bank Limited conducts all types of commercial banking activities. It is involved in most of the areas of commercial banking operations. The core business of the bank comprises of trade finance, term finance, working capital finance, and corporate finance. The City Bank Limited has acted as the lead arrange in raising term loan for a number of projects under syndicated finance and also participated in some cases under such financing arrangement. The bank is also providing personal credit, services related to local and foreign remittances and several other products. The City Bank Limited's program under "Poverty Alleviation Scheme" delivered through rural branches in the form of microcredit is playing an important role in the socio-economic development of the poor people in the rural areas. The City Bank Limited entered the market at a time when economic policy environment of the country is balanced for higher levels of business activities and growth. The prevailing macroeconomic management and the government's determination to carry on reforms in the banking sector provide a supporting and encouraging environment.a) Objectives of The City Bank Limited

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

- a) Highly personalized service.
- b) Customer-driven focus.
- c) Total commitment to quality.
- d) Contribute to the economy.
- e) Quality of human resources.
- f) Commitment to its clients at each level.

The company believes that communication with, and feedback 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' requirements.

4. Organizational Overview

The City Bank Limited, with institutional shareholdings by International Finance Corporation (IFC) and Shore cap International, has been the fastest-growing Bank in 2005and 2006. At the year-end of 2006, The City Bank ltd .had recorded a 103 percent growth in assets, and a 65 percent growth in liabilities, with an operating profit of 84 percent over the previous year 2005. A fully operational commercial bank, The City Bank Ltd. focuses on pursuing unexplored market niches in the Small and Medium Enterprise Business,

which hitherto has remained largely untapped within the country. In the last four years of operation, the Bank has disbursed over BDT 1200 crore in loans to nearly 32,000 small and medium entrepreneurs. The management of the Bank believes that this sector of the economy can contribute the most to the rapid generation of employment in Bangladesh.

5. Company Profile

The City Bank Limited, with institutional shareholdings by International Finance Corporation (IFC) and Shore cap International, has been the fastest-growing Bank. The Bank operates under a “double bottom line” agenda where profit and social responsibility go hand in hand. A fully operational Commercial Bank, The City Bank Ltd. focuses on pursuing unexplored market niches in the Small and Medium Enterprise Business, which hitherto has remained largely untapped within the country. In the last six years of operation, the Bank has disbursed over BDT 7500 crore in loans to nearly 200,000 small and medium entrepreneurs. The management of the Bank believes that this sector of the economy can contribute the most to the rapid generation of employment in Bangladesh. Since inception in July 2001, the Bank’s footprint has grown to 56 branches, 30 SME Service Centers, 427 SME unit offices and 112 ATM sites across the country, and the customer base has expanded to 465,000 deposit and 187,000 advance accounts till December 2008. In the years ahead The City Bank Ltd. expects to introduce many more services and products as well as add a wider network of SME unit offices, Retail Branches, and ATMs across the country.

6. Financial Performance

Materials	2008-09	2009-10
Net loans outstanding	178.10	274.30
Total deposits	200.20	319.70
Return of average assets	1.4%	1.5%
No. of borrowers	21,723	40,799
No. of branch	310	381
No. of employees	1213	3047

Table: 1 The City Bank Ltd. received National Award as the Highest VAT payer for the financial year

7. The vision of the Bank

To be the leading bank in the country with best practices and highest social commitment.

The Mission of the Bank

- To become the second largest bank in Bangladesh.
- Recruit the best from the applicants who can be a good resource for the bank.
- Motivate the employees by ensuring attractive salary and wages payments.

- d) Controlling the employees by using both X & Y motivation theories.
- e) Constant growth in 'Small & Medium Enterprise' sector.
- f) Manage and control the organizational relationships and responsibilities

8. Organizational Structure

The board of directors is the top management and policy-making comity of The City Bank Limited. Presently the board consists of a chairman and four directors. It is to be noted that the managing director, is also a member of the board. The directors are appointed from amongst those who have had experiences and shown capacity in the field of finance and banking, trade, commerce, industry, etc. The chief operations officer executes all the activities under the directions of the board. The officer and the other line and staff personnel are appointed by the bank's own recruitment committee of Human resource Division.

9. Functions Of The City Bank

In order to serve the customers better, The City Bank Ltd has different products and services like

Departments of The City Bank Limited

The City Bank Limited has 26 departments in three different criteria.

The Departments are-

- a) Business:
- b) Support:
- c) Operations:

An employee of The City Bank Limited:

- a) Deputy Managing Director (DMD)
- b) Executive Vice President (EVP)
- c) Senior Vice President (SVP)
- d) Vice President (VP)
- e) Senior Assistant Vice President(SAVP)
- f) First Assistant Vice President
- g) Assistant Vice President
- h) Senior Principal Officer (SPO)
- i) Principal Officer (PO)
- j) Senior Officer (SO)
- k) Management Trainee Officer (Direct Recruit)

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l) Officer Grade II

m) Officer Grade I

10. Management Team

The management team of THE CITY Bank includes the following positions and each position contains one member.

Managing Director& CEO

Deputy Managing Director

Chief Information Officer

Head of Credit

Company Secretary & Head of Regulatory & Internal Control

Head of Probashi Banking

Head of Human Resource Management

Head of Treasury & Financial Institution

Head of Marketing & Corporate Affairs

Head of Corporate Banking

Head of Impaired Asset Management

Head of Enterprise Risk Management

Chief Financial Officer

Head of Technology

Head of Retail Banking

11. Types of Banking

SME Banking:

The City Bank is the market leader in giving loans to small and medium entrepreneurs. They have been doing it for the last five years. SME Banking includes:

a) SME Network Coverage

b) SME products

Retail banking:

Retail banking includes car loan, deposit products and cards.

Loan Products: doctors' loan, salary loan, secured loan, NOW loan, high Flyer loan, Top

Up loan, car loan, teachers' loan, study loan, travel loan, credit card loan, etc.

Deposit products: set up a fixed deposit, fixed deposit, and interest first, salary account, the current account, savings account.

Cards are

- a) American Express Card
- b) Nexus Pro
- c) City Credit Card
- d) City Manarah card
- e) Platinum city debit card
- f) City max card
- g) ATM Debit Card
- h) ATM Locations
- i) POS Outlet
- j) Lost card/ card replacement

Corporate Banking:

- a) Corporate loan products:
- b) Trade Finance:
- c) Corporate cash management
- d) 24hour banking
- e) Extended banking hours
- f) Online banking
- g) Payday overdraft
- h) Salary loan

12. Cash management services:

The City Bank's national Collection Services (NCS) is designed to assist corporations with nationwide collection requirements by providing faster funds availability in a cost-effective

manner.

- a. Cash collection services
- b. Dropbox facility

13. My Contribution to the Organization

At first when I joined the organization my work was very minimal. My officers tried to give me very little work and only told me to learn a few new things every day. I used to help other officers if they needed my help in accomplishing their tasks. In that way, I had a basic concept on everything. As days past by the officers grew confidence in me and I could achieve many tasks by myself. The Principal branch of The City Bank transacts more bill than any other branches in Bangladesh. The second officer appointed me to that section because it was very hard for that department to accomplish its task within the time frame. My job was to data entry all the bills in their software while the officers received the money from the clients. As far I have seen the bill payments in rush time of the goes up to 30 lac in a single Internship work distribution. I worked-

- a) Internal Audit
- b) Marketing
- c) Loan
- d) Accounts opening day and about 1500 data entry. Thus we had to receive the money than compare it with the data

entry balance. Then we had to post this bill online to the main branch and show them the balance. This may sound like very simple work but the accuracy and concentration level required to achieve this work is very difficult. On a daily basis, I used to do other works like accounts opening, supplementary, writing cash register and also work on clearing department. My job also extended outside of the bank where I have to visit many organizations marketing our mobile banking and also deal with loan customers. I also managed SME loan customer for the bank. Therefore I will state that I tried to contribute more than the organization told me to do so and in the process, I learned many things about organizations culture and policy. However, I started my internship in doing a survey of Service Quality Department & IT Department. Ms. Zaheen gave me this one. This was really challenging for me because I was new and I was told to know the customer's point of view about the service of The City Bank and also to collect the serial number of all the employees' laptops serial number and also. I did it perfectly. This was done to find out which laptops are going to expire soon and needs servicing. So, for a bank, it is very important to keep all the things especially the computers up to date.

14. Organizational Learning

During my internship, I became quite efficient in using Microsoft Excel. There were little things that my supervisor showed me which I never needed to use outside of work and therefore knew little about, such as how to work with formulate graphs/charts on Excel, work with formulas in order to calculate and tabulate data, switch from one Excel sheet to another using keyboard shortcuts to save time. In order to create invoices with all the necessary details, I got to work in different software. When I was given the responsibility of an employee's leave calculation, I learned how to create formulas in Excel sheets in order to get the results in a shorter time. While doing this internship I could implement a lot of my theoretical knowledge into practical work. While pursuing the BBA degree I had to study a lot of stuff. All of them could not be used and I had to logically input them even when any of them could be used anywhere. So from this "how to implement your theoretical knowledge into your practical work" I could nourish myself in terms of analytical skills. During conducting the HR-related responsibilities I had to deal with from our MD to the office maid. She used to come up with her salary, leave related problems to me. I used to try my best to sort things out for her. I got to harness a good deal of my interpersonal skills while working with them as these were people from different walks of life, with whom in the surface I had very little in common with but as I got to know them a little better through my work I realized how hardworking and dedicated they are, and in turn I got to learn a great deal from them. I would always make sure that I was courteous while communicating with them in-person or over the phone, so as never to offend or hurt any of them. They had been very kind and respectful towards me during the entire process. I was able to create a good working relationship with them, as I immensely enjoyed working with them. While conversing with them, I got to know about any hardships they faced in life, the different places they came from and how they liked working in this diversified cultural workplace. Besides all those, there were situations of conflict management when I had to weigh my duty to the organization against my duty as a human being. My line manager was part of the recruitment process of the executives/managers and at times there would be applicants from North South University vying for the position and would ask me to share any relevant information with them regarding the recruitment and interview process. I had to learn from my mistakes during the course of the internship to realize that no matter how tempting it may be to indulge in sharing sensitive information, my duty to my organization comes first and should, therefore, be prioritized above all else.

15. Organization and Environment

Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique

culture, which provides guidelines and boundaries for the behavior of the members of the organization. The City Bank demonstrates the following basic values through its culture:

- a. Inspire others
- b. Maintain Professionalism
- c. Be respectful towards others
- d. Open communication without fear of being reprimanded
- e. Work with joy
- f. Deliver great work
- g. Work on personal improvement
- h. Show Dedication and sincerity

16. Work Environment

The Principal Branch of The City Bank has a well-decorated modern and very beautiful, office building in the center of Dhaka city. The company occupies the building, which is owned by the company itself. Openness, transparency, access, and parity are at the core of their leadership style. The Managing director, the Chairperson of the company and all the senior employees have their own room, there are no separate office rooms for employees, they all have their own desk in an open space, which best reflects a sense of camaraderie and openness between the employees. There is a sense of openness and informality in the work environment with the right amount of seriousness, so as to never verge in the much-dreaded territory of “monotony”.

17. Department, Coworkers, Supervisor

There are many departments in the company, as I have already mentioned that each department has their own head, they all do their own task but under the approval of our Chairman. They approve all the big decisions and all the other factors. Type, Quality, Quantity of Work As the only intern of the department, I was privileged to have a significant amount of responsibility as compared to most interns in other departments or divisions. Since I also had to work in accounts too, it made my journey more interesting. Besides the physical work involved with the HR responsibilities, I also had a considerable amount of desk work as I was an HRM & FIN intern in the first place. That involved a wonderful hybrid of desk job and tasks with the tour of the whole office. I achieved stronghold on MS office after this internship. Formulating sheets and graphs on Microsoft Excel using VLookUp, correcting formulas of the data given on Excel sheets, doing complex calculations of revenue and expenses using excel made me an expert in the field. When I was about to start my internship program I realized that throughout my student life I only spent time with my friends. The

workplace is full of new people and people who are way older than me. At very first the situation was very scary where I had to spend 8 hours of daily life with these people. At the beginning of the internship program, it was very tough for me to settle with the situation. I planned to be friendly with everyone and decided that I will listen and fulfill my fellow coworkers will ask me to do. I said yes to everyone and be friendly with everyone even the cleaners and the security guards. Even though I had nothing in common with my co-workers I tried to blend with them by sharing and talking for hours. This helped me to stay in the workplace for 8 hours with ease. Everybody in the workplace like me and appreciated my behavior. Even though the huge age difference between my coworkers started being very friendly with me. Starting from the branch manager who used to talk to me and take me on visit rather than any other employee in the organization. He appreciated my willingness to work. There are other workers who invited me to their place and also have a connection outside of the workplace. I would say after the first month it felt like I belonged to that place and everybody in the workplace accepted as part of their team. I would say this behavior helped me to learn everything from that organization and also helped me to work very effectively and efficiently. Therefore I consider building a connection with coworkers and boss is mandatory to survive in the workplace.

18. Dealing with difficulties

Incorporate the world everyone has to deal with different types of difficulties. To work with so many different people is not that easy. People are very selfish and clever. They can do anything for their betterment. In my internship period, I faced a lot of challenges. They are- in the 1st month, it happened with me. Mr. Abdullah Al Mamun told me to photocopy a paper. I went to the machine and copied some files. Then I gave them to him. He gave me another file. When I came back to the machine I saw it was logged out. So I put the paper on the machine and went to him back to take his ID card to punch. I got back to the machine and did not find the papers. I searched for the whole office. I got so scared that I could not tell this to Mr. Mamun. Then I told MR. Tariq who is a very nice guy. He helped me a lot. Then we found that someone threw those into the dustbin behind the machine. I got relieved after getting them back. I managed this with patience. But I got really scared. I did not tell this to Mr. Mamun as I did not want to hamper my impression to him. As a Marketing major student, I had learned many types of theories and also solved many cases in many marketing courses. At the same time, I also did many types of analytical work in marketing. I learned SPSS as well, but when I enter to this organization I did not use much theory and cases. I will not say that my hard work got wasted but I'll definitely say that real work life is much different from the academic world. I cannot come to a conclusion by working for three months only but I realized how things are making sense now which once used to be my nightmares. When you apply your theoretical knowledge to your work

than you actually can figure out the purpose of your hard work to achieve that undergrad degree. Although it is true that there are some things that were missing from academic training, it is in my opinion that learning through practical experience is equally as important as well as effective. I agree that we have done many cases in different courses but those were maximum USA based cases, so we could not understand much by learning all these. The situation of other developed country and the condition of our country is not the same. So I must say the faculties of Bangladeshi universities should focus more on Bangladesh based examples and much real-life situation. What I feel should have been prioritized in courses is the need to familiarize students with the various aspects of a career in each major field of business so that they are able to grow an interest for a particular field of study and accordingly decide what major and/or career they want to pursue. For examples many of our U IU students might not have the idea of marketing based career or finance-based career, they just jump into the marketing world and took marketing or finance as a major without knowing the drawbacks, which can result into unemployment. So according to my opinion, every student should get a chance to know about every sector of the job so that they can choose their major accordingly. There should be more career-oriented academic life, instead of fully bookish academic life. Additionally, focus a great deal of training on Microsoft Excel as it is most frequently and widely used in organizations, and having a better understanding of it would facilitate ease of work. Business school should give more focus on excel, as the whole world is technology-based so more IT-based course should be introduced. It can help us in the future. In short, I would say, when I started working I didn't have anything as my benchmark to decide what is waiting for me in the workplace. I was really scared and did not understand what I actually have to do like my work. When I started working in the bank and was given with different tasks I realized this organization will not overlook any mistakes. I became terrified and started making many mistakes but my fellow coworkers were excellent in understanding the situation with their experience trying to convince me that mistakes are unavoidable. They made me realize if I make a mistake they are there to make it correct. After many days I was able to grow confidence and could work in a valuable way. Therefore I would state my expectation was that the workplace is going to be a terrifying place but it turned to be a place where I could enjoy myself and have a great time working.

19. Conclusion

The City Bank Ltd. went through a massive restructuring process during the year 2006. During that period, the bank took some important initiatives (i.e. Centralization, one-stop service training, know your customer profile, mystery shoppers, etc.) to improvise its customer service quality. However, even after taking such steps the bank still could not change its service quality image completely in its consumer minds.

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