

CHAPTER-ONE

INTRODUCTION OF THE STUDY

Introduction:

The City Bank Limited is one of the large bank in south Asia. The City Bank Limited introduced unconventional way of banking business in the country. It started its operation in 1983 and ended the initial year of operation with a total deposit of Tk 14.41 crore. The bank through its 196 branches successfully mobilized Tk. 1,66,325 million deposit from 3805709 depositors and deployed Tk. 1,44,921 million as investment to 5,08,758 accounts up to 31st December-2009. Growth rate of Deposit of CBL in 2009 was 25.61%, as against 22.86% in 2008. Growth rate of Investment of CBL in 2009 was 27.60% as against 21.28% in 2008. In the year 2009, total Income of the bank was Tk. 17,700 million showing 26.09% increase in 2009 as against 32.60% increase in 2012.

The City Bank Limited an unconditional and specialized financial institution which is first of its kind in South East Asia performs most of the standard banking service and investment activities on the basis of profit-loss sharing system conforming to the principles. The City Bank does not pay interest to depositor. Instead depositors participate in the profitability of the bank. The Bank participates in financing long-term projects on the basis of profit-loss sharing instead of granting credit facilities with interest. CBL also performs various social welfare activities through its subsidiary organ named The City Bank Foundation (IBF). My report is specially based on The City Bank Limited and I wanted to focus the Marketing Activities of the City Bank.

Background the Study:

For Dissertation report each student has to prepare a report on their choice. According to this requirement, I have already completed my Dissertation report on the "Marketing Activities of the City Bank in the Economic Development of Bangladesh: A Case Study on The City Bank Limited", because I am a Executive of The City Bank Ltd. And as a Muslim I should know the Islamic Banking system. For my reporting purpose, many times I went IBTRA to collect necessary information. On the basis of my practical experience as well as theoretical knowledge, I have completed the report regarding The City Bank Ltd. The main focus of my study is to analyze the all procedure of CBL. The City Bank tries to develop overall countries by all activities and achieve its goal.

Rationale of the Study:

There are three types of scheduled commercial banks in operation in our economy. They are Nationalized Commercial Banks, Local Private Commercial Banks and Foreign Private Commercial Banks. The City Bank has discovered a new horizon in the field of banking area, which offers different General Banking, Investments and Foreign Exchange banking system. So I have decided to study on the topic "Role of The City Bank in the economic development of Bangladesh: A case study on The City Bank Limited" because the Dissertation report of the university is an integral part of the BBA program. So it is obligatory to undertake such task by the students who desirous to complete and successfully end-up their BBA degree. This also provides an opportunity to the students to minimize the gap between theoretical and practical knowledge. During the Dissertation report the supervisor of the course are attached to actively and constantly guide the students. Students are required to work on a specific topic based on their theoretical and practical knowledge

acquired during the period of the dissertation and then submit it to the teacher. That is why we have prepared this report.

Objectives of the Study:

The main objective of the study is to gather practical knowledge regarding The Banking system and achievements of The City Bank Limited. This practical orientation gives us a chance to Co-ordinate out theoretical knowledge with the practical experience. The following are of objectives for the study:

- To find out the role of CBL in the Economic Development of Bangladesh..
- To find out the overall pictures of CBL.
- To identify strength and weakness of CBL.
- To identify the problems related to develop the country faced by CBL.

Methodology of the Study:

For smooth and accurate study everyone have to follow some rules & regulations. The study impute were collected from two sources:

Research Design

The questionnaire has been sorted into three parts. The first part was designed to collect the demographic information of the customers. The second part is associated with the types of services taken by the customers and reason to switch the previous bank. The last part of the questionnaire included questions specific to dimensions of the service quality of the bank.

Data Collection:

In preparing this report, both primary and secondary sources of data have been used. The following sources have been used for the purpose of gathering and collecting data as required.

Primary Data:

- Personal interview with the customers through open and close ended questionnaire.
- Observation and informal Conversation with customers and employees of employees.
- Face to face Conversation with the respective officers of the bank.
- Personal experience gained by visiting different desks of the bank
- Relevant files and official records provided by the officers concerned.

Secondary Data:

- Annual report of CBL
- Working Papers of CBL
- Office Files.
- Selected Books.
- Published & Unpublished Documents.
- Website.

Data Analysis:

While conducting the study, sources were explored for primary information and data. But hardly any updated data could be found. In the absence of updated information or data dependence on secondary data has been inevitable. However, whenever possible primary data has been used. Data were also collected by interviewing the responsible officers and from some documents & statement printed by the bank, bank's annual report, and website of CBL .

Limitations of the Study:

There were some problems while I conducting the orientation program. A wholehearted effort was applied to conduct the orientation program and to bring a reliable and fruitful result. In spite of having the wholehearted effort, there exit some limitations, which acted as a barrier to conduct the program.

The limitations were —

- Sometimes I was assigned to do some jobs without explaining why this work is to be clone. This situation has created a lot of problems to understand why a specific function is being performed.
- All the branches of the sample bank were not physically visited because of time lack.
- All the concerned personnel of the bank have not been interviewed because of their busy hour & my lack of money.
- Lack of in-depth knowledge and analytical ability for writing such report.
- Lack of experience.
- Learning all the banking functions about credit within just two and half months was really tough.
- Another limitation of this report is Bank's policy of not disclosing some data and information for obvious reason, which could be very much useful.
- Most of the data is very much potential that why it is very difficult to collect potential data.

CHAPTER-TWO
OVERVIEW OF THE CBL

Background of the Organization:**Overview of CBL:**

The City Bank is one of the best and leading commercial Banks in Bangladesh. This Bank has actively contributed to the economic and social developments of Bangladesh through its highly skilled management team and dedicated employee base. This Bank is a public limited company. CBL is sponsored by some dynamic and reputed entrepreneurs and eminent industrialists of the country and also participated by the Government; CBL started its operation in mid 1983 and has since been able to establish one of the largest networks of 119 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.

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 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.

Vision

To be the bank of first choice through maximizing value of 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 will improving the quality of life in the communities we serve.

Corporate Information:

- | | |
|--|---------------------------------|
| ❖ Name of the company | ▪ The City Bank Limited |
| ❖ Legal Status | ▪ Public limited Company |
| ❖ Date of incorporation | ▪ June 26, 1983 |
| ❖ Date of Commencement | ▪ June 27, 1983 |
| ❖ Company Chairman | ▪ City Center, Gulshan-2 Dhaka, |
| ❖ Managing director | Bangladesh |
| ❖ Head Office | ✓ info@CBLI.com |
| | ✓ www.CBLI.com |
| ✓ E-mail | ✓ November 30, 1986 |
| ✓ Website | ✓ November 15, 1995 |
| ✓ Listing with Dhaka Stock Exchange | |
| ✓ Listing with Chittagong Stock Exchange | |

Products and Services:

- ❖ CBL Money Maximizer
- ❖ CBL Earning Plus
- ❖ CBL DPS Plus
- ❖ Western Union Money Transfer
- ❖ SMS Banking Service
- ❖ Online Service
- ❖ Credit Card
- ❖ One Stop Service
- ❖ Time Deposit Scheme
- ❖ Monthly Savings Scheme
- ❖ Deposit Insurance Scheme
- ❖ Inward & Outward Remittances
- ❖ Travelers Cheques
- ❖ Import Finance
- ❖ Export Finance
- ❖ Working Capital Finance
- ❖ Loan Syndication
- ❖ Underwriting and Bridge Financing
- ❖ Trade Finance
- ❖ Industrial Finance
- ❖ Foreign Currency Deposit A/C
- ❖ NFCD (Non Resident Foreign Currency Deposit Account)
- ❖ RFCD (Resident Foreign Currency Deposit Account)
- ❖ Consumer Credit Scheme
- ❖ Locker Service

Corporate Information of CBL at a glance

Registered name The City Bank Limited:

Registered Head Office City Center, Gulshan-2, Dhaka, Bangladesh

Bank Type Private Commercial Bank, Local

Started Operation on June 29, 1983

Number of Branches 124

Number of ATM Booth 77

Contact website: www.CBL.com

Phone: 88-2-8852500

Management

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 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.

Products & Services of CBL

CBL Multi Millionaire

CBL Money Maximizer

CBL Earning Plus

CBL DPS Plus

Western Union Money Transfer

SMS Banking Service

Online Service

Credit Card

One Stop Service

Time Deposit Scheme

Monthly Savings Scheme

Deposit Insurance Scheme

Inward & Outward Remittances

Travelers Cherubs

Import Finance

Export Finance

Working Capital Finance

Loan Syndication

Underwriting and Bridge Financing

Trade Finance

Industrial Finance

Foreign Currency Deposit A/C

NFCD (Non Resident Foreign

Currency Deposit Account)

RFCD (Resident Foreign Currency

Deposit Account)

Consumer Credit Scheme

Locker Service

Literature Review:

Frederic M. Scherer, (2010) *Dynamics and Regulation of the Asian FMCG Industry: A Critical Review*, this study examines how product innovation contributes to the renewal of the firm through its dynamic and reciprocal relation with the firm's competences. Field research in five high-tech firms of varying age, size and level of diversification is combined with analysis of existing theory to develop the findings of the study. Based on the notion that new products are created by linking competences relating to technologies and customers, a typology is derived that classifies new product projects based on whether a new product can draw on existing competences, pre-requires competences the firm does not yet have. Following organizational learning these options are conceptualized as exploitation and exploration. These organizational concepts are used to gain a dynamic and path-dependent view of product innovation and development, and to reveal the unique nature and challenges of different types of product innovation.

Thomas S. Robertson, Jehoshua Eliashberg and Talia Rymon, (1995), *New Product Announcement Signals and Incumbent Reactions*, the authors focus on NPA Signals. They develop a set of hypotheses regarding incumbent's reactions to NPA signals and test them in a field study among managers in the United States and The United Kingdom. The authors' findings provide an amortization of the factors affecting the likelihood of competitive response to NPA signals and agency a set of managerial implications.

R. Wensley, (2010), *Product Strategy, Managerial Comprehension, and Organizational Performance*, Recent comments on the national competitive model based on the links between organizational skills and value added have recognized that individual firm performance can be significantly moderated by

either or. Both marketing expertise and differentiating skills within the organization with an emphasis on high level managerial capabilities. This article considers both a more detailed analysis of marketing approaches in this area and also.

Difference between Conventional Financial System (CFS) and Islamic Financial System (IFS):

1. Conventional Financial System (CFS):

A financial system which is traditionally based and working on Riba or interest principle which is irrelevant of or ignores or separates the religious life of a man from the economic life can be defined as CFS. The conventional financial system is of two types:

- 1) Socialistic F.S & 2) Capitalistic F.S – both systems have been provide inefficient to establish economic balance in the society.

2. Islamic financial System (IFS):

A financial system that is based on Islamic principles & values, which eliminates Riba and ensures a profit sharing mechanism in the financial system is called IFS. It may be characterized by the absence of interest bared financial institution & transactions, doubtful transactions or gharry, stock of companies dealing in unlawful activities, unethical or immoral transaction such as market manipulation insider trading, short selling etc.

Islamic banking principles combine a value maximization concept with the principle of justice for the wider welfare of the society. These principles offer a means to create value and elevate the standard of living of people in general through commercial pursuits. However, it is felt that much operational work and in – depth research work has to be undertaken to allow the Sharia Based Islami bank to flourish with highest quality and strength. The City Bank has

launched islami banking system and it is very good news that The City Bank Ltd. has become more effective after transformation of its operation from traditional to fully Shariah based Islami banking system. All the branches perform their activities according to the Shariah based Islami banking system.

General Banking

Introduction:

The City Bank General Banking System department does the most important and basic work of the bank. Its other departments are liked with this department. The City Bank also played a vital role in deposit mobilization of the branch. According to customer demand The City Bank provides different types of account and special types of saving scheme under general banking. On the basic of customer demand and its proper functioning and excellent customer service this department is divided into various sections namely as below:-

- Accounts Opening Section
- Local Remittance section
- Bills and Clearing Section
- Accounts Section
- Cash Section

Accounts Opening Section:

This section deals with opening of different types of accounts. Account opening department plays a vital role in the operation of banking. Opening of an account binds the banker and the customer into a contractual relationship. It is also deals with issuing of checkbooks and different accounts openers. A customer can open different types of accounts through this department.

Classification of Bank Account

Bank has two types of deposit account, and they are-

- A. Operating Account
- B. Non-Operating Account

Operating Account:

This type of account is operated by the account holder of the Bank. There are mainly two types of accounts and they are-

Al-Wadia Current Deposit account (ACD):

Current account is an account where numerous transactions can be made by the account holder within the funds available in its credits. Current account is mainly suitable for businessman though nobody is debarred from opening such an account for any purpose. Requirements to open an account are almost same to that of savings account except the initial deposit and the introducer must be the saving or current account holder. Some important points are as follows-

- Minimum opening deposit of Tk.3000/= is required.
- There is no withdrawal limit.
- No interest is given upon the deposited money.
- Minimum Tk.3000/= balance must be always maintain all the time.

Local Remittance Section:

Carrying cash money is troublesome and risky. That's why money can be transferred from one place to another through banking channel. This is called remittance. Remittances of funds are one of the most important aspects of the commercial banks in rendering services to its customers.

Types of remittance:

- Between banks and non banks customer
- Between banks in the same country
- Between banks and central bank in the same country
- Between central bank of different customers.

The main ways used by The City Bank for remitting funds are:

1. Payment order (PO)
2. Demand Draft (DD)
3. Telegraphic Transfer (TT)

Pay Order (PO):

This is an instrument issued by the branch of a bank for enabling the customer/ purchaser to pay certain amount of money to the order of a certain person/ firm/ organization/ department/office within the same clearinghouse area of the pay order-issuing branch. The issuing branch and the paying branch are same.

Procedure of P.O. issue:-

1. Obtain PO application form duly filled in and signed by the applicant.
2. Receive the amount in cash/transfer with commission amount.
3. Issues pay order.
4. Enter in pay order register.

Commission for PO:

The City Bank charges different amount of commission on the basis of payment order amount. The bank charges for pay order are given in the following chart:

Demand Draft (DD):

This is an instrument through which customers money is remitted to another person /firm /organization in outstation from a branch of one bank to another outstation branch of the same bank or to a branch of another bank (with prior arrangement between that bank with the issuing bank). On the way by which the issuing branch gives instruction to the payee/ drawer branch to pay certain amount of money to the order of certain person/firm/ organization.

Issuing procedure of D.D:

- a) Obtain demand draft application form duly filled in and signed by the purchaser /applicant.
- b) Receive the amount in case/ transfer with prescribed commission and postage amount.
- c) Insert test number.
- d) Enter in the D.D. register.
- e) Issue advice to the payee branch.

Payment procedure of D.D:-

- a) Examine generally of the D.D. viz. Amount, verify signature, test, series, etc.
- b) Enter in the DD payable register.
- c) Verify with the ICBA /test etc.
- d) Pass necessary vouchers.

Clearing Section:

Cheques, Pay Order (P.O.), Demand Draft (D.D.) collection of amount of other banks on behalf of its customer are a basic function of a Clearing Department.

Clearing:

Clearing is a system by which a bank can collect customers fund from one bank to another through clearing house. Clearing House is a place where the representatives of all member banks meet together and settle mutual obligations of banks arising out of cheques & other instruments drawn on one bank and deposited with another bank for collection, under a special arrangement. The characteristic of the clearing house is that at the time of coming to this place the representative of many bank brings with him all cheques etc drawn on other banks along with schedules and delivers the cheques to the clearing house and receives cheques etc drawn on his bank and on the basis of cheques etc. delivered & received the mutual obligations between banks is ascertained and settled through their respective bank accounts maintained with the Central Bank or any other bank which conducts the clearing house.

Member of Clearing House:

The City Bank of Bangladesh Limited is a scheduled bank. According to the article 37(2) of Bangladesh Bank order, 1972, the banks which are the member of the clearing house, called as Scheduled Banks. The scheduled Banks clear the cheque drawn upon one another through the clearing house.

Types of clearing:**Outward Clearing:**

When the Branches of the Bank receive cheque from its customers drawn on the other Banks within the local clearing zone for collection through Clearing House, it is Outward Clearing.

Outward Clearing Procedure:-

1. Receipt of instrument with paying in slip.
2. Checking of instrument & paying in slip.

3. Affixing of seal
4. Special Crossing seal.
5. Clearing Seal (Instrument & Paying in slip)
6. Endorsement Seal with signature.
7. Singing of counterfoil and returning it with seal to the depositor.
8. Separation of instrument from paying in slip.
9. Sorting of instrument bank wise and branch wise.
10. Preparation of schedule- branch wise.
11. Preparation Bank wise schedule.
12. Preparation of clearing House sheet.
13. Making of entries in Clearing Register (Outward)
14. Preparation of vouchers.
15. Sending of instruments to main branch with schedule.
16. Collection of credit advice from Main Branch.

Inward clearing:

When the Banks receive cheque drawn on them from other Banks in the Clearing House, it is Inward Clearing.

Inward Clearing Procedure:-

1. Receipt of instruments with schedule.
2. Checking of instruments.
3. Sending of instruments to different Departments/Sections for posting
4. Preparation of Vouchers and sending of credit advice to main branch.

Workings of this department

- Recording the transactions in the cashbook
- Recording the transactions in general and subsidiary ledger

- Preparing the daily position of the branch comprising of deposit and cash.
- Preparing the daily Statement and Affairs showing all the assets and liability of the branch as per General ledger and Subsidiary ledger separately.
- Preparing the monthly salary statements for the employees.
- Preparing the weekly position for the branch which is sent to the Head Office to maintain Cash Reserve Requirement (CRR).
- Preparing the weekly position for the branch which is sent to the Head Office to maintain Statutory Liquidity Requirement (SLR).
- Preparing the budget for the branch by fixing the target regarding profit and deposit so as to take necessary steps to generate and mobilize deposit.
- Recording of the vouchers in the Voucher register.

Cash Section:

Banks as a financial institution, accept surplus money from the people as deposit and given them opportunity to withdraw the same by cheque, etc. but among the banking activities, cash department plays an important role. It does the main function of a commercial bank i.e. receiving the deposit and paying the cash on demand. As this department deals directly with the customer, the reputation of the bank depends much on it. The functions of a cash department are described below:

Financial Highlights

Amount in million Tk.

Sl.	Particulars	2010	2011	2012	2013	2014
01.	Authorized Capital	3500	3500	3500	10000	10000
02.	Paid-up Capital	1713.76	2142.2	2677.75	3373.96	6832.27
03.	Statutory Reserve	810.88	1134.64	1532.55	2092.97	3154.76
04.	Deposits	35032	41546.57	57586.99	73835.46	94949.40
05.	Investment (General)	32641.27	40195.24	53637.68	68609.91	93296.65
06.	Investment (Shares on Securities)	2233.25	2457.72	2894.02	2189.54	6012.86
07.	Foreign Exchange Business	96175.1	117900.14	156434.57	162604.61	227966.60
	a) Import Business	49596.7	61399.4	78540.49	83911.51	129570.73
	b) Export Business	46234.6	55790.42	76465.62	76240.77	95359.45
	c) Remittance	343.8	710.32	1428.46	2452.33	3036.42
08.	Net Profit after Tax	650.29	930.84	1096.63	1694.1	3476.01
09.	Investment as a % of total Deposit	93.18%	96.75%	93.14%	92.92%	98.26%
10.	No. of Foreign Correspondent	246	256	278	333	354
11.	Number of Employees	1020	1104	1312	1440	1724
12.	Number of Branches	30	35	42	52	62
13.	Return on Assets after tax (ROA)	1.73%	2.00%	1.83%	2.19%	3.54%

Financial overview of the The City Bank:

The performance of the bank was very significant both in terms of development and achievement in the year of 2014. As at 31 December 2014, total asset and liability of the bank were Tk. 113070.98 million and Tk. 100596.13 million respectively as against Tk. 83329.34 million and Tk. 76612.13 million respectively as on 31 December 2013. In 2014, the bank successfully mobilized Tk. 94949.40 million of deposits through its 62 branches and disbursed investment of Tk. 93296.65 million against deposit of Tk. 73835.46 million and investment of Tk. 68609.91 million respectively in 2013. In 2014, the bank earned operating profit of Tk. 5893.79 million with an annual growth of 85.23% comparing of Tk. 3181.78 million in 2013. The return on assets (ROA) after tax was 3.54% for the year 2014 which was 2.19% in previous year.

Capital and reserve fund:

While inception in 1999, the bank's Authorized Capital was Tk. 1000 million and paid up capital was Tk. 225 million subscribed by the sponsors. Its authorized capital was enhanced to Tk. 3500 million in the year 2010. Bank's authorized capital was further augmented to Tk. 10000 million in 2013. In the year 2014 Bank changed the denomination of share from Tk. 100 to Tk. 10 as well as the market lot from 50-100 shares and raised Tk. 6832.27 million as paid up capital.

Deposit:

Deposit is the principal source of fund invested to generate revenue in banking business. The total deposit of the bank stood at Tk. 94949.40 million as on 31 December 2014 against Tk. 73835.46 million of the previous year with an increase of Tk. 21113.94 million at a growth rate of 28.60%. The main strategy for increasing deposit base is maintaining competitive rates of profit and providing satisfactory services to the customers.

Investment (General):

Total investment of the bank was Tk. 93296.65 million as on 31 December 2014 against Tk. 68609.91 million as on 31 December 2013 showing an increase of Tk. 24686.74 million with a growth rate of 35.98% the bank performs appropriate investment risk analysis while approving investments to customers in order to maintain quality of assets.

Import business:

In the year 2014 bank handled BDT 129570.73 million against import business through 39855 letters of credits which is 54.41% higher from the previous year.

Export business:

Export business of the bank stood at BDT 95359.45 million in 2014 by handling 37096 numbers of documents with a growth of 25.08% in comparison with the previous year.

Foreign remittance:

Bank grasped BDT 3036.42 million remittances in the last year. It was BDT 2452.33 million in 2013 which means the growth rate on 2014 is 23.82%

CHAPTER-THREE
FINDINGS AND ANALYSIS

Market Analysis

For the reason of economic growth, many new businesses establish by local individuals, firms, multinational companies or foreign investors in Bangladesh, has huge demand for security services. This will help to expand the industry of security services.

The City Bank Limited's primary goal is to capture the local market, as they are still behind market leader G4S. So CBL also maintain the international standard and quality to capture the huge market share and to become a market leader.

SWOT Analysis:

SWOT Analysis is the detailed study of an organization's exposure and potential in the perspective of its strength, weakness, opportunity and threat. These facilities of the organization help to make their existing line of performance and also forecast the future to improve their performance in comparison to their competitors. As through these tools, an organization can also study its current position, it can also be considered as an important tool for making changes in the strategic management of the organization.

Strengths:

1. The City Bank of Bangladesh Limited 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 profit and deposits sector.
2. The City Bank of Bangladesh Limited has provided its banking service with top leadership and management position. The upper

management of The City Bank is highly skilled and qualified. The board of Directors headed by its chairman is skilled person in business world. The advisor of the bank is reputed senior chartered accountant having 30 years vast experience in accounts, audit, finance and banking at and abroad. As the MD of the bank management team. 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.

3. The City Bank of Bangladesh Limited has already achieved a high growth rate accompanied by an impressive profit growth rate in 2014. The number of deposits and the loans and advances are also increasing rapidly.
4. The City Bank has an interactive corporate culture. The working environment is very friendly, interactive and informal and there are no hidden barriers while communicate between the superior and the employees. This corporate culture provides as a great motivation factor among the employees.
5. Their deposit base is very strong and they have strong Financial Resources.
6. As Islamic Shariah Based bank The City Bank of Bangladesh Limited has a prominent Shariah Council and they can provide different types of Islamic banking products.
7. Their leadership is good as well as they have top management level team.

Weakness:

1. ATM BOOTH service of The City Bank Limited is not good still at now because Bank has only 37 ATM booths all over the country. An internal survey conduct at Savar shows that only 18% customers are satisfied with their ATM services.
2. As The City Bank limited is a Shariah based Islami Bank so there is lack of aggressive advertising in TV, Magazine etc.
3. The service quality of The City Bank Limited is good & higher than Prime Bank, Dhaka bank or Dutch Bangla Bank or any govt. Bank, but this service quality is not sufficient for the bank to compete with the multinational Bank located in our country like, HSBC bank, Standard Chartered Bank etc.
4. High reliance on Head Office, as the Branch actually doesn't have any autonomy. So, very often it is found that prompt decision making is hampered when necessary.
5. Some of the job in The City Bank of Bangladesh Limited has no growth or advancement path. So lack of motivation exists in persons filling those positions. This is a weakness of The City Bank of Bangladesh Limited that it is having a group of unsatisfied employees.
6. The main important thing is that the bank has no clear mission statement and strategic plan. The banks not have any long-term strategies of whether it wants to focus on retail banking or become a corporate bank because they practice both of these. The path of the future should be determined now with strong feasible strategic plan.
7. In terms of promotional activities, The City Bank of Bangladesh Limited has to more emphasize on that because an internal survey conduct at Savar shows that only 27% customers are fully satisfied

the bank promotional activities. Bank need to follow aggressive marketing campaign.

Opportunity:

1. In order to reduce the business risk, The City Bank has to expand their business portfolio. The management can consider option of starting merchant banking or diversify into leasing and insurance sector.
2. Opportunity in retail banking lies in the fact that country's increased population is gradually learning to adopt consumer finance. The bulk of our population is middle class. Different types of retail lending products have great appeal to this class. A wide variety of retail lending products has very large market. The City Bank Limited already practices the retail banking and it is a opportunity to this bank.
3. A large number of private banks coming into the market in the recent time. In this competitive environment The City Bank of Bangladesh Limited must expand its product line to enhance its sustainable competitive advantages. In that product line, they can introduce variety of credit card and debit card system for their potential customer and Bank need to increase it ATM booth quantity.
4. In addition of those think, The City Bank of Bangladesh Limited can introduce special corporate scheme for the corporate customer or officer who have an income level higher from the service holder. At the same time, they can introduce scheme or loan for various service holder and the scheme should be separate according to the professions, such as engineers, Lawyers and doctors etc.
5. As The City Bank Limited is Export Import and Islami Shariah based Bank and 90% population of our country is Muslim so there is

large market for this bank to target their customer because Muslim people will prefer the Shariah based Bank.

Threats:

1. All sustain multinational banks and upcoming foreign, private banks create enormous threats to The City Bank Limited. If that happens the intensity of competition will rise further and banks will have to develop strategies to compete against the foreign banks.
2. The depreciation of Taka against US dollar rate is a great threat to foreign exchange transaction and profitability for The City Bank of Bangladesh Limited.
3. The default risks 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. The City Bank of Bangladesh Limited has to remain vigilant about this problem so that proactive strategies are taken to minimize this problem if not elimination.

Market Share

The market demand of different security services companies have been calculated by survey method. It must be noted that had the survey been centered on those organizations in Dhaka area. Also, Since The City Bank Limited is the sole domestic company, so it enjoys some tax reduction that enable to provide its services at reasonable prices. Here the diagram shows the market share of different security service companies in Bangladesh.

Marketing Strategy

Market Segmentation

Segmentation is one of the most important factors of strategic marketing. Market segmentation is one of the steps that go into defining and targeting specific markets. It is the process of dividing a market into a distinct group of buyers that require different products or marketing mixes. Markets can be segmented or targeted using a variety of factor. The bases for segmenting consumer markets include: • Demographical bases • Geographical bases • Behavior • Psychographic bases. The market in which The City Bank Ltd. is doing its business is consumer market and CBL segments its market base on Demographic and Geographic basis.

a) Demographic Segmentation: In segmenting the market on demographic basis The City Bank Ltd. mainly considers nature and performance of the organization. It targets the manufacturing industry, financial institute, group of company, multination company, Services Company, Embassies, High Commissions and Foreign Missions etc

b) Geographic Segmentation: The City Bank Ltd. segments the whole country in eight zones for marketing purpose. They are

- ✘ Dhaka North Zone
- ✘ Dhaka South Zone
- ✘ Chittagong Zone
- ✘ Barisal Zone
- ✘ Khulna Zone
- ✘ Sylhet Zone
- ✘ Bogra Zone
- ✘ Rajshahi Zone

Area Managers are responsible for these zones and it is their responsibility to develop the market there.

Target Market of the City Bank Ltd. in Bangladesh

The City Bank Ltd. provided services to the different sectors. Those sectors are called Target Market. Here target Market of The City Bank Ltd. has given below;

- ✚ Corporate Houses
- ✚ Telecommunication and Media
- ✚ International Organizations
- ✚ Multinational Organizations
- ✚ Embassies, High Commissions and Foreign Missions
- ✚ Export processing Zone
- ✚ Banking and Financial institutions
- ✚ Health Care and Pharmaceuticals
- ✚ Hotels and Motels
- ✚ High rise and office buildings
- ✚ Apartment / private communities
- ✚ Manufactories and Warehouses
- ✚ Event Management
- ✚ Colleges and Universities
- ✚ Sporting Events.

Positioning Strategy

The City Bank Ltd. Ltd has created huge enthusiasm among the consumers of its target market with its slogan “Your Customized Security Solutions”. They

accepted The City Bank Ltd. as a endeavor of security services provider in Bangladesh. On the other hand, as a local company The City Bank Ltd. can serve quality services at comparatively lower price than other foreign and local competitors. CBL serves its services in each areas of Bangladesh through its zonal offices.

Marketing Mix (4P)

Products/Services

The City Bank Ltd. Ltd. has a good number of products/services which is available for the target market. The company provides some security services that are given in below:

- a) Physical Protection
- b) Uniformed Guarding
- c) Electronic Security
- d) Event Security Management
- e) Evacuation Planning
- f) Fire Fighting Equipment

Price

The City Bank Ltd. Ltd. main target is to provide security services at lower price to their clients by maintaining the quality than its competitors. So they have been very careful in setting their price of services. But CBL needs to find a fine balance between price and quality as they move forward in the coming years.

Place

For making the services available to its target customers The City Bank Ltd. Ltd. use its distribution channel. The City Bank Ltd. generally uses its eight

zonal offices for providing their services. Beside those we have some marketing person who works on commission basis. From this channel we also provide our services to the clients. Another option is our web-site where any clients get our online services.

Promotion

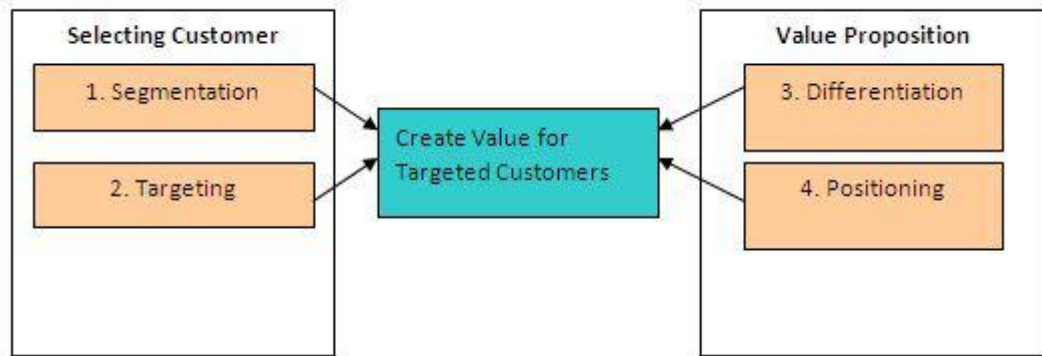
The City Bank Ltd. Ltd. tagline “Your Customized Security Solutions” reflects strong brand image on the customer mind. From the tagline CBL create trustiness of the clients in their security issue. Right now CBL’s advertisements are running in few satellite channels of Bangladesh in peak hours for targeting their core customers. Also they have numerous billboards and advertisements in print media. Pristine group has also a 5 star hotel business in Cox’s bazaar which also works as a major advertising tool.

As for promotional campaign of The City Bank Ltd. Ltd.

- Distribute the brochures to the corporate customer by going door to door.
- Give their advertisements on the TV, Newspaper, and Billboard.
- Arrange many fair in different time period.
- Some time made sponsorship in many cultural functions.
- Company also provides free training and advice to their clients for emergency rescue etc.

Customer-Driven Marketing Strategy by the City Bank Ltd.:

The City Bank Ltd. has some strategy or techniques to get desired customer base. The City Bank can’t serve all people of our country because of its capacity limitation. So The City Bank divides the market into meaningful customer groups (segmentation), Choose a specific groups to serve (Targeting), and then differentiate its offering to attract customer attention.



1. Segmentation Strategy of the City Bank Ltd:

The City Bank Ltd. has divided the market into different segment which are given here:

By Region: Whole country is divided into seven region or Division.

By Religion: Population of our country is comprised of different religion such as Muslim, Hindus, and Christian & Buddhist etc

By Occupation: Professional, Technical, Businessmen, Farmers, Housewives, and Students etc.

Social Class: Lower lowers, upper lowers, Working class, Middle class, Upper middle class, Upper uppers etc.

2. Targeting Strategy of The City Bank Ltd: The City Bank Ltd. follows both undifferentiated & differentiated marketing strategy for targeting their whole market. The City Bank Ltd. targets whole market, it offers same services to all class people of the society, people from any status, religion, and area can get the services of The City Bank Ltd. It offers convenient services like, Deposit, Investment and Foreign exchange products/services to its customer through 62 Branches. It also follow the differentiated marketing strategy by providing or offering some special product/service scheme to a particular segment of customers, like Agricultural loan only for the farmer, Student

Account & Student loan, Hazz deposit scheme only for the Muslim customer etc.

3. Differentiation: The main differentiation is that although The City Bank Ltd. is Export Import based schedule commercial bank but at the same time it also a shariah Based Islami Bank. Such as, it offers the customer interest (Riba) free banking service. Interest is strictly prohibited in Islam. So religious minded Muslims always prefer islami Bank. The City Bank Ltd invests in the productive sector. Bank works as a partner with its clients.

4. Market Positioning Strategy: The City Bank Ltd. is the first Export Import based Commercial Bank in Bangladesh. And they positioned their bank as Islami Shariah based schedule commercial bank. As it is an Islami Shariah based bank so the People who are Muslim have faith in The City Bank services. The City Bank Ltd. believes in togetherness with its customers, in its march on the road to growth & progress with services. To achieve the desired goal, it has intention to pursuit of excellence at all stages with a climate of continuous improvement. So, the Customer will motivate to its philosophy & be loyal to its services.

Integrated Marketing Communications (Promotion Mix) used by the The City Bank Ltd:

Marketing communications focus on immediate awareness, image, or preference goals in the target market. But today marketers are moving toward viewing communications as managing the customer relationship overtime. In banking industry relationship is based on trust. Clients always seek security and safety as well as swift service. The City Bank Ltd. provides banking services to its client. Target customers are the people of all class of our society. The City Bank Ltd. emphasize mostly on social welfare as well as on its business

performance. General Banking System & Marketing Implications their motto. So customers spread positive word of mouth. Besides this they promote their services through different media, such as:

Advertisement:

- Television Advertising (New Branch Opening).
- Newspaper Ads (New Branch Opening & Special Offers).
- Magazine & Journals.
- Billboard.
- Calendar & Note Books.
- Prospectus.
- Annual Report. Etc

Advertisement Provided On:

1. Television Advertising: The City Bank Ltd. informs its target customers through television ads especially when a New Branch is likely to open. Television Ads help people to know the location and date of commencing banking services in their localities.

2. Newspaper Advertising: Bank publishes advertisement of launching a branch and other special offers in different Daily Newspaper. It is needed to inform the customer about new services such as ATM booth location, Xpress money service, Address change of a Branch, Consumer banking, Household durables services etc. Newspaper ads are the most effective media for these services.

Different National Dailies chosen for ads are:

- The Daily Prothom Alo
- The Daily Naya Diganta
- The Daily Amar Desh

- The Daily Sangram
- The Daily star
- The Bangladesh Observer etc.

3. Magazine & Journals: Advertisement of consumer banking such as household durables schemes, Special scheme for medical instrument, office furniture, computer, car investment scheme and other services offered by the bank is published through this media.

4. Billboards: The City Bank Ltd. doesn't use the billboard but Digital and plastic signboard of different branches also a kind of advertising. ATM Booth located in different areas of the cities represent the bank's logo.

5. Calendar & Note Books: Bank publishes wall calendar, desk calendar, diary, note books and provides to its clients and different parties. Calendars of the City Bank Ltd. are composed of Calligraphy, Historical location of Islam which motivates people to the Islam.

6. Prospectus & Annual Report: The City Bank Ltd. publishes prospectus to collect shareholders and bondholders. Annual report is published for the purpose of declaring dividend, equity and asset of the bank. Annual report must be submitted parties like Bangladesh Bank, Shareholders, different research firms and interested groups.

Findings

Bangladesh is a developing country. Most of the people of our country are illiterate. They are not fully aware of Islamic rules & regulations on their rights & responsibilities. CBL started its activities for the welfare of the humanity but it has some limitations to expand its activity in the development activities of our country. So it has to face a lot of problems those are given below:

1. Lack of Proper knowledge & awareness of People to take service from CBL.
2. The City Bank needs completely Islamic environment. But the country is not "Darul Islam".
3. The depositors want to know the rate of profit before deposit, which is impossible by CBL.
4. There are limited new products to attract the new customers.
5. Shariah rules are violated in case of investment by the client.
6. Overdue is the most problem in the Economic development because fund diverted by the clients to another unproductive project
7. Some Worldwide money exchange company as Western Union did not contact with CBL, which is hinder for increasing remittance.
8. There are no any ways of remit or rare arrangement of remit in some western developed countries as France, Canada and so on.

9. Customers can not identify their needs and assessment properly for lacking sufficient information and desk setup system within the bank.
10. They haven't sufficient Branches & manpower according to their demand of client.
11. Govt's special rules for The City Bank system in our country is not sufficient.
12. The number of branches of CBL is not sufficient during the demand of people. The CBL does not reach to the greater part of country. So they are deprived of the beauty and welfare of Islamic Economic System.
13. The City Bank Foundation has no sufficient Fund & manpower to welfare service as per demand.

CHAPTER- FOUR
RECOMMENDATIONS & CONCLUSION

Recommendations

Despite various problems and shortcomings, The City Bank has the potentiality to grow and expand its area of activities to bring good to the humanities. Some suggestive measures are appended below:

1. The clients of The City Bank be equipped with proper knowledge & awareness to take services.
2. Information desk must be introduced & Officials should be ready to help customer for any kind of activities.
3. Educational institutions may introduce 'Islamic Finance & Banking' & development related courses to supply need based manpower for The City Bank s
4. Provisional rate of return may be cited as profit of deposit with motivation.
5. Both officials & clients should be obeyed Shariah rules.
6. The City Bank can develop unanimous Shariah Manual or guidelines for day-to-day consultation and clientele motivation.
7. Contact should be increased more & more with money Exchange Company.
8. Remittance activities must be spread worldwide especially will all manpower importing countries

9. The Proper answer of criticism should be published in some new paper magazine & some publication. The Diva activities may be spread among people.
10. Manpower and Branch should be increased..
11. A common web portal may be developed to facilitate clients in providing tips regarding banking, finance and economics.
12. Co-operation among The City Bank is extended at national level and throughout the world.
13. New and 'innovative' products are designed for financing under Profit and Loss sharing.

Conclusion:

The City Bank Limited plays a vital role in the economic development of the country. The popularity of CBL is increasing day by day which leads to increase competition as well. The City Bank Limited is pioneer bank based on Islamic sharia'h in the Bangladesh. Through its different kinds of deposit scheme it is increasing deposits in a large scale, which is key of investment and proper use of idle money. CBL is performing investment in various sectors including industry and agriculture that is contributing vigorously in the economic development of Bangladesh. CBL is one of the banks that are contributing in large scale in foreign exchange business that is prerequisite condition for development of country in modern world. Now a day CBL is the largest bank among the private bank of Bangladesh. This was possible for its operational skills and its role in the economic development of Bangladesh. It is expected that it will occupy first position among all banks of the country in a few years if it can keep its present success by eliminating its limitation of service and operational skills to play proper role in Economic development of Bangladesh.

The City Bank always helps in economic growth. In banking system the collection of invested money is easier than the conventional banking because The City Bank concerns with the purpose of investment not with only the invested money. I also think that there is a bright future waiting for the City Bank in Bangladesh. And CBL is in a position to go as a catalyst for this development in the banking sector in Bangladesh.

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