

**Internship Report on
Retail Lending and Analyzing Customer Satisfaction
A Case Study on THE CITY BANK LIMITED**

Submitted To:

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LETTER OF TRANSMITTAL

Date: March 14, 2010

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Subject: Submission of Internship Report.

Dear Sir,

It is a great pleasure and privilege to present the internship report titled "Study on Retail Lending and Customer Satisfaction level of The City bank limited", which was assigned to me as a requirement for the completion of Bachelor of Business Administration.

Throughout the study I have tried with the best of my capacity to accommodate as much information and relevant issues as possible and tried to follow the instruction as you have suggested. I tried my best to make this report as much informative as possible.

I am great full to you for your and kind cooperation at every step of my endeavor on this report. I shall remain deeply grateful if you kindly take some pen to go through the report and evaluate my performance.

Sincerely yours

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Certificate of Approval

This is to certify that **Md. Abdul Gaffer Khan**, a BBA student of Stamford University Bangladesh, bearing ID No. BBA 027 07 185 of Batch: 27th D marketing, has completed the internship report entitled “**Retail Lending and Analyzing Customer Satisfaction-A Case Study on THE CITY BANK LIMITED**” successfully under my supervision.

I wish him every success in life.

Mustafa Mushfiqul Haque

Assistant Professor
Faculty of Business Administration

DECLARATION

I declare that, the submission effort which presented in this report has been prepared by me and has not been followed any other previously schoolwork which submitted to any other University/ College/ Organization for an academic qualification/ Certificate/ diploma or degree.

The work I have illustrated, where work does not wing any existing copy right and no segment of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to guarantee the department against any loss or spoil arising from breach of the forgoing obligation.

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Subsequently, I would like to thank my honorable supervisor Md. Tarik Hossain (MIS Officer), who gave me the opportunity to work in RFC and experience the factual environment of a bank. Besides he help me select a nice topic for my internship report according to my job.

I decided to prepare the report on “Study on Retail Lending and Customer Satisfaction level of The City bank limited ”. I am very much obliged for the cordial cooperation from managers, Executives, Officers and staffs of RFC Department. I want to express my whole – hearted gratitude to them for their precious cooperation without which. It would not have been possible to bring the report in present form.

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EXECUTIVE SUMMARY

This report is based on practical working experience at Retail Finance Center Of City Bank Limited as a part of internship program. City Bank Limited is a schedule bank under private sector. It was incorporated as a public Limited Company in 1983. The bank started commercial banking operations since inception. The main function of the bank is intermediation i.e. collecting funds from the surplus units of the economy in the form of deposit and mobilizing deposit to the difficult units of the economy in the form of credit.

The City Bank follows some specific principles for its credit activities, which involve know your customer (KYC), safety, liquidity, profitability, purpose and spread.

The lending procedure followed by City Bank limited consists of a set of sequential activities. The lending process formally starts with the submission of a loan application from a client who must have an account with the Bank. Lending process generally starts from the branch level. The customer has to provide required MIS information to the bank for credit analysis. Meanwhile the bank sends inquiry to the credit information Bureau Of Bangladesh Bank in prescribed format to know whether the borrower has classified loans with other banks and whether the borrower has good repayment behavior.

If the CIB report obtained from Bangladesh bank signifies that the customer is a good borrower, the bank precedes further to process the loan application. At this stage the bank conducts credit analysis. The outcomes of the MIS spreadsheet analysis are specific MIS ratios and through the credit Risk Grading (CRGs). The credit analysis is undertaken for the quantitative measurement of the risk associated with a loan. If the loan amount exceeds one corer taka, the bank conducts lending Risk Analysis (LRA). Lending Risk Analysis primarily identifies two components of the lending risk – business risk and security risk.

After credit analysis if the borrower is found sound for lending, the bank proceeds to prepare the proposal.

After board approval the sanction advice is sent to the borrower who returns the duplicate copy duly signed meaning that he/she complies with the terms and conditions of the bank's credit policy. Then the loan is disbursed through creating a loan account.

While the loan is disbursed, monitoring starts. However, bank doesn't know about how the quality of service was during the lending process from the customer's perspective.

Therefore, it is very essential to know about the level of satisfaction of the existence customer. Though, it doesn't imply that only by knowing the relevant information regarding customer satisfaction will be enough. Retail Finance Center should always be optimistic about implementing and monitoring the recommended suggestions. Moreover, it can also be stated that periodical study would be a better solution to improving the service quality of RFC.

City Bank limited does not have any fixed time duration to complete lending process for a particular loan proposal. Lending is the main income generating activity for all banks including City Bank limited. Lending involves both risk and profit. But a sound lending process supported by quantitative analysis, qualitative judgment and a separate credit – monitoring cell can reduce the risk to a certain extent. So far City Bank could maintain a very good loan portfolio and its lending process is reasonably sound. It is hoped that after setting up of new credit monitoring cell that is under processing. City bank limited will be able to manage its loan automation process and recovery management system more effectively and efficiently.

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