



**UNITED
INTERNATIONAL
UNIVERSITY**

**ANALYZING CONTEMPORARY BANKING OPERATIONS: AN
INTERNSHIP REPORT ON EVOLVING CHALLENGES AND TRENDS**

PREPARED BY:

SADAT UL HAQUE

ID- 114 201 013

UNITED INTERNATIONAL UNIVERSITY

INTERNSHIP SUPERVISOR:

MS.ISHRAT JAHAN

ASSISTANT PROFESSOR

SCHOOL OF BUSINESS AND ECONOMICS

UNITED INTERNATIONAL UNIVERSITY

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Table of Contents

Acknowledgement	1
Letter of Transmittal	2
1 Abstract.....	3
2 Introduction.....	5
2.1 Banking Industry at a glance.....	5
2.2 The City Bank	8
2.3 CSR Activities of City Bank.....	11
2.4. Financial Information of City Bank	13
2.5 SWOT Analysis of The City Bank	14
3. Objective of the Study	16
4. Methodology	17
5. Limitations of the Study	18
6. Internship Experience	18
7. Findings of the Study	20
8. Recommendations:.....	27
9. Conclusions.....	29
10. References.....	30

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I also extend my thanks to my family for their unwavering support throughout my journey in pursuing a Bachelor of Business Administration (BBA) degree.

Lastly, but certainly not least, I would like to express my gratitude to my colleagues who not only facilitated my learning process but also contributed significantly to the completion of this report. Their cooperation and assistance have been invaluable.

Letter of Transmittal

18 September, 2023

Ms. Ishrat Jahan

Assistant Professor

School of Business and Economics

United International University

Madani Avenue Dhaka-1212

Subject: Submitting the internship report on **“Analyzing Contemporary Banking Operations: An Internship Report on Evolving Challenges and Trends”**

Dear Maam,

I, Sadat Ul Haque, bearing ID number 114 201 013, am writing to formally submit my internship report titled **“Analyzing Contemporary Banking Operations: An Internship Report on Evolving Challenges and Trends”**. Recognizing the pivotal role that banks play in a nation's economy, this report delves into the intricate operations of the banking sector, with a particular focus on my internship experience at "The City Bank," one of Bangladesh's leading financial institutions.

During my internship, I had the privilege of working within the retail division, which afforded me an up-close and personal perspective on the bank's day-to-day operations. This experience allowed me to gain valuable insights into the functioning of a financial institution and the multifaceted challenges it faces in today's dynamic environment.

I would like to express my heartfelt gratitude to you for your unwavering support and guidance throughout the process of compiling this report. I am also deeply appreciative of "The City Bank" and its management for extending the opportunity to intern at their esteemed organization, which provided me with a wealth of knowledge and practical exposure.

I trust that the contents of this report will prove enlightening and informative. It is my earnest hope that you will accept my submission, and I eagerly await your response.

Thank you for your time and consideration.

Sincerely Yours



Sadat Ul Haque

114 201 013

1 Abstract

The primary objective of this internship report is to gain insights into the current banking operations in Bangladesh. This entails identifying forthcoming challenges and opportunities that may arise. Additionally, the report aims to pinpoint existing issues currently being encountered within the banking sector. Consequently, this report holds significance in offering potential solutions to address these challenges. Ultimately, the report is valuable for stakeholders with ties to the banking industry.

In this report, I used qualitative methodology for analysis. I utilize qualitative research techniques, specifically semi-structured interviews, to delve into and comprehend the intricacies of contemporary banking. It is important to note that this research also acknowledges the significance of qualitative data and secondary sources within the research process.

This internship report introduces a fresh perspective on the complex landscape of modern banking operations, with a specific focus on the context of Bangladesh. It integrates information from diverse sources to provide a comprehensive portrayal of the emerging challenges encountered by banks in today's intricate financial environment.

In this internship report, we aim to unravel the intricacies inherent in general banking operations. Our exploration encompasses various divisions within the bank, and in particular, we shed light on the challenges encountered within the Card Division. These complexities encompass issues such as information update delays, card acceptance concerns, credit limit management, omission of card closing fees, security apprehensions, and customer service-related problems.

The customer service challenges encompass slow response times, understaffing issues, ineffective communication, convoluted processes, inefficient complaint resolution, subpar services, unclear fee structures, account discrepancies, outdated technology, and complications related to foreign currency and cash transactions. Inadequate staffing often leads to overcrowding and extended wait times, while poor communication can result in customer confusion regarding policy changes or service disruptions.

To address these complexities, it is imperative for Bangladesh Bank to offer services like Real-Time Gross Settlement (RTGS), seamless fund transfers, and efficient cash handling.

Additionally, addressing server-related problems, such as delays and errors in cash handling and cash card verification, is crucial.

Solutions to the issues faced within the Card Division involve incorporating user-friendly features into mobile apps and ensuring transparent communication of card specifications and credit limits to customers. Investing in cutting-edge security technologies like Multi-Factor Authentication (MFA), biometric authentication (facial recognition or fingerprints), and behavioral analytics can fortify consumer account security.

Furthermore, to combat known vulnerabilities, banks should regularly update their software and apps with the latest security patches and establish close collaborative ties with law enforcement agencies to tackle cybercrime.

To enhance customer service, improvements can be made by enhancing the Customer Relationship Management (CRM) system, bolstering call center capabilities, expanding the workforce with highly qualified personnel, and implementing cross-training programs to address staff shortages due to vacations. Digitalization and standardization are essential measures to streamline banking procedures and mitigate complexity. Banks should also provide online tutorials and video guides on their websites and mobile apps to facilitate customer understanding and engagement.

2 Introduction

2.1 Banking Industry at a glance

The banking sector holds a paramount position in Bangladesh, serving as a significant contributor to the national economy. It plays an indispensable role in facilitating economic activities, and without it, our financial landscape would be severely hampered. Since gaining independence in 1971, Bangladesh has witnessed the emergence of numerous banks, marking substantial growth in the banking industry.

Initially, upon independence, there were merely six operational banks in the country. Among these, a few were state-owned specialized banks, while others were foreign banks. Bangladesh Bank, the central bank of the country, holds a crucial role in regulating and overseeing the operations of all other banks in Bangladesh. It performs several key functions, including currency issuance, providing monetary support to the government through loans, advising the government on investment projects, safeguarding cash reserves, managing foreign balances, and extending loans to commercial banks. Additionally, Bangladesh Bank operates as a clearinghouse, settling transactions between various banks, particularly for clearing cheques.

Controlling credit and managing money supply is another significant function of the central bank, crucial for maintaining economic stability and averting inflation. This is achieved through various monetary policies, such as setting the bank rate, executing open market operations, and adjusting the cash reserve ratio (CRR).

Turning to the commercial banking sector, these institutions are responsible for executing a wide array of financial activities, including deposit collection, loan provision, and other ancillary services. They offer different types of accounts, such as savings, current, and fixed deposit accounts. Current accounts are demand deposits that allow customers to deposit and withdraw funds at their convenience, though they do not yield interest. Savings accounts, on the other hand, are favored by individuals who receive regular incomes and offer the flexibility of both current and fixed accounts, with the added benefit of earning interest. Fixed deposit accounts, also known as time deposits, offer higher interest rates but require customers to lock in their funds until maturity.

Commercial banks generate a significant portion of their profits from interest on loans, which are extended to both businesses and individuals. Beyond these primary functions, commercial banks also offer secondary services, including overdraft facilities, fund transfers, foreign exchange services, bill collection, and more. Additionally, they provide safety deposit boxes, income tax consultancy, and real-time gross settlement (RTGS) services.

An alternative banking system in Bangladesh is Islamic banking, which adheres to Shariah law. This system prohibits interest (riba) and operates on principles of debt and equity financing. It offers various deposit accounts, such as Al-Wadia Current Accounts, Mudarabah Savings Accounts, and Mudarabah Deposits Accounts, each with distinct features. Islamic banks provide financing through profit and loss sharing (PLS) contracts like Murabaha, Musharaka, and Mudaraba.

As of the latest available data, Bangladesh boasts a diverse banking landscape consisting of 61 scheduled banks, each falling into different categories:

State-Owned Commercial Banks: There are six state-owned commercial banks in Bangladesh, including Agrani Bank Limited, Janata Bank Limited, Basic Bank, Sonali Bank PLC, Rupali Bank, and Bangladesh Development Bank.

Specialized Banks: Specialized banks primarily focus on supporting agriculture and industry development. Bangladesh has three specialized banks, including Probashi Kallyan Bank, Bangladesh Krishi Bank, and Rajshahi Krishi Unnayan Bank.

Private Commercial Banks (PCBs): Bangladesh has 43 private commercial banks, comprising 33 conventional PCBs and 10 Islamic Shariah-based PCBs.

a. **Conventional PCBs:** These banks include AB Bank Limited, Bank Asia Limited, BRAC Bank Limited, City Bank Limited, and others.

b. **Islamic Shariah-based PCBs:** Islamic banks in this category encompass Al-Arafah Islami Bank Limited, EXIM Bank Limited, First Security Islami Bank Limited, and more.

Foreign Commercial Banks (FCBs): Bangladesh hosts several foreign commercial banks, each adhering to local regulations. Notable examples include Citibank N.A, HSBC, and Standard Chartered Bank.

Non-scheduled banks, on the other hand, have limited roles and are licensed for specific functions only. Currently, Bangladesh has five non-scheduled banks, including Ansar VDP Unnayan Bank, Grameen Bank, Jubilee Bank, Karmashangosthan Bank, and Palli Sanchay Bank.

The recent state of Bangladesh's banking sector has been marked by challenges and complexities. Global crises, such as the protracted Russia-Ukraine war, have had ripple effects on the country's economy. Foreign currency market fluctuations, liquidity crises, escalating non-performing loans (NPLs), financial scandals, and concerns regarding the stability of some banks have been prominent issues. Bangladesh Bank has identified ten banks with precarious NPL situations and has initiated measures to improve their conditions over the next few years, including addressing management deficiencies.

Moreover, the lack of foreign currency reserves, increased global inflation, and trade-based money laundering have further strained the economy. Credit growth has been lower due to a shortage of liquidity and foreign currency, positioning Bangladesh as the second-highest in bank loan ratios in South Asia, trailing only behind Sri Lanka.

In response to these challenges and to align with global digital trends, Bangladesh Bank is endeavoring to introduce digital banking in the country. Under this system, banking activities will be conducted virtually, eliminating the need for physical visits to bank branches. Several companies have already bid for digital banking licenses, paving the way for a transformative shift in the banking landscape.

In conclusion, the banking sector in Bangladesh is a critical driver of the national economy. It has witnessed substantial growth since the country's independence, providing diverse services to cater to the needs of individuals and businesses. However, the sector faces a multitude of challenges, including global economic disruptions, liquidity crises, NPL concerns, and foreign currency fluctuations. Bangladesh Bank is actively engaged in addressing these issues while also promoting digital banking to meet the evolving needs of customers in an increasingly digital world.

2.2 The City Bank

The City Bank, established in 1983, is one of Bangladesh's oldest and most comprehensive financial institutions. Over the years, it has earned a stellar reputation and a loyal customer base, emphasizing the vital role of customer trust in its success. The bank has evolved significantly from its initial days as a traditional institution and has embraced technology to diversify and enhance its services. In addition to its local operations, it has adopted global banking standards.

With 133 branches, a workforce of nearly 5,000 employees, and serving approximately 1.7 million customers, the City Bank has established a robust presence across Bangladesh. Furthermore, it operates 415 ATM, CDM, and RATM machines throughout the country. Notably, the bank was founded by 12 visionary entrepreneurs who aspired to transform it into a financial supermarket offering a wide range of services. Over the past four decades, they have tirelessly pursued this vision.

The City Bank has earned several prestigious awards and recognitions in recent years, including the Best Innovation in Bank (City Remit) at the Bangladesh Innovation Awards 2023, Best Premium Banking Service in Bangladesh at the Asiamoney Best Bank Awards 2023, and the title of Best Sustainable Finance Bank in Bangladesh at the Global Finance Sustainable Finance Country Awards in 2022.

Some of the Service this bank provide:

The City Bank offers a diverse range of financial services to cater to the needs of its customers, including various types of accounts, loans, and debit/credit cards:

1. **Current Account:** This account is available to Bangladeshi citizens aged 18 and above. It provides features such as a checkbook, the option to apply for a safe deposit locker, a debit card for convenient cash withdrawals, and cashback benefits through the City Maxx Card. No interest is offered on this account, but customers need to provide their National ID (NID), Tax Identification Number (TIN) certificate, and income statement.
2. **Freelancer Solution:** Designed to assist freelancers, this account is open to Bangladeshi citizens aged 18 and above with a valid Freelancer ID from the Bangladesh ICT Division. It offers two types: Freelancer ERQ accounts (in US dollars) and Freelancer Savings accounts (in Bangladeshi taka). ERQ accounts come with a free international debit card for legitimate

business and personal travel expenses.

3. **Easy Current Account and Easy Plus Current Account:** Available for businesses (e.g., proprietorships, partnerships, private limited companies) with required trade licenses. Interest is earned by maintaining a specific day-end balance. These accounts offer no account maintenance charges, custom-design checkbooks, and no intercity transaction fees. Debit card withdrawal limits vary based on the account type, and account holders receive interest (1% for Easy Current and 1.5% for Easy Plus).

4. **General Saving Account:** A conventional savings account with features like checkbooks, Max cards, and digital banking services such as Citytouch and SMS notifications.

5. **Savings Delight Account:** This account offers the same services as the General Savings Account but with additional benefits like higher ATM withdrawal limits and quarterly interest payments.

6. **High-Value Savings Account:** Tailored for individuals with savings exceeding 1 lakh taka, including business professionals.

7. **Fixed Deposit (FDR):** Available to individuals aged 18 and above, offering FDR amounts starting from 50,000 taka with tenors ranging from 1 to 5 years. FDR holders can access loan facilities and have encashment options, with interest rates varying based on the FDR amount.

8. **Goal-Based DPS (Deposit Pension Scheme):** Customers with savings or current accounts at The City Bank can open DPS accounts. These accounts have flexible tenures (6 months to 120 months) and contribution ranges from 500 to 50,000 taka. The installment date can be customized, and the maturity amount depends on the contributed amount, maturity period, and applicable taxes.

In addition to these services, The City Bank also provides various types of loans, including Auto Loans, Personal Loans, and Home Loans, each tailored to specific customer needs with competitive interest rates. Lastly, the bank offers Debit Cards and Credit Cards to facilitate electronic transactions and financial management for its customers.



City Bank offers a versatile range of financial services, including the City Max Card, which is affiliated with American Express and provides both debit and credit card options. These cards come with numerous benefits such as endorsements and discounts at various shops. Credit cardholders can also enjoy discounts on airport lounge access. Additionally, customers can withdraw money from their accounts using City Max Cards. Visa Cards from the bank also offer similar advantages.

To meet the modern-day expectations of hassle-free transactions, City Bank provides digital services like Citytouch and City Bank Smart IVR. These innovative systems facilitate activities such as fund transfers, account openings, card-related services, cheque-related services, and bill payments. Citytouch, the official app of City Bank, allows customers to track their daily transactions and check their account balances.

City Q is another valuable service offered by City Bank, providing a queue management system for its branches. This system ensures that customers take tokens before conducting their banking activities, reducing chaos and ensuring efficient service.

Furthermore, City Bank offers comprehensive banking solutions for traders. These include working capital finance options such as overdrafts and bank notes. The bank's trade finance system is also commendable. When engaging in imports, City Bank employs a Letter of Credit, ensuring payment only after receiving complete and compliant documentation. This benefits traders by providing a secure and cost-effective means of making deposits or advance

payments. The bank also facilitates payments to sellers based on the documents provided by buyers, aiding exporters in their endeavors with proper documentation.

One of City Bank's standout services is City Alo, its dedicated women's banking subsidiary. City Alo focuses on providing a tailored banking experience for female customers, including women entrepreneurs. They offer a wide range of financial services designed specifically for women and provide non-financial opportunities such as networking events and skill development programs. City Alo has a certification course and various service points across the country, including a flagship branch. Products offered by City Alo include the City Alo General Savings Account, City Alo High-Value Account, City Alo Visa Card, City Alo American Express Credit Card, and more.

City Bank ventured into Islamic Banking in 2003 with the establishment of its first Islamic Banking branch. Catering to the financial needs of those who adhere to Islamic principles, City Islamic, formerly City Manarah, offers Shariah-compliant banking services. This service includes a range of Shariah-compliant Personal and Corporate Banking products and services, ensuring that customers have a banking experience aligned with their religious beliefs. An independent Shariah Supervisory Committee is involved to ensure full compliance with Shariah principles.

2.3 CSR Activities of City Bank

According to the 2022 annual report, City Bank's commitment to Corporate Social Responsibility (CSR) was significant, with an investment of Tk. 173.8 million in that year alone. Over the past eight years, the bank has contributed a total of Tk. 965.8 million to various CSR initiatives. In 2022, the bank focused its CSR efforts on several key areas:

1. Educational Initiatives for the Underprivileged: City Bank made substantial investments in education-related activities. This included funding for educational support, scholarships for deserving and underprivileged students, certification and research-based events, assistance in library resource development and infrastructure improvement, support for safe transportation for university students, and the publication of magazines and books.

2. Health Support Programs: The bank recognized the importance of health support programs

and contributed to initiatives aimed at enhancing the well-being of the community.

3. Disaster Management: City Bank played a proactive role in disaster management, providing assistance to those affected by natural disasters. For example, the bank donated 75,000 blankets worth around BDT 25 million to help those severely impacted by harsh winter conditions, primarily pavement dwellers.

4. Support for Arts, Culture, and Sports: The bank extended its support to the arts, culture, and sports sectors. This included contributions to projects like "Mujibpedia," the first comprehensive encyclopedia on Bangabandhu Sheikh Mujibur Rahman, and funding for sporting events such as the Bangladesh Sheikh Mujib Dhaka Marathon 2022. The bank also supported a national golfer financially throughout the year.

5. Access to Clean Water and Sanitation: Through its partnership with the social enterprise Footsteps Foundation, City Bank continued to support Project Trishna, which provides free access to clean drinking water to city residents. The bank has assisted in installing 20 water purifying systems through this initiative.

6. City Alo Program for Women Empowerment: City Bank's City Alo program aimed to empower women in business by offering not only financial services but also capacity-building programs. Collaborating with renowned institutions like North South University and Chittagong Independent University, the bank introduced the City Alo Certification Program-based course on women's entrepreneurship. This course focuses on imparting technical skills and essential soft skills to enable women entrepreneurs to establish and manage successful businesses.

In summary, City Bank's CSR efforts in 2022 and over the years have been diverse and impactful, spanning education, health, disaster relief, arts, culture, sports, clean water access, and women's empowerment. These initiatives reflect the bank's commitment to making a positive contribution to society and supporting various facets of community development.

2.4. Financial Information of City Bank

Certainly, here's an analysis of the key details from City Bank's annual report for 2022:

1. Capital Structure:

- Authorized Capital: \$15 billion
- Paid-Up Capital: \$12.01 billion

The bank has an authorized capital of \$15 billion, of which \$12.01 billion has been paid up. This indicates that a significant portion of the authorized capital has been contributed by shareholders, giving the bank a strong financial base.

2. Deposits and Loans:

- Total Deposits: \$331.89 billion
- Total Loans: \$354.74 billion

City Bank holds a substantial amount in both deposits and loans, which is a positive sign for its lending and investment activities. The bank's ability to attract deposits indicates customer trust and liquidity.

3. Asset Quality:

- Non-Performing Loans (NPLs): 3.9%

The NPL ratio of 3.9% suggests that a relatively small portion of the bank's loans are non-performing. Maintaining a low NPL ratio is essential for minimizing credit risk.

4. Customer Base:

- City ALO: 448,301 customers
- Employee Banking: 107,231 customers
- City Islamic: 86,582 customers

The bank has a diverse customer base, including retail customers (City ALO and City Islamic) and employees (Employee Banking). This diversity can help in stabilizing revenue streams and mitigating risks.

5. Financial Performance (2022 vs. 2021):

- Cash In Hand increased by approximately \$1.28 billion.
- Fixed Assets increased significantly by approximately \$3.28 billion.
- Total Assets increased by approximately \$90.94 billion, indicating substantial growth.
- Total Liabilities increased by approximately \$88.32 billion.
- Total Shareholder's Equity increased by approximately \$1.62 billion.
- Total Operating Income increased by approximately \$3.19 billion.
- Net Profit After Tax decreased by approximately \$235 million.

The bank experienced growth in its assets, liabilities, and operating income, indicating expansion. However, there was a slight decrease in net profit after tax compared to the previous year, which may warrant further examination to understand the reasons behind it.

Overall, City Bank appears to have a strong capital base, a healthy customer base, and has experienced growth in various financial metrics. However, the decrease in net profit should be investigated further to ensure long-term profitability and sustainability. It's also essential to consider the economic and regulatory environment when assessing the bank's performance.

2.5 SWOT Analysis of The City Bank

Strengths:

1. **Established Reputation:** The City Bank has a long-standing history and a strong reputation in the banking industry.
2. **Wide Range of Financial Products:** The bank offers a diverse portfolio of financial products and services, including retail banking, corporate banking, and investment banking.
3. **Strong Financial Position:** The City Bank has demonstrated consistent financial performance with healthy profit margins and strong capital reserves.
4. **Global Presence:** It has an international presence with subsidiaries and other branches in different countries to pull off their foreign banking operations.
5. **Innovative Technology:** The bank has invested in modern technology, enhancing its online banking services and mobile apps, providing customers with convenient access.
6. **Customer Service:** The City Bank is known for its customer-centric approach, offering

personalized services and efficient customer support.

Weaknesses:

1. **Dependency on Local Market:** A significant portion of The City Bank's revenue may depend on the economic conditions and regulatory environment in its home country, which can be a weakness if there are local economic downturns.
2. **Competitive Pressure:** The banking industry is highly competitive, and The City Bank faces competition from both traditional banks and fintech startups.
3. **Limited Product Diversification:** While the bank offers a range of financial products, it may have limited diversification compared to larger multinational banks.
4. **Less Branches:** The city bank has 133 branch which is very less comparative to other banks of Bangladesh.

Opportunities:

1. **Expanding Market:** The City Bank can explore opportunities for expansion into emerging markets with high growth potential.
2. **Digital Banking:** The growing trend of digital banking presents an opportunity to further enhance online and mobile banking services.
3. **Sustainability Initiatives:** With increasing emphasis on sustainability and corporate social responsibility, the bank can invest in green initiatives and socially responsible banking practices.
4. **Mergers and Acquisitions:** The bank can consider strategic mergers or acquisitions to diversify its product offerings or expand its geographic footprint.

Threats:

1. **Economic Volatility:** Economic downturns or financial crises can negatively impact the bank's financial performance and asset quality.
2. **Regulatory Changes:** Frequent changes in banking regulations can pose compliance challenges and affect the bank's operations.
3. **Cybersecurity Risks:** The increasing sophistication of cyber threats poses a significant risk to the security of customer data and the bank's operations.
4. **Competition:** Intense competition from both traditional banks and fintech disruptors can erode market share and profitability.

5. Interest Rate Fluctuations: Changes in interest rates can affect the bank's net interest margin and profitability.

3. Objective of the Study

The main objectives of the study are to:

1. To gain a comprehensive understanding of the inner workings of banking operations.
2. To pinpoint the intricacies and challenges associated with day-to-day banking activities.
3. To outline the various issues that customers commonly encounter when engaging in banking transactions.
4. To provide an overview of the current landscape of the entire banking sector in Bangladesh.
5. To investigate and shed light on the challenges faced by employees who are involved in routine banking operations.
6. To illustrate any shortcomings or deficiencies within the leadership and management of banks.
7. To explore potential initiatives and strategies aimed at resolving the complexities and challenges in banking operations.
8. To identify and anticipate potential complexities that the banks in Bangladesh may face in the future.

4. Methodology

In the realm of research, two distinct methodologies are commonly employed: qualitative and quantitative. Each of these approaches offers a unique perspective on how research is conducted. Qualitative research focuses on non-numerical data, providing valuable insights by capturing the perspectives and experiences of interviewees. On the other hand, quantitative research deals with numerical data, aiming to describe and quantify phenomena. While quantitative research can provide statistical data, it may fall short in offering a comprehensive understanding of the research subject, as the rush for numerical figures can lead to errors. Moreover, survey-based quantitative methods can encounter challenges, such as respondents' reluctance to participate without prior notice, affecting the accuracy and reliability of results. To gain a holistic view, this research project employs qualitative methods, including interviews, as they help capture the nuances, meanings, concepts, and descriptions that quantitative data may overlook.

The primary focus of this report is to delve into the complexities of modern-day banking operations and explore strategies to mitigate these challenges. To achieve this, interviews with customer service officers from the designated branch were conducted. These professionals possess firsthand insights into the intricacies of modern banking practices.

The research draws upon both primary and secondary data sources. Primary data is gathered through observations and interviews, while secondary data is derived from sources such as company websites, annual reports, and existing research papers on banking services and issues.

Among the various interview types, semi-structured interviews were chosen for this research. These interviews involve pre-planned questions but also allow interviewees the flexibility to elaborate and provide in-depth explanations through open-ended questions. Such interviews are commonly referred to as qualitative research interviews and were considered the most suitable option for this study. The decision to opt for semi-structured interviews was based on their ability to facilitate open and in-depth discussions by permitting the exploration of interconnected issues.

5. Limitations of the Study

- i. Due to the relatively short duration of my internship, I was unable to gather a comprehensive amount of information.
- ii. Collecting all primary data independently proved to be challenging, necessitating the use of secondary sources for assistance.
- iii. It's important to acknowledge that the interviews I conducted with bank executives may have been influenced by their own biases.
- iv. The data I collected primarily pertains to City Bank, limiting my ability to provide a comprehensive overview of the entire banking sector.
- v. It's essential to note that the data obtained from secondary sources may not be entirely precise or error-free.
- vi. It's possible that my perspective and judgment were influenced by the fact that this was my first experience working in an organization.

6. Internship Experience

I worked in the Retail department at The City Bank Limited's Mirpur 1 Branch in Dhaka, Bangladesh. My supervisor during this period was Gazi Azizul Haque, who held the position of Branch Manager at the same branch. It appears that my employment with the company lasted from 1st June 2023 to 30th August 2023.

During my internship in the retail division of The City Bank Limited, I actively contributed to various tasks that played a vital role in the division's daily operations and enriched my learning experience. My responsibilities included:

- **Customer Service:** I assisted in providing exceptional customer service by welcoming customers, addressing their inquiries, and facilitating basic banking transactions.
- **Account Management:** I guided customers in opening new accounts, updating account details, and addressing account-related queries. This allowed me to gain insights into different types of bank accounts and their associated features.
- **Product Knowledge:** I received training from senior colleagues to understand and explain the bank's range of retail products and services, encompassing savings and checking accounts, loans, credit cards, and investment options.

- **Transaction Processing:** I played a role in processing various customer transactions, such as deposits, withdrawals, fund transfers, and the issuance of cashier's checks and money orders.
- **Administrative Support:** I performed general administrative tasks, including filing, photocopying, and document organization, contributing to the efficient functioning of the branch.
- **Technology Familiarity:** I gained exposure to the bank's technology systems and software, including City Touch and CDM machines, enhancing my digital banking knowledge.
- **Team Collaboration:** I had the opportunity to collaborate closely with team members and other departments, gaining insights into the collaborative nature of banking operations.
- **Audit Assistance:** I provided support to the Branch Operation Manager during audit activities, which deepened my understanding of compliance and control measures.
- **Financial Analysis:** I assisted Relationship Managers (RMs) in conducting financial statement analyses for various organizations, further developing my financial acumen.

In summary, my internship experience encompassed a wide range of tasks that not only contributed to the bank's daily functions but also provided me with valuable insights and practical knowledge of the banking industry

7. Findings of the Study

1. Service level Complexities:

i. Card Division Problem:

Card division is one of the divisions under retail division. Card divisions faced different kinds of complexities. Like:

- **Information Alteration Time:** The process of updating personal information, such as phone numbers, email addresses, or residential addresses, at a bank branch often involves a time-consuming and frustrating experience for customers. This can result in dissatisfaction due to long wait times and a cumbersome process. Main problems here are paperwork overload, queue overload, inefficient workflow.
- **Card Reception:** In simpler terms, customers have a variety of card options like American Express, Visa, MasterCard, and more. However, they often run into situations where each card type is accepted at different places, both locally and internationally. For instance, one booth might take American Express, while another prefers Visa. On top of that, customers sometimes face the problem of their cards getting blocked at specific locations, which adds to their frustration and unhappiness with the service.
- **Credit Limit:** In simpler terms, credit limits are a crucial part of our financial services. Many credit card users are unhappy because they feel their credit limits are too low to cover their financial requirements adequately. This problem often arises because the bank might not have enough data or may be using outdated information to decide on these limit
- **Exempting Card Cancellation Fees:** Since banks have stopped imposing fees for closing credit card accounts, customers are increasingly coming to the bank branches to request card closures when they face issues while using their cards. This has led to card department executives having to explain to their higher-ups why customers are opting to close their accounts.
- **Security Issues:** In simpler terms, incidents of card-related fraud and security breaches have made customers extremely worried about the security measures and procedures implemented by the card department.

ii. Customer Service Problem:

As I am in the retail department, so I closely see the complexities Customer faced while taking services. The complexities are given below:

In simpler terms, there are several issues and challenges in the banking sector in Bangladesh that affect customer satisfaction:

- **Slow Response Times:** Customers are unhappy with delayed responses to emails, online inquiries, and social media messages. When they visit branches, executives often take a long time to fulfill their requests, which frustrates them.
- **Inadequate Staffing:** Many branches in Bangladesh have insufficient staff, resulting in overcrowded situations, especially before holidays like Eid and puja. Long waiting times are common, and rushed staff may make errors.
- **Complex Procedures:** Banking procedures are often too complicated for the average person to understand. Sometimes, even bank executives struggle to explain these procedures to customers, causing problems.
- **Inefficient Complaint Resolution:** Slow resolution of customer complaints or disputes leads to dissatisfaction. Unresolved complaints can further anger customers.
- **Inadequate Services:** Banks can't always provide all the services customers need, leaving them dissatisfied if their preferred service isn't available.
- **Unclear Fee Structures:** Customers may get confused about the various fees and charges associated with their accounts.
- **Account Errors:** Mistakes in account statements or transactions can frustrate customers.
- **Outdated Technology:** Banks using outdated technology may experience system failures or glitches that inconvenience customers.
- **Poor Communication:** Inadequate communication about policy changes or service disruptions can confuse customers.
- **Server Problems:** Services like RTGS and Fund Transfer depend on the Bangladesh Bank's servers, and frequent server problems lead to delays and customer dissatisfaction.
- **Dollar or Foreign Currency Shortage:** Banks often can't provide foreign currencies due to shortages, leaving customers dissatisfied when they need dollars for international travel.

- **Cash Division Challenges:** Cash division, an essential customer service department, faces complexities such as long working hours, cash balancing, counterfeit detection, and dealing with customer disputes and confusion.

These challenges can arise from both customer and bank sides and contribute to overall customer dissatisfaction in the banking industry in Bangladesh.

2. Related Parties Complexities

i. Employer Part:

- **Understanding Level Low:** Many bank executives lack a complete understanding of the various procedures and regulatory rules governing daily banking activities. These rules and regulations change frequently, and as a result, some executives are not up-to-date with these changes. This lack of awareness hinders their ability to perform their duties effectively, often leading to mistakes. These mistakes, in turn, result in dissatisfaction not only among customers but also within the management of the bank.
- **Communication Gap:** Effective communication is vital in the modern world, yet there appears to be a disconnect in communication within banks. Senior executives often provide instructions that are not easily understood by their junior colleagues. Additionally, juniors may feel hesitant to ask questions to clarify instructions due to the existing communication gap. Moreover, there is also a communication gap with customers, which means that bank executives may struggle to understand their customers' needs and preferences.
- **Knowledge Gap:** Besides the communication gap, there is also a knowledge gap among many executives. Some of them may not possess the essential knowledge or skills needed for their roles, which can limit their effectiveness in performing their tasks. Additionally, some may resist acquiring new skills and knowledge, leading to difficulties in carrying out their daily responsibilities due to this knowledge deficit.
- **Improper Way to Give Service:** Employees are not adhering to the bank's service standards or customer expectations. Especially during lunch breaks or when they are about to leave the office, they are not providing courteous service to customers. Instead, they are offering service in a rude and unsatisfactory manner, which is not deemed acceptable.

- **Lack of professionalism:** Professionalism is crucial in today's world, as it plays a vital role in both personal and professional success. It enables individuals and organizations to establish trust, uphold integrity, and nurture positive relationships. Unfortunately, employees are falling short of the expected standards of professionalism when interacting with customers and colleagues. This can potentially damage the bank's reputation and hinder their own career progression.
- **Persuasive Power low:** The ability to persuade is highly valuable for bank employees. Bank executives often face challenges in effectively convincing customers or colleagues, which can hinder their capacity to influence decisions or reach their objectives. This lack of persuasive power can also impede their career advancement opportunities.
- **Behavioral Problem:** Employees in banks may display disruptive behaviors like rudeness or insubordination, which can disrupt the workplace environment. These behavioral issues are not limited to junior staff; they can also be observed among senior employees. Such problematic behavior creates numerous challenges within banks. Customers may even file complaints about the conduct of bank executives, and at times, this discourteous behavior can lead to unethical actions.

When executives refuse to take responsibility for their actions or decisions, it can undermine trust within the organization and foster a culture of shifting blame. Additionally, excessive ego or arrogance can result in a lack of willingness to accept feedback and collaborate with others, causing tension within the team.

- **Not willing do work beyond their Capacity:** Employees often resist taking on extra responsibilities or tasks, which restricts their overall contributions to the organization. They tend to prefer their preferred tasks and are unwilling to step in when a colleague is absent. Even when they reluctantly agree to take on additional work, they may struggle to perform those tasks effectively because they haven't learned or prepared for them
- **Not taking training Seriously:** banks regularly conduct training programs to update their employees on new technology and security threats. However, employees often do not appreciate or actively participate in these training opportunities, which hampers their personal and professional growth. The fact that training sessions are held on weekdays can demotivate them to attend.
- **Not Following Chain of Command:** Maintaining a clear hierarchy and reporting structure is crucial for any organization. However, in banks, employees often do not follow the established hierarchy, which results in confusion and inefficiencies in

decision-making. This issue is exacerbated by frequent transfers of bank executives from one branch to another, preventing the development of strong working relationships between senior and junior staff members.

- **Team Work Problem:** Effectively promoting teamwork among employees is challenging and can significantly impact collaboration and productivity. As we've already discussed, the relationship dynamics between individuals can be a contributing factor to these challenges. When team members are uncertain about their roles and responsibilities, it can result in duplicated efforts or important tasks being neglected. Unevenly distributed workloads within the team can lead to frustration, burnout, and resentment among those who feel overwhelmed.

Furthermore, the absence of team-building activities or initiatives can weaken team cohesion and prevent employees from developing a sense of camaraderie. Addressing teamwork issues often involves taking leadership initiatives, providing training in communication and conflict resolution, fostering a culture of trust and collaboration, and offering opportunities for team-building and skill development. These measures are essential for creating a more harmonious and productive work environment.

- **Management Bias:** The prevalence of nepotism, which involves providing preferential treatment to family members or close friends, and favoritism, where certain individuals are favored without considering their qualifications, creates an unjust workplace atmosphere. This kind of bias is widespread in our country, and as a result, many highly qualified and talented individuals often do not secure the job opportunities they rightfully deserve.

ii. **Customer Part:**

Not only do executives encounter complexities at times, but customers can also contribute to challenges that affect the relationship between customers and executives. Such As:

- **Not Giving Documents:** A common issue arises when customers are reluctant to provide the necessary documents required by the bank. These documents are essential for the bank to properly identify the customer. Nowadays, individuals seeking to open a bank account, whether employed or running a business, are typically required to submit documents such as a salary certificate for jobholders or a trade license for business owners. However, some customers resist providing these documents and may even engage in arguments with bank executives. This customer behavior presents a challenge for the bank.

- **Understanding level Low:** Another challenge arises when customers have a limited understanding of banking procedures. In such situations, it's crucial for service providers to simplify their explanations and instructions to ensure that the customer fully grasps the process. Miscommunication due to a lack of understanding can result in frustration and mistakes. This issue is particularly relevant in Bangladesh, where there is a significant illiterate population. Some individuals may struggle to comprehend the intricacies of banking transactions. Additionally, bank executives may have limited persuasive skills, making it difficult for them to provide clear explanations to customers.
- **Not giving Proper Details:** Customers who fail to provide accurate or complete details about their needs and preferences can create complications. Having precise information is essential for customizing services to effectively meet individual requirements. Without this information, service providers may encounter difficulties in delivering the desired results. Additionally, when customers provide incorrect personal information, it can lead to confusion and hinder the ability to assist them properly. Moreover, if customers wish to make changes to their contact information, they may not always provide a clear reason for the requested change.
- **Not understanding Service time:** Some customers may struggle to understand the concept of service time or how long it takes to complete certain tasks. This lack of understanding can lead to unrealistic expectations or impatience, which can strain the relationship between the customer and the service provider. For example, processes like account opening, DPS (Deposit Pension Scheme) opening, or loan disbursements may take some time, and some customers may not comprehend the reasons for the delay. Consequently, they may become frustrated and express their frustration through raised voices or shouting.
- **Behavioral Problem:** Behavioral issues can disrupt the service flow. When customers display rudeness, impatience, or hostility, it creates a negative environment that impacts both the service providers and other customers. It's crucial to handle such behavioral problems with empathy and professionalism to preserve a positive service atmosphere.

Another challenge arises when customers try to expedite their banking transactions by using improper methods. Some customers, if they have personal connections with bank staff, may

insist on receiving preferential treatment to get their work done quickly. However, this approach is not a proper way to access bank services because it unfairly disadvantages other customers who have been waiting for their turn patiently.

3. General Complexities:

- I. **Error in NID:** A considerable number of National Identification Cards (NID) issued to Bangladeshi citizens contain mistakes, such as wrong names or inaccurate details regarding their parents. These errors can result in significant complications and difficulties.
- II. **Rules and Regulations to Prevent Crimes:** Bangladesh has encountered difficulties in effectively controlling money laundering and financial crimes. The existing regulatory framework in the country has faced criticism for not being robust enough to prevent instances of financial misconduct and irregularities.
- III. **Financial Inclusion:** While Bangladesh has made notable progress in making banking services more accessible, there is still a pressing need to further expand financial inclusion efforts, particularly in rural areas. Many individuals in these regions remain underserved by traditional banking services.
- IV. **Fiscal Policy and Economic Stability:** The performance of the banking sector is significantly influenced by broader macroeconomic factors, including government fiscal policies and overall economic stability. Any disruptions or imbalances in the larger economy can have ripple effects on the banking industry.
- V. **Capital Adequacy:** Numerous banks in Bangladesh have faced challenges in maintaining capital levels that align with international standards. Concerns arise about the stability and resilience of the banking sector due to these issues related to capital adequacy.
- VI. **Non-Performing Loans (NPLs):** Bangladesh's banking sector has grappled with a high rate of non-performing loans, which are often associated with political and business interests. This issue places substantial strain on the financial health of many banks and hinders their capacity to provide loans to deserving businesses. The presence of a large number of NPLs can be a significant financial risk for banks and the broader financial system.

8. Recommendations:

In the last part we talk about lots of issues that has been hampered the banking operations a bit in last few years. So, we need some measures how we can solve those difficulties and make the banking service more useful to customers.

Certainly, here's a more detailed explanation of how various challenges in the banking sector in Bangladesh can be addressed:

Firstly, in addressing the issues related to card division and lengthy information update times, it's crucial for banks to embrace digitalization. Banks can incorporate services such as information updates into their mobile apps, enabling customers to manage their information efficiently online. To ensure the user-friendliness of these apps, they should be designed with simplicity and clarity in mind, especially for customers who may not be well-versed in online systems. Additionally, providing precise card specifications and clear information to customers is essential to improve their understanding of the card services.

Regarding credit limits, banks can adopt advanced credit scoring models that take a broader range of customer data into account for more accurate credit limit determinations. Encouraging customers to provide comprehensive transaction details can help banks better assess their transaction limits and consider raising credit limits accordingly. Implementing charges on card closures can discourage customers from closing their cards hastily, promoting a more stable customer base.

To enhance security, investments in cutting-edge security technologies such as multi-factor authentication and behavioral analytics are essential. Regular security audits and vulnerability assessments should be conducted to identify and rectify any system vulnerabilities. Collaboration with law enforcement organizations is important to investigate and prosecute cybercriminals. Banks should establish a dedicated channel for customers to report security issues and respond promptly to these reports.

Customer service improvements can be achieved by enhancing Customer Relationship Management (CRM) systems and investing in call centers' quality. Monitoring and training for

call center staff are vital to ensure that customers receive accurate and helpful information. Hiring qualified candidates and providing continuous training can elevate the quality of customer service. Furthermore, the recruitment and internship programs should be organized more efficiently to attract and retain talented officers.

Complex banking procedures can be simplified through digitalization and standardization. Procedure manuals for employees should be developed, offering step-by-step guidance for various banking processes. Online tutorials and video guides for customers can help demystify these procedures. To clarify fee structures, banks can regularly text fee schedules to customers or display this information prominently within branches. Collaboration with fintech companies can broaden the range of services offered to customers.

To address foreign exchange challenges, diversifying export markets and promoting efficient foreign exchange allocation is key. Encouraging remittances through legal channels, negotiating bilateral agreements, and attracting foreign direct investment (FDI) in industries that generate foreign currency can help stabilize the foreign exchange situation.

Improvements in cash division can be achieved through the widespread introduction of ATMs and cash recycling machines, automating cash handling processes. Secure cash delivery services can reduce the need for frequent trips to central banks. Proper training for branch staff can help manage queues efficiently, and regular reviews of internal processes can minimize customer wait times.

To bridge knowledge gaps among bank staff, ongoing training programs and workshops on security issues and other relevant topics should be organized. Close collaboration with regulatory authorities like the Bangladesh Bank can help address server issues and minimize service delays. Effective communication channels should be maintained with customers to keep them informed about policy changes and updates.

Finally, to mitigate management bias, banks should adopt equal opportunity policies, with fair and transparent recruitment and promotion processes. HR departments can play a pivotal role in ensuring unbiased practices. Managers and leaders should receive training on fair treatment, and mentorship programs can provide career growth opportunities based on potential and abilities.

Addressing non-performing loans (NPLs) requires strong supervision and monitoring policies, along with the implementation of relevant acts and regulations. Private banks should collaborate with the government to reduce NPLs and contribute to the country's economic development.

9. Conclusions

This report delves into the intricate landscape of contemporary banking operations within Bangladesh, shedding light on the pivotal issues impacting the industry. Additionally, it explores the transformative role of technology within the banking sector, presenting both challenges and opportunities for Bangladesh's financial institutions.

Regulations and legislations emerge as prominent factors in shaping the banking landscape. The government's precise handling of these regulations becomes paramount, as they can either facilitate or hinder the industry's seamless functioning. Ultimately, the core focus of the banking sector remains customer satisfaction, a mission that necessitates careful navigation of these regulatory frameworks.

In light of these evolving challenges and opportunities, it is evident that the banking sector in Bangladesh is undergoing a significant transformation. This report offers valuable insights into the current state of the industry, serving as a compass for future decision-making and strategic planning. By addressing these emerging issues head-on, banks can position themselves for sustained success while contributing to the continued growth and development of the nation's financial sector.

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