

# FORMAL INAUGURATION TODAY

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প্রধানমন্ত্রী

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার



বাণী



আমি ওয়েলকেয়ার প্রাইভেট অর্থায়নে 'নি ট্রাইট ব্যাংক লিঃ' - এর তত উকোনম হতে যাচ্ছে জেনে আমি আনন্দিত। এ বাংলাদেশের অর্থনৈতিক উন্নয়নে বলিষ্ঠ অবদান রাখবে বলে আমি আশা করি।  
বাংলাদেশে এ ধরনের ব্যাণ্ডিজিক ব্যাংক এই প্রথম। এশিয়া মহাদেশের বিভিন্ন দেশেও সেনাবাহিনীর উদ্যোগে প্রতিষ্ঠিত ব্যাংকসমূহ সাফেরিং কর্মসূচি পরিচালনা করছে। সুত্রে ব্যাংকসমূহ অর্থনৈতিক কর্মকাত্তের গতি সমর্পণ করে, দেশের অর্থনৈতিক অর্জন নিশ্চিত করে। আশা করি 'নি ট্রাইট ব্যাংক লিঃ' সক্র ব্যবস্থাপনার মাধ্যমে ব্যাংকি সেক্টরে দেশে ও জাতির ক্ষয়াপে অবদান রাখতে সমর্পণ হবে।  
আমি 'নি ট্রাইট ব্যাংক লিঃ' - এর উত্তোলনের সমৃদ্ধি কামনা করি।

জয় বাংলা, জয় বস্বরূপ  
বাংলাদেশ চিরকীরী হোক১৯৯৯  
শেখ হাসিনা

## BANKING IN THE NEXT MILLENNIUM BUSINESS & STRATEGIES

Maj Gen Muhammed Masudur Rahman, BP, nwc, psc



The role of commercial banks as a financial intermediary, which intermediates fund from the surplus sector to the deficit sector and acts as a catalyst to keep the wheels of commerce and industry moving, is now an admitted fact. The banks provide supportive services for acceleration of growth of economy and promotion of trade and commerce. Now we have to think over the issue how the banks as a financial intermediaries are prepared to face the challenge of the next millennium. Over 47 banks are now operating in the country and some more are in the offing. The banks have to vie among themselves to ensure their share and positioning in the market which has not expanded in a way as to absorb them. The position of each of the banks depends how they are equipped and make them competent to face the challenges awaiting for them. The worldwide trend of liberalization in financial markets has stimulated more innovation and this has sharpened competition among the banks. The banking sector is under compulsion to adopt new technology with a view to improving the service delivery system as to expand the product ranges and to build up Management Information System.

The conventional services being provided by the banks include among others (i) acceptance of deposit on different accounts and acceptance of funds in the wholesale market (ii) extension of bank's finance in the form of overdraft and loan facilities/loan Syndication as well as participation in the money market operation (iii) foreign exchange services and facilities for buying and selling securities.

We are entering the next millennium with bad experience of the backlog of classified loans, non-performing assets which jeopardises the overall financial system. The available banking statistics indicate that current outstanding loans and advances as extended by the NCBs, PCBs and specialized banks together amounted to around Tk. 60,000.00 crore including a total amount of overdue loans of in the threshold of Tk. 20,000.00 crore. This staggering figure of non-performing assets presents a dismal picture of our banking sector. The present state of default rate is as high as 37% poses challenge to the banking sector. The implications of defaulted loans are suspension and non-accrual of interest income, squeezing of credit base, liquidity crunch, shaken confidence of the depositors.

The banks in our country are now, along with the promotion of conventional services, moving ahead to get themselves involved in the area of Merchant Banking, Investment Banking, Correspondent Banking, Offshore Banking facility, Leasing and hire purchase. Apart from this, banks provide ancillary services that include travel related services, auto-teller machine, Deposit Pension Scheme, Tele Banking and Money Link. Banking services mostly meet the general needs of the public and the patterns of services are almost alike among banks. Since the services are more or less alike and so each of the banks is required to formulate their package of services in a manner so that the general public can differentiate each of the banks from the delivery view point.

The banks are required to segment their customer-base keeping in view their financial standing, type of services required and proper assessment as well as their expectation, past track record of their banking transaction. Now

commerce has vast potentiality and will revolutionize the economy and trade by the next millennium, and so we can not lag behind in race. It is widely believed by specialist, IT professionals and observers that electronic commerce would dominate the entire global trade scenario of the approaching millennium.

The Web-based electronic commerce could open up new frontiers of opportunity for the economic progress of the country through image building and possible publicity of our national products to the global community.

By the next millennium banks and financial institutions have to reinvent and redesign themselves in the net work economy for consumers. The new technique will set off a contest for customer relationship and brands with more power in the hands of the consumers. The policy and business strategy of the next millennium depend on strong market drive, deepening of mechanization of service delivery system and the last but not the least, is the innovative approach. Creativity breeds innovation and in turn innovation will get added momentum in the banking business by the 21st century. Banks, now-a days, are looking for new ways to augment profit, enhance employees' job satisfaction and productivity and satisfy shareholders.

Gone are the days for banks to keep their functions confined within the periphery of accepting deposits and lending money as well as making easy profit. The innovative banking is a knowledge-based concept and innovativeness is not a programme but it is a process i.e. way of doing things. In the multifarious problem-ridden society of Bangladesh, banks have the role to serve as an agent of change.

The banks can conceive new schemes towards promotion of productive employment, supplement of income of least privileged section of the society and thus can reduce the incidence of poverty. The objectives of banks have been widened, modernization and newer obligations have proliferated the cost of total operations. So it is imperative to maintain efficiency in the overall activities of the banks as to survive in the environment which will be characterized by stiff competition and the next century will witness the merger and acquisition of problem-banks by the viable ones with rich concepts, innovative ideas and strength of technology. The rapid changes in the banking environment have involved more than geographic spreads and automation. In the banking arena innovation requires to be incorporated into the business plan as a strategic lever and thus to launch new products to accelerate pace of growth of each of the banks considering innovation as an investment opportunity rather than a cost. By the next millennium we shall have to experience networking of the economy on a global basis that will provide wholly different business model based on intellectual capital as the primary source of wealth and value will be added by application of knowledge and technology to work. There will be many avenues of profit to harvest but there will be many institutions which will find themselves as non-existent entity in one fine morning under the pressure of harsh competition of technology and ideas.

Therefore, banking - business strategies need serious attention before the sun of the next millennium rises.



The Daily Star

# SPECIAL SUPPLEMENT

THE TRUST BANK LTD.

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Design : Adking

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২৯ নভেম্বর ১৯৯৯, নি ট্রাইট ব্যাংক লিঃ -এর প্রতিষ্ঠা দিবস। বাংলাদেশ সেনাবাহিনীর ইতিহাসে এই দিনটি বৰ্ণনার দ্বাৰা ধৰা যাবে। এই দিনে সেনাবাহিনীর সীরিসিনের লালিত একটি ব্যুক্ত ব্যাংক স্বীকৃত হোৰে। মননীয় প্রধানমন্ত্রী শেখ হাসিনা দেশ পর্যন্তে অহুবাবে সাড়া স্বীকৃত এবং ব্যাংকের প্রতিষ্ঠা ততাবিত করা হচ্ছে। অভিযোগ করিবে নি। এই দিনে সেক্ষেত্রে অবস্থান কৰিবে পৰিষ্কার পৰিবেশ এবং সুন্দৰ বাহিনী সমস্যাদের ক্ষেত্ৰে জন্ম মননীয় প্রধানমন্ত্রী শেখ হাসিনা সিঙ্কান্ত স্বীকৃত হিসেবে পঢ়ে উঠে সেক্ষেত্রে আমাদের কৰাই।

আমি ওয়েলকেয়ার ফাউন্ডেশন উদ্যোগে প্রতিষ্ঠিত 'নি ট্রাইট ব্যাংক লিমিটেড' এর উত্তোলন উপলক্ষে একটি মোড়পত্র প্রকাশ করতে যাচ্ছে জেনে আমি অভিযোগ আনন্দিত।

নতুন সহস্র বছর ও একবিংশ শতাব্দীৰ প্রারম্ভে ব্যাংকটিৰ প্রাচীন বাণী পৰ্যন্তে অভিযোগ কৰাই। আমি আশাকৰি নতুন ব্যাংকটিৰ ব্যুক্তে সক্ষম হোৰে এবং সেই সাথে জাতিৰ প্রত্যাক্ষীকৰণ প্ৰয়োগ কৰাই। বাংলাদেশ যেন একটি আদৰ্শ ব্যাংক হিসেবে পঢ়ে উঠে সেক্ষেত্রে আমাদের কৰাই।

জয় বাংলা  
জয় বস্বরূপ

মোহাম্মদ নাসিম  
বাণী, ডাক, তাৰ ও টেলিমেডিয়া মন্ত্রী  
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

বাণী



## CUSTOMER SERVICES OF A NEW GENERATION BANK

Brig A N M Muniruzzaman, psc

### 1. WHO IS A CUSTOMER :

To a Banker Customer is the King. A person becomes a customer of a Bank when the Bank opens an account for him. With opening of the account a contractual banker-customer relationship is established. This relationship, though not formally coded, is established in practice for long and is mostly recognized by courts. This relationship determines the rights and obligations of a banker to a customer.

Other non account holders who encash cheques, make deposit in the accounts or purchase a draft, or Fixed Deposit Receipt, take changes of notes and like are either customers of Bank's account holders or receivers of subsidiary services of a Bank. However, irrespective of holding an account, all of them invariably are the beneficiaries of services all over the counters, desks and if needed, beyond desks and office compound at customers' doors.

### 2. WHAT SERVICES A CUSTOMER NEEDS:

With the progress of civilization and technological advancements, banking service needs of the society has continually been dynamically changing and increasing. Today a customer needs to conclude banking transactions instantly, any time, most comfortably, sitting at home or anywhere and possibly for his any business. A modern bank thus has to be to be manned & equipped to meet such needs. Today a Banker must have the professionalism to solve customers' problems. The Banker must not just try to sell a service or a product to a customer. He has rather to help the customer accept the product by explaining both its advantages and disadvantages and showing how the product will satisfy customer's needs. Such helpfulness results in satisfied customers and a long-term banker-customer relationship.

### 3. CUSTOMER SERVICES OF BANKS IN BANGLADESH :

In Bangladesh, with the dawn of liberation all banks were nationalized. Bankers cared little for the customer service spirit. With the decentralization of Pubali Bank and Uttara Bank in 1983 and setting up of some new private Banks, competition began and quality of banking services began to improve. Since then, banks, especially, the new banks in a competitive environment have been adding new packages of services everyday and trying to sophisticate their service with the aid of information technology.

Of late, a few new generation banks have come up with latest ideas, tools & techniques of information technology to meet the ever-growing expectations of customers. The Trust Bank Ltd., sponsored by Army Welfare Trust of Bangladesh Army is such a new generation Bank. Philosophy behind establishing this Bank is welfare to customers as well. Thus, "Welfare to Customer" is its added dimension. Its service packages, besides being better and sophisticated, are also expected to be blended with the welfare of fair and reasonable charges to customers. With the spirit of discipline and sacrifice of Armed forces, this Bank is expected to serve its customers through all odds, calamities and emergencies of the nation.

### 4. QUALITY OF CUSTOMER SERVICE OF BANKS IN BANGLADESH

The service packages of banks in Bangladesh include traditional, new and sophisticated products. Accepting deposits and allowing withdrawals in operating account, permitting customers money through banking channel, collecting cheques in customers accounts, financing imports & exports, buying & selling of currencies, accepting safe custody & safe deposit etc are traditional banking services.

New products include accepting deposits & allowing credits to segments of customers under special schemes like Deposit Pension Scheme, Insured Deposit & Credit Schemes and so on. Sophisticated products & services

of his account in a minute.

Customer service to a genuine credit applicant is more dis-satisfactory. A credit applicant very often needs immediate credit to exploit a business opportunity. But, he gets sanction of the loan some times after 2 to 4 months when his need for credit is over or the business opportunity is lost. Banks in Bangladesh resort to such a time consuming exercise to avoid sanction to unworthy, delinquent or fraudulent applicants. Even then, good customers seldom wait for such an uncertain and delayed outcome of sanction.

Bankers conclusively emphasise that only selection of good borrowers can help check sanctioning bad loans. But who will select a good borrower?

A new generation bank has the advantage to begin with selecting a right & professional banker as the Branch Manager who will in turn select a right customer. The Manager must be professionally trained and skilled to correctly appraise the customer requirements. He must be professionally efficient & apt to handle credit proposals and obtain sanction from the authority, correctly accomplish documentation and promptly disburse the credit to the customer keeping customers time frame of credit need in view. Some new generation banks are already catering better customer service to credit customers and their loan portfolio is claimed to be almost free from any problem accounts. This proves that, satisfactory customer service to good borrowers is worth rewarding. It is also proved that there exists a community of good borrowers who can be safely and honourably served as bonafide customers. The need is to identify them with professional pursuit only. Banks traditionally issues DD, MT, TT etc to remit customers fund from one station to another. Through DD & TT fund is not instantly transferred. Unless telephone connection with the outstation Branch is available, TT is not also passed. Delay, harassments or refusal to pay customers happen, if test signals in the instruments go wrong or the advice not received while the customer needs the money remitted immediately.

A new generation Bank is expected to offer an excellent remittance service to its customers instantly free of cost through on line computers.

Banks in Bangladesh sell Travelers' Cheques, Foreign currencies through authorized dealing branches. A few local Banks only issue Credit cards to valued customers. Some multinational Banks offer ATM services as well.

New generation Banks with the aid of latest information technology are expected to extend these services more conveniently and aptly.

### 5. ELECTRONIC FUNDS TRANSFER (EFT)

Electronic funds transfer is an evolving technological development of the financial industry to cater to customers' instant needs at convenient locations. The customer carries a small electronically coded card that identifies its holder to a central computer. The card is used at easily accessible locations such as retail stores, airline terminals, restaurants and financial institutions. The card enables the customers to make purchases, withdraw cash, deposit funds, obtain a loan, pay bills etc. In our country, new generation banks have the advantage to begin with this technological facility to cater to the speeds and convenience needs of the customers.

### 6. CONCLUSION:

So many banks in the country has emerged to cater to the needs of the hitherto neglected customers. Time has come to recognise customer as the real king. Now, the Banker has no choice but in order to serve customers satisfactorily to exist in the market and keep positive contribution in the development of commerce and industry of the country.

## FOUNDER MEMBERS OF THE BOARD OF DIRECTORS

1. Lt Gen Muhammed Mustafizur Rahman, BB, ndc, psc, C Chief of Army Staff., Bangladesh Army.	Chairman
2. Maj Gen Muhammed Masudur Rahman, BP, nwc, psc Adjutant General, Bangladesh Army.	Vice Chairman
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5. Brig A N M Muniruzzaman, psc, Director, WE&S Dte.	Director
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