

Deposit Products of Prime Bank Limited

ABDUS SAMAD
Senior Vice President

Since commencement of banking operation, Prime Bank Limited has not only gained enormous popularity but has also been successful in mobilizing deposits.

The Bank has made significant progress within a very short time due to its dynamic management and introduction of various customer friendly deposit products.

Deposit Product Range

1) Contributory Savings Scheme

This Scheme allows for getting an attractive fixed amount at the end of the specified term through depositing monthly installment of Tk. 100.00, Tk. 250.00, Tk. 500.00 or Tk. 1,000.00 over a period of 5, 8 & 10 years. Annual profit @ 11.97% is allowed under this scheme.

2) Monthly Benefit Deposit Scheme

Under this Scheme a person can deposit Tk. 1,000,000.00 or multiple thereof for 5 years term and can earn Tk. 1,000.00 per month plus refund of the original amount after expiry of the term.

3) Special Deposit Scheme

A deposit of Tk. 10,000.00 or multiple thereof can be deposited for a period of 5, 7 or 10 years which grow into double & triple in 7 & 10 years respectively. At simple rate, the profit under this scheme stands at 20% per annum.

4) Education Savings Scheme

Deposit of Tk. 25,000.00 or multiple thereof for a period of 7, 10, 15 or 20 years is repaid @ Tk. 55,000.00, Tk. 77,000.00, Tk. 1,36,000.00 or Tk. 2,40,000.00 in lump sum after the respective maturity period. Depositors have the option of withdrawing the amount as educational allowance for 6 years starting from the completion of the respective term @ Tk. 1,000.00, Tk. 1,500.00, Tk. 2,500.00 or Tk. 4,500.00 in monthly installment.

5) Fixed Deposit

Terms

- a) 30 DAYS FDR
- b) 3 months FDR
- c) 6 months FDR
- d) 1 year FDR
- e) 2 years FDR
- f) 3 years & above FDR

6) Savings Deposit Account

STD Account

8) Prime Bank Insured Fixed Deposit Scheme

In order to give extra protection to our customers and their family, the Bank have introduced "Prime Bank Insured Fixed Deposit Scheme". This new deposit scheme has the advantage of insurance coverage (both natural & accidental death benefit) as well as high rate of return i.e. 10% per annum. Some of the salient features of "Prime Bank Insured Fixed Deposit Scheme" are described below:

1. The scheme covers the depositors of 18-45 age group.

2. This Insurance coverage will be available for Fixed Term Deposit of 1 (one) year term.

3. Minimum deposit is Tk. 25,000/- Insurance coverage will be available for deposit upto Tk. 20.00 lac.

4. In case depositor meets natural death, his Nominee shall get double of his deposit plus interest. In case of accidental death, Nominee shall get 3 times of the deposit plus interest. This means that if a depositor keeps a deposit of Tk 10 lac and meets natural death his nominee shall get Tk 20 lac plus interest and in case of accidental death the nominee shall get Tk 30 lac with interest.

9) Prime Bank Money Scheme

Under this Scheme, the Bank finance the purchase of 5 types of Government Savings Certificate such as 1. Five years Bangladesh Savings Certificate, 2. Eight Years Defense Savings Certificate, 3. Five Years Family Savings Certificate (To Female only), 4. Three Years 3 monthly based profit Savings Certificate and 5. Five Years 6 monthly based profit Savings Certificate at a very low rate of interest to enable our customers to build up savings and also get the benefit of tax rebate as admissible under the Income Tax Rules. Under this Scheme, the Customer(s) will open an account and deposit 20% as margin and Bank will provide 80% of the Savings Certificate Value as loan for purchasing the above mentioned Certificates and loan should be repaid in monthly installment from the following month of disbursement during the period (3 years, 5 years & 8 years).

10) Multicurrency Account

In view of the convertibility of Taka in current account allowed by the government, we introduced "Multicurrency Account" system where an eligible Account Holder can make deposit in US Dollar, Pound Sterling, Japanese Yen or Deutsche Mark and draw cheques in Bangladeshi Taka, Pound Sterling, Japanese Yen, Deutsche Mark, French Franc, Canadian Dollar, Swedish Kroner, Italian Lira or AEU Dollar. The system has been introduced to enable an Account Holder to draw cheques in any currency of his choice to settle the payment obligations in various currencies. Funds from their accounts are freely remittable to any country according to their needs. Although, "Multicurrency Account" will be maintained in US Dollar, the deposit into the account can be made in any convertible currency whereby we shall convert the same into US Dollar. The conversion shall be made by using bank's buying and simultaneous selling rate of the relevant currencies as usual. We pay interest at prevailing Euro-currency Deposit rate if balance in the account is over US\$ 1,000.00 and the balance is maintained for not less than a month. At present our Motijheel and Gulshan Branch have been authorised to open Multicurrency Account.

Chairman Mr. Md. Nader Khan's Statement

From Page 20
Our efforts to improve and expand product list continues.

I am pleased to inform the Honourable Shareholders that during the year 1999, your Bank made a record Operating Profit of Tk.360.51 million registering an increase of 63% over the previous year. Deposit grew by 44% to Tk.7660 million. Foreign Exchange business increased by 58% to Tk.17855 million and Loans & Advances increased by 60% to Tk.5027 million. These encouraging results were achieved in a difficult economic and political condition which manifest the inherent strength of the Bank. One of the most significant performance yardsticks of the Bank is that we have a very low rate of Classified Loans compared to the industry standard in Bangladesh. As on 31-12-99, our Classified Loans are only 1.63% of total loans against which full provision has been made by the Bank. Return on average Assets during the year under review was 5.30% against 4.50% in the last year.

I am sure that you will be happy to know that Prime Bank is perhaps the first domestic bank which prepared its accounts as per International Accounting Standards (IAS-30). We have fully depreciated the value of our investment in shares to current market price as at 31st December, 1999. We, however, hope All Share Price Index will improve

enabling all the shareholders to benefit in the future.

Our Capital Adequacy Ratio is 15.14% and Tier-1 Capital is 14.06%, both are well above the required 8% and 4% respectively. With the public issue of shares of Tk.200 million in 1999, our Capital Funds stood at Tk.719 million which has made your bank one of the strong capital based Banks in Bangladesh.

As I have mentioned earlier, your Bank has played a pioneering role in introducing several customer-friendly deposit and credit schemes and we continue to maintain our leadership role. We have launched MasterCard Credit Card, both Local and International and will introduce "On-line Banking" connecting all our branches through Wide Area Network very soon. We believe "On-line Banking" will open up several possibilities for improvement of customer services. We have also become a member of SWIFT which provides secured and fast communication for financial transactions such as Letter of Credit and Fund transfer etc. I would like to inform here that it is our continuing desire to make Prime Bank Limited stronger by increasing shareholders' equity and also to pay good dividend to its shareholders every year. This year, the Board of Directors has recommended to pay 30% cash dividend to the shareholders. After payment of the dividend, the Capital Adequacy of the Bank will

HUMAN RESOURCE DEVELOPMENT & PRIME BANK TRAINING INSTITUTE

SHAMSHAD BEGUM
Senior Vice President & Principal

Human Resources development through training is most essential for organizational growth since it enriches knowledge, skill and professional expertise. Training is a learning experience in that it seeks a relatively permanent change in an individual that will improve his or her ability to perform on the job. Learning is a perpetual process that unlocks the future. For an organizational standpoint effective interaction and communication enhance productivity, skill, confidence and attitudinal change in positive dimension.

Prime Bank Training Institute started conducting training courses from July 22, 1998 with the aim to build up a strong and skilled workforce. The Institute is located at the first floor of 19, Dilkusha C/A, Dhaka. The office atmosphere has a unique exposure with modern training equipments. Further technological improvement is the ongoing process.

From the 22nd July, 1998 to the 6th April, 2000 the Institute organized 6 (six) training courses on Basic Foundation of Banking, International Trade Finance & Foreign Exchange and Lending Risk Analysis. The Institute also conducted 13 (thirteen) workshops on Credit Processing & Post Disbursement Review, Law of Insurance & Insurance Policy, Marketing of Bank Services, CIB-01 Form Reporting, Credit Card, Consumers Credit Scheme, Handling of Deposit Accounts-Both Foreign Currency & Taka, Resident & Non-Resident Pre-shipment Inspection, Introduction to SWIFT, On-line Banking System, Import Policy Order and Relevant Foreign Exchange Regulations. The Total number of Trainees/Participants by adding batch numbers were 710. Besides the own employees, PBTI also conducted 2 (two) workshops for the Rotaractors, Rotary Clubs, Bangladesh & employees of Rangs Industries Limited for 83 participants. The Institute conducts training courses throughout the year in which Senior Executives, Officers of the Bank, other professionals, intellectuals and eminent bankers of the country are invited to address the sessions as guest speakers. It has a library with the books on Banking, Finance, Accounting, Economics, Law, Marketing, Management, English Language, Bengali Literature etc.

Various Computer related courses are conducted by Computer Division & Training Institute at different times. For recruitment of the Junior Officers (Computer), practical and aptitude tests are also conducted at Prime Bank Training Institute.

In Training Institute we have created an excellent opportunity to interchange ideas & views and infuse ourselves with substantial zeal and energy to move ahead. In our workshop focus is given to enhance managerial, behavioral and conceptual skill to visualize the organization as a whole for long run sustainable achievement.

The corporate mission of our executive and management development programs is to strive for excellence in disseminating the art and knowledge of 'Banking & Finance' and other related subjects.

We have a plan to add research component to our training and will exert our best efforts towards publishing journal of articles and various booklets in near future. We believe that the managers/employees can be more effective in managing whole affairs of the bank, if they acquire broader vision through the activities of 'Research & Development'.

In the competitive market economy, Prime Bank Training Institute is engaged in producing quality human resources so that the Bank can position itself ahead of its competitors in respect of customer service and operational efficiency.

"THE BEST MINUTE I SPENT IS THE ONE I INVEST IN PEOPLE"

List of Branches of Prime Bank Limited

I. MOTIJHEEL BRANCH	Tel.: 642447 PBLGL BJ, Fax: 880-2-9886171
Adamee Court Annex Building-2 119-120, Motijheel C/A, Dhaka-1000 Phone: 9567223, 9567265/208 Telex: 671543 PBLMJ BJ, Fax: 880-2-9567223	
II. ELEPHANT ROAD BRANCH	Tel.: 642430 PRMR BJ, Fax: 880-2-962777
218, Elephant Road, Dhaka-1205 Phone: 9662776	
III. KHATUNGANJ BRANCH	Tel.: 642430 PRMR BJ, Fax: 880-2-962777
Nabi Super Market 232, Khutunjan, Chittagong-4000 Phone: (031) 623212-4	
IV. ISLAMIC BANKING BRANCH	Tel.: 633019 PBLKC BJ, Fax: (031) 610848
Amberkhan, Airport Road, Sylhet-3100 Phone: (0821) 717332 Fax: (0821) 717337	
V. MOULVIBAZAR BRANCH	Tel.: 671548 PBLMB BJ, Fax: (011) 665417
77/3, Moulvi Bazar, Dhaka-1100 Phone: 011-865417 Telex: 671548 PBLMB BJ	
VI. COURT ROAD BRANCH	Tel.: 642193 PBLMB BJ Fax: (061) 53878
Court Road, Moulvibazar-3200 Phone: (061) 53877 Telex: 627266 PBLK BJ	
VII. KHULNA BRANCH	Tel.: 627266 PBLK BJ Fax: (031) 613939
76, Khan A. Sabur Road, Khulna-9100 Phone: (041) 720071, 725100 Telex: 627266 PBLK BJ	
VIII. MOUCHAK BRANCH	Tel.: 633028 PBL RJ BJ Fax: (031) 613939
Manhatan Tower (1st Floor) 83, Shiddheshwar Circular Road, Dhaka-1217 Phone: 9338883	
IX. ISLAMIC BANKING BRANCH	Tel.: 671560 PBLBJ BJ Fax: 880-2-9567228
19, Dilkusha C/A, Dhaka-1000 Phone: 9567227-28 Telex: 671560 PBLBJ BJ	
X. GULSHAN BRANCH	Tel.: 6986171
28, Gulshan North Commercial Area Gulshan Circle-2, Dhaka-1212	

be 12.61% which is still higher than the stipulated 8%.

Finally, I would like to solicit your co-operation and support in our journey to make Prime Bank Limited the most professional and profitable Bank in Bangladesh.

I now have the pleasure to submit before you the Report of the Board of Directors and the Accounts of the Bank along with the Auditors' Reports for your kind perusal and approval.

Before concluding, I remember with a very heavy heart the sad demise of Mr. AFM Aminul Huq, a sponsor Director of the Bank who made significant contribution to the Bank and whom we anguish in today's meeting. May Allah rest his soul in eternal peace.

With thanks and warm regards,

Special Supplement

INFORMATION TECHNOLOGY (IT) AND PRIME BANK

S. M. Mainuddin Chowdhury
Vice President

Information Technology was first introduced in early 60's through mainframe computer in Bangladesh. Research and education sectors were first to adopt the IT in Bangladesh. In the beginning stage cost effectiveness was under question mark for business applications. Business people are often highly skeptical of technological advances. They don't have time to waste with fancy gimmicks or expensive experiments, they want problems solved, not extra ones created, and they want to make money, not spend it on a passing fad which proves a poor investment in long term. At the initial stage investment against productivity was not sufficiently justified considering the business application available on the mainframes. Still some banks in Bangladesh use Mainframe and Minis to meet their huge data processing needs.

Prime Bank Training Institute started conducting training courses from July 22, 1998 with the aim to build up a strong and skilled workforce. The Institute is located at the first floor of 19, Dilkusha C/A, Dhaka. The office atmosphere has a unique exposure with modern training equipments. Further technological improvement is the ongoing process.

Situation changed with the introduction of PCs in 80s. Introduction of Internet completely changed the scenario of IT use in business in the world market. However, in Bangladesh pace of change is not very fast but catching up slowly.

First and second generation banks started their operation using manual system of operation and manual bookkeeping. They are now changing from their existing manual system to computerized system of operation. It will take sometime for them to convert all their manual systems. Banks who started operation in third generation and later have started IT from their inception.

Prime Bank Limited as third generation bank started its operation using IT from the very beginning of its operation. Implementation of any IT projects is very expensive, require long term vision and support from the top management. The Management and Board of the Bank were very pragmatic in making long term policy and strategy, they viewed investment in IT as asset rather than mere dead stock. As we know any technology has some other very important components like product itself, knowledge in documentation, organization, and man behind the technology. Synchronization of all components of technology is very important in prospering and achieving IT growth. The Management of the Bank realizes and understands technology very well and has taken care of all the components of technology for better absorption in the organization and growth of it. The Bank invested not only on technology itself but also on development of manpower.

Internal Developments

IT Department of the Bank looks after the maintenance of the IT products and systems. It has also got an in-house software development team. Immediate and urgent program development needs and program customization needs are met by this team. Personnel Information System of the Bank, Salary and PF, Credit Information System, Call Money Reporting System, Interbank Reconciliation System are a few programs to name which have been developed by the in-house programmers.

Future Trend

The Bank last year became member of Society for Worldwide Interbank Financial Telecommunication (SWIFT). This will facilitate speedy and reliable communication for trade message and fund transfer. The Bank has planned to expand SWIFT facility for all of its branches by year 2000.

Banking Operation

We in Prime Bank, do our core banking operation through computer. It covers all aspect of core banking functions and services.

The operating system on which the program runs is UNIX, which started its journey 20 years back. UNIX is now very mature OS and optimized for robust, reliable and secure operation. Our banking program helps us to provide excellent and efficient customer service. The banking program, among others, covers modules for Customer side and General Side of the books of accounts. Some of the modules in the Banking programs are, Accounting module, Savings Accounts, Current Accounts, Cash Credit/OD Accounts, Fixed Deposits, Foreign Currency Deposits, Terms Loans, Consumers Credit, General Advances, Clearing Module, Standing Instructions, etc. The banking program at present we are using covers all the products of the Bank.

The Bank also made substantial progress for data archiving. Data of all branches are available from the first day of its operation in archive media. This is to ensure immediate availability of information in electronic form.

We are at present implementing a large IT infrastructure development project to connect

all branches of the bank for data communication. Under this project all the branches at Dhaka City have been connected through Wide Area Network (WAN). During first part of this year we will connect all branches in Bangladesh to the WAN. This WAN infrastructure will facilitate immediate implementation of many IT based projects.

Online Branch Banking Service

Major changes of emphasis in banking during the past decade have placed new demands on core banking systems. Today's banking customer demands greater levels of service and more flexibility than ever before. To remain competitive and have competitive edge new and innovative products must be introduced regularly and quickly. Multiple delivery channels also should be supported for the banking products. With this end in view, based on WAN infrastructure the bank has already introduced online branch banking service in Dhaka city and going to introduce this facility to all the branches across the country. Under this service customer of a branch will be able to deposit or withdraw money from any of the branches of the Bank across the country. This definitely will increase the value of service we provide to customer, however, it also has got direct contribution to the economy by increasing the velocity of fund for business.

Online Branch Banking Service

The Bank last year became member of