



An Appraisal of Prime Bank Ltd.

**Prepared for
Dr . Tanvir Ahmed Chowdhury
Associate Professor**

**Prepared By
Muhammed Lotiful Kabir
Id # 2002-2-10-074**

**Project Report
Submitted To
Business Administration Department**

East West University

17th December 2006



Letter of Transmittal

17th December.2006

Dr. Tanvir Ahmed Chowdhury
Associate Professor of Finance,
East West University,
Mohakhali,Dhaka.

Sub: Submission of Project Report on " An Appraisal of Prime Bank Ltd" .


Dear Sir,

With due respect I want to state that I am grateful to you for giving me this wonderful project topic.Because this project topic will be very helpful for me in my professional life. Actually, project on Prime Bank Ltd give me a chance to know about the organization,how it operate its commercial activities.

Again, I want to give thanks for teaching me about this subject. I will be pleased further clarification on this report whenever necessary.

Thanking You,

Sincerely yours,

 17-12-06

Muhammed Lotiful Kabir

Id # 2002-2-10-074

Acknowledgement

At first all the gratitude goes to Almighty ALLAH. Who helps me in every step in my life and without ALLAH's blessing, I could never complete and submit this project report.

It is not possible for a student to have the total quality to get through the text without knowing how could he or she relate his or her knowledge in the market, how could he or she cope with the situation.

I have made project report on "Prime Bank Ltd", not internship program. Its true that internship program helps the student to come out from such problem, as being a member of any organization. Project report is not so helpful to the student because it prepared from annual report, web site, face to face conversations with employees and their client, as not being member of the organization. Though, I had experienced several difficulties to made this project report, I want to give thanks to those employees and honourable clients who helped me by giving information.

I would like to express my gratitude to my course instructor Dr. Tanvir Ahmed Chowdhury, Associate Professor of Finance. He helped me to choose such organization like PBL and giving me the opportunity to made project on that organization. However with all limitation I have tried to quote the information in the approved manner by my best afford. But still here might be some mistake. I urge to my admirable course instructor to see these fault in exonerate eyes.

Executive Summary

Bank is a financial intermediary accepting deposits and granting loans. Bank offers a widest range of services of any financial institution. Prime bank limited is the preferred choice in banking for friendly and personalized services, tailored solutions for business needs, global reach in trade and commerce and high yield on investment, assuring excellence of banking services.

Prime bank Ltd. Being a banking company has been registered under the companies act 1913 with its registered office at 5, Rajuk Avenue, Motijheel commercial area, Dhaka 1000. later it was shifted to adamjee court annex building, 119-120, motijheel commercial area, dhaka-1000. prime bank Ltd. Was established on 17th april 1995 with an authorized capital of Tk.1000 million and paid up capital of tk.100 million (raised to tk.700 million in 2003) by a group of highly successful entrepreneurs from various fields of economic activities such as shipping, oil, finance, garments, textiles and insurance etc. it is a full licensed scheduled commercial bank set up in the private sector in pursuance of the policy of the government to liberalize banking and financial services.

The bank operates as a scheduled bank under banking license issued by bangladesh bank, the central bank of the country on april 17, 1995 through opening of its motijheel branch at adamjee court annex building, motijheel commercial area, dhaka-1000.

The bank made satisfactory progress over the years after its starting. Despite difficult circumstances it became able to sustain with some achievements. The bank further expanded and consolidated its customer base in both of its core business and retail banking.

Table of Content

Chapter : 01

1.0 Introduction	7
1.1 An Overview of Prime Bank Ltd	8
1.2 Objective of The Study	11
1.3 Scope and Methodology of The Study	12
1.4 Limitation of The Study	13

Chapter : 02

2.0 An Appraisal of The Principal Activities of PBL	
2.1 Bank Profile	15
Growth of Branch	15
Exchang Company at Singapore	16
Correspondent Relationship	16
Human Resource Development	16
2.1.2 Managerial Hierarchy of PBL	17
2.2 Principal Activities of PBL	19
2.2.1 Deposite Scheme	23
Contributory Savings Scheme:	24
Education Savings Scheme:	26
Short Term Deposit:	28
Double Benefit Deposit Scheme:	29
Resident Foreign Currency Deposit Account:	30
Non-resident Taka Account:	31
Monthly Benefit Deposit Scheme:	32
Fixed Deposit Scheme:	34
Lakhopati Deposit Scheme:	35
Foreign Currency Account:	38

Non-resident Foreign Currency Deposit Account:	41
Non-resident Investors Taka Account:	43
2.2.2 Different Credit Scheme:	44
General Loan Scheme :	45
Consumer Credit Scheme :	46
Lease Finance:	55
Advance Against Share:	57
2.2.3 Foreign Exchange Operation	60
2.2.4 Miscellaneous Activities:	61
Chapter-3	
3.1 Capital Structure :	63
3.2 Deposite Mobilization	64
3.3 Loan Disbursment:	65
3.4 Income of the Bank:	66
3.5 Expenditure:	67
3.6 Net Income:	68
3.7 Growth of EPS:	69
3.8 Growth of Dividend:	70
3.9 Return on Equity:	71
3.10 Return on Assets:	72
Chapter-4	
4. Problems of Prime Bank Ltd:	74
Chapter-5	
5. Suggestion for the development of PBL:	77
Conclusion	79
Bibliography:	80

1

Chapter-1

An Appraisal of the Prime Bank Ltd

1 Introduction



The word bank originated from Italian word “Banca”. Banca means long tool. In ancient time Italian Jews merchant used to do business of lending money by sitting on the tools. It is assumed that the word “bank” derived from the word Banca. To meet the expense of war of 1171 one type credit certificate was launched in Italy at an interest rate of 5% it was called as Monte in Italian language and Banke in German language then German language was widely used in Italy. As a result the word Banke gradually changed to the word Banca from which the word Bank originated.

The linguistics and etymology suggests an interesting story about banking origins. Both the old French word “Banque” and the Italian word Banca were used centuries ago to mean a bench or moneychangers table. This describes quite well what historian have observed concerning the first bankers, who lived more than 2000 years ago. They were money changers, situated usually at table or in a small shop in the commercial district, aiding travellers who came to town by exchanging foreign coins for local money or discounting commercial notes for a fee in order to supply merchants with working capital.

The first bankers probably used their own capital to fund their activities, but it was not long before the idea of attracting deposit and securing temporary loans from wealthy customers became a source of bank funding. Loans were then made to merchant’s shippers and landowners at rates of interests low as 6percent per annum to as high as 48 percent a month for the riskiest ventures! Most of the early bank was Greek in origin.

The banking industry gradually spread outward from the classical civilizations of Greece and Rome into northern and western Europe. The early banks in Europe were places for safe keeping of valuable items (such as gold and silver bullion) as people came to fear loss of their asset due to war, theft, or expropriation by government. When colonies were established in North and South America, old world banking practice were transferred to the new world.

1.1 An Overview Prime Bank Ltd:

The Prime Bank Limited (PBL) is a national banking group that is incorporated on February 12, 1995 as a consequence of persistent efforts of a group of entrepreneurs having excellence of experience exposure in the different fields of industry, trade and commerce of the country. It started operation as a commercial bank on April 17, 1995 with a branch at Motijheel. At present, the bank has 42 branches spread all over the country. It renders all types of commercial banking services to the customers of all strata in the society within the stipulations laid down the bank company act 1991 and rules and regulations formed by Bangladesh Government from time to time. Diversification of products and services and innovation of products suited to the needs of the customers in keeping with relevant rules and laws have made it different from other commercial banks of the country.

PBL's national business in personal banking, corporate banking and its markets are its special strengths. It maintains correspondent relationship with all over the banks in countries. Prime Bank Limited is a forward looking and modern local bank with a record of sound performance. It is discarding its erstwhile conservative mould and in response to the current dynamic trends in locally financial activities, adopting an aggressive customer focused system. The effort that Prime Bank makes in order to portray the bank as a brand image is very strong and successful. The general image is that it is "trustworthy, efficient, helpful and committed". The logo of the bank depicts the merger of confidence.

Prime Bank Ltd. has already made significant progress within a very short period of its existences. The bank has been graded as a top class bank in the country through internationally accepted CAMEL rating. The bank made satisfactory progress in all areas of business operation in 2005.

Prime Bank Limited was designed to provide commercial and investment banking services to all types of customer ranging from small entrepreneur to big business firms. Besides investment in trade and commerce, the bank participates in the socioeconomic development through the participation in priority sectors like agriculture, industry, housing, and self-employment. Prime Bank Limited wants to establish, maintain, and conduct all types of banking, investments and businesses in Bangladesh and abroad with superior service quality and performance.

Performance at a glance Of PBL:

Particulars	2001	2002	2003	2004	2005
Authorised Capital	1000.00	1000.00	1000.00	1000.00	4000.00
Reserve Fund	362.92	448.93	602.89	815.89	1055.98
Deposits	13259.87	16481.60	20483.23	28069.24	36022.46
Investments	1730.74	1996.23	2749.71	3083.81	3939.50
Import	13427.60	19564.00	25440.70	36747.00	40303.00
Guarantee Business	2175.00	3659.30	4247.73	4085.15	5302.80
Operating Expenditure	344.05	448.36	592.28	824.23	886.09
Net Profit before tax after provision	705.09	696.84	769.91	1064.24	1200.83
Total Assets	15736.94	19358.93	24249.13	32361.62	41506.29
Bonus	1:5	1:6	3:7	2:5	1:4 (Proposed)
Earnings per Share	96.60	59.73	37.55	43.71	40.59
Number of Employees	613	730	777	894	1024
Number of Shareholders	1081	1727	1993	2620	4467
Return on Assets	3.38%	2.38%	1.72%	2.16%	1.54%
Ratio of Classified Loans to Total Loans	1.13%	1.48%	1.98%	1.52%	0.96%

1.2 Objective of the Study:

The objective of the study is to familiarize with the real market situation, to compare them with the business theories and at the last stage make a report on assigned task. The main objective of this report is to have an assessment about overall activities of **Prime Bank Ltd.** How the Bank is providing facilities to its clients and suggest remedial measure against any development of overall activities of **Prime Bank Ltd.** In addition, it seeks to achieve the following objectives:

- To present and overview of **Prime Bank Ltd**

- To appraisal the principal activities of **Prime Bank Ltd**

- To appraisal the financial performance of **Prime Bank Ltd**

- To find out the problems of **Prime Bank Ltd**

- To suggest suggestions for the development of **Prime Bank Ltd**

1.3 Scope and methodology of the study:

In this report I have analyzed data of last ten years. Both primary and secondary data has been used to analyze and evaluate the performance of **Prime Bank Ltd.** While preparing this report. I had a great opportunity to have an in depth knowledge of all the banking activities practiced by the **Prime Bank Ltd.**

Methodology:

Primary Sources of Data:

Primary information has been collected by:

- Face to face conversation with the officers.
- Conversations with stuffs.
- Conversations with clients

Secondary Sources of Data:

Secondary data has been collected from:

- Annual report of **Prime Bank Ltd**
- Different Text books
- Different manual of **Prime Bank Ltd**
- Different circulars of **Prime Bank Ltd**

1.3 Limitations of the study:

THE MAJOR LIMITATIONS OF THIS STUDIES ARE FOLLOWS

- In sufficiency of information was the major problem that I have faced while preparing this report. I had to gather information from secondary data i.e.(annual report , different text books ,different manuals , different manuals of the bank) I have not had enough face to face conversation with the officers and staff because they could spare me a very little time. I have not had enough conversation with the clients due to their ignorance.
- Time constraint was another major problem that I have faced through making this report. Every organization has their own secrecy, which is not revealed to other. Since the bank personnel were very busy , though they was so helpful. they could spare me a very little time.

2

Chapter-2

**An Appraisal of The Principal
Activities of Prime Bank Ltd.**

2.1 Bank Profile:

Growth of Branch:

As a first growing commercial bank in Bangladesh Prime Bank Ltd is committed to extend its services all over the country. During 2005, the Bank opens braches at important financial hubs of the country with which total number of branches stood at 41. Out of the five branches opened during the year 2005, four branches located at place for facilitating inward remittances of the wage earners and 18 are licensed as " Authorized Dealer in Foreign Exchange.

Table I
Branches of PBL

Year	Number of Branches	Growth Rate %
1996	5	
1997	4	20
1998	4	0
1999	2	50
2000	1	50
2001	5	400
2002	1	80
2003	3	200
2004	6	100
2005	10	66

Source: PBL Annual Report 2005

Every year the branches of PBL increased with different growth rate. The rate is high in the year of 2001 that was 400% and the low in the year of 1998 which was 0.

Exchange Company at Singapore:

In order to encourage wage earners remittances through banking channel, the bank has taken steps to open exchange house at different location of the world where the Bangladeshi wage earners are located. Accordingly, step has been taken to open a wholly owned exchange company of PBL at Singapore. It expected to start operation by the 1st quarter of 2006.

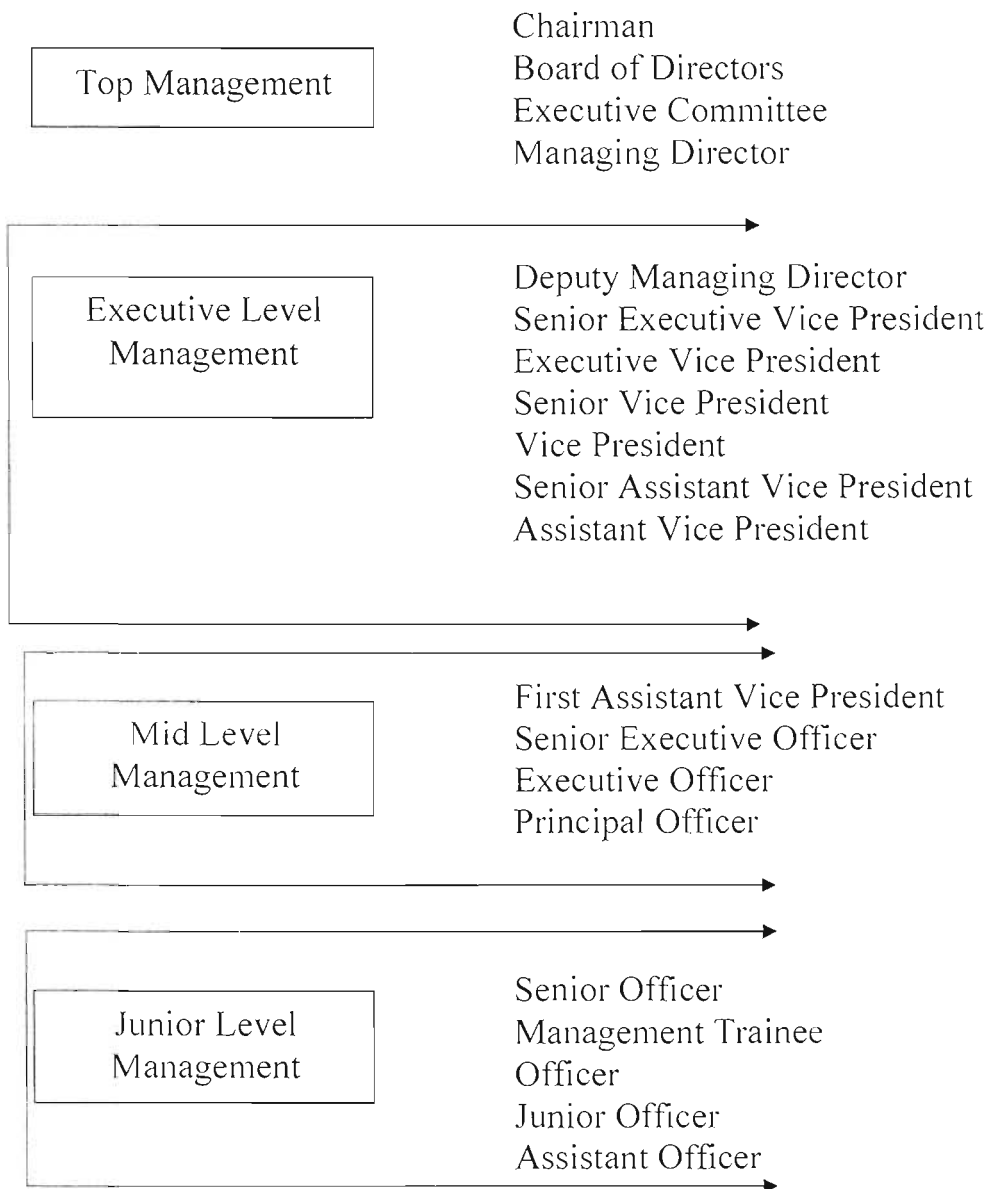
Correspondent Relationship:

The number of the foreign correspondent increased to 517 from 501 of previous year. Relationship cover important international financial centres around the world.

Human Resource Development (Employees):

The Bank always acknowledges the valuable contribution made by its employees for the remarkable achievement made every year. Total number of employee of the Bank was 1024 as at 31st December 2005. The Bank created a sense of community among the employees by encouraging communication with each other in the Management Committee meeting and across the department and divisions. PBL's training academy provides various training programme, workshop, seminars to develop employee's skills, efficiency, knowledge and competence to undertake business in this fairly competitive environment.

2.1.2 Managerial Hierarchy of PBL:



Cronology of Officials

Chairman
Board of directors
Executive Committee
Senior Executive Vice President
Executive Vice President
Senior Vice President
Vice President
Senior Asst Vice President
Asst Vice President
Senior Executive Officer
Executive Officer
Principal Officer
Senior Officer
Management Trainee Officer
Junior Officer

2.2 Principal Activities of PBL:

Since commencement of banking operation, Prime bank Limited has not yet only gained enormous popularity but also been successful in mobilizing deposit and loan products. The bank has made significant progress within a very short time period due to its dynamic management and introduction of various consumer-friendly loan and deposit products. All the products and services offered by the bank can be classified under three major heads:

- Multi Currency Account

Deposit Products:

- Contributory Savings Scheme
- Monthly Benefit Deposit Scheme
- Special Deposit Scheme
- Education Savings Scheme
- Fixed Deposit Scheme
- Prime Bank Money Scheme
- Prime Bank Insured Fixed Deposit Scheme
- Saving Deposit Account
- STD Account
- Foreign Currency Deposit Account
- Non Resident Taka Account
- NFCD (Non Resident Foreign Currency Deposit Account)
- NITA (Non Resident Investor's Taka Account)

Loan Products

- Consumers' Credit Scheme
- Lease Finance
- Hire Purchase
- Small and Medium Enterprise Credit Scheme
- Loan Against Shares and Securities
- House Building Financing Scheme
- Financing Scheme For Contractors
- Computer Software Financing Scheme
- Prime Bank Maser Card Credit Card
- Prime Bank VISA Credit Card
- Working Capital Financing
- Import Financing
- Export Financing:
- Industrial Financing

Other Services:

Consistent with the modern edge and competing in a perfectly competitive market, Prime Bank Limited has introduced some innovative banking services that are remarkable in a country like Bangladesh. The services offered by the bank are as follows

On-line Banking:

The bank has set up Wide Area Network (WAN) across the country within its all branches to provide on-line branch banking facility to its valued customers. The service named "PRIMELINE" has opened up several possibilities of improved customer



services. Under this facility client of one branch are able to do banking transaction at any other branch of the bank. The bank hosted its Web Site (www.prime-bank.com) to facilitate dissemination of information about the banking services and facilities of Prime Bank Limited all over the world.

Information Technology in Banking Operation:

Prime Bank Limited has adopted automation in banking operation from the first day of its business. The main objective of this automation is to provide efficient and prompt services to its valued clients. At present all the branches of the bank are computerized under UNIX operating system to provide best security to the information. Prime Bank Limited is providing comprehensive range of banking services with utmost care and efficiency to its customers. Auto Teller Machine is used to count money properly to save client's valuable time as well. The customer can draw money/cash from their account within a minute.

SWIFT Service:

Prime Bank Limited is one of the first few Bangladeshi Banks to obtain membership of SWIFT (Society for Worldwide Inter-bank Telecommunication). SWIFT is a members' owned cooperative which provide a first and accurate communication network for financial transactions such as Letter of Credit, Fund Transfer etc. By being a member of SWIFT, the bank has opened up possibilities for uninterrupted connectivity with over 5700 user institutions in 150 countries all over the world.

Islamic banking:

Prime Bank Limited has started its operation as a Conventional Bank in April 1995. But pretty soon afterwards, within few months, the Bank has taken up the Challenge to start Islami Banking Operations. The Challenge is not so much as in operating Islamic Banking but in maintaining both the forms in Parallel. From its inception as an Islami Bank the bank has proven itself to be worthy of its slogan of 'Bank with a Difference', through successful operation of Islami Banking.

Prime Bank has started its Islami Banking operation through its first Branch being inaugurated at 19, Dilkusha C/A. Dhaka on 18 December 1995. Since then it has so far has established four more branches at different locations in the Country. Because of its popularity and management's commitment toward social well being gradual expansion of Prime Bank's Islami Banking operations is assured. Following are the salient features of Islamic Banking, as is practiced in Prime Bank Limited:

01. All activities are conducted according to Islamic Shariah.
02. Interest free monetary operations.
03. Building partnership relation between the Bank and its customers.
04. Following Islamic principles in its investment portfolio.
05. While investing special consideration to social needs is given.
06. Through small and long term deposit schemes providing hope to the poor income group of the society.
07. Client service centric banking, through which making the clients feel special.
08. Conduct welfare activates etc.

Prime Bank provides following services under Islami Banking:

- Deposit
- Investment
- Foreign Trade
- Remittance and Fund Transfer

2.2.1 Deposit Schemes:

Bank is the largest mobilizer of surplus domestic savings. For poverty alleviation, we need self employment, for self-employment we need investment and for investment we need savings. In the other words, savings help capital formations and the capital formations help investments in the country. The investment in its turn helps industrialization leading towards creation of wealth of the country. And the wealth finally takes the country on road to progress and prosperity. As such, savings is considered the very basis of prosperity of the country. The more the growth of savings, the more will be the prosperity of the nation.

The savings rate in Bangladesh is one of the lowest in the world. In order to improve the savings rate, Financial Institutions responsible for mobilization of savings should offer attractive Savings Schemes so that the marginal propensity to save increases. The savings do not, of course, depend only on the quantum of income but largely depend on the habit of savings of the people.

Prime Bank Ltd offer following scheme:

- | | |
|---|---|
| <input type="checkbox"/> <u>Contributory Savings Scheme</u> | <input type="checkbox"/> <u>Monthly Benefit Deposit Scheme</u> |
| <input type="checkbox"/> <u>Education Savings Scheme</u> | <input type="checkbox"/> <u>Fixed Deposit Scheme</u> |
| <input type="checkbox"/> <u>Short Term Deposit</u> | <input type="checkbox"/> <u>Lakhopati Deposit Scheme</u> |
| <input type="checkbox"/> <u>Double Benefit Deposit Scheme</u> | <input type="checkbox"/> <u>Foreign Currency Account</u> |
| <input type="checkbox"/> <u>Resident Foreign Currency Deposit Account</u> | <input type="checkbox"/> <u>Non-resident Foreign Currency Deposit Account</u> |
| <input type="checkbox"/> <u>Non-resident Taka Account</u> | <input type="checkbox"/> <u>Non-resident Investors Taka Account</u> |

Contributory Savings Scheme:

This is a Savings Scheme in which a person gets the opportunity to build up savings by contributing monthly installments and receives an attractive fixed amount at the end of a specified term.

The Scheme is designed to help the fixed income group to save money and build up a sizable funds with which they can go for some income generating venture to improve the quality of their life and/or meet any future financial obligations.

The salient features of the Scheme are given below:

Minimum size of monthly installment shall be Tk. 500/- and multiplies of Tk. 1000/-.

Maximum installment size shall be Tk. 25,000/-

The Deposit shall be for a period of 5 years.

Lump sum amount shall be paid after maturity or monthly Pension shall be paid for the next 5 years according to the size of deposit. A brief chart of lump sum amount and monthly pension installments payable are shown below

An Overview of Prime Bank Ltd.

	500/-	40,000/-	870/-
	1,000/-	80,000/-	1,739/-
	2,000/-	1,60,000/-	3.478/-
	3,000/-	2,40,000/-	5.217/-
	4,000/-	3,20,000/-	6.956/-
	5,000/-	4,00,000/-	8.695/-
	6,000/-	4,80,000/-	10.434/-
	7,000/-	5,60,000/-	12.173/-
	8,000/-	6,40,000/-	13.912/-
	9,000/-	7,20,000/-	15.651/-
	10,000/-	8,00,000/-	17.390/-
	11,000/-	8,80,000/-	19.129/-
	12,000/-	9,60,000/-	20.868/-
	13,000/-	10,40,000/-	22.607/-
	14,000/-	11,20,000/-	24.346/-
	15,000/-	12,00,000/-	26.085/-
	16,000/-	12,80,000/-	27.824/-
	17,000/-	13,60,000/-	29.563/-
	18,000/-	14,40,000/-	31.302/-
	19,000/-	15,20,000/-	33.041/-
	20,000/-	16,00,000/-	34.780/-
	21,000/-	16,80,000/-	36.519/-
	22,000/-	17,60,000/-	38.258/-
	23,000/-	18,40,000/-	39.997/-
	24,000/-	19,20,000/-	41.736/-
	25,000/-	20,00,000/-	43.475/-

Education Savings Scheme:

The educational expenses particularly the expenses for higher education are sharply increasing day by day in our country. Sometimes, the children are deprived of getting the desired level of education because of the inability of the parents to meet their educational expenses. But the parents would not feel any difficulty to defray such expenses if a proper financial planning is made much ahead of time.

Moreover, we are receiving demands from the Islamic minded people of our country for an attractive Savings Scheme on the basis of Islamic Sariah so as to encourage them to save in Islamic way for education of their children.

With this end in view, Prime Bank Limited has introduced a Savings Scheme entitled "Education Savings Scheme" in accordance with the principles of Islamic Sariah i.e., on the basis of profit and loss sharing. The scheme provides a unique opportunity to the parents to make a future provision for the educational expenses of their children when they enter into Schools, Colleges and Universities out of the benefit of a small amount of savings with the Bank at an opportune moment.

The salient features of the Scheme are given below :

01. The Scheme shall be implemented through all our branches, though it is specially designed for Islamic Banking branches.
02. Deposit of Tk. 50,000/- and multiples thereof but maximum limit of Tk. 5,00,000/- at a time will be acceptable under the Scheme.
03. A specially designed Receipt shall be issued for the deposit under the Scheme in the same manner as issued in case of FDR. Branches shall use the ESS receipts that used for existing scheme.
04. The instrument shall be issued for a period of 5 years term.
05. On maturity a lump sum amount of Tk. 85,382/- shall be payable or education allowance @ Tk. 1,854/- per month per Tk. 50,000/- shall be payable on the basis of deposit amount for next 5 years starting from the completion of the term as per following table. Income Tax @10% on interest may be deducted at source at the time of payment of lump sum amount.

An Overview of Prime Bank Ltd.

Initial Deposit (Taka)	Lump sum amount payable at maturity (Taka)	Amount of Education allowance per month (Taka)
50,000/-	85,382/-	1,854/-
1,00,000/-	1,70,763/-	3,705/-
1,50,000/-	2,56,145/-	5,558/-
2,00,000/-	3,41,526/-	7,410/-
2,50,000/-	4,26,908/-	9,263/-
3,00,000/-	4,69,704/-	11,115/-
3,50,000/-	5,47,988/-	12,968/-
4,00,000/-	6,26,272/-	14,820/-
4,50,000/-	7,04,556/-	16,673/-
5,00,000/-	7,82,840/-	18,525/-

Short Term Deposit:

A short term deposit (STD) account is a running account with amounts being paid into and drawn out of the account continuously.

These accounts are called Demand Deposits or Demand Liabilities since the banker is under obligation to pay the money in such deposits on demand.

These accounts are generally opened by Business Organization, Public Institution, and Corporate Bodies.

An STD account may be opened by an individual person.

It is an interest bearing deposit. Interest is calculated on daily basis as per Banks Prescribed Rate and is credited to account on half yearly basis.

Current interest rate on STD account is presented in the following table:

Below Tk. 1 crore	5.00%
Tk. 1 crore and above but below Tk. 10 crore	6.00%
Tk. 10 crore and above	8.15%

N.B. Senior Citizen will get 0.50% higher rate than usual.

Double Benefit Deposit Scheme:

01. The Scheme shall be implemented through all the branches of Prime Bank Limited.
02. Deposit of Tk. 25,000/- (Taka twenty five thousand) and multiples thereof but maximum limit of Tk. 25,00,000/- (Taka twenty five lac) at a time will be acceptable under the scheme.
03. A specially designed Receipt shall be issued for the deposit under the Scheme in the same manner as issued in case of FDR. Branches shall use the existing SDS receipts for issue of instruments under this scheme till separate receipts are supplied.
04. The instrument shall be issued for 06 (six) years term.
05. At maturity after 06 (six) years double the amount of deposit will be paid to the depositor.
06. Photograph of Nominee, duly attested by the depositor, shall be obtained at the time of opening the account.
07. Normally no withdrawal will be allowed before maturity. But if any depositor intends to withdraw his deposit before maturity, the following rules will apply:
 - a) No benefit including interest/profit shall be allowed for pre-mature encashment within one year.
 - b) If the accounts / deposits are closed / encashed after one year of its opening, benefit shall be allowed on the deposit at normal Savings Deposit rate.
08. The instrument will be acceptable as collateral security against any investment subject to registering lien with the issuing branch.
09. In case of death of a depositor, the amount of instrument will be paid to the nominee, to the legal heirs of the depositor on production of succession certificate.

Resident Foreign Currency Deposit Account:

Persons ordinarily resident in Bangladesh may open and maintain Resident Foreign Currency Deposit (RFCD) accounts with foreign exchange brought in at the time of their return from travel abroad.

Any amount brought in with declaration to Customs Authorities in form FMJ and up to US\$ 5000 brought in without any declaration can be credited to such accounts.

Proceeds of export of goods or services from Bangladesh or commission arising from business deals in Bangladesh shall not be credited to such accounts.

Balances in these accounts shall be freely transferable abroad.

Fund from these accounts may also be issued to account-holders for the purpose of their foreign travels in the usual manner (i.e. with endorsement in passport and ticket, upto US \$ 1500 in the form of cash currency notes and the remainder in the form of TC)..

These accounts may be opened in US Dollar, pound sterling, Euro or Japanese yen and may be maintained as long as the account holders desire.

Interest in foreign exchange shall be payable on balances in such accounts if the deposits are for a term of not less than one month and the balance is not less than US\$ 1000 or £ 500 or its equivalent.

The rate of interest shall be one quarter percent (0.25%) less than the rate at which interest is paid on balances of bank in their foreign currency clearing accounts maintained with Bangladesh Bank.

Non-resident Taka Account:

The Taka accounts maintained with banks in Bangladesh by private individuals, firms and companies resident outside Bangladesh are known as Non-resident Taka Accounts.

The accounts of foreign nationals residing in Bangladesh and foreign firms and companies located and operating in Bangladesh and accounts of U.N. and its organizations are, however, treated as resident accounts and kept outside the scope of Exchange Control.

The accounts of Bangladesh nationals who leave the country except those who hold office in the service of Bangladesh Government are required to be treated as non-resident Taka account so long they remain outside Bangladesh.

Prior permission of Bangladesh Bank is necessary for opening non-resident Taka accounts.

Non-resident Taka account may, however, be opened without prior permission of Bangladesh Bank for crediting the proceeds of remittances received from abroad through normal banking channel.

Monthly Benefit Deposit Scheme:

This is a Deposit Scheme where the depositor gets monthly benefit out of his deposit.

The scheme is designed for the benefit of the persons who intend to meet the monthly budget of their families from the income out of their deposit.

The salient features of the Scheme are given below:

01. Deposit of Tk. 25,000.00 (Taka twenty five thousand) and multiples thereof, but maximum Tk. 25,00,000/- (Taka twenty-five lac) shall be acceptable under the Scheme.
02. The Deposit shall be for a period of 5 (Five) years. The Principal amount is refundable on maturity.
03. Profit shall be paid on monthly basis @ Tk. 1,000.00 per Tk. 1,00,000.00.
04. Payment of monthly profit shall start from the subsequent month after a clear minimum gap of 30 days from date of deposit.
05. In case of death of a depositor, the account shall cease to be operative and the amount deposited so far shall be paid to the nominee, and in the absence of nominee, to the legal heirs of deceased as per rules in force.
06. Normally, the deposit will not be encashable before 5 (Five) years. But if any depositor intends to withdraw his deposit before maturity due to certain unavoidable reasons, he would be allowed to do so in the following manner:
 - a. No benefit including interest shall be allowed for pre-mature encashment within one year.
 - b. If the accounts / deposits are closed/ encashed after one year of its opening, benefit shall be allowed on the deposit at existing normal Savings Deposit rate.
 - c. If the amount of monthly profit already paid exceeds the amount payable at normal Savings rate, the difference shall be realized from the principal deposit amount, if and when necessary.

07. Separate Application Form specially designed for the purpose shall be obtained duly filled in and signed by the depositor. In addition to this, the depositor must have a separate Savings Bank Account with the branch wherein the benefit on the amount so deposited shall be credited every month.

08. A specially designed Receipt shall be issued for the deposit under the Scheme in the same manner as issued in case of FDR.

09. The Receipt will not be transferable.

10. Advance against lien on such Receipt can be allowed up to 80% of the deposit bearing normal rate of interest prevalent at the time on Overdraft/ Loan.

11. During the period of such Overdraft/ Loan, the monthly benefit shall be credited to the concerned Overdraft/Loan.

12. Payment will be made after deduction of taxes as fixed by the Govt. from time to time.

13. In case the instrument is lost, the procedure for issuance of a duplicate will be the same as applicable in case of loss of FDR.

N.B. Senior Citizens will get 0.50% higher rate of interest as permissible for all other deposits of our Bank. Monthly benefit shall be Tk. 1042/- per Tk. 1,00,000/- per month for Senior Citizens.

Fixed Deposit Scheme:

This type of deposit should be kept for a fixed term or period. Prime Bank Limited deals with the following terms deposit

Sl. No.	Particulars	INTEREST RATE
1	1 (One) month	10.25 %
2	3 (Three) months	12.00 %
3	6 (Six) months	12.00 %
4	1 (One) year and above	12.25 %

N.B. For Senior Citizenship Scheme 0.50% higher rate may be offered.

Lakhopati Deposit Scheme:

01. Interest @10% P.A. will be paid at monthly rest to make the amount Tk. 1,00,000/- (one lac) for any of the above size of deposit. Any excess or shortfall shall be adjusted at the time of final payment.

02. At present no income tax will be deducted from the interest earned. But in future for any change in the government policy Bank reserves the right to deduct income tax.

03. The depositor will have the option to choose any installment size and period at the time of opening of the account and will not be allowed to change the size of installment afterwards.

04. Account in the name of minors can be opened too under the Scheme as per standard procedure for minor accounts.

05. A person can open more than one account for any size of installment in any branch of the Bank.

06. The specified amount on maturity at any slab shall be paid after one month from the date of deposit of the final installment.

07. The installment shall be payable by the 8th day (in case of holiday the next working day) of every month. Advance payment of any number of installment is acceptable.

08. Normally no withdrawal shall be allowed before maturity, if any depositor intends to withdraw his/her savings due to certain unavoidable reasons before 3 years, 5 years, 10 years and 15 years, he/she will not be allowed any benefit if the premature encashment takes place before completion of 1 year. But the depositor shall be allowed interest on the prevailing Savings Deposit rate after completion of 1 year from the date of opening of the account.

09. When a depositor fails to deposit any installment, he/she will have to pay a fine @5% of the overdue amount payable at the time of depositing the next installment or Tk. 20/- whichever is higher.

10. If a depositor fails to pay 3 (three) consecutive installments he will have to pay 5% fine of the overdue installments to regularize the account. If he fails to pay more than 3 (Three) installments he will cease to remain under the purview of the scheme and the deposit will be treated as Savings Bank deposit and interest will be paid on the deposited amount at prevailing SB A/C rate subject to completion of 1 (one) year of its opening.

11. Loan may be allowed up to 80% of the deposited amount against lien on the same where the deposited amount shall be at least Tk. 50,000/- and the interest rate of the loan shall be as per prevailing commercial lending rate of the Bank.

12. In case of death of a depositor, the account will cease to be operative and the amount deposited so far shall be paid to the nominee, and in absence of nominee, to the legal heirs of deceased as per rules in force.

13. The Bank at its discretion may allow inter branch transfer of the A/C under the Scheme.

14. The clients are encouraged to give standing instructions to the Bank to deposit the monthly installments, debiting their CD/SB accounts maintained with the concerned Branch. In that case, no charge will be realized for such service.

15. Normally no statement of the account will be served to the depositor, in case of need of any depositor, charge @ Tk. 10/- per year / per statement shall be realized as cost of paper. This charge may be changed from time to time.

Monthly Installment size, tenure and terminal value of the scheme will be as follows

250/-	15 years	1,00,000/-
500/-	10 years	1,00,000/-
1,285/-	5 years	1,00,000/-
2,400/-	3 years	1,00,000/-

Foreign Currency Account:

Bangladesh nationals residing abroad, foreign nationals residing abroad or in Bangladesh, foreign firms registered abroad and operating in Bangladesh or abroad, and foreign missions and their expatriate employees in Bangladesh can open Foreign Currency (FC) accounts.

Foreign exchange earned through business done or services rendered in Bangladesh can not put into this account.

Credits to a foreign currency account may be made against inward remittances of foreign exchange in any form or by transfer from another FC account.

Local as well as foreign payments may be made freely from foreign currency accounts.

No payment in foreign exchange can be made to or on behalf of any resident in Bangladesh. Payments from these accounts received by residents, unless generally or specifically authorized by Bangladesh, must be converted into Taka.

Banks may pay interest on such accounts at rates determined from time to time.

FC Accounts of Overseas Bangladesh Nationals

Bangladesh nationals working abroad or proceeding abroad to take up employment may open foreign currency accounts.

No initial deposit is required to open this account.

Account holder may operate the account himself or nominate other persons in Bangladesh for this purpose.

The account may be opened in pound sterling, US dollar, Euro or Japanese yen.

The account may be maintained as long as the account holder desires.

These accounts should ordinarily be fed by remittances by account holder himself but funds sent by other wage earners may also be placed to the credit of such accounts.

Sale proceeds of currency notes, traveller's cheques, drafts etc. brought into Bangladesh by the account holder while on temporary visit to Bangladesh provided foreign exchange in excess of US\$ 5000 (or its equivalent) is duly declared to the Customs on Form FMJ at the time of their arrival.

Funds lying to the credit of FC accounts of Bangladesh nationals can be utilized for import of goods and commodities as per Import Policy announced by the Government from time to time.

FC Accounts of Duty Free Shops

Foreign Currency Account in the names of the Diplomatic Bonded Warehouse (duty free shops) licensed by the custom authorities may be opened on the following conditions:

Foreign exchange received only on account of sale of merchandise may be credited to this Account.

Foreign exchange may be sent abroad only for the purpose of import of merchandise by the bonded warehouse.

For the same purpose foreign exchange may also be transferred from these account to foreign currency account maintained with other banks.

Foreign exchange from these accounts may be freely converted into Taka at current exchange rates.

FC Accounts of Joint Venture Contracting Firms

Local and joint venture contracting firms employed by foreign donors/international donor agencies to execute projects in Bangladesh may open foreign currency accounts as per terms of the approved contracts.

Only foreign exchange received from the donors/donor agencies to meet expenses of the project can be credited to these accounts.

All expenses in foreign exchange as per relevant contract may be met from these accounts.

FC Accounts of Bangladeshis Working in Foreign organisations

Foreign currency accounts may be opened in the names of resident Bangladesh nationals working in foreign/ international organizations operating in Bangladesh provided their salary is paid in foreign currency.

Such accounts may be credited only with the foreign currency portion of the salary and debited for all approved current transactions like cost of travel, education for children, medical treatment etc.

Foreign currency accounts may also be credited with consultancy fees/honoraria received in foreign currency by the above mentioned category of residents, debits to such accounts being subject to same conditions as mentioned above.

Non-resident Foreign Currency Deposit Account:

All non-resident Bangladesh nationals and persons of Bangladesh origin including those having dual nationality and ordinarily residing abroad are entitled to maintain interest bearing time deposit account named "Non-Resident Foreign Currency Deposit (NFCDD) Account" with the Authorized Dealers (ADs).

These accounts may be maintained in US dollar, pound sterling, Euro or Japanese yen: initially with minimum amount of US\$ 1000 or pound sterling 500 or equivalent. Accounts may be opened against remittances in other convertible currencies after conversion of those into US Dollar, pound sterling, Euro or Japanese yen.

Foreign nationals and companies / firms registered and/or incorporated abroad, banks, other financial institutions including institutional investors and 100% foreign owned (A - Type) industrial units in the Export Processing Zones in Bangladesh, are also allowed to open and maintain NFCDD account. The minimum amount of time deposits in such cases should be US\$ 25,000 or its equivalent in pound sterling, Euro or Japanese yen.

Bangladesh nationals serving with Embassies/High Commissions of Bangladesh in foreign countries as also the officers/staff of the Government/semi-Government departments/nationalized banks and employees of body corporate posted abroad or deputed with International and Regional agencies like IMF, World Bank, IDB, ADB etc. during their assignments abroad may open such accounts.

Crew members of the Bangladeshi shipping companies are not entitled to open such accounts, but shore staff posted abroad may open such accounts.

The account is in the nature of term deposits maturing after one month, three months, six months and one year.

Accounts may also be opened with funds transferred from existing foreign currency accounts maintained by the wage earners with the ADs in Bangladesh.

The branch may pay interest on deposits into account at euro-currency deposit rates advised by the Head Office.

In case of premature repayments, the amount of interest may be forfeited to the branch.

The interest of deposits into this account is exempt from the Tax payable under Income Tax Act.

The account holder may be allowed to freely repatriate the balance and the interest accrued thereon in foreign exchange to the country of his residence or anywhere he chooses and may, at his option, convert the balance into Taka at the prevailing exchange rate.

Non-resident Investors Taka Account:

The non-resident investor shall open a Non-resident Investor's Taka Account (NITA) with any AD branches of Prime Bank Limited, with freely convertible foreign currency remitted from abroad through normal banking channel or by transfer of funds from the non-resident investor's foreign currency account, if any, in Bangladesh.

Balances in the NITA may freely be used to buy Bangladeshi shares/securities. These balances are also freely remittable abroad in equivalent foreign exchange.

The NITA can be operated by the account-holder himself or by a nominee, including the AD itself.

Dividends/interest earnings on the shares/securities bought through the NITA, net of taxes payable on such earnings of the non-resident holder, received from the issuing company/institution may be credited to the NITA.

Sale proceeds of the shares/securities purchased through the NITA may also be credited to the NITA.

No local funds from any sources other than those mentioned at (1), (4) and (5) above can be credited to NITA.

No loan facilities shall be allowed by the ADs in the Non-resident Investor's Taka Accounts

2.2.2 Different Credit Scheme:

As a participant of competitive commercial market. Prime Bank Ltd offer several scheme which is known as consumer credit scheme to attract the consumer. Prime Bank Ltd offer consumer credit scheme which is given below:

- General Loan Scheme
- Consumer Credit Scheme
- Lease Finance
- Hire Purchase
- House Building / Apartment Loan Scheme
- Advance against Share
- Small and Medium Enterprise (SME)

General Loan Scheme :

Depending on the various nature of financing, all the lending activities have been brought under the following General Loan:

- Short term Loan

- Medium term Loan

- Long term Loan

The loans are allowed to individual/firm/industries for a specific purpose but for a definite period and generally repayable by installments fall under this head. This type of lending are mainly allowed to accommodate financing under the categories (i) Large & Medium Scale Industry and (ii) Small & Cottage Industry. Very often term financing for (i) Agriculture (ii) Others.

Consumer Credit Scheme :

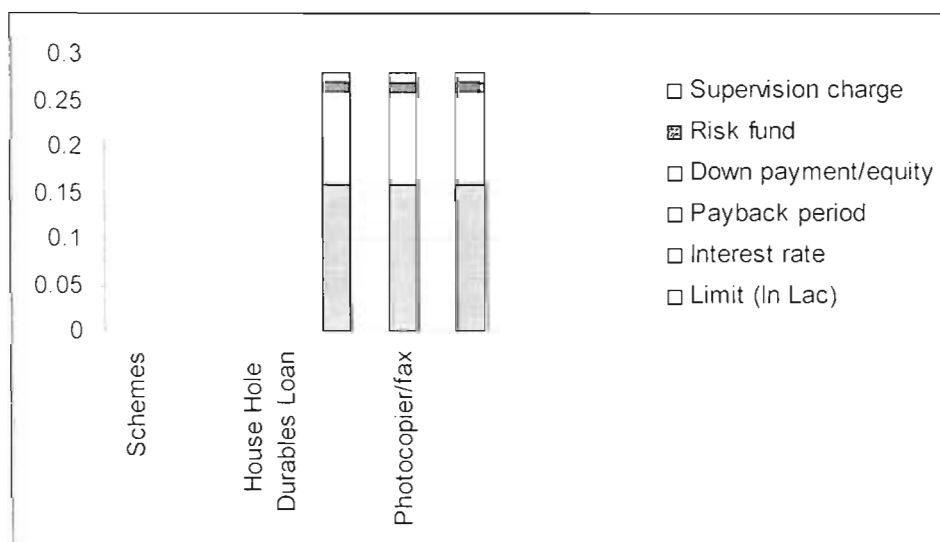
In order to provide financial assistance to the limited income group for raising their standard of living by acquiring domestic durables like Refrigerator, T.V., Washing machine, Furniture, Computer, Motor Car, etc., we have introduced a Scheme to improve the quality of life particularly of the fixed income earner of the society and this scheme is known as Consumer Credit Scheme.

Prime Bank Ltd offer Consumer Credit Scheme as given below:

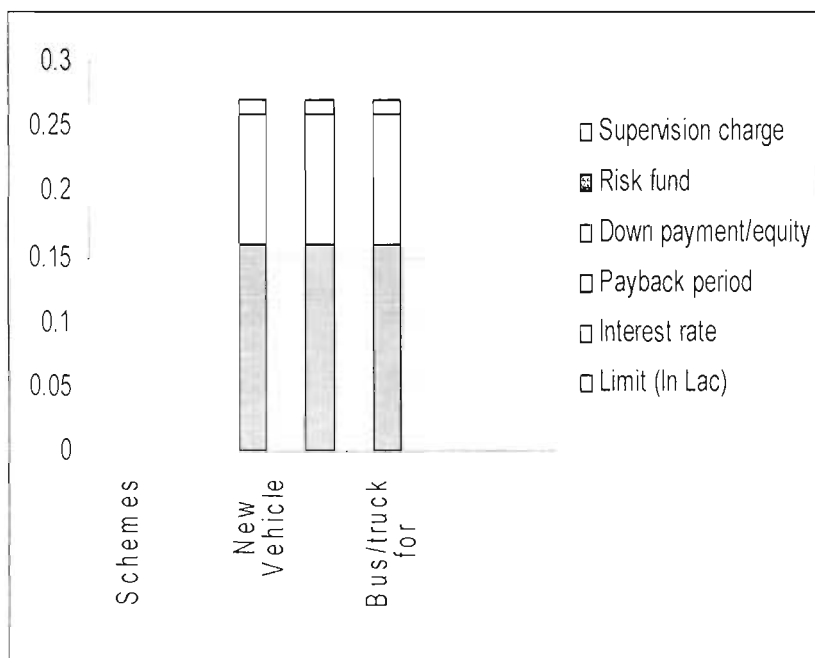
- House hold Durable Loan
- Doctors Loan
- Any Purpose Loan
- Travel Loan
- CNG Conversion Loan
- Car Loan
- Advance Against Salary
- Educatibn Loan
- Marriagge Loan
- Hospitalization Loan

Consumer Credit Schemes at a glance:

Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
House Hole Durables Loan	tk 100000					
PC /lap top	tk.100000	16.00%	2 years	10%	1%	1%
Photocopier/fax	tk.100000	16.00%	2 years	10%	1%	1%
Other item/ furniture	tk 300000					
	tk 500000	16.00%	3 years	10%	1%	1%



Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
Car loan	branch head office					
New Vehicle	tk.1000000 tk.4000000 tk. 800000	16.00%	5 years	10%	NIL	1%
Recondition Vehicle	tk.1500000	16.00%	4 years	10%	NIL	1%
Bus/truck for corporate bodies for own use only	NIL tk.4000000	16.00%	5 years	10%	NIL	1%



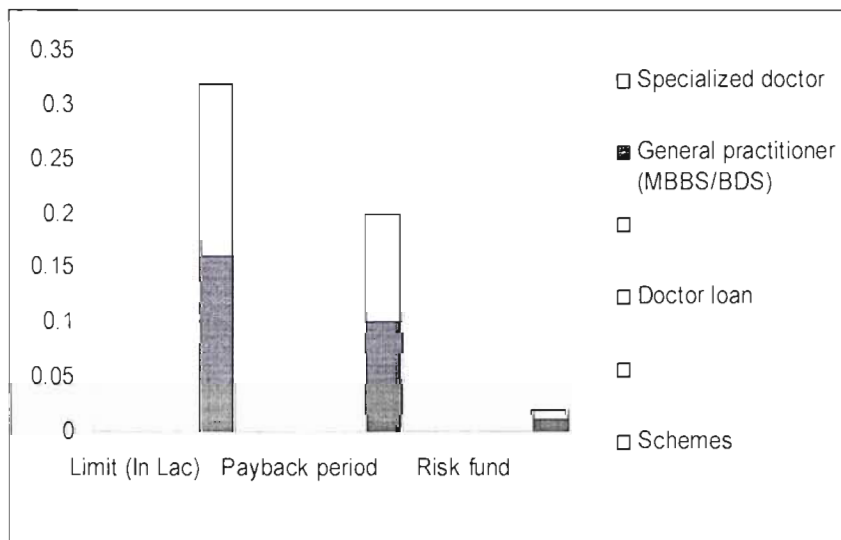
Employees of government, non government organization/ institutions, semi- government, autonomous, sector corporations, professionals, business executives, and repayment capacity. Monthly installment size will not exceed one-third of their take home salary.

Eligibility of customers:

Doctor loan

Any Bangladesh citizen who is a graduate in medical science/dentist/eye/allopathic/general practitioners desiring to setup chamber, medical store with necessary equipments and to become self-employed have the opportunity to take this loan.

Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
branch						
head office						
Doctor loan						
General practitioner (MBBS/BDS)	tk 300000 tk 5000000 tk 500000	16.00%	2/3 years	10%	NIL	1%
Specialized doctor	tk.1000000	16.00%	5 years	10%	NIL	1%

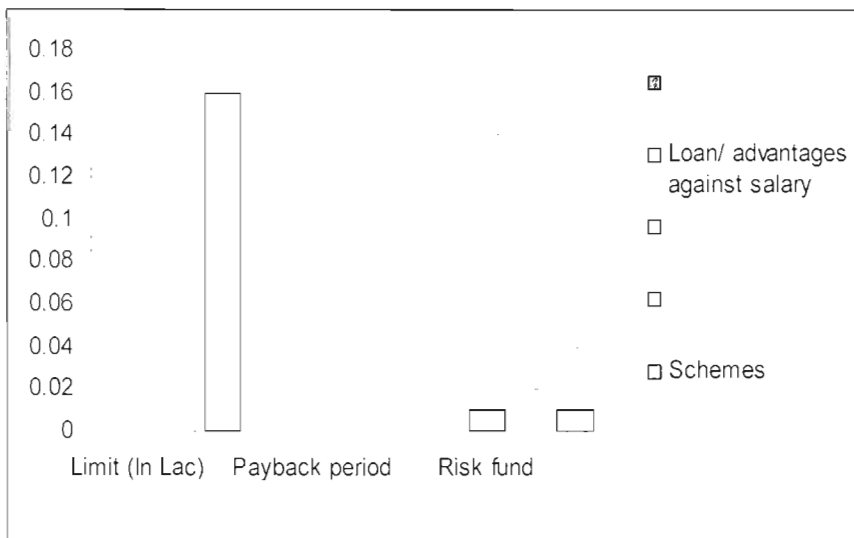


LOAN/ADVANCES AGAINST SALARY:

Salaried Bangladeshi person in government, non-government organizations/institutions, semi-government, autonomous, sector corporations, multinationals Co., banks, insurance financial INS. And educational Ins etc with 3 years

Confirmed service ahead. A detail introduction letter from employer is must. Loan limit is 8 time of gross salary (A/C w/us) and 6 times who don't have salary A/C w/us.

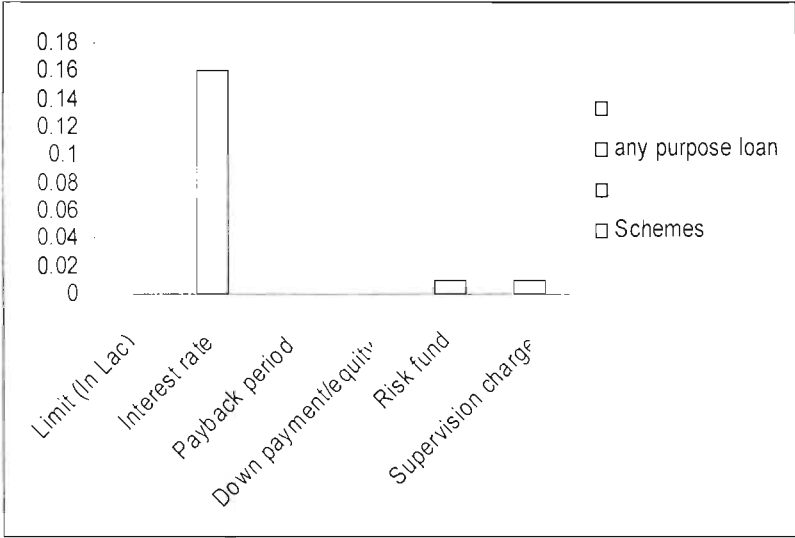
Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
Loan/ advantages against salary	tk.150000 tk300000	16.00%	2 years	NIL	1%	1%



Any purpose loan

Fixed income group of salaried Bangladeshi person in government, non-government organizational co., banks, insurance, financial INS. And educational ins. Etc with 3 years confirmed service ahead. This scheme is only for service holder.

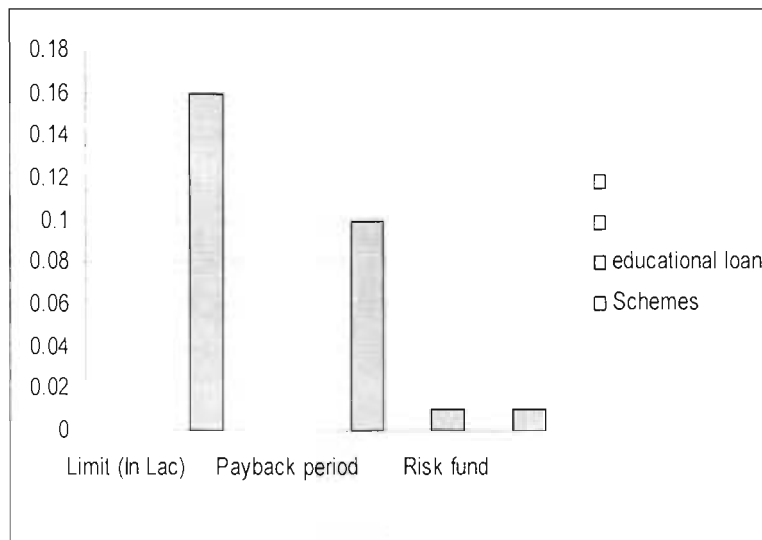
Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
any purpose loan	tk 150000 150000	tk. 16.00%	2 years	NIL	1%	1%



Educational loan

For higher education of children of fixed income group of salaried Bangladeshi person in government, non-government organizations/institutions, semi-government, autonomous, sector corporations, multinational co., banks, insurance, financial ins., And educational ins. Etc with 3 years confirmed service ahead.

Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
educational loan	tk. 150000 tk.300000	16.00%	2 years	10%	1%	1%

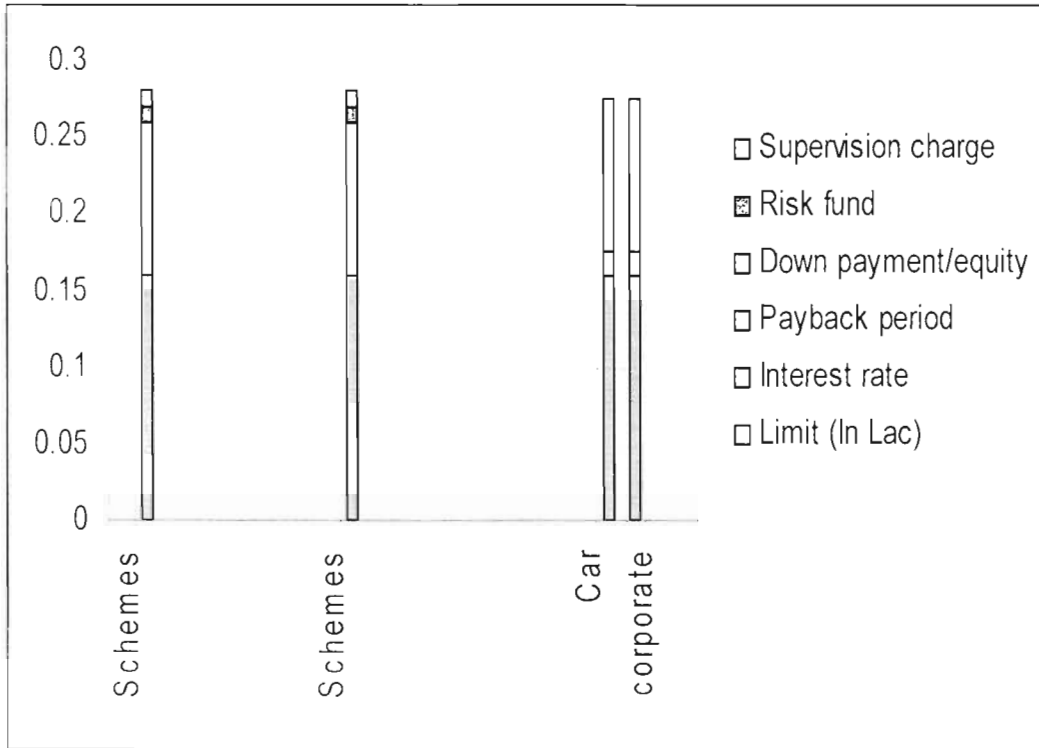


**TRAVEL LOAN, MARRIAGE LOAN, CNG
CONVERSION LOAN.**

Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
travel loan	tk. 150000 tk.200000	16.00%	3 years	10%	1%	1%

Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
marriage loan	tk. 150000 tk.300000	16.00%	3 years	10%	1%	1%

Schemes	Limit (In Lac)	Interest rate	Payback period	Down payment/equity	Risk fund	Supervision charge
Car conversion	tk. 60000				5%(as	tk.1000/-or
Owner/ valid user	tk.60000 tk.100000	16.00%	1.50%	10%	commission)	1%
Corporate bodies	tk.100000	16.00%	1.50%	10%	5%(as commission)	tk.1000/-or 1%



Fixed income group of salaried Bangladeshi person in government, non-government organizational co., banks, insurance, financial INS. And educational ins. Etc with 3 years confirmed service ahead. This scheme is only for service holder.

Lease Finance:

Lease financing is one of the most convenient long term sources of acquiring capital machinery and equipment. It is a very popular scheme whereby a client is given the opportunity to have an exclusive right to use an asset, usually for an agreed period of time, against payment of rent. Of late, the lease finance has become very popular in almost all the countries of the world. An obvious advantage of the lease is to use an asset without having to buy it. The lessee is obligated to make lease payments until the expiration of the lease agreement, which corresponds to the useful life of the asset. In a capital scarce economy like ours, Lease Financing is suitable for firms to acquire Capital Machinery, Equipments, Medical Instruments, Automobiles etc. And thereby employ their own resources more advantageously in some other investments. Lease financing also helps a firm to reap significant economic benefit through tax saving and by reducing the risk of the equipments becoming obsolete due to the technological advancement.

Lease Items / Equipments :

Prime Bank Limited offers lease finance for acquiring the use of capital machinery, equipments, medical instruments, etc. The customers are entitled to decide the specification, price and model of the lease item/equipment. Bank will purchase the item (s) in accordance with the specifications given by the clients. However, the suppliers of the items must ensure after sales services and warranties. The price should be competitive and acceptable to the Bank

Eligibility for Availing Lease finance :

All genuine entrepreneurs having adequate experience and expertise are eligible to apply for Lease Finance under the scheme. The amount of Lease Finance will not generally exceed Tk. 1.00 crore, but in exceptionally good cases, the limit can reasonably be exceeded on condition that the Bank will depute an officer for close and intensive supervision of the project. In other cases of Lease Finance for amount below Tk. 1.00 crore, an officer of the Bank will supervise a number of projects at a time according to convenience.

Advance Against Share:

In order to contribute to the development of the Capital Market of the country Prime Bank Limited extends credit facilities against pledge of Shares to the individuals as well as to the Member of DSE & CSE.

Terms & Conditions: :

01. For availing of credit facilities against pledge of shares the intending borrowers shall deposit shares of at least three (3) Companies which are preferably registered in his/her name.

02. Credit facilities in the form of Secured Overdraft (SOD) Limit may be allowed upto 50% of the Value of shares pledged calculated on the basis of current market prices or previous 6 months' average market prices, whichever is lower.

03. In case of ICB Unit Certificates SOD limit upto 80% of the face value Certificate may be extended.

04. The Share Certificates must be accompanied by Form -117 containing the signature of the Shareholders duly checked and verified.

05. The maximum ceiling shall be Tk. 20.00 Lac for individual borrowers.

06. The Stock Brokers of DSE & CSE are eligible for availing of the SOD facility against pledge of shares upto Tk.50.00 lac & Tk.15.00 Lac respectively. They will be required to keep lien of the original copy of the Licence issued by SEC.

07. Interest rate will be charged @ 15% P.A with quarterly rests or as may be amended from time to time.

08. The intending borrowers shall have to open a CD Account with our Motijheel Branch for availing of the SOD facility.

09.

Credit facility is extended only against Shares which are in market lots.

10. Borrowers can withdraw or deposit shares and vary their limits/exchange Shares/enhance limits etc. at any time during banking hours. Handling charge of Tk.100.00 is realized per transaction.
11. The loan facilities under this scheme are presently available at bank's Motijheel Branch, Dhaka and Agrabad Branch, Chittagong.

Hire Purchase:

Hire Purchase is a type of installment credit under which the Hire Purchase agrees to take the goods on hire at a stated rental, which is inclusive of the repayment of Principal as well as interest for adjustment of the loan within a specified period.

House Building / Apartment Loan Scheme:

Loans allowed to individual/enterprises for construction of house (residential or commercial) fall under this type of advance. The amount is repayable by monthly installment within a specified period. Such advances are known as Loan (HBL-GEN). Loans allowed to our Bank Employees for purchase /construction of house shall be headed Staff Loan (HBL-STAFF).

Small and Medium Enterprise (SME):

Bangladesh is a densely populated country. Job opportunity here is very scanty; Unemployment rate is approximately 40%. Population below poverty line is 36%. Therefore, it is the prime concern for the nation to generate income through creation of job opportunity & employment. Creation of job opportunity at large scale by us is not possible. What can be done better is to help self-employment through financial support. There are many small and medium entrepreneurs in the country that have innovative idea, spirit and potentiality to do something productive for local consumers as well as export abroad.

They can generate income and contribute to the GDP. They may also provide employment to other people. Development and growth of Small and Medium Enterprise is vital for national development. Such type of beneficial enterprises borrower can not go a long way for want of financial support because they have no access to institutional credit facilities, as they cannot provide collateral security as demanded for such credit facility.

2.2.3 Foreign Exchange Operation:

The Bank's performance on this arena is satisfactory. Total import and export business transacted were Tk 40,303 Million and 28,882 Million respectively during 2005. The growth rate of the import business was 10 percent and the main items of import were industrial machineries, raw material, commodities and other consumer products. The growth rate of export business was 48 percent and the items of the export were RMG, Shrimp, Jute and Jute goods, Leather, Tobacco, Ceramic tiles, Fresh Vegetables, Tempered Quoted Glass, Bone Crust, Betel-Nut etc. The import and export businesses were contributed by the corporate clients. In export sector there was expansion in Non-Traditional item also.

2.2.4 Miscellaneous Activities:

Prime Bank Ltd also provide some miscellaneous activities in order to contribute in social welfare .PBL provide miscellaneous activities some of them is given below:

Non-interest Income:

The non-interest income increased by 29.77 percent during the year. Fee & exchange based income of the bank grew by 24 percent due to higher volume of contingent business handled during the year. However, rate of commission charges had to be reduced downward due to market pressure. Other charges and recoveries increased during the year registering a growth of 50.31%.

Corporate Social Responsibility (CSR)

The bank has taken strong initiative to ensuring compliances and attaining greater social goals through good governance. Prime bank limited has always laid emphasis on its commitment to the society and seeks to reinvest part of its profit for community welfare. Accordingly, prime bank foundation had been formed in order to undertake social welfare related activities. The foundation had been formed in order to undertake social welfare related activities. The foundation had made allocations to different areas of poverty alleviation and primary health care programs for the low-income group. This year also the bank donated a sum of Tk. 29 million to the foundation.

Khude shilpir khoje-an invitation to innovation programme for the younger generation was undertaken with the objective to nurture and promote untapped talents within the youths in the school level and in order to open up the horizon of creative faculty in them.

The bank arranged blood donation camp on the occasion of its 10th anniversary. in association with Sandhani of dhaka medical college. Members of the board and the employees of all levels donated blood on the great event.

3

Chapter-3

**An Appraisal of The Financial
Performance of Prime Bank Ltd.**

3.1 Capital Structure :

The paid up capital of PBL 1400 million during the year 2005 which is increased by 40 percent than the pervious year. In the year of 2004 the capital of PBL increased 42.85 percent which is higher than from any previous year.

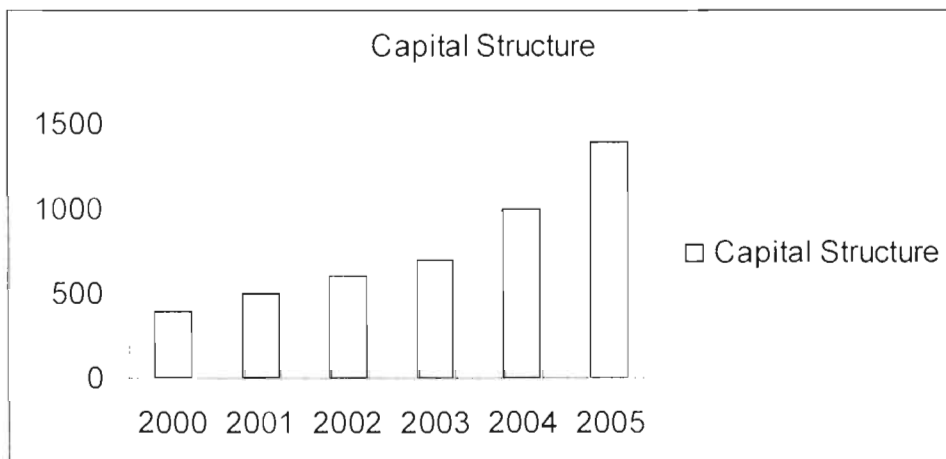
Table of Capital Structure

Taka in Million

Year	Capital struct	Growth
2000	400	-
2001	500	25%
2002	600	20%
2003	700	16.66%
2004	1000	42.85%
2005	1400	40%

Source : Annual Report 2005,Prime Bank Ltd

Prime Bank's Capital Structure for last 5 years



3.2 Deposit Mobilization:

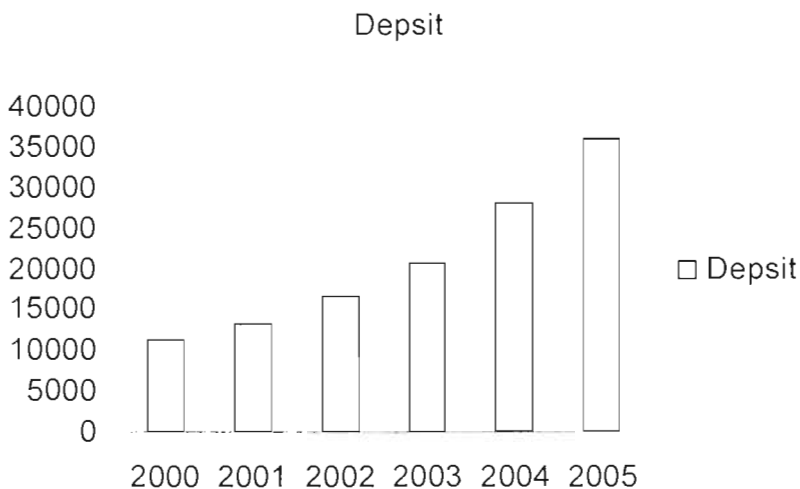
Deposit of the PBL was 36022.46 Million during the year of 2005. Deposit mobilization of PBL is high in the year of 2004 which was 37.03 percent and that was higher than any previous year.

Table of Deposit mobilization

Taka in Million		
Year	Deposit	Growth
2000	11168.72	-
2001	13259.87	18.72%
2002	16481.60	24.29%
2003	20483.23	24.27%
2004	28069.24	37.03%
2005	36022.46	28.33%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's deposit mobilization for last 5 years



3.3 Loan Disbursement:

Loan disbursement of Prime Bank Ltd was 31916.11 million during the year of 2005.

Loan disbursement rate was high in the year of 2004 which was 40.79 percent and the rate of loan disbursement is greater than any previous year.

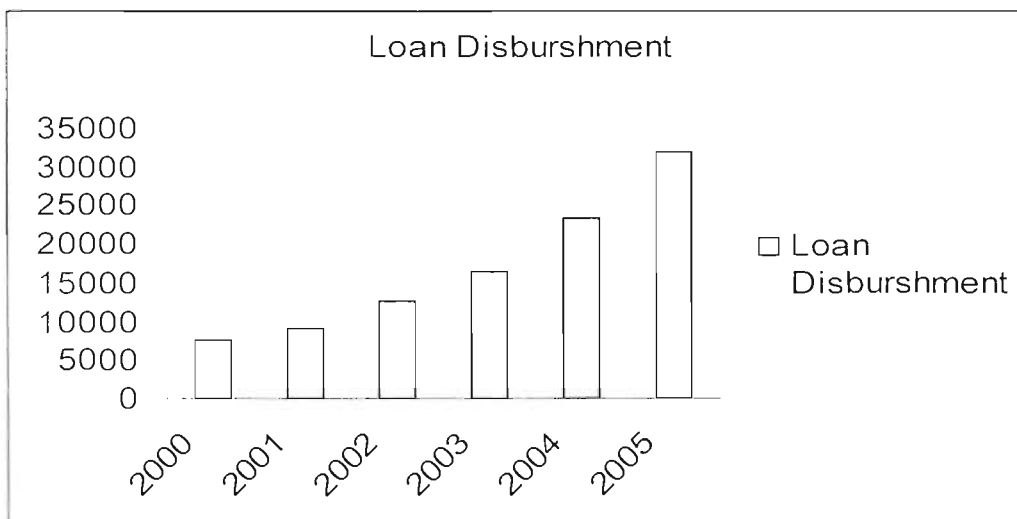
Table of Loan Disbursement

Taka in Million

Year	Loan Disbb:	Growth
2000	7707.05	-
2001	9074.94	17.74%
2002	12686.85	39.80%
2003	16492.22	29.99%
2004	23219.67	40.79%
2005	31916.11	37.45%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's loan disbursement for last 5 years



3.4 Income of the Bank:

Income of the Prime Bank Ltd was 2406.43 million during the year of 2005. Income rate of PBL was high in the year of 2003 that was 33.22 percent. The income rate of 2003 is higher than any previous year.

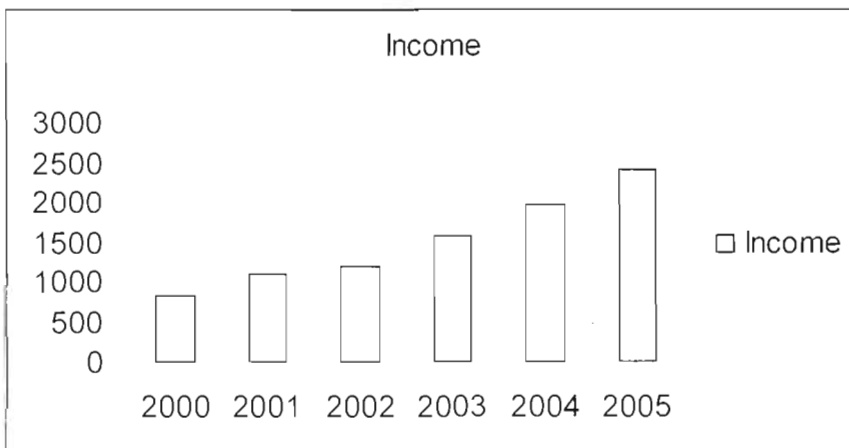
Table of Income

Taka in Million

Year	Income	Growth
2000	837.43	-
2001	1100.14	31.37%
2002	1196.20	8.73%
2003	1593.69	33.22%
2004	1970.37	23.63%
2005	2406.43	22.12%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's Income for last 5 years



3.5 Expenditure:

Expenditure of Prime Bank Ltd was 886.09 million during the year of 2005. The rate of expenditure was high in the year of 2001. The rate is higher than any previous year rate.

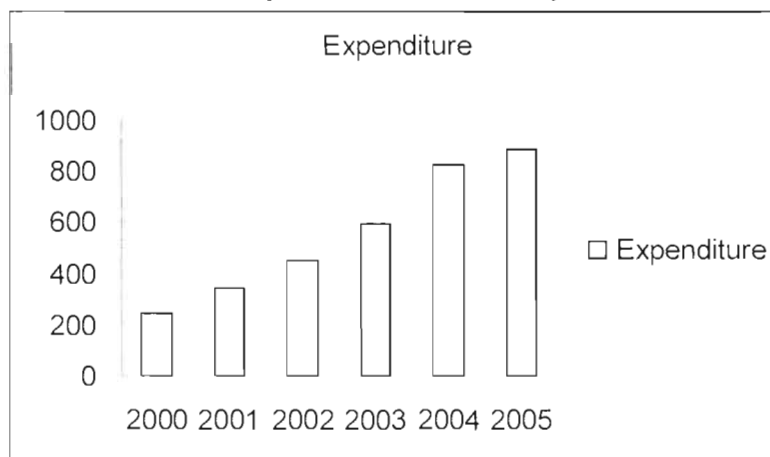
Table of Expenditure

Taka in Million

Year	Expenditure	Growth
2000	244.63	-
2001	344.05	40.64%
2002	448.36	30.31%
2003	592.28	32.09%
2004	824.23	39.16%
2005	886.09	7.50%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's Expenditure for last 5 years



3.6 Net Income:

Net income of Prime Bank Ltd was 1200.83 million during the year of 2005. Net income growth rate is high in the year of 2004. Income rate of 2004 is higher than any previous year.

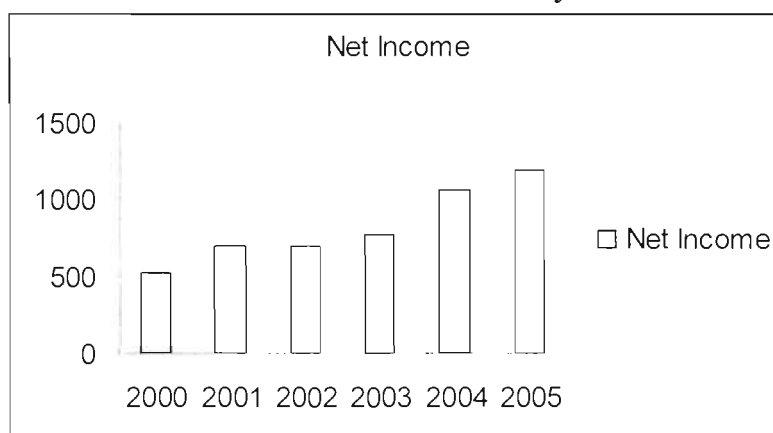
Table of Net Income

Taka in Million

Year	Net Income	Growth
2000	526.20	-
2001	705.09	33.99%
2002	696.84	-1.17%
2003	769.91	10.48%
2004	1064.24	38.22%
2005	1200.83	12.83%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's Net Income for last 5 years



3.7 Growth of EPS:

The earning per share of Prime Bank Ltd was 40.59 million during the year of 2005. The rate of growth is high in the year of 2004 which was 16.40 percent. This rate is higher than any previous year.

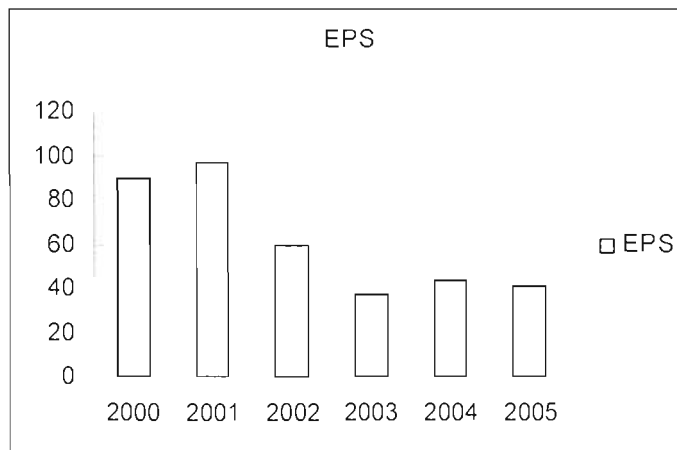
Table of EPS

Taka in Million

Year	EPS	Growth
2000	90.11	-
2001	96.60	7.20%
2002	59.73	-38.16%
2003	37.55	-37.13%
2004	43.71	16.40%
2005	40.59	-7.13%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's EPS for last 5 years



3.8 Growth of Dividend:

There was no dividend paid during the year of 2005. Growth rate of dividend was negative in the year of 2002. There was no such rate of growth of dividend in recent past years.

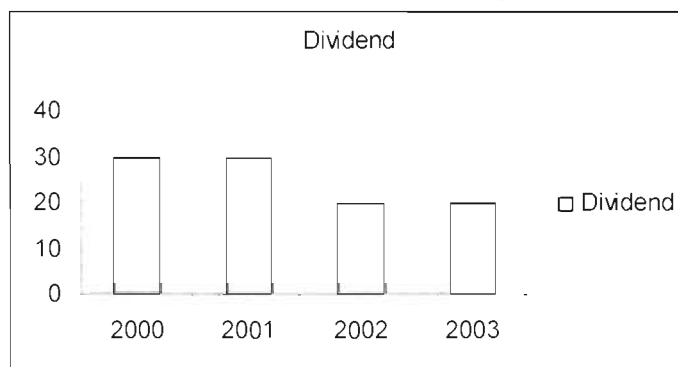
Table of Dividend

Taka in Million

Year	Dividend	Growth
2000	30	-
2001	30	0%
2002	20	-33.33%
2003	20	0%
2004	-	-
2005	-	-

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's Dividend for last 5 years



3.9 Return on Equity:

Prime Bank's return on equity was 2808 million during the year of 2005. The rate of growth was high in the year of 2001 which was 40.55 percent. That rate is higher than recent past years.

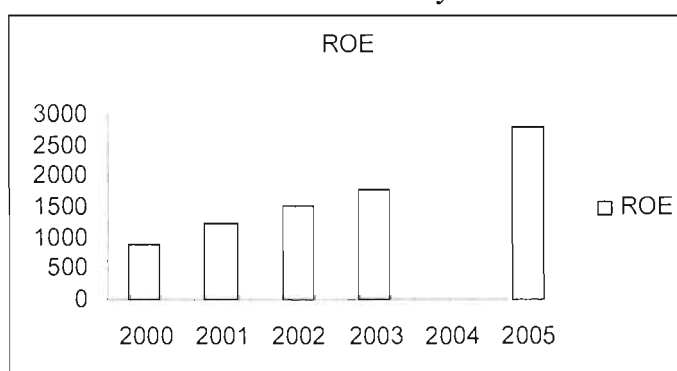
Table of ROE

Taka in Million

Year	ROE	Growth
2000	895.24	-
2001	1258.26	40.55%
2002	1526.41	21.31%
2003	1781.86	16.73%
2004	2239.80	25.70%
2005	2808	25.36%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's ROE for last 5 years



3.10 Return on Assets:

Prime Bank's return on assets was 1.54 percent during the year of 2005. The rate of return on assets is high in the year of 2004.

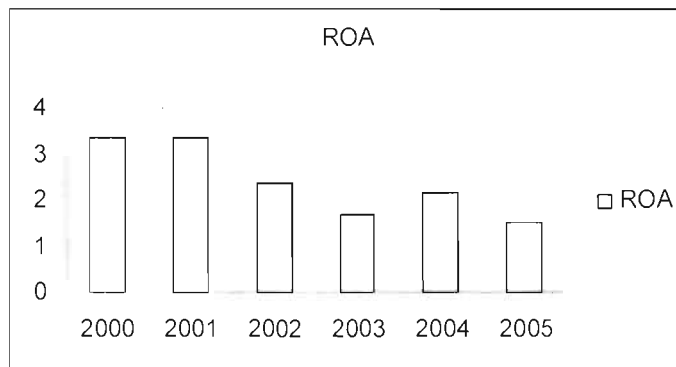
Table of ROA

Taka in Million

Year	ROA	Growth
2000	3.36	-
2001	3.38	0.59%
2002	2.38	-29.58%
2003	1.72	-27.73%
2004	2.16	25.58%
2005	1.54	-28.70%

Source : Annual Report 2005, Prime Bank Ltd

Prime Bank 's ROA for last 5 years



4

Chapter-4

Problems of Prime Bank Ltd.

4. Problems of Prime Bank Ltd:

On the basis of previous analysis . I have found several problems that exist in Prime Bank Ltd. Such problems that is given below:

1. Most of the customers of the bank ask for more quality service especially quick, accurate service and good behaviour from bnnkers as they think a private bank should provide such quality sufficiently. It has been found that inappropriate and slow work process often compels the customers to compare the bank with govement bank, which is not a god indication for the reputation of the bank.
2. Lack of available branches in remote areas of business and services.
3. Lack of manpower in foreign exchange department. In export division of motijheel branch there is lacking of manpower. The manpower of that section is not sufficient for service.
4. Lack of promotion to expand the foreign exchange business.
5. As prime bank ltd. is not a foreign bank so they can not attract as much as clients for foreign trade. Because clients prefer foreign bank for foreign transaction.
6. Day by day new upcoming banks are coming with many new services which are a threat for the bank. So increased number of new bank creates sevear competition in foreign exchange banking.

7. Bangladesh is a developing country and its economic growth is not that much high. So slow growth of the economy is a very vital problem for a bank.
8. From the previous years it has been observing that frequently the currency of Taka is devaluating and dollar currency is going very high. And devaluation of Taka is hampering import business and other sectors too.
9. Strict controlling of central bank in foreign currency endorsement.
10. Prime bank ltd. is not using advance and develop software. They are using only one software..
11. Prime bank ltd. is doing their office work, vouching, accountings manually. But other banks are using many developed techniques and software.

5

Chapter-5

**Suggestion for The Development of
Prime Bank Ltd.**

5. Suggestion for the development of PBL:

When I'm preparing my project on Prime Bank Ltd, I have noticed several complexities over all the total organization. To be the most successful organization it must overcome from that situation. To be the number 1 in competitive commercial market I have suggested some suggestions that is given below:

1. In many cases, the foreign banks want confirmations from other foreign banks with which this bank has correspondence. This proves the poor financial condition of our country. Banks should try to improve this situation.
2. The bank should try to arrange more training programs for their officials. Quality training will help the officials to enrich them with more recent knowledge of international trade financing.
3. To communicate with the Negotiating Bank, Advising bank. Reimbursing bank the branch uses SWIFT. As well as these media the bank could use the E-mail, which is cheaper and faster than those media.
4. Over burden of work and ill defined assignment unable the employee to discharge their duties in cool manner. It is also creates a hazardous situation in the work process. So all the employee should be assigned with proper and specific assignment.
5. Bank can introduce more advance MIS system to mobilize its day to day activities. It will help the employee to do their works more quickly and maintaining their quality of work.
6. They should expand their business more balancing way which means they should not focus on a particular industry like readymade garments industries.

7. Prime bank Ltd. Foreign exchange department now using only one software and that is PC BANK. But recently the bank is taking initiatives for installing new software named TEMONUS T24. it is a very dedicated software. It has real time online banking, ATM facilities and E-banking and lot of more. So I think ot will be a great progress for the bank.

8. I think the management should employee in foreign trade department as I have seen from my practical experience that many customers wait for a long time for any service as they see that the three concerned officials are doing their best ot meet the repuirements of the customers but as the foreign trade procedure is designed with many small tasks.

Conclusion

It was great pleasure for me to do my project report on a respected organization like Prime Bank Ltd.

What I have observed the bank has the vision to be the best Private Commercial bank in Bangladesh in terms of efficiency, capital adequacy, asset quality, sound management etc.

The bank is maintaining a well-structured communication from top to bottom level. Each official should be valued and treated as a part of the bank and they must have the privilege to devote themselves for the betterment of service of the bank and they must have the privilege to devote themselves for the betterment of service of the bank. Prime bank places utmost importance on managing credit risk. The whole process includes management of credit risk, foreign exchange risk, prevention of money laundering, asset liability management, internal control and compliance.

The 10 years success story though helped the bank to attain a leading role but to remain unrivalled among new generation banks, the bank must face new challenges.

Overall, the bank must make a positive attempt to be more outward looking in their goals and aware of what is happening. They must also emphasize on the domestic scenario more closely and analyze any certain trend and strategies of their competitors. The Bank must accept any failures and think of them as an objective to pursue future goals instead of blaming such failure on other factors.

Bibliography:

- Annual Report of Prime Bank Ltd(2002,2003,2004,2005)
- Several Booklets from Prime Bank Ltd
- Prime Bank Web Site
- Financial Market and Institution –Jeff Maruda