

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

as well as in Open J-Gate, India [link of the same is duly available at infibnet of University Grants Commission (U.G.C.)]

Registered & Listed at: Index Copernicus Publishers Panel, Poland

Circulated all over the world & Google has verified that scholars of more than 1388 Cities in 138 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

www.ijrcm.org.in

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	CUSTOMER RELATIONSHIP MANAGEMENT: A CASE STUDY OF BRITISH TELECOM BROADBAND CUSTOMERS <i>HYDER KAMRAN & NITIN RAJ SRIVASTAVA</i>	1
2.	INFLUENCE OF ORGANIZATIONAL STRUCTURE, SOCIAL INTERACTION AND DEMOGRAPHICAL VARIABLES ON ORGANIZATIONAL COMMITMENT: AN EMPIRICAL ASSESSMENT OF TWO LEVELS OF EMPLOYEES OF SAUDI ARABIA <i>DR. NASSER S. AL-KAHTANI</i>	7
3.	FINANCIAL DEREGULATIONS AND PRODUCTIVITY CHANGE IN PAKISTAN BANKING INDUSTRY <i>RAFAQET ALI & MUHAMMAD AFZAL</i>	12
4.	BRILLIANT INTELLIGENCE AND INTERNAL MARKETING EFFECT ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR- STUDY OF EMPLOYEE IN HIGH TECHNOLOGY INDUSTRY <i>FENG-LI LIN, JUI-YING HUNG & KUO-SONG LU</i>	17
5.	AN IDENTIFICATION OF CRITICAL STRATEGIC SUCCESS FACTORS THAT MAKES ETHIOPIA ONE OF THE MOST ATTRACTIVE TOURIST DESTINATION <i>DR. GETIE ANDUALEM IMIRU</i>	25
6.	BARRIERS TO KNOWLEDGE MANAGEMENT IMPLEMENTATION IN UNIVERSITIES <i>ROYA DARABI & AHMAD GHASEMI</i>	32
7.	AN ASSESSMENT OF BANGLADESHI COMMERCIAL BANKS TREND TOWARDS UNIVERSAL BANKING <i>MD. AL MAMUN</i>	37
8.	COMPARISON OF IMAGE ENHANCEMENT TECHNIQUES <i>ABDUL RASAK ZUBAIR</i>	44
9.	STATIONARY DEMAND CURVE MODEL UNDER JUST IN TIME INVENTORY SYSTEM <i>DR. KAVITA DAVE & DR. NITIN D. SHAH</i>	53
10.	A STUDY OF LEADERSHIP STYLES IN PUBLIC-SECTOR ENTERPRISES (A CASE STUDY OF BHARATH EARTH MOVERS LIMITED) <i>K. V. GEETHA DEVI, DR. G. RAMA KRISHNA REDDY & DR. G.HARANATH</i>	55
11.	A STUDY ON CONSUMER AWARENESS, USAGE PENETRATION AND ADOPTION OF 3G MOBILE SERVICES IN INDIA <i>SARIKA KHANNA & DR. NISHA AGARWAL</i>	64
12.	THE IMPACT OF WORKPLACE STRESS ON HEALTH: THE MEDIATING ROLE OF SPIRITUALITY IN THE WORKPLACE <i>NAGALAKSHMI. P & DR. K. JAWAHAR RANI</i>	69
13.	EMPLOYMNET TO WOMEN IN INDIAN BEEDI INDUSTRY AN OPPORTUNITY OR THREAT: A CASE STUDY OF NIZAMABAD DISTRICT <i>GIRISH KUMAR PAINOLI</i>	72
14.	CELEBRITY ADVERTISEMENT AND ITS IMPACT ON BUYING BEHAVIOUR <i>DR. S. BANUMATHY & DR. M. SUBASINI</i>	76
15.	INFLUENCE OF PERSONALITY ON QUALITY OF WORK LIFE OF TEACHERS <i>J. PARAMESWARI & DR. S. KADHIRAVAN</i>	79
16.	LEADERSHIP ENHANCEMENT THROUGH ASSESSMENT AND DEVELOPMENT (LEAD) AT ALPHA PHARMACEUTICALS INDIA PRIVATE LTD. <i>DR. GOWRI JOSHI & DR. BHARATI DESHPANDE</i>	83
17.	ANALYSIS OF CUSTOMERS'PERCEPTION IN INDIAN BANKING SECTOR <i>DR. ROSY KALRA</i>	86
18.	DEMOGRAPHIC CHARACTERISTICS OF EMPLOYEES IN INFORMATION TECHNOLOGY INDUSTRY IN INDIA <i>DR. DEEPAKSHI GUPTA</i>	93
19.	IMPACT OF ANIMATION ON CHILDREN <i>J. J. SOUNDARARAJ & DR. D. V. S. JANAKIDAS</i>	98
20.	A CASE STUDY ON TRAINING AND DEVELOPMENT WITH REFERENCE TO NUTRINE CONFECTIONERY COMPANY LTD., CHITTOOR (A.P) <i>C. RAJANIKANTH</i>	109
21.	SHIFTING PARADIGMS IN TEACHING PEDAGOGY OF B-SCHOOLS <i>PRITAM P. KOTHARI, AVINASH A. DHAVAN & SHIVGANGA C. MINDARGI</i>	116
22.	IMERATIVES FOR GLOBAL RETAILERS EYEING INDIAN RETAIL MARKET- A STUDY OF WAL MART <i>DR. SIDDHARATHA S BHARDWAJ & DR. MAMTA RANI</i>	122
23.	CUSTOMERS' PERCEPTION TOWARDS E-BANKING SERVICES OF THE COMMERCIAL BANKS IN CUDDALORE DISTRICT <i>RAVICHANDRAN & DR. A. MURUGARATHINAM</i>	125
24.	CUSTOMER RETENTION CHALLENGES IN THE HYPERCOMPETITIVE INDIAN INDUSTRIES <i>NIDHI KHURANA & AJEET KUMAR PATHAK</i>	128
25.	SERVICES INNOVATION INSIDE AND OUTSIDE OF THE ORGANIZATION WITH THE HELP OF ICT <i>DR. RAJESH N. PAHURKAR</i>	133
26.	CREATING A SYSTEMATIC TRADING PLAN WITH AT THE MONEY CALENDAR CALL SPREAD IN NIFTY <i>PRIYANKA VASHISHT</i>	137
27.	GENDER EMPOWERMENT IN PRACTICE: A CASE STUDY OF BHARAT COKING COAL LIMITED, DHANBAD <i>DR. N. C. PAHARIYA & ABHINAV KUMAR SHRIVASTAVA</i>	143
28.	RETAIL STORE SELECTION CRITERIA USED BY CUSTOMERS IN DELHI-NCR: IMPLICATIONS FOR THE RETAILERS <i>ANOOP KUMAR GUPTA</i>	147
29.	CUSTOMER RELATIONSHIP MANAGEMENT IN TELECOM INDUSTRY – WITH REFERENCE TO BHARTI AIRTEL, ANDHRA PRADESH <i>DR. K. RAJI REDDY, DR. D. THIRUVENGALA CHARY & SHATHABOINA. RAJU</i>	152
30.	INITIATIVE TAKEN TOWARDS RETAIL MARKETING IN INDIA WITH REFERENCE TO LUCKNOW CITY (U.P.), INDIA <i>SMRITI SRIVASTAVA & RAJEEV GUPTA</i>	156
	REQUEST FOR FEEDBACK	161

CHIEF PATRON

PROF. K. K. AGGARWAL

Chancellor, Lingaya's University, Delhi
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

PATRON

SH. RAM BHAJAN AGGARWAL

Ex. State Minister for Home & Tourism, Government of Haryana
Vice-President, Dadri Education Society, Charkhi Dadri
President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR

AMITA

Faculty, Government M. S., Mohali

ADVISORS

DR. PRIYA RANJAN TRIVEDI

Chancellor, The Global Open University, Nagaland

PROF. M. S. SENAM RAJU

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR

PROF. R. K. SHARMA

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

CO-EDITOR

DR. BHAVET

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

EDITORIAL ADVISORY BOARD

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. ANIL K. SAINI

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P. J. L. N. Government College, Faridabad

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

MOHITA

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

ASSOCIATE EDITORS

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. ABHAY BANSAL

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PROF. A. SURYANARAYANA

Department of Business Management, Osmania University, Hyderabad

DR. ASHOK KUMAR

Head, Department of Electronics, D. A. V. College (Lahore), Ambala City

DR. SAMBHAV GARG

Faculty, M. M. Institute of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

PROF. V. SELVAM

SSL, VIT University, Vellore

DR. PARDEEP AHLAWAT

Reader, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

S. TABASSUM SULTANA

Associate Professor, Department of Business Management, Matrusr Institute of P.G. Studies, Hyderabad

SURJEET SINGH

Asst. Professor, Department of Computer Science, G. M. N. (P.G.) College, Ambala Cantt.

TECHNICAL ADVISOR

AMITA

Faculty, Government H. S., Mohali

MOHITA

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

FINANCIAL ADVISORS

DICKIN GOYAL

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS

JITENDER S. CHAHAL

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT

SURENDER KUMAR POONIA

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email addresses: infoijrcm@gmail.com or info@ijrcm.org.in.

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR
IJRCM

Subject: SUBMISSION OF MANUSCRIPT IN THE AREA OF _____.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other. please specify)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

NAME OF CORRESPONDING AUTHOR:

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

NOTES:

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:
New Manuscript for Review in the area of (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

INTRODUCTION**REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
 - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parentheses.
 - The location of endnotes within the text should be indicated by superscript numbers.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITE

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

AN ASSESSMENT OF BANGLADESHI COMMERCIAL BANKS TREND TOWARDS UNIVERSAL BANKING

MD. AL MAMUN
SENIOR LECTURER IN FINANCE
DEPARTMENT OF BUSINESS ADMINISTRATION
EAST WEST UNIVERSITY
DHAKA

ABSTRACT

With the start of deregulation in early 1990s in various parts of the world along with other types of changes in the banking rules and regulations (i.e. relaxing of Glass-Steagall Act 1933 in USA, Financial System Reform Act 1993 in Japan etc.) during the same period, most banks in Europe, USA and Japan as well as in developing world have tried to pursue the policy of universal banking system. Even though there has been growing number of academic literatures highlighting its pitfalls (i.e. universal banking trend reduces the specialization, increases risk exposure, increases cost structure etc.) still this trend continues to grow till to date to accommodate every single customer vis-à-vis every single business opportunities. The financial sector reform program in Bangladesh back in 1990s has also provided the same platform to its banking industry. However, even after more than two decades no academic maneuver has been undertaken to study the extent to which universal banking trend flourished in Bangladesh. Therefore, this paper aims as exploring the nature of commercial banking activities in their trend towards universal banking practices. The result highlights that, there are significant number of banks offering a substantial number of products/services, which is by far very encouraging from what has been the state of banking industry back in early 1990s; yet there has not been enough progress made as a whole to conclude the current state of Bangladeshi banking industry is very close to universal banking practices.

KEYWORDS

Bangladesh Bank, Commercial banks, Financial sector reform program (FSRP), Universal banking.

INTRODUCTION

 ver the past three decades and especially for the last two decades, the financial sector across the world has witness multiple of changes pertaining to regulation, accommodating the growing need of the customers and some structural changes like merger and acquisition (M&A) due to various reasons including European integration, opening up populous market like India and China. In the European Union, the introduction of the single currency is speeding up this process where banking industry had experienced a huge shakeup including mergers, acquisitions and bankruptcies. Deregulation (Anthony Saunders, 1999; Gande, A., Puri, M., Saunders, A., 1998), financial innovation, disintermediation and new technologies are playing a major role in making some financial services obsolete and eroding the competitive position of major players. Moreover, the latest chapter of global financial meltdown has virtually wined up the major part of global financial system including the banking industry. Banks' initial reaction to these new challenges has been very proactive especially during the 1990s. Jordi Canals (1998) argued that some banks, especially in Europe, have become universal banks, that is, providers of a large variety of financial services, from checking accounts to derivatives, from corporate loans to financial advice on mergers and acquisitions, from bond trading to active shareholding in industrial companies. In French one of the largest banks "Cre'dit Lyonnais" was the paradigm of this approach. It undertook the most ambitious bank growth experiment in Europe during the 1980s and early 1990s, and embraced different business units under the same organizational umbrella. Moreover consolidation, merger and other form of restructuring has been witness tremendous growth in helping the surviving banks to render services only possible by universal banks. Data provided by the Securities Data Corporation for the period 1985 -1996, covering all (global) M&A deals in the financial services sector, suggest that some 12,000 M&A deals were concluded over this period. While nearly 4000 of these deals were commercial banks acquiring other commercial banks, 1450 involved either commercial banks acquiring securities firms (829) or securities firms acquiring banks (621). This has indeed created enormous growth of universal bank, Anthony Saunders (1999).

Moreover in case of USA, in the 1990s the relaxation of 1933 Glass-Steagall Act permitted US commercial banks to underwrite corporate securities. Echoing the deregulation process in the US, Japanese authorities also took similar steps to remove restrictions that separated commercial and investment banking. The Financial System Reform Act (FSRA) of 1993 allowed Japanese commercial banks to provide investment banking services. These and other issues during this period are definite move toward universal banking, Jun-Koo Kang and Jun-Koo Kang, Wei-Lin Liu (2006) and Beng-Soon Chong Ming-Hua Liu, Yener Altunbas (1996). Moreover, the non-existence of well developed capital market in most part of the world has also triggered the growth of universal banking system, especially in developing economies, Jun-Koo Kang, et. al. (2006). However, with the start of the process towards universal banking system, there have been questions related to their efficiency, need, justification of their existence in regard to risk and return (Beng-Soon Chong et. al., 1996), issues of conflict of interest (Sharpe, 1990; Rajan, 1992) etc.

UNIVERSAL BANKING

In general, Universal Bank is a name given to banks engaged in diverse kind of banking business including traditional savings and loans to investments banking services, offering wide range of financial services, and beyond commercial banking and investment banking i.e. insurance etc. If specialized banking is the one direction universal banking is simply the opposite direction in the financial market. This is most common in European countries and this concept is widely popular in countries like USA but is about to take-off officially in Bangladesh, as the definition of Universal Banking is yet to be established clearly and conclusively. A proper view could include a basket of all the financial activities including insurance.

C. Krishna (2005) argued that, universal banking, means the financial entities – the commercial banks, Financial Institutions, NBFCS, - undertake multiple financial activities under one roof, thereby creating a financial supermarket. As per reserve bank of India¹, the term universal banking refers to a combination of commercial banking services and investment banking services i.e. issuing underwriting, investing and trading in securities. In a broad sense, however, the term universal banking refers to those banks that offer a wide variety of financial services. Saunders, Anthony. A, & Ingo Walter (1994) argued that the entities focus on leveraging their large branch network and offer wide range of services under single brand name. Universal banking firm conducts ranges of financial services comprising deposit taking and lending, trading of financial instruments and foreign exchange (and their derivatives) underwriting of new debt and equity issues, brokerage investment management and insurance.

Ingo Water (1997) has proposed four different types of universal banking model. Moreover, Nair (1999) has also proposed another tree different types of universal banking with slight variation.

¹ Source: RBI discussion paper on universal-banking; retrieved at <http://www.rbidocs.rbi.org.in/sec5/7448.pdf>

FIGURE 01: UNIVERSAL BANKING MODELS

Ingo Walter (1997)		Dr. Nair (1999)	
Type A Full Integration Model	Banking activities Securities activities Insurance activities Other activities	In-house Universal Banking (Germany, Switzerland)	Banking activities Securities activities Insurance activities
Type B Partial Integration Model	Banking & Securities activities Subsidiaries: • Insurance subsidiaries • Mortgage subsidiaries • Other subsidiaries		Underwriting Mutual fund Advisory and other activities
Type C Bank Parent Structure	Banking activities Subsidiaries: • Securities subsidiaries • Insurance subsidiaries • Other financial subsidiaries	Through Separately Capitalized Subsidiaries (England, Japan)	Banking services Subsidiaries: • Insurance subsidiaries • Mortgage subsidiaries • Other financial subsidiaries
Type D Holding Company Structure	Banking subsidiaries Securities subsidiaries Insurance subsidiaries	Operation Holding Companies (USA, Japan)	Banking subsidiaries Securities subsidiaries

1. A fully-integrated universal bank (Type-A) provides a broad range of financial services (banking, securities and insurance) under a single corporate structure supported by a single capital base. There are, at present, no good examples of this particular model.
2. A partially integrated universal bank (Type-B) conducts both commercial and investment banking within the same entity, but undertakes insurance underwriting and distribution, as well as mortgage banking, asset management, lease-financing, factoring, management consulting, and other specialized activities through separately-capitalized subsidiaries, either because such activities are separately regulated, or because they involve significant potential for exploitation of conflicts of interest, or a combination of such factors. Deutsche Bank AG would be a good example of this type of universal banking structure.
3. In a Type-C universal bank the commercial bank, whose core business is taking deposits and making commercial loans, is the parent of subsidiaries engaged in a variety of other financial services ranging from investment banking to insurance. An example would be Barclays plc.
4. A final universal banking structure (Type-D) involves creation of a holding company which controls affiliates engaged in commercial banking, investment banking, insurance, and possibly other types of financial and nonfinancial businesses. Examples include JP Morgan and CS Holding.

Finally a universal banking system is that banks are permitted to engage in the full range of intermediation services including brokerage and investment banking, John H. Boyd (1999). Moreover, a universal banking system is one in which banks are permitted to make equity investments in firms rather than, or in addition to, extending them loans. In practice, the best example of such a system is in present-day Germany where banks hold large blocks of equities, vote their shares and serve as directors of corporations. Through the policy of "Auftragsstimmrecht" they can also vote the shares of other parties (Gorton and Schmid, 1996).

UNIVERSAL BANKING: AN INTERNATIONAL CONTEXT

The practice of universal banking is quite phenomenal in Europe, Japan, USA, Australia, China, India and other parts of the world even though there are debates and discussion regarding the effectiveness and efficiency of universal banking as opposed to specialized banking. Initially universal banking took off in the 19th century; however the conditions became more difficult in the 20th century. This is because there have been exogenous political shocks and macro-economic instability during the 20th century. The wider institutional context is important for universal banking, and this includes central bank support. The context has been less favorable in the 20th century. Globalization has also had an impact on the banking industry (Tilly, Richard, 1998).

Indeed in Europe the functional separation of banking activities indeed gradually disappeared since the mid-1970s i.e. Spain in 1974, Belgium in 1975, Netherlands in 1989, France in 1984, and Italy in 1990. Moreover, in Germany and Austria, universal banking had been the grounding principle of banking activities ever since the beginning of the 20th century; Gabe de Bondt, Benoît Mojon and Natacha Valla (2002). Overall, there is a long tradition of universal banking across euro area countries. Moreover, the multiplication of mergers and acquisitions has led to the creation of conglomerates involving banks, insurance and securities companies that have strengthened the universal character of European banks; Cybo-Ottone and Murgia (2000).

In the USA however, until the early 1930s USA banking system incorporated the curial elements of universality. Many commercial banks were engaged in investment banking services. However, the conducted their investment banking activities in a legally separate security affiliates². The banking crisis of 1930s provided a drastic impetus for reform in USA banking legislation including the passage of Glass-Steagall act of 1933. Most of the contemporary findings suggested that the banking crisis was due to reckless and speculative trading by the security affiliates of commercial banks. This has resulted the separation of commercial banks and investment banks which continued up to the recent past. However new research by Eugene White (1986) shows that institutions without securities operation did suffered much loss compared to banking institutions with securities affinities. This finding has prompted a growth of universal banking in USA operating through holding companies, which is different from European in-house universal banking model. Fundamentally, under universal banking, banks can own and control other firms, including commercial and industrial enterprises. Variants of such a system have been, and continue to be, proposed for the US: by the US Treasury (1991), the so-called Shadow Financial Regulatory Committee (American Banker, 1997) and some members of Congress. Indeed, universal banking legislation is under active debate in Washington today.

BANKING IN BANGLADESH: A HISTORY FOCUSED ON REFORM

Banking system plays a very important role in the economic life of the nation in today's economic system. Accordingly under current system, the health of the economy is closely related to the soundness of its banking system. The banking industry of Bangladesh is a mixed one comprising nationalized, private and foreign commercial banks.

The A number of recent studies, however, indicate that the banking sector plays a more important role than it was believed earlier (World Bank, 1996; Almeyda) In Bangladesh Sonali Bank is the largest among the Nationalized Commercial Banks (NCBs) while Pubali is leading in the private ones. Among the 12 foreign banks, Standard Chartered has become the largest in the country. Besides the scheduled banks, Samabai (Cooperative) Bank, Ansar-VDP Bank, Karmasansthan (Employment) Bank and Grameen bank are functioning in the financial sector (Tanbir et. al 2009). In Bangladesh the number of total branches of all scheduled banks is 7,318 as of June 2006. Of the branches, 41.95 per cent are located in the urban areas and 58.05 per cent are in the rural areas. Of the branches NCBs hold 3,616, private commercial banks 1,214, foreign banks 31 and specialized banks 1,177 and others 1280 (WB Report Series- 2007).

² The National Banking Act was interpreted to imply that national banks could not operate their securities act directly (Benston, 1990).

TABLE 01: OVERVIEW OF BANKING SYSTEM IN BANGLADESH

Category	Number of Banks	Number of Branches	% of industry assets	% of industry deposits
NCBs	04	3616	36	40
Private Banks	28	1214	44	45
Foreign Banks	12	0031	7	7
Development Banks	05	1177	10	6
Other	04	1280	3	2
Total	53	7318	100%	100%

Source: Compilation form CPD Round table 22 (April, 2003) and **Bangladesh:** Strategy for sustained growth (World Bank Series - 2010)

Bangladesh, after independence in 1971, inherited an undiversified and undeveloped financial system dominated by commercial banks. The then government nationalized all financial institutions except for a few foreign banks. Bangladesh Bank was established in 1972 and the financial sector was under a regime of rigid government control. Government dictated the interest rates, direction of credit to Public Sector Enterprises and priority sectors with little regard to loan quality. Bank branches were expanded with an objective to increase access of the rural people to the formal banking sector. Bangladesh had a highly repressed financial sector (Chowdhury, 2002). The government till 1982 owned all the financial institutions. Bank branches were opened ignoring the viability and profitability and socio-economic considerations were given more priority in credit analysis and decision. Lending rates were low and did not cover the risk and actual cost factors. Unsophisticated and immature accounting and poor banking standard coupled with poor loan recovery started to afflict the banking sector. The operational efficiency declined and the customer service also deteriorated during this period (Chowdhury & Raihan, 2000).

Initiatives to reform the financial sector in Bangladesh may be traced back to the beginning of the 1980s when the denationalization of the *Uttara Bank* and *Pubali Bank* took place and a number of new private commercial banks (PCBs) were given licenses. The objective on part of the government was to show its desire to encourage the private sector and create competition in the banking sector. The customer service of the banking sector has shown signs of improvement but the credit management was observed to have deteriorated. It transpires from various studies that denationalization and the privatization process failed to create desired impact due to lack of central bank's capacity of strict supervision and rigid economic regulation for the sector (Bhattacharya and Chowdhury, 2003).

The second phase began hand-in-hand with IMF/WB Structural Adjustment Program (SAP) as the government appointed the National Commission for Money, Banking and Credit. In 1986, the commission submitted a long list of recommendations to address problems in the banking sector. Among other findings and recommendations, Bangladesh Bank's supervisory handicap, overall structure of the banking sector and Non-Performing Assets (NPA) were given due importance. Subsequently, recovery targets were set for the banks to improve the NPA situation along with barring defaulters getting fresh loans (Chowdhury & Raihan, 2000).

At the beginning of the 1990s a wide range of reforms in the banking sector were initiated under *Financial Sector Adjustment Credit (FSAC)*, the World Bank (WB) consultative mission. The *Finance Sector Reform Project (FSRP)* was also initiated in 1990 to assist in the implementation of the reform measures, which ended in 1996. In this attempt measures were taken to liberalize interest rate, enhance the capacity of loan classification and provisioning, capital restructuring and risk analysis, strengthening central bank and improving the legal system and framework for loan recovery. It an attempt to increase efficiency of the financial market, the *FSAC* of the *WB* came up with the following: gradual deregulation of interest rate, improvement in the debt recovery climate, strengthening the Capital market, adoption of appropriate monetary policy, making subsidies more transparent. The *FSRP* ended in 1996 but the reform measures continued to be pursued (Chowdhury & Raihan, 2000).

The six-member *Banks Reform Committee* followed *FSRP* in 1996, which presented its report to the government in 1999. The committee gave highest priority in improving the regulatory and supervisory capacities of the central bank, along with strengthening legal framework and effective restructuring of central bank. Issues related to Bangladesh Bank Board, NCB boards and political influence on these were also addressed (Bhattacharya and Chowdhury, 2003). In March 2003, the parliament passed three bills in its attempt to bring massive reforms in the banking as well as the financial sector. The key one was the Bangladesh Bank Amendment bill 2003, which gave the central bank autonomy in terms of its own operations and monetary policy formulation. This issue will be discussed in detail in the following section on autonomy.

Introduction of the *Central Bank Strengthening Project (CBSP)* in 2003 jointly funded by the World Bank and GoB is another important phase in the reform process. The objective is to achieve a strong and effective regulatory and supervisory system for Bangladesh's banking sector.



TABLE 02: SUMMARY OF KEY BANKING REFORMS IN BANGLADESH

Year	Policy / Issues	Effect / Objectives
1970-1980	An era of debate	Since the first government has nationalized all then Pakistani commercial banks, therefore there had been intense debate in Bangladesh on the need and rationale for financial sector reform.
1981-1985	Denationalization started and permission for private commercial banks.	Out of six nationalized banks denationalization of the <i>Uttara Bank</i> and <i>Pubali Bank</i> took place and a number of new private commercial banks (PCBs) were given licenses.
Mid 1980s	The Money, Banking and Credit Commission was constituted.	The commission started to define the scope and modalities of the early phase of the reform.
Early 1990s	First intervention of World Bank: Start of Financial Sector Adjustment Credit (FSAC) Start of Financial Sector Reform Program (FSRP).	Allowed private commercial banks to operate in a more competitive environment with less regulatory requirements.
1991-1997	Implementation of National Banking Commission Report and Interest Rate Reforms and Banking Companies Act	Initiation of managed interest rate policy by setting ceiling and floor for interest rates on loans and deposits and classification and recovery of loans. Introduction of a short term bill called "91-day Bangladesh Bank Bill". Reduction in CRR and payment of interest on bank reserves.
1992	Establishment of The Credit Information Bureau (CIB)	The objectives behind setting up of the CIB was to minimize the extent of default loans by providing the participants with timely reports on credit information based on the enquiry/request about the loan applicants.
1993	Securities and Exchange Commission Act (1993)	This has allowed Bangladesh banks to initiate policy in order to improve the money market discipline & capital market.
1993	Financial Institution Act	This law has allowed private investment in establishing banking organization.
1994	Financial Institution Regulation Act	This act has been a bigger step for liberalizing and ordering the financial institutions.
1997	Capital Adequacy Policy	Allows bank to take account of different degrees of credit risk and cover both on and off balance sheet transactions.
1997	Bangladesh Bank removes ceiling on deposit rates	Allows multiple rates within a lending category and more frequent rate changes by individual banks.
1997	Bankruptcy Act	Provides greater powers to addresses insolvency and cross-indebtedness of borrowers.
1998	Loan Classification and Provisioning Circular	Creates new loan categories that help distinguish the quality of lending.
1999	Reduction in Lending to Directors of Private Banks	Limits volume of lending to bank directors and their families to reduce corruption
1999	Deposit Insurance Act	Stopping the chance of bank run and helped bank to operate prudently
2000	Financial Statement Format Amendments	Greater transparency and disclosure among banking companies.
2002	Money Laundering Prevention Act 2002	The act aims at dealing with the problem that has severe impact on the country's money reserves.
2003	Central Bank Strengthening Project (CBSP)- jointly funded by the World Bank and Government of Bangladesh (GoB)	Achieving a strong and effective regulatory and supervisory system for Bangladesh's banking sector.
2003	Financial (Money) Loan Court Act (2003)	The objective was to enable better supervision on lending activities of commercial bank to deal with problem of bad loans or loan default
2004	Reforming nationalized commercial banks (NCBs)	GoB with the help of WB's Enterprise Growth and Bank Modernization Project has initiated reform of four nationalized commercial banks to improve their performance and efficiency.
2009	Guidelines for Merger/Amalgamation of Banks/Financial Institutions	This has allowed banks or other financial institutions to undergo various forms of restructuring in required.
2009	Bangladesh Payment and Settlement Systems Regulations	To regulate and supervise payment systems that operate in Bangladesh, including cross border transactional activities in Bangladesh that affect its currency.
2009	Guidelines on Subordinated Debt	Since The scheduled banks should have capital plan approved by their Board of Directors, this regulation allows banks to have capital plan by issuing subordinated debt with the permission of Bangladesh Bank to qualify as regulatory capital (Tier 2 or Tier 3).
2010	Guideline on ICT Security For Scheduled Banks and Financial Institutions	A Guideline for ICT Security for banks & FIs to be used as a minimum requirement and as appropriate to the level of computerization of their operations.
2010	Guideline for stress testing	This guideline aim at making it compulsory for every single commercial bank to have stress testing twice a year to assess their solvency position in case of crisis in banking industry.
2010	Guideline on Supervisory review and evaluation process (SREP)	A guideline for a bank's own supervisory review of capital positions, aiming to reveal whether a bank has prudent risk management and sufficient capital to cover the risk profile.
2010	Bangladesh Electronic Funds Transfer Network (BEFTN)	Based on the earlier Remittance and Payments Partnership (RPP), this new mechanism allows the automation of the existing paper cheque clearing system which is known as the Bangladesh Automated Cheque Processing System (BACPS).
2011	Guideline for Mobile Service Banking	This regulation allows bank's customer to have mobile phone banking service which is possible due to the sheer nature of the mobile coverage in the country.
2011	Prudential guideline on capital adequacy and market discipline for financial institutions.	These guidelines will be able to make the regulatory requirements more appropriate and will also assist the FIs to follow the instructions more efficiently for smooth implementation of the Basel Accords in the Financial Institutions of Bangladesh.

Source: Modified and extended from Shabbar Jaffry, Yaseen Ghulam, Sean Pascoe, Joe Cox February (2007) and Various Issues of Publications by Bangladesh Bank.

With these major policy shifts and guidelines over the last 40 years, the banking system in Bangladesh has come to a stage where they no longer restrict themselves to traditional activities of accepting deposit or giving loan. Rather a wider range of services including corporate banking, international trade facilities, consumer credit, electronic services, SME banking, non-residential banking, stock trading, housing finance, pension fund management, investment and merchant banking activities are provided by a handsome number of banks in Bangladesh. Although the banking sector reform in 1990 has played crucial role in the development of overall infrastructure of function, process, growth, competition etc. of banking industry, the financial market development activities and globalization resulted new area of business opportunities for the banking industry. These forces have pushed the banking firms to enter in to a new area of business in order to hang on previous customer or enter into a whole new market with immense potentiality. Moreover product boundaries has blurred, which forced banks to go for diversifications, gradually making a transition towards universal banking from traditional banking.

RESEARCH PROBLEMS AND METHODOLOGY

Today most of the commercial banks in Bangladesh are providing a wide range of services under one roof. However, it is yet a matter of investigation to what extent these services match with the available services provided by universal banks, if not in terms of quality but at least in terms of offerings. Across the world, the best termed universal bank has been identified by Ingo Walter (1997) as Citicorp, Chase, Deutsche bank, Credit Lyonnais, Barclays, Bank of America, NatWest, etc. In fact Citicorp operates in Bangladesh along with other two foreign banks (HSBC and Standard Chartered) close to ranks of universal banks. Therefore, the current study will try to find out to what extent Bangladeshi commercial banks offers products and services those are available at most widely recognized universal banks. To test the availability of universal banking offerings in Bangladeshi banking industries, each of the universal banking services will be ranked in between on a scale of 0-5. Then each of the sample bank's offerings will be placed on to the scale to measure the direction towards universal banking. For the purpose of scaling, the positioning score of 0-5 has been developed to reflect the level of evolution of these banks from traditional to universal banking practices. Thus at first a focus group of five senior level practicing bank managers have been developed headed by a senior executive vice president of an anonymous bank. The theme of the paper was presented to them and discussion took place how the services of major universal banks across the world especially Citicorp, Deutsche bank, Barclays, NatWest and then HSBC, Standard Chartered Bank Limited etc. can be grouped under different transition points of the banking industry to reflect evolution toward universal banking. Latter on the scaled services under different points has been presented to another group of five experts for a Delphi panel view. A minor adjustment in terms of service grouping has been considered before the final scaling format was developed. The position scaled so created has been presented in the table 03.

TABLE 03: SERVICES UNDER DIFFERENT POINTS OF THE POSITIONING SCALE

Positioning Scale	Product or Services	Total
(Commercial Bank) Point Scale '0'	<ul style="list-style-type: none"> ▪ Accepting Deposits ▪ Making Advances 	02
Point Scale '1'	<ul style="list-style-type: none"> ▪ Retail Loans ▪ Locker Facilities ▪ Travelers Checks and Credit Cards ▪ Business Overdraft Facilities ▪ Pension funds management 	05
Point Scale '2'	<ul style="list-style-type: none"> ▪ Loan against Fixed assets ▪ Loan against securities ▪ Housing loan ▪ Seasonal Agricultural Loan ▪ Export Finance. ▪ Tax Payments ▪ Foreign Exchange Remittance 	07
Point Scale '3'	<ul style="list-style-type: none"> ▪ Utilities Bills Payments ▪ Academic Tuition Bills Payments ▪ Cash Management Services ▪ Letter of Credit and Export Bills Negotiations ▪ Non-residential Exchange and Non-Residential Accounts ▪ Facilitates Donations for Charity ▪ Working Capital Loans 	07
Point Scale '4'	<ul style="list-style-type: none"> ▪ Prepaid Cards for Payment Disbursement ▪ Credit Cards ▪ ATM Cards ▪ Debit Cards ▪ Depository Services ▪ Consultancy/ Trade Services ▪ Investment Banking ▪ Phone Banking ▪ Insurance ▪ Mutual Fund ▪ Health Cards / Health Saving Accounts ▪ NR Investment Accounts ▪ Online stock trading ▪ Merchant Banking ▪ Remote check deposits ▪ Online Automated Clearing House Organization ▪ Lock Box ▪ SME loans ▪ Currency service ▪ Wire Transfer / SWIFT facilities ▪ Islamic Banking Services 	21
Point Scale '5' (Universal Banking)	<ul style="list-style-type: none"> ▪ Derivatives and Forward contracts ▪ Home search ▪ Credit Securitization ▪ Other Securitized Products 	04
Total Products and Services		45

Source: Compiled from various Universal Bank's annual report with the help of Ingo Walter (1997)

Latter on data relating to services offered by different commercial banks in Bangladesh has been collected from annual reports of banks and from their websites. A total of 35 banks service data has been studied and the score for each bank has been calculated based on the position scale of services of table 04.

SCORING METHODOLOGY

The positioning score presented in the table has six point ranging 0-5. A traditional service offering of accepting deposits and making advances will receive 0 point indicating bank has not shifted towards universal banking form traditional one. In contrast to point 0, point 5 on the scale will define a bank as fully functional universal bank in terms of service offerings.

All the services under respective points of the scale are assigned equal weights and then weighted average score of a bank is calculated for each point of the scale.

Composite Score (Cs) = $\sum Wp \cdot AVGw \cdot Si$ equation (1.0)

Where,

AVGw = Average weight assigned to each product in a particular scaling point calculated by 1 / no. of services in that point scale.

Si = No. of services bank offering under a particular scaling point.

i = 1, 2,.....n (denotes number of services under a point of the scale)

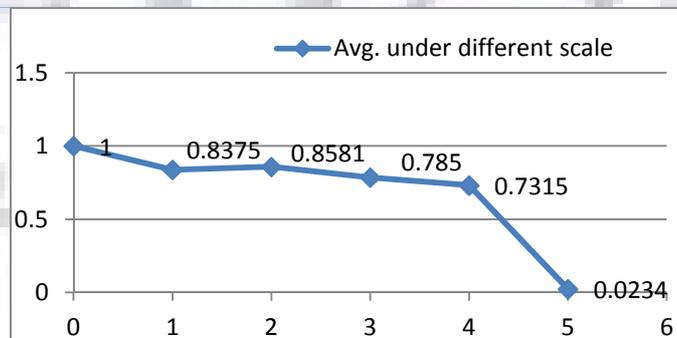
Wp = Value of each product under each category in overall scaling.

FINDINGS AND ANALYSIS

The following table (Table 4) shows the calculated value of the composite score (Cs) as per the equation 1.0. The findings suggest that only 5 banks out of selected 32 banks have score above 3.00, the standard score for considering a bank’s trend of universal banking as suggested by Chandana Goswami et. al (2009).

TABLE 04: COMPOSITE SCORE OF SELECTED BANKS IN THEIR TRENDS TOWARDS UNIVERSAL BANKING

Banking Firms	Percentage of Universal Services Offered						Composite Score
	0	1	2	3	4	5	
Universal Banks Services	100%	100%	100%	100%	100%	100%	5.000
Sonali Bank Limited	100%	100%	100%	100%	86%	25%	3.560
City Bank	100%	100%	86%	86%	81%	25%	3.258
Dhaka Bank Limited	100%	100%	100%	86%	71%	25%	3.226
Janata Bank Limited	100%	100%	100%	100%	86%	0%	3.143
Dutch-Bangla Bank Ltd.	100%	100%	100%	100%	81%	0%	3.079
Eastern Bank Limited	100%	80%	100%	100%	76%	0%	2.949
Prime Bank Limited	100%	80%	86%	100%	81%	0%	2.917
Southeast Bank Ltd.	100%	10%	86%	86%	76%	0%	2.844
Standard Bank Ltd.	100%	100%	86%	86%	76%	0%	2.844
Uttara Bank Limited	100%	80%	100%	86%	71%	0%	2.743
Brac Bank Limited	100%	80%	86%	100%	67%	0%	2.727
Exim Bank Limited	100%	100%	86%	86%	71%	0%	2.714
AB Bank	100%	80%	86%	86%	76%	0%	2.711
Pubali Bank Limited	100%	100%	86%	71%	76%	0%	2.702
Jamuna bank limited	100%	10%	86%	71%	76%	0%	2.702
Shahjalalbank	100%	10%	86%	71%	76%	0%	2.702
NCC Bank Ltd.	100%	100%	86%	86%	67%	0%	2.651
Islami Bank Bangladesh Limited	100%	10%	86%	71%	71%	0%	2.638
Rupali Bank Ltd.	100%	100%	86%	71%	76%	0%	2.635
Social Investment Bank Ltd.	100%	80%	71%	86%	76%	0%	2.616
First Security Islami Bank Ltd.	100%	100%	71%	71%	76%	0%	2.606
Bank Asia Ltd.	100%	100%	86%	86%	62%	0%	2.587
UCBL	100%	100%	86%	57%	76%	0%	2.559
National Bank Limited	100%	100%	86%	71%	67%	0%	2.508
Premier Bank Ltd.	100%	100%	86%	57%	76%	0%	2.492
Al-Arafa Islami Bank Ltd.	100%	100%	71%	57%	76%	0%	2.463
One Bank Ltd.	100%	100%	71%	57%	76%	0%	2.463
IFIC Bank Limited	100%	100%	86%	71%	62%	0%	2.444
Mutual Trust Bank Limited	100%	100%	71%	71%	67%	0%	2.413
Trust bank	100%	80%	86%	71%	62%	0%	2.378
Mercantile Bank Ltd.	100%	100%	86%	57%	67%	0%	2.365
Bangladesh Commerce Bank Ltd	100%	80%	71%	57%	57%	0%	2.076
Avg. under different scale	100% (0.00)	83.75% (.2959)	85.81% (.0902)	78.5% (.1467)	73.15% (.0688)	2.34% (.0740)	2.079 (.0317)



However, a general glance of scrutiny suggests that, only seven banks out of total 32 banks have composite score lower than the average of 2.50 which is the cutoff point from 0-5 scale. Clearly this shows an encouraging sign for the commercial banking industry of Bangladesh in its journey towards universal banking. This is also evident with the growing nature of certain regulations coming from Bangladesh Banks to regulate specific universal banking activities like Securities and Exchange Commission Act 1993, Deposit Insurance Act, Guidelines for Subordinated Debt, and Guidelines for Stress Testing etc. Moreover, the score so obtained will change (increase/decrease) once a commercial bank adds or deducts a new product / services.

However, looking at the average value of different point scale, it is interesting to note that, the average availability of universal products in our commercial banks decreases as we move from lower end to higher end products. Infact there is almost zero availability of point 5 scale products in any commercial banks in Bangladesh. The overall average of 2.079 suggests that our overall banking industry does not represent a very good trend towards universal banking practices.

Thus it can be argued that even if there are a few banks looking forward to break the shackles of traditional banking, but there is a long way to go for the entire banking industry to become truly universal banks.

CONCLUSION

Like every single country especially USA, European Union, Japan, China, commercial banks in Bangladesh have undergone a rapid expansion and changes. These changes have been due to regulatory requirements, change in overall structure and growth of financial sectors in Bangladesh as well as for accommodating the growing demand of the customers. However, the idea of providing insurance, investment banking services, mutual fund management as well derivative offerings is yet too far for most of the commercial banks in Bangladesh. The availability of these products under the umbrella of one bank in Bangladesh is not a choice that banks makes; rather it is the decision of the regulatory authorities in Bangladesh to decide if the banking business in Bangladesh has matured enough to provide such services. Thus the trend towards universal banking for Bangladeshi commercial banks is not going to be too rapid. Of course the recent failure of universal banks across the world may twist the question if there is a need for a growth in universal banking at all.

REFERENCES

1. American Banker (1997), "Criticism of Financial Reform Overblow", Shadow Panel Says, May 6.
2. Beng-Soon Chong Ming-Hua Liu, Yener Altunbas (1996), "The impact of universal banking on the risk and return of Japanese Financial Institutions." Pacific-Basin Financial Journal, Vol 4, Issues 2-3, Pp. 181-195.
3. Benston, G.J. (1990), "The Separation of Commercial and Investment Banking. The Glass-Steagall Act Revisited and Reconsidered." New York, Oxford University Press.
4. Chaitanya, Krishna V (2005), "Universal Banking: The Indian Perspective," Regional and Sectoral Economic Studies, AEEADE, Vol. 5, Issue 1.
5. Cybo-Ottone, A. and M. Murgia (2000), "Mergers and Shareholder Wealth in European Banking," Journal of Banking and Finance, Issue 24, Pp. 831-859.
6. Gabe de Bondt, Benoît Mojon and Natacha Valla (2002), "Interest Rate Setting by Universal Banks and the Transmission Mechanism in the Euro Area," Policy Paper of European Central Bank, Kaiserstrasse 29, D-60311, Frankfurt am Main, Germany. 6th Nov, 2002.
7. Gande, A., Puri, M., Saunders, A. (1998) "Bank Entry, Competition and the Market for Corporate Securities Underwriting," Working paper, Department of Finance, Stern School of Business, New York.
8. Gorton, G., Schmid, F.A. (1996), "Universal Banking and the Performance of German Firms." Working Paper, University of Pennsylvania, Philadelphia, PA.
9. Ingo Walter (1997), "Universal Banking: A Shareholder Value Perspective." European Management Journal, Vol. 15, No. 4, Pp. 344-360.
10. John H. Boyd (1999), "Expansion of Commercial Banking Powers . . . or, Universal Banking is the Cart, not the Horse," Journal of Banking & Finance, Issue 23, Pp. 655-662.
11. Jordi Canals (1998), "Universal Banks: The Need for Corporate Renewal," European Management Journal, Vol. 16, No. 5, Pp. 623-634.
12. Jun-Koo Kang, Wei-Lin Liu (2006), "Is universal banking justified? Evidence from bank underwriting of corporate bonds in Japan," Journal of Financial Economics, Vol. 84, Issue 1, pp. 142-186.
13. Nair, Dr. KRS (1999) "Universal Banking", Indian Management, pp. 48-51.
14. Rajan, R.G. (1992) "Insiders and Outsiders: the Choice between Informed and Arm's-length Debt," Journal of Finance, Issue 47, pp 1367-1400.
15. Saunders, Anthony (1999), "Consolidation and Universal Banking," Journal of Banking & Finance, Issue 23, pp. 693 - 695.
16. Saunders, Anthony and Ingo Walter (1994), "Universal Banking in the United States: What could we Gain? What could we Lose?," Journal of Banking and Finance, Vol. 18, Issue 6, pp. 1217-1219.
17. Sharpe, S.A. (1990), "Asymmetric Information, Bank Lending, and Implicit Contracts: A Stylized Model of Customer Relationships," Journal of Finance, Issue 45, pp. 1069-1087.
18. Tilly, Richard (1998), "Universal Banking in Historical Perspective," Journal of Institutional & Theoretical Economics, Vol. 154, Issue 1, pp 7-38.
19. White, E.N. (1986), "Before the Glass-Steagall Act: An Analysis of the Investment Banking Activities of National Banks," Explorations in Economic History, Issue 23, Page 33-55.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, IT and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mails i.e. **infoijrcm@gmail.com** or **info@ijrcm.org.in** for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

