

Internship Report On

# BANKING PRACTICE OF NCC BANK LTD

*An Internship report submitted to the course instructor as a partial fulfillment of the requirements of the BBA Program.*

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Submission date: Jan 03, 2014

## Letter of Transmittal

21 December 2013  
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**Subject:** Solicitation for Acceptance of the Report.

Dear Madam,

I am pleased to submit the report titled “Banking Practice of NCC Bank” as requirement BBA program. I had tried my best to make this report holistic and informative enough. All the works presented here is done with utmost sincerely and honesty.

Thank you for you cooperation and guideline. Working with such an interesting program has given me the opportunity to achieve experience on it. I shall be highly encouraged if you are kind enough to receive this report. I am always available for any further quarries regarding this report.

Sincerely yours

-----

Md. Mahfujar Rahman  
BBA Program, 21<sup>th</sup> Batch  
ID: M21011111024

## **Acknowledgment**

All praises to almighty Allah who has created me and has given me opportunities and strength to work with people. With deep interest I had started my work. My “Internship Program” is just a part of BBA under the Dept. of Business Administration, Uttara University.

With due respect I remain all the teachers of my department, who have significant contribution behind merging “Internship program” in BBA curriculum. I am greatly indebted to who has supervised **Nusrat Jahan** lecturer business administration Uttara University instructed & directed me to complete “Internship Training”.

I am also grateful to **senior assistant. Vice President & Br. Manager, Deputy Manager, (Senior Officer) Shafiquel islam (Office) Fakaruddin ali hyder khan (Senior Officer) Mohammad Rahat Hossin (Officer) Ehsanul haque bhuiyan**, of the National Credit & Commerce Bank Ltd who has helped me very much by providing me various documents and information about the banking operations & management. Which is the topic of my Internship Report. The Regional office other officers and staff also helped me by providing the actual data and correct information. I am also grateful to them.

Besides I am also grateful to the authors, researchers, and articles writer who’s Books, Reports, Thesis papers and journals that have helped me to prepare my Internship Report successfully.

**Whom it may Concern**

This is to certify that Md. Mahfujar Rahman is a student of BBA, Uttara University ID: M21011111024 successfully completed his internship program entitled 'Banking practice of NCC Bank Ltd' under Ncc bank tongi branch as the partial fulfillment for the award of BBA degree.

He has tried his best to make this report holistic and informative enough. All the works presented here is done with utmost sincerely and honesty.

He has done his job according to his supervision and guidance. He has tried his best to do this successfully. I think his program will help in the future to build up his career.

I wish his success and prosperity in life.

.....

A.K.M Ekhlasur Rahman

Senior assistant vice president

NCC Bank, Tongi branch

Tongi, Gazipur

**Whom it may Concern**

This is to certify that Md. Mahfujar Rahman is a student of BBA, Uttara University ID M21011111024 successfully completed his internship program entitled Banking practice of NCC Bank Ltd. under my supervision as the partial fulfillment for the award of BBA degree.

The student is to be sincere hardworking, self-motivated and he has put a lot of work and also brought his own views and idea these are being studies for implementation at appropriate place at suitable time.

He has done his job according to my supervision and guidance. He has tried his best to do this successfully. I think his program will help in the future to build up his career.

I wish his success and prosperity in life.

.....

Nusrat Jahan

Lecturer (Finance)

School of business

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## **Declaration**

I am Md. Mahfujar Rahman the student of bachelor of business administration, (BBA) 21<sup>th</sup> batch bearing ID: M21011111024 major Finance in Uttara University would like to solemnly declare here that an internship report on banking practice of NCC Bank Ltd. Has been authentically prepared by me. While preparing this internship report didn't breach by copy right act internationally am did not submit this report anywhere for awarding degree, diploma or certificate.

.....

Md. Mahfujar Rahman

ID: M21011111024

BBA, 21<sup>th</sup> Batch

Uttara University

## **Executive Summary**

Banking system of Bangladesh has gone through three phases of development- Nationalization, Privatization, and Lastly Financial Sector Reform. National credit and commerce Bank Limited (NCCBL) has started its journey as a private commercial bank on May 13, 1993. While running practical orientation with NCCBL tongi Branch, I was placed in three vital departments.

General banking is the starting point of all the banking operations. It is the department, which provides day-to-day services to the customers. It opens new accounts, remit funds, issue bank drafts and pay orders etc. Provide customer through quick and sincere service is the goal of the general banking department.

National Credited & Commerce Bank Ltd is a leading local commercial bank in Bangladesh has a good reputation and brand value in the market. The customers are very much interested about various product and services. Personal loan, Deposit double, Deposit pension scheme, Special deposit pension scheme or Income Unlimited, Monthly Saving Scheme (MSS), Monthly Benefit Scheme (MBS), Double Growth Deposit Scheme and varies type of Loans & Advances.

Their corporate mission and vision. How they exercise their corporate and social responsibility. Then a brief description about the board of director and key management profile. The performance of the last few year and growth was well satisfactory.

This report aims at providing an overall analysis of the behavior of the general banking activity of National Credited & Commerce Bank Ltd. Before going to the analysis, it is mandatory to know something about the organization, its core products that it offers to its customers & also about the services.

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# **CHAPTER 1**

## **Introduction**

### **1.1 Background of study:**

As a partial fulfillment of the **B.B.A** program I choice the subject–“**Banking Practice of NCC Bank Ltd.**” .For this I attached with NCC Bank to do my project program for three months. I have completed my internship from "NCC Bank Ltd", a commercial and service oriented financial institution. During that time I have worked in various sectors is a connived depiction of the three month long internship program at the tongi Branch of NCCBL. The organization attachments started on 07 October, 2013 and complete the internship at 07 January, 2014. The report will definitely identify how the corporate world really works and will help to apply theoretical knowledge in the practical life.

### **1.2 Scope of the study:**

In spite of limitations I also got some facilities to complete my internship report. My honorable University internship supervisor helped me a lot in every moment which I needed to complete the internship report. She gave me a guideline to prepare my report more attractively and perfectly. Moreover my bank supervisor also helped me to understand the banking activities. The employees in every department in the bank delivery me all the necessary documents, data & had a useful conversation which I needed to prepare the report. And also the interns in there were very helpful. All in, the entire bank has given me the opportunity to observe the banking environment for the first time indeed. I got an opportunity to utilize my learning which I gain in my academic period and gather experience by working in the different departments of the branch under the supervision of different departmental heads.

### **1.3 Objective of the study:**

The purposes of this report cognates the internship purpose. The internship objective was to gather practical knowledge and experience of the corporate working environment. To this regard this report is contemplating the knowledge and experience accumulated. So those who

are helping us in every steps, we must know about them, that's why objective of this report are

- **To present an overview and brief introduction of NCCBL.**
- **To know about Banking activities of NCC Bank Ltd .**
- To learn about the procedure of handling Inward & Outward Remittances by NCCBL.
- To be acquainted with day to day functioning of service oriented Banking business.
- To review how NCC Bank perform their activities.
- **To examine the role played by NCC Bank in the economy of Bangladesh.**

**To know about all these activities we have focused to a private commercial bank that “National Credit & Commerce Bank Ltd.”. From there we collect all required information that will help us to acquired knowledge about its products and services.**

#### **1.4 Methodology of the Study:**

In this study, exploratory research was undertaken to gain insights and understanding of the overall banking industry and also to determine some of the attributes of service quality in Banks. After that a more comprehensive conclusive research was undertaken to fulfill the main purpose of the study.

##### ➤ **Primary Sources:**

- **Face-to-face conversation with the respective officers in the branch.**
- **Informal conversation with the clients.**
- **Practical work exposures on different desks of the branch covered.**
- Relevant file study as provided by the officers concerned.

##### ➤ **Secondary Sources:**

Sources of secondary data can be defined as

##### ➤ **Internal Sources:**

- Bank's Annual Report.
- Training manual of NCCBL.
- Prior research report.

Any information and literature regarding the Banking sector.

➤ **External Sources:**

- Different books and periodicals related to the banking sector.
- Bangladesh Bank Report.
- Newspapers.
- Website information.

**A proper procedure has been taken to complete this study. The procedures were as follows:**

- **Observing the procedure of banking activities followed by each department.**
- **Face to face discussion with the respective personnel.**
- **Reading various files.**
- Desk working at various desks for the period of three months.

**1.5 Limitations of the report:**

- I had to complete this paper within a short span of time; dearth of adequate time gave us a rough ride.
- Time and resource constraints.
- Due to some legal obligation and business secrecy banks are reluctant to provide data. For this reason, the study limits only on the available published data and certain degree of formal and informal interview.
- Due to budget constraints, the survey could not be made up to desired level.
- Lack of adequate information. The report is based only publicly available information.

Lack of experience in the field of finance and banking concept, also create constraint in exploring the topic.

## CHAPTER-2

### Literature Review

#### Literature Review

In Bangladesh, the contribution of banking sector towards the economic growth and development of both the public and private sectors is enormous. It has been possible for easy access to loans and advances.

#### 2.1 Banking History:

The English word “Bank” is derived from Italian word “banco”. The Latin “bancus” and French word banque which means a bench. They are of the opinion that the medieval European bankers (i.e. money changers and money lenders) transacted their banking activities on the benches in market place. This money changing and money lending business is known as “Banking business”.

Banks have to compete with local financial institution as well as foreign financial institution in the market place, banks has to develop appropriate financial structure and should periodically review and compare their performance with its competitor to build a sound banking institution

Banks are financial intermediary institutions. The core is to mobilize the financial surplus of saver in the form of deposits & allocate these savings to the credit worthy borrowers of different sector of economy in the form of loans & advances. The advance of the intermediary functions between the savers & investors would certainly in the lower level of savings & investment & thus lower the economic growth. That development of the financial intermediaries & instrument (both in case of deposit & advance) will lead to the development of the economy of a country. The **history of banking** begins with the first prototype banks of merchants of the ancient world, which made grain loans to farmers and traders who carried goods between cities. This began around 2000 BC in Assyria and Babylonia. Later, in ancient Greece and during the Roman Empire, lenders based in temples made loans and added two important innovations: they accepted deposits and changed money. Archaeology from this period in ancient China and India also shows evidence of money lending activity.

Banking, in the modern sense of the word, can be traced to medieval and early Renaissance Italy, to the rich cities in the north such as Florence, Venice and Genoa. The Bardi and Peruzzi families dominated banking in 14th century Florence, establishing branches in many other parts of Europe. Perhaps the most famous Italian bank was the Medici bank, established by Giovanni Medici in 1397. The oldest bank still in existence is Monte dei Paschi di Siena, headquartered in Siena, Italy, which has been operating continuously since 1472. It is followed by Berenberg Bank of Hamburg (1590).

The development of banking spread from northern Italy throughout the Holy Roman Empire, and in the 16th century the position of the Medicis was eventually taken over by the Fuggers and the Welsers, followed by a number of important innovations that took place in Amsterdam during the Dutch Republic in the 17th century and in London in the 18th century. During the 20th century, developments in telecommunications and computing caused major changes to banks' operations and let banks dramatically increase in size and geographic spread. The financial crisis of 2007–2008 caused many bank failures, including some of the world's largest banks, and provoked much debate about bank regulation.

## **2.2 Banking in Bangladesh:**

Bangladesh is a third world country with an under developed banking system, particularly in terms of the services and customer care provided by the government run banks. Recently the private banks are trying to imitate the banking structure of the more developed countries, but this attempt is often foiled by inexpert or politically motivated government policies executed by the central bank of Bangladesh, Bangladesh Bank. The outcome is a banking system fostering corruption and illegal monetary activities/laundering etc. by the politically powerful and criminals, while at the same time making the attainment of services or the performance of international transactions difficult for the ordinary citizens, students studying abroad or through distance learning, general customers etc..

-History- The *Pakistani banking system* at independence (14 August 1947) consisted of two branch offices of the former State Bank of Pakistan and seventeen large commercial banks, two of which were controlled by Bangladeshi interests and three by foreigners other than West Pakistanis. There were fourteen smaller commercial banks.

Virtually all banking services were concentrated in urban areas. The newly independent government immediately designated the Dhaka branch of the State Bank of Pakistan as the central bank and renamed it the Bangladesh Bank. The bank was responsible for regulating

currency, controlling credit and monetary policy, and administering exchange control and the official foreign exchange reserves. The Bangladesh government initially nationalized the entire domestic banking system and proceeded to reorganize and rename the various banks. Foreign-owned banks were permitted to continue doing business in Bangladesh. The insurance business was also nationalized and became a source of potential investment funds. Cooperative credit systems and postal savings offices handled service to small individual and rural accounts. The new banking system succeeded in establishing reasonably efficient procedures for managing credit and foreign exchange. The primary function of the credit system throughout the 1970s was to finance trade and the public sector, which together absorbed 75 percent of total advances. The government's encouragement during the late 1970s and early 1980s of agricultural development and private industry brought changes in lending strategies. Managed by the Bangladesh Krishi Bank, a specialized agricultural banking institution, lending to farmers and fishermen dramatically expanded. The number of rural bank branches doubled between 1977 and 1985, to more than 3,330. Denationalization and private industrial growth led the Bangladesh Bank and the World Bank to focus their lending on the emerging private manufacturing sector. Scheduled bank advances to private agriculture, as a percentage of sectoral GDP, rose from 2 percent in FY 1979 to 11 percent in FY 1987, while advances to private manufacturing rose from 13 percent to 53 percent.

The transformation of finance priorities has brought with it problems in administration. No sound project-appraisal system was in place to identify viable borrowers and projects. Lending institutions did not have adequate autonomy to choose borrowers and projects and were often instructed by the political authorities. In addition, the incentive system for the banks stressed disbursements rather than recoveries, and the accounting and debt collection systems were inadequate to deal with the problems of loan recovery. It became more common for borrowers to default on loans than to repay them; the lending system was simply disbursing grant assistance to private individuals who qualified for loans more for political than for economic reasons. The rate of recovery on agricultural loans was only 27 percent in FY 1986, and the rate on industrial loans was even worse. As a result of this poor showing, major donors applied pressure to induce the government and banks to take firmer action to strengthen internal bank management and credit discipline. As a consequence, recovery rates began to improve in 1987. The National Commission on Money, Credit, and Banking recommended broad structural changes in Bangladesh's system of financial intermediation

early in 1987, many of which were built into a three-year compensatory financing facility signed by Bangladesh with the IMF in February 1987.

One major exception to the management problems of Bangladeshi banks was the Grameen Bank, begun as a government project in 1976 and established in 1983 as an independent bank. In the late 1980s, the bank continued to provide financial resources to the poor on reasonable terms and to generate productive self-employment without external assistance. Its customers were landless persons who took small loans for all types of economic activities, including housing. About 70 percent of the borrowers were women, who were otherwise not much represented in institutional finance. Collective rural enterprises also could borrow from the Grameen Bank for investments in tube wells, rice and oil mills, and power looms and for leasing land for joint cultivation. The average loan by the Grameen Bank in the mid-1980s was around Tk2,000 (US\$65), and the maximum was just Tk18,000 (for construction of a tin-roof house). Repayment terms were 4 percent for rural housing and 8.5 percent for normal lending operations.

The Grameen Bank extended collateral-free loans to 200,000 landless people in its first 10 years. Most of its customers had never dealt with formal lending institutions before. The most remarkable accomplishment was the phenomenal recovery rate; amid the prevailing pattern of bad debts throughout the Bangladeshi banking system, only 4 percent of Grameen Bank loans were overdue. The bank had from the outset applied a specialized system of intensive credit supervision that set it apart from others. Its success, though still on a rather small scale, provided hope that it could continue to grow and that it could be replicated or adapted to other development-related priorities. The Grameen Bank was expanding rapidly, planning to have 500 branches throughout the country by the late 1980s.

Beginning in late 1985, the government pursued a tight monetary policy aimed at limiting the growth of domestic private credit and government borrowing from the banking system. The policy was largely successful in reducing the growth of the money supply and total domestic credit. Net credit to the government actually declined in FY 1986. The problem of credit recovery remained a threat to monetary stability, responsible for serious resource misallocation and harsh inequities. Although the government had begun effective measures to improve financial discipline, the draconian contraction of credit availability contained the risk of inadvertently discouraging new economic activity. Foreign exchange reserves at the end of FY 1986 were US\$476 million, equivalent to slightly more than two months worth of imports. This represented a 20-percent increase of reserves over the previous year, largely the



result of higher remittances by Bangladeshi workers abroad. The country also reduced imports by about 10 percent to US\$2.4 billion. Because of Bangladesh's status as a least developed country receiving concessional loans, private creditors accounted for only about 6 percent of outstanding public debt. The external public debt was US\$6.4 billion, and annual debt service payments were US\$467 million at the end of FY 1986.

Economy of Bangladesh is in the group of world's most underdeveloped economies. One of the reasons may be its underdeveloped banking system. Modern banking system has been playing a vital role for a nation's economic development. Over the last few years the banking world has been undergoing a lot of change due to deregulation, technological innovations, globalization etc. These changes also made revolutionary changes of a country's economy. It is well recognized that there is an urgent need for better qualified management & better-trained staff in the dynamic global financial market. Bangladesh is no exception in that trend. Banking sector in Bangladesh is facing challenges from different angles though its prospect is bright in the future. Money & Banking is the center around which all-economic science clusters. So this report is carried on to find out the problems faced by NCC Bank & recommend some measures to overcome these problems for economic development of Bangladesh.

NCC Bank is one of the fast growing commercial banks with having well reputation & goodwill for its commitment & service it provides towards the consumers & the nation. With day by day function the bank also provides some services & facilities which are most equal to an international banking system. It helps the banks to get closer towards the consumers. ATM, Credit card, worldwide correspondence etc are the most recent products of this bank which has world wide demand as well as into the country's.

For my internship I choose this bank because of its potentiality & fast growing attitudes which make it popular & well acceptable to all within a short period of time.

## **CHAPTER 3**

### **Overview of NCC Bank Limited**

#### **3.1 An Overview of NCCBL:**

Reaching program of economic reform is being carried out at present towards efficient utilization of scarce resources and the development of private the present day bank structure has evolved over several decades. The far entrepreneurship in the ever changing business environment, financial intermediaries is gradually guided by market forces and regulation. Competition is strengthened by the entry of new and innovative providers of financial services through the development of Money Market and Capital Market. Under the ongoing financial liberalization program, The NCC Bank Limited emerges as a fast growing, leading and prominent bank in the private sector to operate on the commercial arena of Bangladesh. The NCC Bank Limited has already occupied a challenging position among its competitors after achieving success in all areas c business operation. This is catering both the Conventional and Islamic mode of interests. It offers all kind of Commercial Corporate and Personal Banking services covering almost all segments of the society. To serve the customers through capacity building across multi delivery channel is one of the main strategies of the NCC Bank Limited. The bank gradually is increasing the number of branches, for coming nearer to its customer by providing various convenient services. Thus, in the local market the operation of the 'NCC Bank Limited is highly appreciated for its customer oriented focus.

### **3.2 Historical Starting:**

The institution started its function back in 1985 as an investment Company in the name of National Credit Limited (NCL) with a Paid-up capital of Tk.50 million only. NCL performed well for near about 7 years. The core objective of the company was to play a catalyst role in the Capital Market of the country by way of participating in security trading, underwriting etc. However in 1992 in the backdrop of closure of BCCI and BCI. This investment company, NCL faced a severe setback in respect of business.

With active initiative taken by the members of the Board and the Management team. The company could overcome the problem and get it converted into a full-fledged Commercial bank on 17-05-1993. After obtaining license from Bangladesh Bank as National Credit and Commerce Bank Limited (NCCBL) re-flexing the Authorized Capital at Tk.750 million and Paid up Capital at Tk.390 million of which Tk. 195 million was subscribed by the sponsors at that time.

### **3.4 Objectives of the Bank:**

- To value and respect the customers and maintain harmonious banker- customer relationship.
- To strive for good profit and sound growth
- To contribute towards the formation of national capital.
- To achieve and sustain in the domestic leading market position in both customer and corporate banking sector.
- To be the most efficient bank in terms of technology application.

### **3.5 Values of the Bank:**

- To have a strong customer focus and build relationship based on integrity, superior service and mutual benefit.
- To work as a team to serve the best interests of the group.
- To work for business innovation and improvements.
- To value and respect the people and make decision based on the merit.  
To provide recognition and reward on performance.
- To be responsible, trustworthy and law-abiding in every sphere.
- To become the base bank in respect of service, profitability and strength.
- Provide the greatest return to the shareholders by achieving sound profitable growth.
- Being perceived by customer and staff as the best whenever it operates.

### **3.6 Vision of NCC bank:**

To become the Bank of choice in serving the Nation as a progressive and Socially Responsible financial institution by bringing credit & commerce together for profit and sustainable growth.

### **3.7 Mission of NCC bank:**

To mobilize financial resources from within and abroad to contribute to Agriculture, Industry & Socio-economic development of the country and to play a catalytic role in the formation of capital market.

### **3.8 Slogan:**

“Where Credit & Commerce Integrates”

### **3.9 Motto:**

The Bank will be a confluence of the following three interests:

Of the Bank: Profit Maximization and Sustained Growth.

Of the Customer: Maximum Benefit and Satisfaction.

Of the Society: Maximization of Welfare.

### **3.10 Management Structure:**

Management of NCCBL is professional and experienced. Top management and policy formulation of the bank is vested on the board of Directors. The boards of directors consist of 26 members headed by chairman. Most of the directors are owners of the large business group having high net worth. The executives and officers of the bank execute the policies and programs formulated by the board. The managing director is the chief executive of the bank and he is assisted and supported by other qualified executives like Senior Executive vice-President, Executive vice president (EVP), Vice President (VP), senior assistant Vice president and other officers and staffs. There are nine divisions in this Bank and one training institute.

### **Activities of NCC Bank**

### **3.11 Account Opening:**

It is a customer service section. Here employees of the bank are always ready to serve their customers. In this section people come to open different kinds of accounts, and schemes. They are very friendly and cordial to their clients. Here the employees also issue new checkbooks, help customer to open various types of A/C, and help customers about various types of deposit scheme etc. They also use computer for posting purposes below is list of who can open different types of account:

- Individual
- Sole proprietorship
- Partnership Firm
- Private/Public limited companies
- Clubs
- Societies

### **3.12 Necessities of Opening Bank Account:**

- Safety preservations.
- Creation of savings attitude.
- Facilities of risk less income.
- Formation of national capital.
- Economic development.
- Establishment of social securities.

### **3.13 Types of Account:**

#### **A. Savings Accounts:**

1. Individual A/C
2. Joint A/C.
3. Non trading concern.

#### **B. Current Accounts:**

1. Individual A/C
2. Proprietorship A/C
3. Partnership A/C
4. Limited Company A/C

**C. Fixed Term Deposit (FDR)**

**D. Short Term Deposit (STD)**

**E. Special Savings Deposit Scheme (SSS)**

**F. Special Deposit Scheme (SDS)**

**A. Saving Account:**

Savings account is meant for those who want to save a certain amount of their income and earn interest on that for future needs. All features are more or less like that of CD a/c except for some restriction that is imposed by the bank. Number of withdrawals over a period of time is limited. The withdrawing amount is not to exceed 25% of the total balance.

**B. Current Account:**

Individuals, sole proprietorship firm, partnership firm, limited companies be it private or public, clubs, societies etc may open current deposits accounts. Current accounts are most suitable for all types of organizations since frequent withdrawals do not result in a penalty. There is no interest earned from current deposit account.

**C. Short Term Deposit:**

Short-term deposits accounts are special notice account, which are kept under short term deposit ledger. The rate of interest on STD is subject to change from time to time. Any Withdrawals from this account require seven-day prior notice.

It is similar to Current account. Main difference between CD account and STD is STD a/c holder doesn't get any interest on below 10 lac taka and get 4% interest over 10 lac or above amount in a daily basis.

**D. Fixed Term Deposit:**

**Deposit for a fixed period specified in advance. The banks not maintain cash reserves against this deposit. The bank offers higher rates of interest on FDR. Minimum deposit is Tk 10,000/-.**

**E. Special Saving Scheme (SSS):**

A SSS customer has to deposit fixed amount of money each month for a definite period of time, normally for 5 to 10 years. A depositor can open a SSS account for deposit of Tk., 500/- , Tk.1000/-, Tk. 2,000/-, Tk. 3000/-, Tk. 4000/-, Tk. 5,000/-, Tk.10, 000/-Tk. 1500/-, Tk. 20,000/- Tk. 25,000/- etc in each month.

**3.14 Requirements and Documents needed for opening Bank Account:**

**A. Savings Accounts:**

1. Photographs (2 Copies)
2. Photographs (1Copy) *Nominee*
3. Nationality Certificate
4. Nationality Certificate (*Nominee*)
5. Tax Identification Number (if any)
6. Passport Photocopy (if any)
7. Introducers A/C Name & A/C No.

**B. Current Accounts: Individual:**

1. Photographs (2 Copies) attested by Introducer
2. Photographs (1Copy) *Nominee*
3. Nationality Certificate
4. Nationality Certificate (*Nominee*)
5. Introducer's A/C Name & A/C No.
6. Transaction profile

7. Opening Deposit of Tk. 5000.00 (Min)

**C. Current Accounts: Proprietorship:**

1. **Photographs (2 Copies) attested by Introducer.**
2. Nationality Certificate
3. Transaction profile
4. Introducer's A/C Name & A/C I
5. Trade License
6. Opening Deposit Tk.5000.00 (Mm)

**D. Current Accounts: Partnership:**

1. Photographs (2 Copies) attested by Introducer
2. Nationality Certificate of each Partner
3. Transaction. Profile
4. Introducer's A/C Name and A/C No.
5. Opening Deposit Tk.5000.00 (Min)
6. Trade License
7. Partnership Deed

**E. Current Accounts: Limited Company:**

1. Photographs (2 Copies of MD attested by Introducer
2. Nationality Certificate of MD
3. Introducer's A/C Name, & A/C No.
4. Trade License
5. Memorandum of Association
6. Articles of Association
7. Certificate of Incorporation.



8. Certificate of Commencement (In case of the Public Limited Co.)
9. Resolution
10. Transaction profile
11. Opening Deposit Tk. 5000.00 (Min)

### **3.15 Account Opening Procedure:**

The relationship between banker and his customer begins with the opening of an account. Initially all the accounts are opened with a deposit of money by the customer and hence these accounts are called deposit accounts.

The deposit liabilities of a banker are classified into two categories:

- Time liabilities or term deposit
- Demand liabilities or demand deposit

### **3.16 Time liabilities or term deposit:**

Term deposits are included all those deposits which are deposited with the bank for a fixed period specified in advance such as fixed deposits or ten deposits. NCCBL provides different types of term deposits service to their customer such as-

- Fixed Deposit Receipt (FDR)
- Short Term Deposit (STD)
- Barrier Certificate Deposit (BCD)
- Special Saving Scheme (SSS)

#### **Fixed Deposit Receipt:**

Fixed deposit accounts are repayable after the expiry of the predetermined period fixed by the customer. The period of the FDR ranges from three months to one year. Longer the period, the rate of interest is higher. Amount of FDR is payable once a time. If the client does not withdraw the amount and give further instructions for renewal within one month from the date of maturity, then the FDR account would get renewed for a further three months and the rate of interest would prevailing rate for fixed deposit.

#### **Rate of Interest on Deposit offered by the Bank**

<b>Deposit Product</b>	<b>Rates</b>
Savings Bank Deposit A/C:	6.00%
Special Notice Deposit (SND) A/C -- Below Taka 1 (one) Crore:	6.00%
Special Notice Deposit (SND) A/C -- Taka 1 (One) Crore and above but below 25.00 Crore :	6.50%
Special Notice Deposit (SND) A/C -- Taka 25.00 Crore and above but below 50.00 Crore :	7.50%
Special Notice Deposit (SND) A/C -- Taka 50.00 Crore and above but below 100.00 Crore :	8.00%
Special Notice Deposit (SND) A/C -- Taka 100.00 Crore and above :	9.00%
Special Savings Scheme :	13.00%
<b>Fixed Deposit</b>	
Fixed Deposit for 1 Month	8.00%
Fixed Deposit for 3 Months	11.00%
Fixed Deposit for 6 Months	11.00%
Fixed Deposit for 12 Months	11.00%
Fixed Deposit for 24 Months :	11.00%

These deposits are made for a fixed period specified in advance. The bank doesn't

Maintain cash reserve against these deposits.

- Here we will discuss four steps:
- Opening of FDR
- Closing of FDR
  
- Different types of payment procedure
- Loss of FDR

#### **Opening of FDR:**

The depositor has to fill in an application form wherein he mentions the amount of deposit. The period for which deposit is to be made and the name in which the fixed deposit receipt is

to be issued. In case of a deposit in joint names, the banker also takes the instructions regarding payment of money on maturity of deposit. The banker also takes the specimen signatures of the depositor(s). A FDR is then issued to the depositor acknowledging receipt of the sum of money mentioned therein. It also contains the rate of interest and the date on which the deposit will fall due for payment.

**Closing of FDR:**

If a FDR holder wants to take interest after maturity, banker should consider the following rates:

- There is an access duty rate for different deposit amount-

Category of deposit	Access duty (Tk/-)
Up to 1,00,000	120/-
Up to 10,00,000	350/-
Up to 1 core	1000/-

- Tax deduction rate is 15%

**Different payment procedure:**

- **Payment on before maturity:** It may be happened that a client who has a three months basis FDR for one year, wants to close his/her FDR in 7th month. In this situation client will get 6 months interest from his deposited amount.
- **Payment on death/ deceased account:** If a FDR holder die before closing re FDR, then- Nominee can get the deposited amount with interest, or by succession certificate FDR holder’s family can get the money (here court will decide who will get how much)
- **Interest on overdue deposit:** A banker is legally not bound to pay interest on fixed deposit after its maturity. However, according to the directives of the Bangladesh Bank (BB), the bank at its discretion shall pay interest for overdue

period on such deposits subjects to the following conditions:

- The deposit is renewed with effect from date on which it matured for payment. The rate of interest allowed for such period does not exceed the rate of interest applicable to the period for which deposit has been renewed.

**Loss of FDR: If the FDR holder lost his/her FDR block following process s/he has to take:**

- First he/she will do G.D in the police station.
- Write an application to the bank to inform it.
- Branch will inform it to the H/O
- H/O will send this information to every branch
- Branch will give reply to this letter
- If the banker doesn't find any discrepancy then a duplicate copy of the FDR will be given to the FDR holder.
- FDR holder will also sign in a bond where it is written that if s/he fined their FDR receipt later they can't claim for it.

Sl. No	Monthly installment (Taka)	Amount to be Paid on completion of	
		5 Years (Taka) 13%	10 years (Taka) 13%
1	500	41,400	1,15,900
2	1,000	82,800	2,31,800
3	2,000	1,65,600	4,63,600
4	3,000	2,48,400	6,95,400

5	4,000	3,31,200	9,27,200
6	5,000	4,14,000	11,59,000
7	10,000	8,28,000	23,18,000
8	20,000	16,56,00	46,36,000
9	25,000	20,70,000	57,95,000

**The depositor(s) will get following amount after maturity of SSS account**

### **Demand liabilities or demand deposit:**

The amount which is payable on demand is called demand deposit account.

### **There are two types of demand deposit account:**

- Savings account
- Current account

### **To open a SB A/C or CD A/C bank will give following forms to the client:**

- One application form
- One nominee form
- One transaction profile
- One knowledge about your customer (KYC)
- One specimen signature card- client can give any special instruction through this card
- SB A/C holder cannot introduce the CD A/C holder but CD A/C holder can introduce SB a/c holder.
- They will also register it into the computer
- Bank will send thanks letter to every new account holder

### **3.17 Issuing cheque book:**

If any one wants to issue cheque book s/he have do following steps:

- Issuer has to fill up (name, date and sign) a clip.

Respondent will put the serial no (e.g. 1428971) and to (e.g. 1428980) with date in the clip.

- Respondent will write the name of the issuer in each cover page and also in the recognition page.
- Respondent put the account number in every page including cover page and also give signature in every page.
- Give issuing date and seal of the bank with branch name.

### **3.8 Closing of bank account:**

A customer's account with a banker may be closed in the following circumstances:

- The customer may inform the banker in writing of his intention to close the account. The banker cannot ask for his reasons of such closure. It should immediately ask the customer to return the unused cheques and close the account.
- The banker may itself ask the customer to close his account when the banker finds that the account has not been operated for a long time. A notice to that effect can be given to the customer.
- In case the customer does not come forward to close the account in spite of getting notice for closure of account from the banker, the banker should give a second notice to him stating it clearly that in case he himself does not close his account by a specific date the banker himself will close that account.
- In case the customer does not close the account by the specified date, the banker should by a draft send to him the money lying in his account.
- In the following cases, the banker should suspend all payments from the customer's account till the matters are finally settled.
- When the banker receives notices of customer's death or insanity. When the customer becomes insolvent or in case of a company it goes into liquidation. In such cases the money standing to the credit of the customer will be transferred to

the official received of the official liquidator as the case may be.

- When the banker receives a garnishee order (A court order attaching the belonging to the judgment debtor in the hands of the third party. The garnishee upon whom the order is served holds the assets of the judgment debtor until legal proceedings determine who is entitled to the property. The order is effective from the moment it is served).
- When the banker receives notice from the customer regarding assignment of the balance standing to the credit of his account by him to a third party. The banker is such a case is bound to pay the money to the third party.

### **3.19 Major limitations of Account Opening Section:**

- Lack of effective deposit scheme.
- Rate of interest is very competitive.
- No special & effective deposit scheme comparing other bank.
- Customers are not aware about these deposit schemes of this bank.
- There are no promotional activities about this product.

### **3.20 Account statement:**

Any company or individuals may want to know their balance. For that they have to provide their account no and starting and ending date of transaction they want to know. The procedure is they will write this information to the register khata and receive the computer printed statement by giving signature.

### **3.21 Clearing:**

**Local offices branch of NCC Bank receives different types of instruments, such as cheque, PO, DD etc. from its customers for collection. It also pays on behalf of its customers for those instruments that come to it through clearinghouse. When instruments of NCC Bank are sent for collection or received for payment through**

**clearing house it is called Inter Bank Clearance or IBC. These are treated in a little different manner than instruments of other Banks.**

**When the cheques are presented to a Bank by the other Banks for collection of fund and to credit that into the party's account, the instrument must be cleared through Bangladesh Bank clearing house. A receiving officer, receives check by a deposit slip.**

**Clearing stands for mutual settlement of claims made in among member banks at an agreed time and place in respect of instruments drawn on each other.**

➤ **Types of Clearing:**

There are two kinds of clearing:

- Inward Clearing
- Outward Clearing

➤ **Inward Clearing:**

**When instruments are sent to the Bank via clearinghouse, it entered into the clearing register. The officer checks the instruments thoroughly before it is sent to the computer section for posting. If any kind of error is found in any instrument it is dishonored and sent back with appropriate reason for doing so. Instruments are also dishonored or insufficiency of fund. The information is then sent back to the clearinghouse for taking appropriate action.**

- **The instruments drawn on NCC Bank are received from other Banks in the clearinghouse.**
- **The amount and numbers of instrument received are entered in the house from the main schedule of respective Banks.**
- **The instruments with schedules are arranged branch wise.**
- **The instrument sent to branches concerned for clearance.**
- **The instruments are sent to the respective departments and the schedules are filled.**

➤ **Outward Clearing:**

**After filling the deposit in slip bearer of the instrument deposits the instrument to the respected officer. Upon receiving the instrument the respected officer checks the essential features of the instrument and whether the deposit in slip is filled accordingly**



or not. Then s/he crosses the instrument with a seal containing Banks and branch's name, signs the deposit in slip and provides the customer with counter foil of the slip. Then both the instrument and slip is sealed with 'CLEARING' seal and date seal contain the date of clearing. An endorsement seal is also sealed on the back of the instrument and the officer endorses it on behalf of NCC Bank Motijheel Main Branch. It is then given entry in the clearing out register mentioning the name of the Bank and branch of it, amount of money in deposit in slip, amount of money in the instrument, number of the instrument and date of it. Then the officer separates the instrument from the deposit in slip. Deposit in slip is kept in the Bank and the instrument is sent for clearing.

### **3.22 Types of Returns:**

#### **A. Outward Return:**

Clearing returns (outward) include those cheques that were presented to bank by other banks but we have to return them unpaid to the collecting banks due to various reasons.

#### **B. Inward Return:**

Clearing returns (inward) consists of those instruments which were presented by bank to other banks for payment but have been returned and unpaid by them due to specified reason through the clearing house.

### **3.23 Dishonors of cheque:**

- 1. Insufficient Fund**
- 2. Amount in figure word differ**
- 3. Cheque is undated /post dated/stale.**
- 4. Drawer's signature differs/requires**
- 5. Payment stopped by the Drawer.**
- 6. Crossed cheque must be presented through bank.**
- 7. Cheque is torn.**
- 8. Alternation in date/Figure.**
- 9. Collecting bank's endorsement requires.**
- 10. Payees discharge required.**
- 11. Payee's endorsement irregular/illegible.**

### **3.24 Functions of Cash Section:**

The cash department mainly performs the following functions:

- Cash Receipt.
- Cash Payment.
- **Procedures of Cash Receive:**
  - Credit voucher in by the customer.
  - Cash receiving officer will check the title number, A/C number and amount in figure and words in he deposit slip of credit voucher.
  - After receiving the cash, receiving officer will record the denomination of the currency on the back of the voucher and enters the voucher in the cash receiving book under progressive serial number. He will put his signature with the date stamp both in the counter foil and deposit slip/voucher and pass the same along with the register to the officer in charge of cash department for his signature.
  - Again it will be checked and signed by tic authorized officer.
  - Receiving officer total the amount entered in the cash receiving book at the close of banking hours.
- **Procedures of Cash Payment:**
  - Instrument is checked by the cash in-charge whether the A/C name. A/C number and the amount in written in words and figures are correct.
  - The officer in-charge also checks the instrument and signed in it.
  - The particulars of the instrument are checked in the computer.
  - In case of any error, another s will be needed;
  - The payment is made if there is available amount in the account;
  - Paid instruments are kept by the officer.
  - This department is also made payment against various debit vouchers for various

miscellaneous expenses of the branch.

### **3.25 Loan Scheme:**

As a private commercial bank, NCCBL has some inherent commitments to its society. By utilization of the fund from the mobilized deposit NCCBL is fulfilling its commitment which can gear up the economic activity. NCCBL has been extending credit facilities to the potential, productive and priority sectors as per instruction from Bangladesh Bank. For a bank, good loans and advances are the most profitable asset. A big portion of operating income is derived from lending. This activity is done by the loans and advance department.

<b>Advanced Product</b>	<b>Rates</b>
Working Capital Financing	18.00%
Commercial and Trade Financing	17%-18%
House Building Financing	17.00%
Retail and Consumer Financing	18.00%
SME Financing	18.00%
Agricultural Financing	13.00%
Import and Export Financing	17.50%
Long Term (Capital) Financing	15%-18%

#### **➤ Classification of Loan and Advance:**

Bank is an institution where clients keep their surplus deposits and these deposits are invested in trade, commerce and industries in the form of Loans & Advances to earn profit. Apart from earning profit, by lending to the priority sector, Bank also helps the country's economic development. Lending activities of the Commercial Banks are of two natures:

#### **(A) Continuous Credit.**

#### **(B) Term Loan.**

In continuous credit the client is given a credit limit for a specified period mostly for 1 (one) year. The borrower is allowed to make transactions up to that limit. In other words, he can

deposit and withdraw up to the fixed limit in revolving manner. On the other, in case of Term Loan, Loan is first disbursed at a time or in phases. Then it is borrower's turn to repay the Loan after a certain fixed period at a time or in installments fixed for within a certain period.

**(A) Continuous credit**

(i) Cash Credit (Hypothecation)

(ii) Cash Credit (Pledge) SOD

(iii) SOD (Financial Obligation)

(iv) SOD (General)

(v) OD etc

**(ii) Cash Credit (Hypothecation):** This facility shall be available both for Trading Houses and Manufacturing concerns against primary security of hypothecated inventory/ stocks of Finished, Raw Materials and machineries. However, as the primary security remains at the disposal of the borrower with practically no control of the lending institution, NCCBL shall extend such facility only against retention of adequate eligible Collateral Security favoring bank. Criteria of such Eligible Security shall be as per circular of Head Office and within the guideline set by Bangladesh Bank in this regard.

**ii) Cash Credit (Pledge):** NCCBL shall retain the provision to extend WC finance under the head. As the Primary Security i.e. Finished or Raw by regulation is supposed to be under strict control of the bank, the arrangement on practical experience eventually proves cumbersome due to numerous difficulties in maintaining the formalities related to strict supervision and monitoring. Therefore, NCCBL shall prefer to consider such facility only under Hypothecation unless assurance and arrangements are available about compliance on the spirit of the portfolio.

**(iii) Secured Overdraft (Financial Obligation):** Credit Facility in the form of Loan and Overdraft can be considered against Lien of various Financial Obligations subject to credit restriction or any directive as imposed by regulating authorities or Head Office. Necessary

guidelines with regard to extension of the facility shall be as per direction of the Head Office/ Bangladesh Bank.

**(iv) Secured Overdraft (General):** NCCBL shall consider facilities under the portfolio against valid Work Order/Supply Orders payment against which shall be duly assigned favoring the bank by the work awarding office/ agency. The portfolio in nature shall be of a Loan type and not continuous. The WO shall be construed as Primary Security in this regard. However, as the nature of facility carries inherent risk, NCCBL shall prefer Collateral Securities while considering facilities under the head.

### **3.26 Modes of Credit:**

Credit can be categorized according to the nature and modes of payment.

#### **(a) Term Wise Classification:**

- ii) Short term ( $\leq 1$  year)
  
- ii) Mid term ( $\geq 1$  year to 5 years)
  
- ii) Long term ( $> 5$  years)

#### **(b) Nature Wise Classification:**

Date, for example: Cash Credit (hypo), Overdraft etc.

- i) Loan: fixed in nature, for a particular term or time.
  
- ii) Advances: continuous in nature with no fixed repayment schedule but an expiry date, for example: Cash Credit (hypo), Overdraft etc.

#### **(c) Purpose Wise Classification:**

- i. Working Capital: For manufacturing units to meet their short-term obligation and day-to-day expenditure.
- ii. Fixed Asset Finance: For acquisition of long-term capital assets

#### **(d) Sector Wise Classification:**

Commercial Lending: for commercial requirements except export. It is for short and medium term of loan. Example: LIM, LTR, PAD, SOD, Cash Credit, Loan General.

1. Industrial Credit.
2. Agricultural Credit.
3. Transport Credit
4. House Building Loan.

**(e) Classification based on Fund Involvement:**

- i. Fund Facilities: direct money involvement
- ii. Non-Funded Facilities: where fund is not extended directly. Example:

Letter of Credit, Letter of guarantee, Bank Guarantee etc

**3.27 Types of Credit in Foreign Trade:**

- i. Loan against Imported Merchandise (LIM)
- ii. Payment against Imported Documents (PAD)
  
- iii. Packing Credit (PC)
- iv. Loan against Trust Receipt (LTR)
- v. Back to Back Letter of Credit.

The Bank has made remarkable achievement in recovery of non-performing and classified loans advances during the period under review, As a result, Banks ratio of classified loans to total loans on December 31, 2006 has come down to 5.62 percent, from 5.66 percent of the previous year. This achievement was possible due to continuous monitoring, follow-up and negotiation with the clients.

➤ **Import L/C**

By opening a letter of credit on behalf of the customer (importer) bank undertakes to make payment to an exporter/ supplier subject to the submission of documents drawn in strict compliance with letter of credit terms giving title to goods to the importer.

The buyer/ importer must submit following documents at the time of opening an L/C:-

1. Import Registration Certificate--- IRC
2. Tax Identification Number--- TIN
3. Membership Certificate from registered organization or trade association.
4. Pro-forma invoice issued by foreign supplier
5. IMP form duly signed by the importer.
6. LAC form and L/C application form duly filled in and signed by the importer.
7. Insurance cover note with bank clause along with premium paid receipt.

If the importer L/C application is found to be order in all respect then make the serial on the appropriate space in the L/C application form.

International Department of Head Office of NCC Bank Ltd grants any L/C proposal forwarded by the branch. International Department of NCC Bank Ltd gives sanction of L/C subject to the following conditions:

1. Proposed importer is a current account holder.
2. The items to be imported according to import policy
3. Proposed importer is a good and reliable personality and he is a man of commitment.

Excess cost of imported merchandise due to fluctuation of foreign exchange rate must be borne by the importer.

4. L/C must be opened according to the specified invoice.
5. The constituent is neither a bank defaulter nor its guarantor of any defaulter.

Having completed all the formalities discussed above, the NCC Bank Ltd sends credit as required by the importer in favor of the exporter L/C amendment.

Amendment to irrevocable L/C is not permissible without the joint consent of all the parties involved in documentary credit operation. While preparing the amendments the L/C number

and the reference number of the advising bank must be quoted in papers. The copies of the amendment must be dispatched to all concern.

### ➤ **Scrutiny of Application:**

The L/C application form is scrutinized to ensure that it includes:-

1. Name and address of the beneficiary.
2. Peer's name and address.
3. The amount and nature of credit.
4. Drawer and tenor of the credit.
5. Description of goods including quantity and unit price.
6. Documents required.
7. Place of shipment, destination.
8. Date of negotiation and date of shipment.
9. Mode of transmission of the credit.

Then the particulars of L/C are recorded in the L/C opening register:

1. Date and L/C number.
2. Name of the party.
3. Amount in TK. And foreign currency.
4. Merchandise to be imported and country of origin.
5. Name of advising bank.
6. Expiry date.
7. Percentage of margin and amount of margin.
8. Amount of Commission, Postage, Charge, Cable/ telex charges and foreign correspondence charge.

### ➤ **Export L/C**

Export L/C operation is just reverse of import L/C operation. For exporting goods by the local exporter, bank may receive documents from the foreign importer and hands it over to



the exporter. Sometimes it adds confirmation on the responsibility to make payment to the exporter. As negotiating bank negotiates the bills and other shipping documents in favor of the exporter, it collect the proceeds of the export bill from the drawer and credits the exporter's account for the same. Collection proceeds from the export – bill is deposited in the bank's account in the importer's country. Sometimes the bank purchases the bills at discount from the local exporter and waits till maturity of the bill. When the bill matures, bank presents it to the drawer to encase.

In our country, export and import operation of the bank is very much related with one another because of Back-to-Back L/C. Most of the L/C opened is Back-to-Back L/C and

Maturity of payment for Back-to-Back L/C is set in such that it can be paid out of export proceeds. So export and import sections work as one unit. These two operations can hardly be separated from one another in the branch.

### ➤ **Back-to-Back Letter of Credit**

Back-to-Back letter of Credit is defined as a credit, which is opened at the instruction and the request of the beneficiary of the original Export Letter of the credit. Back-to-Back is a term given an ancillary credit, which arises where the exporter uses the credit granted to him by the issuing bank to his supplier.

There are mainly two types of Back-to-Back Credit:

- Foreign Back-to-Back Credit;
- Inland Back-to-Back Credit;

### **Back-to- Back L/C Condition:**

1. Drawing of draft clause.

2. Import of raw materials in proportion to the withdrawing capacity and convenience of the factory.
3. Treatment of interest.
4. Undertaking must be given by the party in case of any failure to export the goods.
5. Time of opening L/C and negotiation within specified period.
6. Back-to-Back L/C shall be opened only in the currency in which export L/C would be received to avoid loss due to exchange fluctuation.

### **Foreign Back-to-Back L/C:**

The following papers are required to be submitted by the exporter to the Authorized Dealer for opening Foreign Back-to-Back L/C:

- a. LCA form duly filed and signed;
- b. L/C application and agreement form duly stamped and filled up;
- c. Indent/ proforma Invoice;
- d. Insurance cover note with premium paid receipt;
- e. IMP form
- f. Any other documents when necessary such as:
  - License
  - Textile permission
  - Quota allocation Letter (if quota is there)

### **3.28 Remittance:**

Remittance is the best medium to transfer funds from one place to another. This function eliminates the individual difficulties and the hazards in transformation of physical cash from one place to another.

People can send their money from outside or within the country. According to that we can divide the remittance into two categories:

- Local remittance

- Foreign remittance

### 3.29.1 Local Remittance:

Transferring money among the country is called local remittance. In NCCBL, they provides following services:

#### Local Remittance

- Pay Order
- Demand Draft
- Telegraphy/Telephone Transfer

#### ➤ **Pay Order:**

Pay order is a document of money. It would be released from that bank where it is issued a P.O. request may come for different purpose such as from any department, normal cash remittance etc.

#### ➤ **P.O. processing:** Following procedure should be performed by the clients:

- Client has to fill up the P.O. application form which requires the information as to whom it is done, purpose, amount of money, applicant's signature, address and account no.
- Bank will charge commission and VAT for issuing a P.O.

• Range (Tk.)	• Commission + VAT (Commission @ 15%)
• 1-1,00,000	• 20+5
• 1,00,000-5,00,000	• 50+8
• 5,00,000-1000000	• 100+15
• Above-1000000	• 200+30

- They will prepare P.O. block, client will keep two parts with them as the evidence of money. Another part will be kept by the bank with signature of the issuer.
- **Releasing procedure:** P.O. may come in different form through OBC clearing house.
- When payee receives the P.O. they will put a seal where it is written that “Payee’s A/C will be credited on realization”.
- When issuer bank of P.O. receive it they will put a stamp of Tk. 4/- back to the P.O. block. They will put a “Purchase account credited” seal and take the signature of the issuer.

Some time it may happened that issuer cannot release their P.O. then on behalf of them bank do it and charge Tk. 30/- as cancellation charge.

#### **Issuance of duplicate P.O., DD:**

If the P.O., DD holder lost his/her P.O., DD block following process s/he has to take:

- First they have to do G.D in the police station.
- Write an application to the bank to inform it.
- Bank will inform it to the H/O.
- H/O will send this information to every branch.
- Branch will give reply to this letter.
- In a Non Judicial stamp paper party will bond that if s/he find previous document they can’t claim for the money.
- Then a duplicate copy of the P.O. or DD will be given to the P.O. or DD holder.

#### **4.29.2 Foreign remittance:**

These remittance services are providing for exchange foreign currency. Those services are as follows:

## **Foreign Remittance**

- Foreign Demand Draft
- Endorsement of US\$ in passport
- Traveler's Cheque
- Money Gram

### **I. Foreign Demand Draft:**

NCCBL accepts the charges for TOFEL, SAT, GMAT etc through FDD. For that client has to open a student file to issue FDD maintaining the rule of BB. Before issuance of FDD, bank will ask the client to fill up the TM form, which contains the following particulars:

- Name of the student.
- Address of the student.
- Amount of FDD in foreign currency.
- Purpose of remittance.
- Address of the institution to which the FDD will be favored.
- Country receiving payment.
- Passport no of the student with date of issue.
- Signature of the student.

### **II. Endorsement of US\$ in passport:**

NCCBL endorses US\$ in passport. To endorse US dollar, the client has to apply in Application form.

### **III. Traveler's cheque:**

Traveler's cheques are issued by banks to avoid the risk of loss or inconvenience in having to carry large amount of cash while traveling. The salient features of T.C. are:

- The buyers of T.C. need not to be a client of NCCBL.
- The buyer has to deposit money with the branch of NCCBL equivalent to the amount

of the T.C. he wants to buy.

- Each T.C. is signed by the buyer at place marked “when countersigned below with this signature”, before the NCCBL officer
- T.C. is issued in single name. It is not issued in joint names or name of clubs, societies or companies.
- There is no expiry period for the T.C.

#### **IV. Money Gram:**

It is the new concept of transferring foreign remittance to Bangladesh. One person residing in the abroad can remit his money through the process of money gram. There are more than 22,000 money gram agents in over 100 countries are linked worldwide. For such transaction client doesn't have to maintain any account in NCCBL. They will only take Tk. 0.07/\$ as a commission.

There are some features of Money Gram:

- **Faster:** When a person transfers money through money gram service his money gets there fast, usually in 10 minutes or less. Other services often take day or even weeks.
- **Convenient:** There are more than 22,000 money gram agents over 100 countries. Therefore, a person can easily transfer his fund.
- **Secured:** People use the money gram service thousands of time a day all over the world. It is a trusted guaranteed and reliable thoroughly personal way to transfer money.
- **Easy:** Just one simple form and computerized money transfer network will speed a person's funds to destination throughout the world quickly.

#### **V. Money Gram processing:**

- Sender will go to money gram agent to transfer his/her money to any country (suppose Bangladesh)

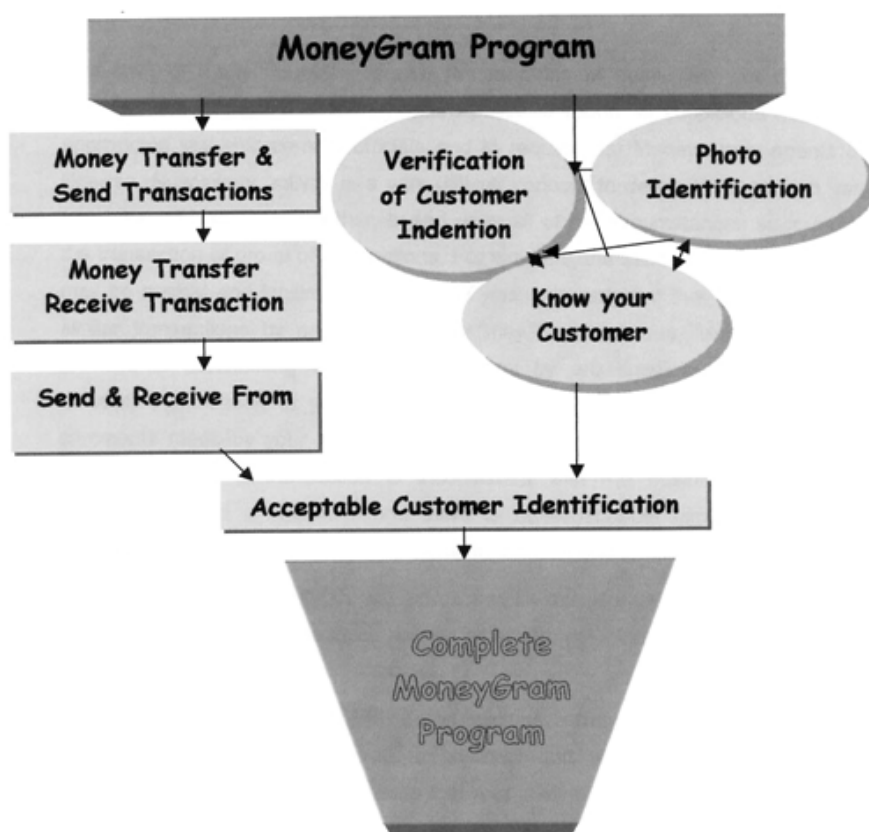
- Sender gets receipt and notifies recipients of the transaction reference number.
- Recipients go to the money gram agent (NCCBL) in Bangladesh, fill the “Receive form” to request funds and shows proper identification.
- Receiving agents contact the money gram transaction center (Head office on NCCBL) to obtain authorization to pay recipient.
- Eventually receiver will get the money.

### Record keeping Requirements:

- Money Transfer Send transactions.
- Money Transfer receives transactions.
- Verification of customer’s identity.
- Send and receive forms.
- Send transaction approval procedure.
- Transaction limits.

### Acceptable Customers Identification

1. Photo identification
2. Know your customer



**NCC Bank Remittance Sending Partners:**

SI No	Product Name	Address	Transaction Type	Via
1	MoneyGram, USA (Worldwide)	Unit 5205, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchi, Hong Kong	Online (Cash)	Web based
2	(i). U A E Exchange Centre LLC (DD), UAE	P.O Box. No. 170, Abu Dhabi, United Arab Emirates	Account Transfer	TT
	(ii). U A E Exchange Centre LLC (EFT),UAE		Account Transfer	Email
3	Xpress Money, UAE	Xpress Money Services Ltd., UAE Exchange Centre LLC, Corporate Office, P.O. Box: 170, Abu Dhabi, UAE	Online (Cash)	Web based
4	(i). Placid Express (TT), USA	Corporate Office, 3501 queens Blvd, LIC, NY 11101,	Account Transfer	Web based



	(ii). Placid Express (Cash), USA	USA	Online (Cash)	Web based
5	(i). Habib Qatar (TT), Qatar  (ii). Habib Qatar (Habib Express), Qatar	P.O. Box: 1188, Mushirib Street, Doha-Qatar	Account Transfer  Online (Cash)	Email  Web based
6	Wall Street Exchange, UAE	Wall Street Exchange Centre LLC, Corporate Office, SWIFT 1407 Twin Towers, Baniyas Road, P.O. Box 3014, Dubai, United Arab Emirates	Account Transfer	Email
7	Instant Cash World Wide, UAE	Instant Cash World Wide, P.O. Box 3014, Dubai, United Arab Emirates	Online (Cash)	Web based
8	(i). Al Farhan Ex. Centre LLC (TT), Qatar  (ii). Al Farhan Ex. Centre LLC (Cash), Qatar	Grand Hamad Street, Alfardan- P.O. Box 339, Doha-Qatar, C.R.No:3950	Account Transfer  Online (Cash)	Web based  Web based
9	First Solution, UK	First solution money transfer Ltd, 118-120, First Floor, Featherstall Road North, Oldham, OL9 6BX, London, UK	Account Transfer	Web based
10	Kaymaks, UK	785 Cranbrook Road Brakingside, Ilford, Essex IG6 1HT, United Kingdom	Account Transfer	Email
11	Tele Money (Arab Normal Bank), KSA	ARAB NATIONAL BANK, Head Office, P.O Box- 56921, King Faisal ST North Murabba, Riyadh 11564, Saudi Arabia	Account Transfer	Web based
12	Dhaka Janata, Italy	Dhaka Janata Exchange srl, Via Setteembrini 42, 20124, MILANO-ITALY	Account Transfer	Email

13	National Exchange Co. srl, Italy	National Exchange Company srl, Head Office, Via Ferruccio 30, 00185 Roma, Italy.	Account Transfer	Email
14	Federal Exchange, UAE	Shop No. 1&2, Bldg of Moza Bint Ahmed Al Habtour, Naif Street, P.O. Box NO.1038, Dubai-UAE	Account Transfer	Email
15	Zeni Exchange (Turo Cash), Bahrain	Zeni Exchange Co. WLL, PO Box. 236 Manama, Kingdom of Bahrain	Online (Cash)	Web based
16	Majan Exchange, Oman	Majan Exchange LLC, PO Box-583, P.C. 117, Sultanate of Oman	Account Transfer	Email
17	Three Star Remittance, Malaysia	No.-12 Lebuh Pasar Besar 50050, Kuala Lumpur, Malaysia	Online (Cash)	Web based
18	Itua Unibanco, Tokyo Branch, Japan	Itua Unibanco S.A, Marunouchi Centre Building 1F, 1-6-1 Marunouchi, Chiyoda-Ku, Tokyo 100-0005	Account Transfer	SWIFT
19	Unicredito Italiano, Italy	Head Office, Via San Protaso, 3-20121 Milan, Italy	Account Transfer	SWIFT
20	IME (M) SDN. BHD. Malaysia	IME (M) SDN. BHD., Jalan Medan Pasar 50050, Kuala Lumpur, Malaysia, Tel. No.:+603-2072 7260, Fax No.:+603-2072 2070	Online (Cash)	Web based
21	Al Zaman Exchange, Doha, Qatar	Al Zaman Exchange WLL, PO Box-23497, Industrial Area, Doha, Qatar	Account Transfer	Email
22	Al Mulla International Ex. Co., Kuwait	Al Mulla International Exchange Company K.S.C.C., P.O. Box No. 177, Safat 13002, Kuwait, tel: +965-22410385	Account Transfer	Email
23	Transmit International inc., USA	Transmit International inc., 465 Union Avenue, Paterson, NJ 07522, USA., Office: +1 973-942-1600	Account Transfer	Email

### **3.30 E-Banking of NCC Bank Ltd:**

E-Banking & SEM Banking plays a significant role in economic development of a country. In Bangladesh the practice of E-Banking & SME Banking is increasing day by day. NCC Bank recently started online services and also extending their SME centers in different point of the country. They try their level best to serve their clients as it possible.

To make the report more organized & also for understanding it easily the main portion of the report segmented into 4 parts:



#### **I. E-Banking:**

Electronic banking as a segment of electronic business, which, in turn, encompasses all types of business performed through electronic networks or through an electronic signals between financial institutions.

E-banking allows customers to conduct financial transactions on a secure website operated by their retail or virtual bank, credit union or building society. It is also known as Online Banking or Internet Banking.

This allows customers to do their banking outside of bank hours and from anywhere where Internet access is available. In most cases, a web browser is utilized and any normal internet connection is suitable. No special software or hardware is usually needed.

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-

banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM), kiosk, or Touch Tone telephone.

## **II. Features:**

Online banking solutions have many features and capabilities in common, but traditionally also have some that are application specific.

The common features fall broadly into several categories

- Electronic bill presentment and payment - EBPP
- Investment purchase or sale
- Loan applications and transactions, such as repayments of enrollments
- Non-transactional (e.g., online statements, check links, co browsing, chat)
- Bank statements
- Financial Institution Administration
- Support of multiple users having varying levels of authority
- Transaction approval process
- Wire transfer

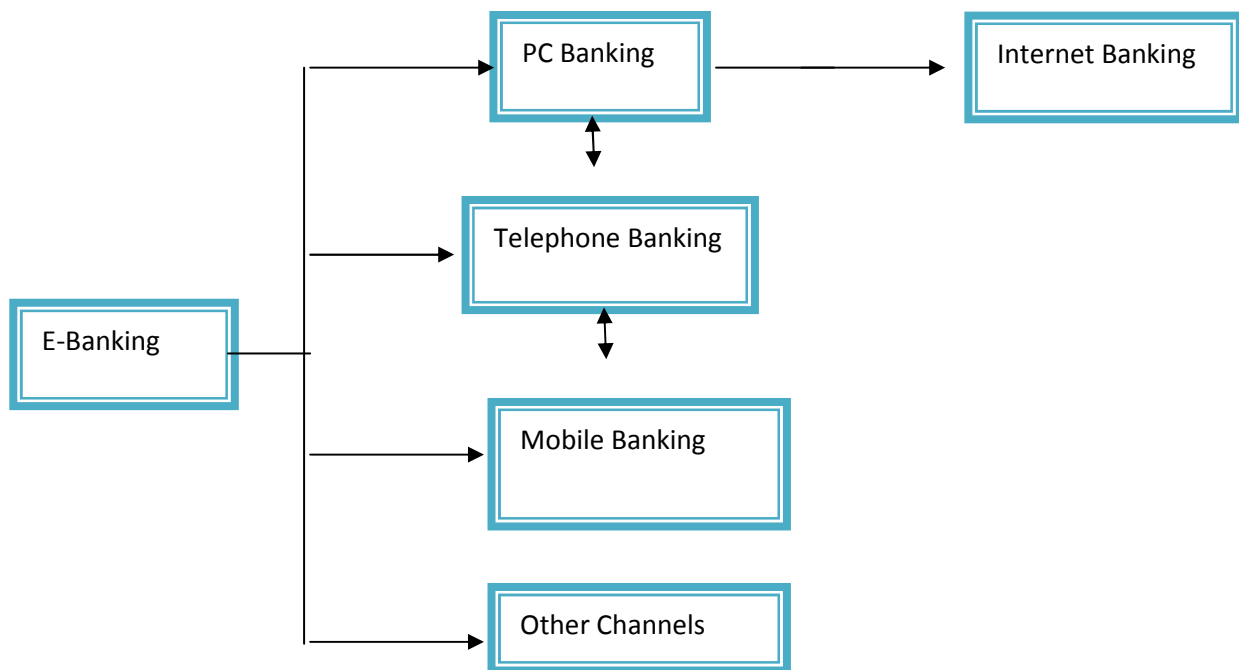
### **Features commonly unique to Internet banking include:**

- Personal financial management support, such as importing data into personal accounting software. Some online banking platforms support account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other institutions.

### III. Types of electronic banking:

The terms 'PC Banking', 'Online Banking', 'Internet Banking', 'Telephone Banking' or 'Mobile Banking' refer to a number of ways in which customers can access their banks without having to be physically present at the bank branch.

E-banking may be understood as term that covers all these ways of banking business electronically (Leow, Hock Bee 1999).



*Flowchart: Types of E-Banking*

### IV. E-Banking & NCC Bank:

NCC Bank has put due emphasis on grooming up its workforce in a technological based working atmosphere for some time. Also to cater the needs of the customers, very recently

the bank have started full-fledged *Real Time Online Banking System* with implementation of flora Banking UBS software.

## **CHAPTER-4**

### **Analysis**

#### **4.1 SWOT analysis of NCC Bank Ltd:**

Both manufacturing and service oriented business organizations start to possess some weakness as time elapse. The weaknesses of an organization can be turned into opportunities if recognized on time. Moreover, overlooking any threat may result in losing valuable business opportunities. For this reason, an assessment of every business organization is required to judge the performance from the aspects of its Strength, Weaknesses, Opportunities and Threat (SWOT).

##### **➤ Strength:**

The bank provides quality service to the clients compared to its other contemporary competitors.

Experienced bankers and corporate personnel have formed the management.

Some services of the bank are automated which attract a large number of clients. For instance, the bank provides Automated Teller Machine (ATM) services in several locations.

The bank will very recently introduce online banking which will enable it to automate all of its operations. At present, several banking functions are performed by computers. The bank is also a member of SWIFT (Society for Worldwide Interbank Financial

Telecommunication) alliance Access which enables the bank to exchange critical financial messages swiftly and cost effectively.

NCC Bank has already achieved a goodwill among the clients that helps it retain the valuable clients.

➤ **Weaknesses:**

Delegation of authority is centralized which makes the employee to realize less responsibility. Thus, the employee morale is deteriorated.

The credit proposal evaluation process is lengthy. Therefore, sometimes valuable clients are lost and the bank becomes unable to meet targets.

No substantive use of Annual Confidential Report (performance evaluation form of the employee) to reward or to punish the employee. Hence the employee becomes ineffective.

The bank lacks aggressive advertising and promotional activities to get a broad geographical coverage.

The bank has only a few ATM booths and not in proper places. So, the scope of using ATM card is limited.

Computer facility for all the officers is not available. Moreover, all the officers have no computer knowledge.

The bank has no any research and development division.

➤ **Opportunities:**

The bank can introduce more innovative and modern products and services for then customers.

The bank can offer micro credit business for individuals and small businesses.

It can diversify its portfolio by taking new sector.

Many branches can be opened to reach the bank's services to the remote areas.

It can recruit more efficient and experienced persons to give fast and efficient service to the customers.

➤ **Threats:**

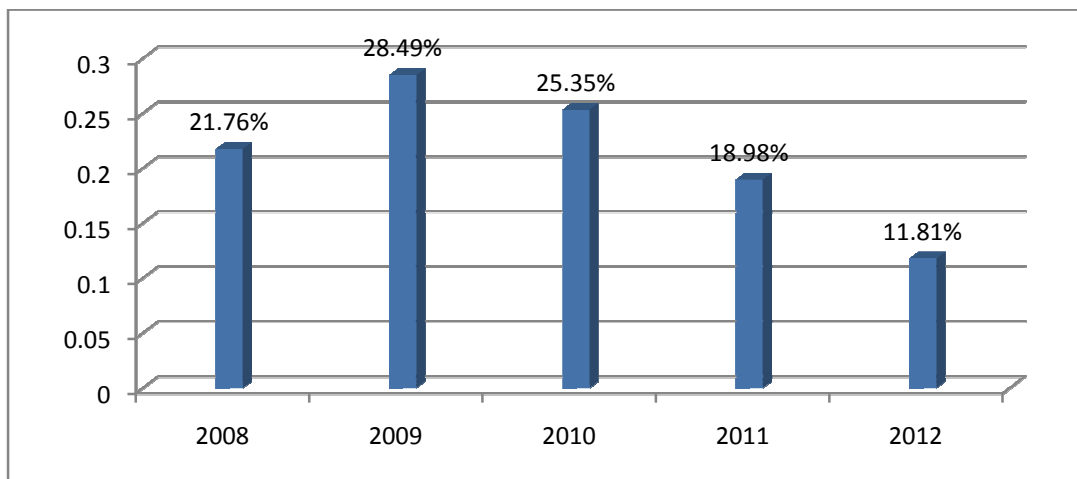
The common attitude of Bangladeshi clients is default.

Multinational as well as the fast growing local banks with modern products and services are capturing huge market within a short period and resulting to switch over the existing customers of the bank

Bangladesh Bank sometimes requires Private Commercial Banks to be abided by such rules and regulations which are not suitable for every commercial bank.

**4.2 Ratio Analysis:**

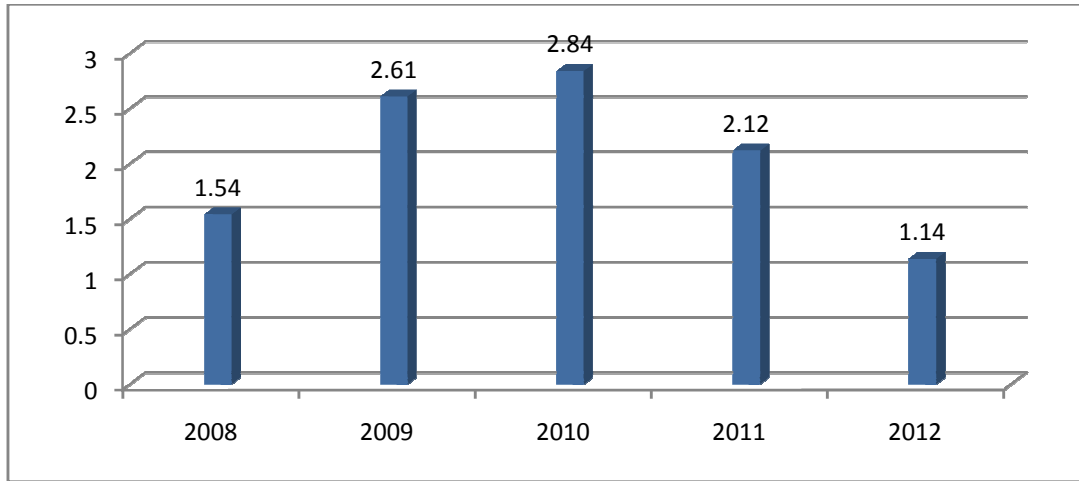
**Profitability Ratio**



**Return on Equity**

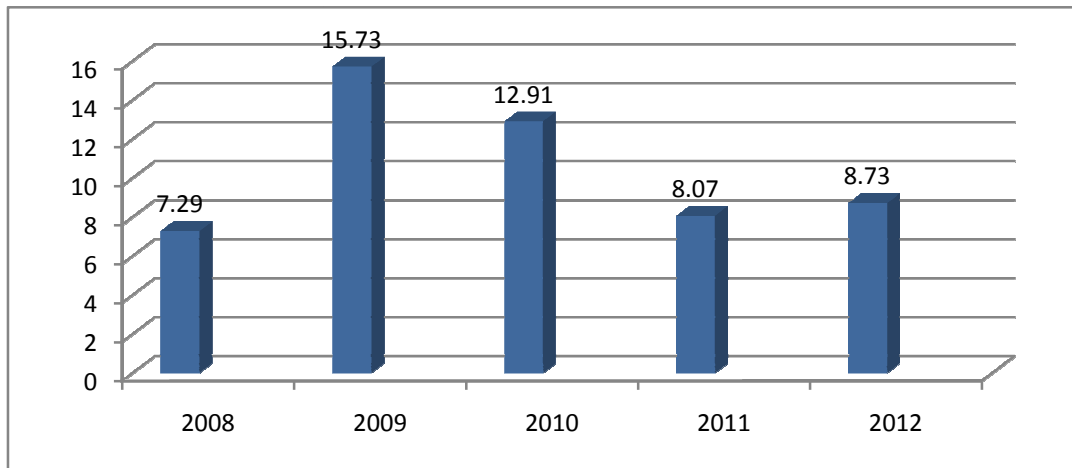
**Comment:** Return on Equity of NCC Bank Ltd was 21.76% at the end of the year 2008, 28.49% at 2009, 25.35% at 2010, 18.98% at 2011 and 11.81% at 2012. Among all trends 2009 is better. Because earning after tax of 2009 comparatively increased then other years when equity capital comparatively decreased As a result this year the Bank earn more profit but next years the bank's profit decreasing for economical instability.





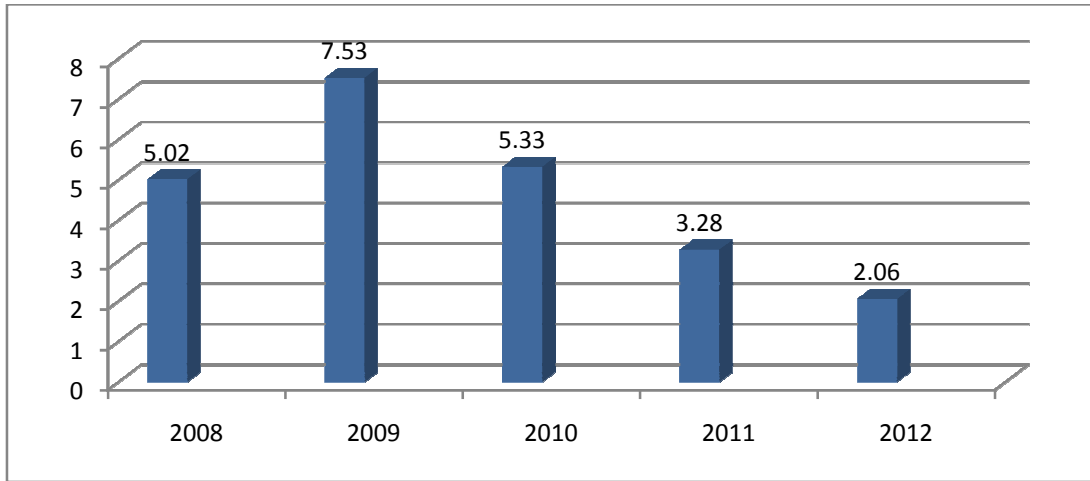
Return on Asset

**Comment:** Return on Asset of NCC Bank Ltd was 1.54 at the end of the year 2008, 2.61 at 2009, 2.84 at 2010, 2.12 at 2011 and 1.14 at 2012. Among all trends 2010 is better. Because net profit after tax of 2010 comparatively increased then other years when total Assets comparatively increased As a result this year the Bank earn more profit but next years and pervious years the bank's profit decreasing for economical instability.



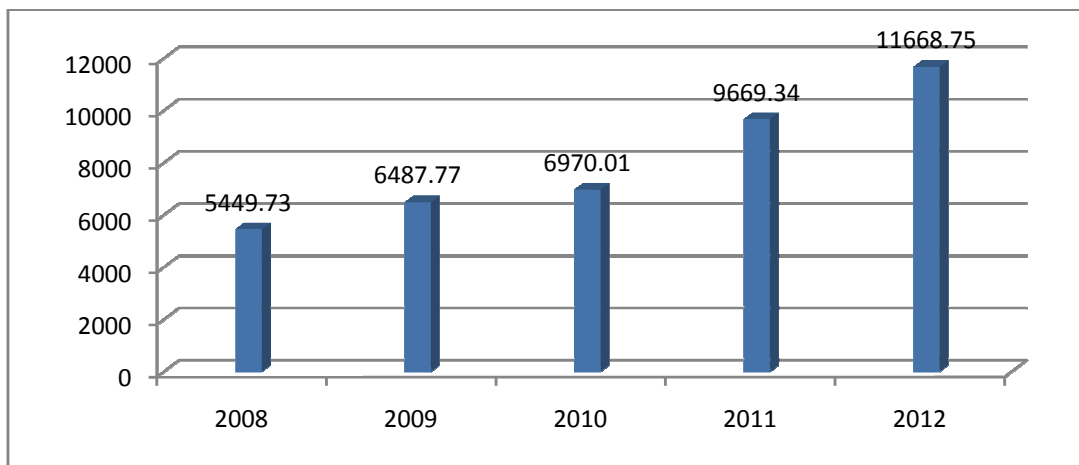
Price Earning (PE) Ratio

**Comment:** Net interest margin of NCC Bank Ltd was 7.29 at the end of the year 2008, 15.73 at 2009, 12.91 at 2010, 8.07 at 2011 and 8.73 at 2012. Among all trends 2009 is better. Because earning per share increases that year for well market condition.



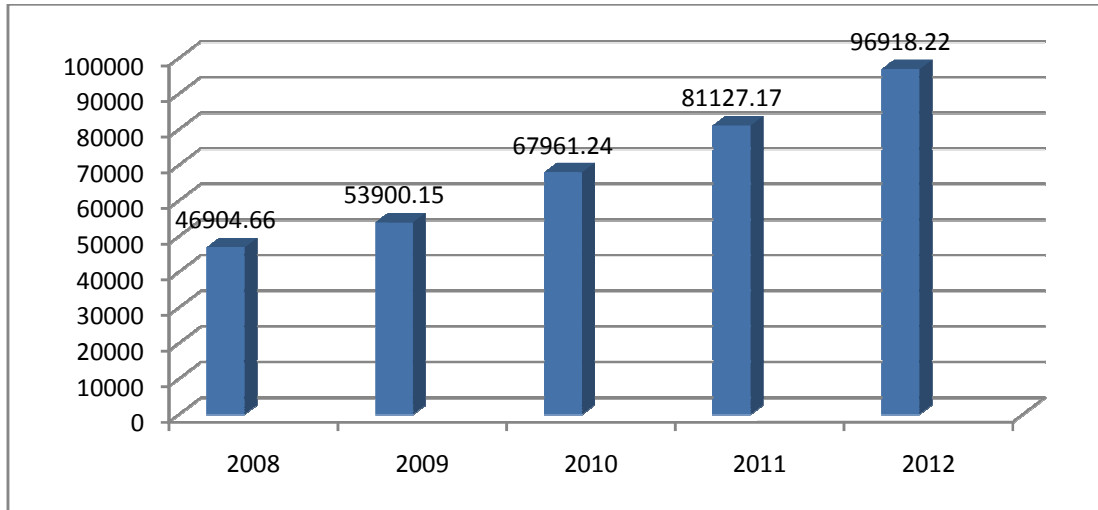
**Earning Per Share**

**Comment:** Earning per share NCC Bank Ltd was 5.02 at the end of the year 2008, 7.53 at 2009, 5.33 at 2010, 3.28 at 2011 and 2.06 at 2012. Among all trends 2009 is better. Earning of this bank decreases gradually from 2009 as a result earning per share decreases. When Awamileag come as ruling party in Bangladesh then generally stock Market become collapsed.



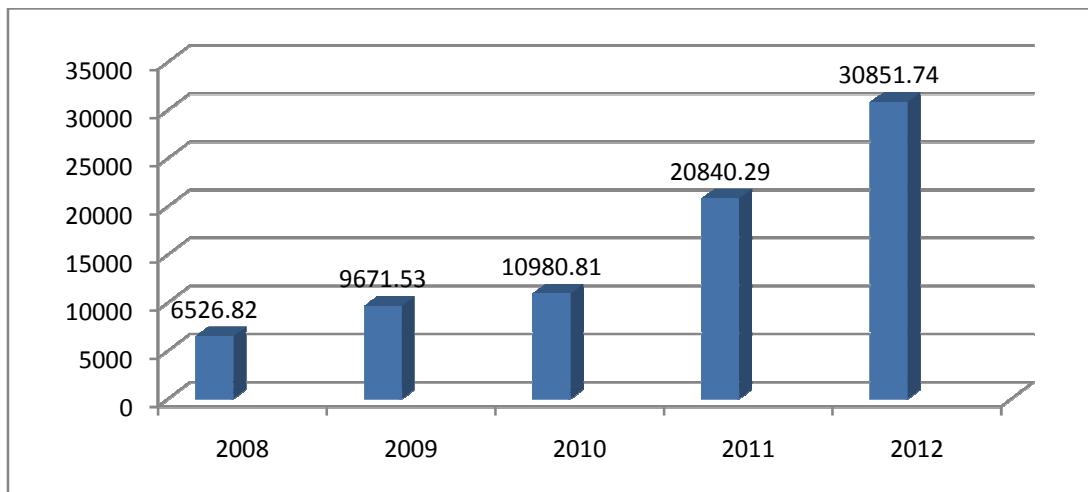
**Interest Income**

**Comment:** Retained earning per share of NCC Bank Ltd was 5449.73 at the end of the year 2008, 6487.77 at 2009, 6970.01 at 2010, 9669.34 at 2011 and 11668.75 at 2012. Among all trends 2012 is better. Every year's trend is increasing.



**Total Deposits**

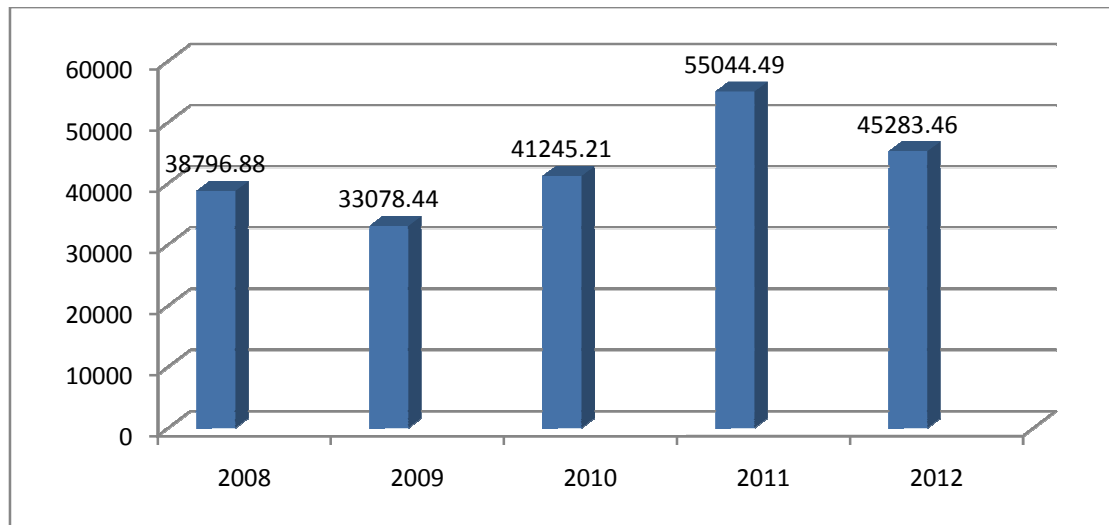
**Comment:** In the year of 2008 total Deposit was Tk46904.66 Lac, in 2009 Tk 53900.15 lac, 2010 Tk 67961.24lac,2011 Tk 81127.17 in 2012 Tk 96918.22lac. This graph represent that, Total Deposit of NCCBL are increased every year. Deposits of the bank as on 31.12.2012 stood at tk 96918.22 million which reflects a 19.46% growth over the previous year's figure 81127.17 million.



**Investment**

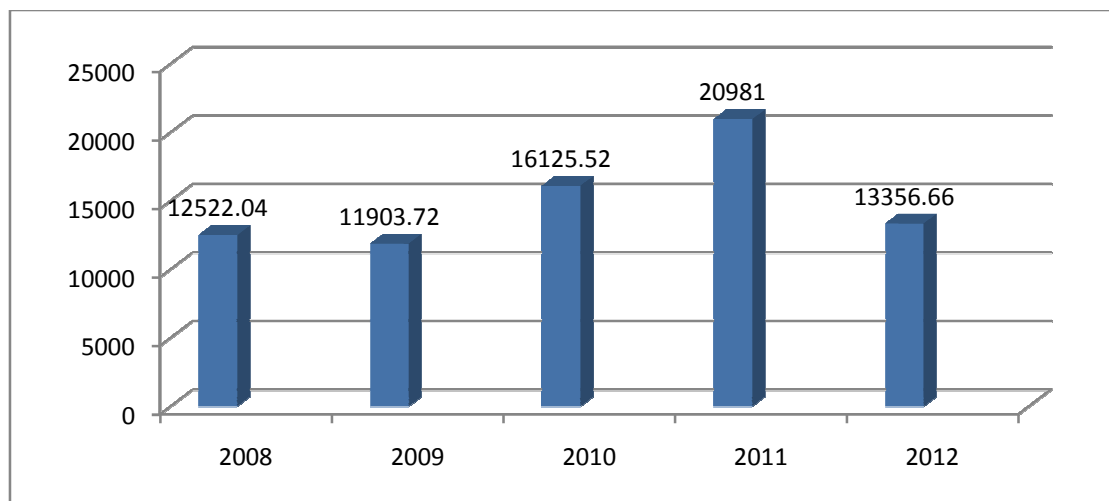
**Comment:** In the year of 2008 total Deposit was Tk6526.82 Lac, in 2009 Tk 9671.53 lac, 2010 Tk 10980.81lac, 2011 Tk20840.29, in 2012 Tk 30851.74lac. This graph represent that, Investment of NCCBL are increased every year. As on 31<sup>st</sup> December 2012 bank's total figure of investment was 30815.74 million reflecting 48.04% growth over the previous year's figure of tk 20840.29million.

Among others investment in government treasury Bond helps maintaining liquidity requirements in one hand & yielding good profit on the other.



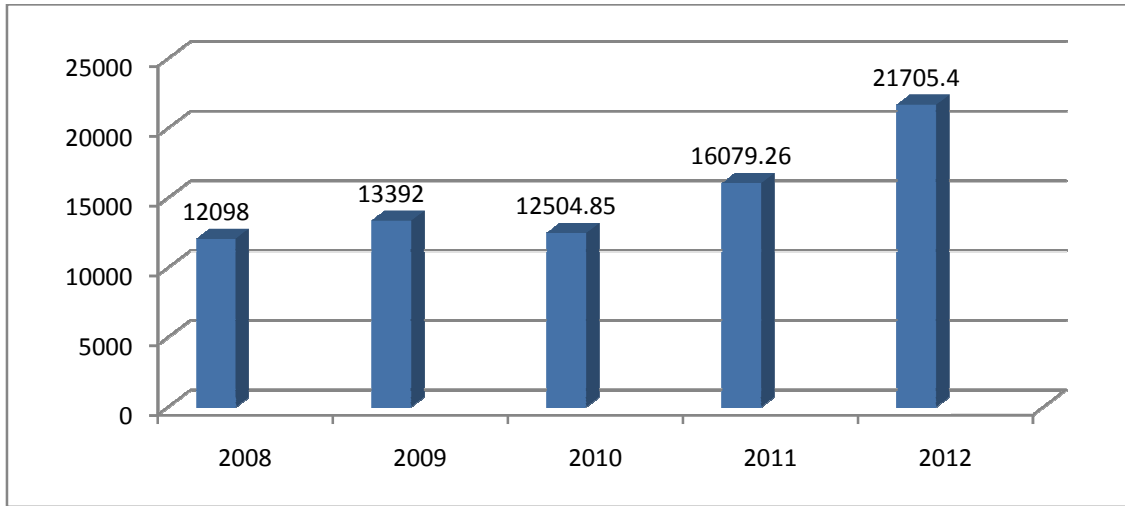
Import

**Comment:** In the year of 2008 total Deposit was Tk38796.88 Lac, in 2009 Tk 33078.44 lac, 2010 Tk 41245.21, 2011 Tk55044.49 in 2012 Tk 45283.46lac. This graph represent that, 2011 is better then all year. In 2011 denand has increased in our country.



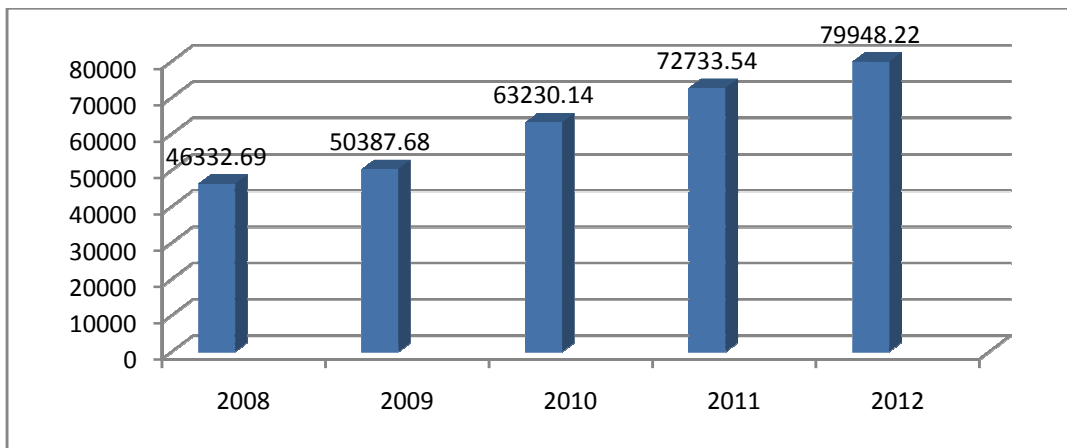
Export

**Comment:** In the year of 2008 total Deposit was Tk12522.04Lac, in 2009 Tk 11903.72 lac, 2010 Tk 16125.52, 2011 Tk20981 in 2012 Tk 13356.66 lac. This graph represent that, 2011 is better then all year. In 2011 productivity in our country has increased and product demand also increased .



#### Remittance

**Comment:** In the year of 2008 total Deposit was Tk 12098 Lac, in 2009 Tk 13392 lac, 2010 Tk12504.85 Lac, 2011 Tk16079.26 in 2012 Tk 21705.4 lac. This graph represent that, 2012 is better then all year. And 2010 is deceased because foreign remittance was comparatively low. Foreign government restricted their rules.



#### Loan & Advance

**Comment:** In the year of 2008 total Deposit was Tk 46332.69 Lac, in 2009 Tk 50387.68 lac, 2010 Tk 63230.14lac, 2011 Tk72733.54 in 2012 Tk 79948.22 lac. This graph represent that, Loan & Advance of NCCBL are increased every year.

## **Chapter 5**

### **Findings & Recommendation**

#### **5.1 Findings:**

To do the internship in the NCCBL, I work with the officers and I observe many things. And with those observations, description as well as analysis of the topic, I find some factor those are particularly applicable for the NCCBL. Those are given below:

The NCCBL has online banking system for providing better service to the customers. But, the online bank is not implied in all the branch of NCCBL. Mainly, busy cities' branches (cities like- Dhaka, Chittagong) have that kind of facilities. Having manual and online banking at the same time, the bank sometime find some problem to do their inter branch activities.

- To do the online banking, NCCBL use FLORA banking software to run a banking operation. This software has lot of option to do, but still it has some lacking. To this system, only limited use can login at a same time. So, all the employees of the bank

can not work with this software at a time, and some time it becomes slow to take the entry. And some statement can not be provided by this software which other bank's system can do, such as the FLORA is not able to provide the statement of Fixed Deposit Scheme.

- Only a few officers know, entirely, how to operate the FLORA (online banking software of NCCBL). Most of the officers only know the some portion of the software, which they use to work.
- Currently, one of the most profitable products for NCCBL is Money Gram, which is used to send foreign remittance. Money Gram is less charge and time than the Union Transfer and other money transfer agent, which normally attract the growing market of foreign remittance. At the some time, the bank is providing the service Money Express, UK money speed.
- The NCCBL is using SWIFT (Society for Worldwide Inter Bank Financial Telecommunication) to provide better service for the customer of foreign trade and exchange. This allows doing many businesses with the foreign market. And it always gives change to the bank to update the foreign financial currency and market information regularly.
- The accountability is working in the NCCBL. Every day they have finished their transaction and if there is any miss match, the employees have to explain it and even have to pay for it. So the condition of transparency is good here. This job use to do the Accounts and Administration Department.
- The NCCBL has a training institute to build a better work force. When a provisional officer joint the bank, the bank arrange some training course associate with Bangladesh Institute of Bank Management to improve the officer's skill.
- The bank had introduced its ATM card to the market and it has only a few ATM

Booths right now. Inefficiency of the management decision makes the scope of the ATM limited.

- NCCBL has introduced the Visa Card to the market in the last year, 2005. It gives the customer access to the local and foreign market. NCCBL provide this service with comparatively low interest rate and charge.
- The NCCBL is showing their growth by increasing the number of branch. In 2000, it had 27 branches. The management of the bank able to find of the need of the client mainly the middle class business owner. Though the strategy of bank is conservation, by selecting the right target group the bank has increase growth of their market. Currently they have 48 branches all over the country.

## **5.2 Recommendation:**

Being a fresh Graduate, this will be my audacity to suggest on the performance and actions of the Bank and on the experienced professional bankers. The bellow issues are some of my observations based on my education prevailing circumstances comparing to other banks and sometimes on the customer's point of view.

- Although the approach of NCCBL is proactive in finding good customers but their advertising are limited. Still there are a lot of good small enterprises companies that are in good ground in their respective field of operations- 'This seems to be conservative to me and will not be much helpful for small entrepreneurs, who are not well known at his moment. I think that NCCBL should change their approach so that small entrepreneurs and businessmen can get their services without many hassles.
- 24 hours banking facilities like ATM facilities should be introduced to become more competitive with the market as all other Banks already introducing.



- Bank should introduce new short-term schemes like micro-credit for the poor and small Entrepreneurs. Our Bangladesh is a poor country so most of the people has got no enough money to start new own venture. Through the expansion of small business opportunity country can grow. Small business are very easy to handle and manage and also less risky for the Investment as a Banker. More-over these kinds of customers are much more loyal and honest to the Bank. Grameen Bank is the best example for this. Vast business opportunity lies in this area. NCCBL management should think how o explore this opportunity.
- Bank should use job rotation to remove job monotony among the officers which will increase their efficiency as well.
- The bank should offer incentive scheme for the good customers.
- All business venture are public undertakings and for the peoples well being. So, the bank should get themselves more involved with Social issues which will certainly increase their brand image besides the well being of the society.
- NCCBL has not yet introduced credit card facility. Now a day's credit card has got very popularity. In the modern world 80% transaction are completed by credit card facility. So UBL should introduce credit card facility for the customers
- Bank should be more proactive to listen and should put more attention to the customer's problem and for their help. This kind of human approach, some times create kinds of happiness among the customer's mind regarding Bank.
- NCC Bank Ltd. should focuses on their promotional activities on its marketable Products.
- They should also focus on the marketing aspects by informing the customers about its products and offering services charges.

### **5.3 Conclusion:**

National Credit Commerce Bank Limited (NCCBL) is serving the market with almost full range of services. As the number of branches implies, still Bank has limited operation in our country, but it should also be noted that within the next few years from its establishment, no bank could make as good standing as NCCBL has now

While go through the different reports it's found that. Authorized and paid up capital, reserve fund, Savings, Loans and advances. Loan Management, investment foreign trade, treasury activities, capital market activities, no. of Branches! Dividend Good corporate governance, compliance of the regulations provided by Security and Exchange commission etc. are moving towards a highly positive trend at the satisfactory level.

The Bank is run by a group of professionals who are well organized and committed to the bank. Now it is gradually moving towards automation and which will not allow any sort of discrepancies. Bank now aggressively looking and establishing Foreign partners at abroad, to make easier and shorter the time for the remit of NRB. All the above implies that they are successful in gaining the trust of the people and business entities of our country.

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[www.google.com](http://www.google.com)

[www.wikipedia.com](http://www.wikipedia.com)

## Appendix

$$\text{Return on Equity} = \frac{\text{EAT}}{\text{Equity Capital}} \times 100$$

$$\begin{aligned} & \text{2008} \\ & = \frac{882.28}{405459.56} \times 100 \\ & = 21.76\% \end{aligned}$$

2009

$$= \frac{1,719.50}{603545.10} \times 100$$

2010

=28.49%

$$= \frac{2371.68}{935573.96} \times 100$$

=25.35%

2011

$$= \frac{1946.11}{1025347.73} \times 100$$

=18.98%

2012

$$= \frac{1433.76}{1214022.01} \times 100$$

=11.81%

$$\text{Return on asset} = \frac{\text{Net profit after taxes}}{\text{Total Assets}} \times 100$$

2008

$$= \frac{882.28}{57365.52} \times 100$$

=1.54%

2009

$$= \frac{1719.50}{65937.49} \times 100$$
$$= 2.61\%$$

**2010**

$$= \frac{2371.68}{83554.18} \times 100$$
$$= 2.84\%$$

**2011**

$$= \frac{1946.11}{104141.56} \times 100$$
$$= 2.12\%$$

**2012**

$$= \frac{1433.99}{125841.50} \times 100$$
$$= 1.14\%$$

➤ **Price Earning(PE) Ratio** =  $\frac{\text{Market price per share}}{\text{Earning per share}}$

**2008**

$$= \frac{36.59}{5.02}$$
$$= 7.29$$

**2009**

$$= \frac{11.44}{7.53}$$
$$= 15.73$$

**2010**

$$= \frac{68.81}{5.33}$$
$$= 12.91$$

**2011**

$$= \frac{2.47}{3.28}$$
$$= 8.07$$

**2012**

$$\frac{17.98}{2.06}$$
$$=8.73$$

➤ **Earning per share**=  $\frac{\text{Earning available for common stockholder}}{\text{Number of shares outstanding}}$

**2008**

$$= \frac{88232312.6}{175761578}$$

=5.02

**2009**

$$= \frac{1720529851}{228490020}$$

=7.53

**2010**

$$= \frac{2399168009}{450125330}$$

=5.33

**2011**

$$= \frac{1948862627}{594165435}$$

= 3.28

**2012**

$$= \frac{1432057529}{695173558}$$

= 2.06