

A STUDY ON
BUSINESS DEVELOPMENT TREND
OF N.C.C. BANK Ltd.
DHANMONDI BRANCH

MAY 2002
DEPARTMENT OF BUSENESS ADMINISTRATION
EAST WEST UNIVERSITY
DHAKA

00033

BBA

e-2

A STUDY ON
BUSINESS DEVELOPMENT TREND
OF N.C.C. BANK Ltd.
DHANMONDI BRANCH

Submitted By:
Md. Hasan Zobair
Id#1998-1-10-049
Department of Business Administration
East West University

Submitted To:
Dr. Tanbir Ahmed Chowdhury
Associate Professor
Department of Business Administration
East West University

An internship report submitted to the Department of Business Administration, East West University (EWU), Dhaka, in partial fulfillment of the requirement for the degree of Bachelor of Business Administration (B.B.A) in Finance.

May 2002

EAST WEST UNIVERSITY
DHAKA

Report - 51 (B)

May 29, 2002
Dr. Tanvir Ahmed Chowdhury
East West University
Mohakhali. Dhaka

Subject: -Submission of Internship Report (BUS-499)

Dear Sir,

Here is my Internship Report that fulfills particular requirements of my Bachelor of Business Administration (B.B.A.) Degree. It is very important for a student of Business Administration to under go a project.

I completed my Internship Report on "Business Development Trend of the Br.". I have particularly assigned to Dhanmondi Br. of National Credit and Commerce Bank Limited. I tried to accommodate your valuable comments and suggestion in my report. In this concern if you need any further classification, please call on me.

Thank you sir for your kind cooperation. Without which this Internship Report would not have been completed. So I am submitting the final version of my internship report and requesting your acceptance.

Thanking You
Yours truly,

Md. Hasan Zobair
1998-01-10-049

CONTENTS

	Page number
List of graphs	I
List of tables	III
List of acronyms	V
Acknowledgement	VI
Declaration.....	VII
Executive Summery	VIII
Chapter-1 Introduction	
1.1 History of NCCBL	1
1.2 Performance of NCCBL	2
1.3 Objectives of the study.....	3
1.4 Rational of the study.....	3
1.5 Scope of the study.....	4
1.6 Methodology of the study.....	4
1.7 Limitations of the study.....	5
Chapter-2 Profile of the NCCBL	
2.1 Mission of NCCBL	7
2.2 Board of Directors	7
2.3 Values of NCCBL	7
2.4 Objective of NCCBL	8
2.5 Features of NCCBL	9
2.6 Geographical location of branches	10
2.7 Performance of NCCBL	12
2.7.1 Authorized Capital	12
2.7.2 Paid-up Capital	12
2.7.3 Reserve funds and other reserves	12
2.7.4 Treasury	13

	Page number
2.7.5 Money Gram	13
2.7.6 SWIFT	13
2.7.7 Foreign Exchange Business	14
2.7.8 Deposits	15
2.7.9 Automation and IT in Banking	15
2.7.10 Credit	16
2.7.11 Non-performance Loans	16
2.7.12 Investments	17
2.7.13 Operational results	17
2.8 Comparative Analysis.....	18
2.8.1 Comparative Deposit Growth.....	19
2.8.2 Comparative Investment Growth.....	21
2.8.3 Comparative Advance growth.....	23
2.8.4 Comparative Import Growth.....	25
2.8.5 Comparative Export Growth.....	27

**Chapter-3 An appraisal of business development trend of
N.C.C. Bank Ltd. (Dhanmondi Br.)**

3.1 General Banking Department	29
3.1.1 Components of General Banking	30
3.1.2 Opening of an Account	30
3.1.3 Performance of General Banking	31
3.1.4 Description of deposit accounts	35
3.2 Loans and Advance Department	45
3.2.1 Classification of loan/advances	45
3.2.2 Performance of loan/advances	46
3.2.3 Description of loan/advances accounts	49

	Page number
3.3 Foreign Exchange Department	56
3.3.1 Letter of credit (Export)	56
3.3.2 Letter of credit (Import)	61
3.3.3 Foreign remittance (Money Gram)	64
3.3.4 The effect of SWIFT in foreign exchange	66
Chapter-4 Findings of the Survey of NCCBL	
4.1 Findings from the Survey.....	67
4.1.1 Findings from the question.....	68
4.1.2 Findings from the Comments.....	80
Chapter-5 Business development problems of N.C.C. Bank Ltd. Dhanmondi Br.	
5.1 Problems relating to Dhanmondi Br.	81
5.1.1 General Banking Problems	82
5.1.2 Loans and Advances Problems	87
5.1.3 Foreign Exchange Problems	89
5.2 Problems related to the customers of the Bank	90
Chapter-6 Prospective new business development area of N.C.C. Bank Ltd. Dhanmondi Br.	
6.1 Introduction of new prospective trends	91
6.1.1 New areas of loan.....	91
6.1.2 New areas of deposits.....	94
6.1.3 New areas of foreign exchange	95
Chapter-7 Recommendation and Conclusion	
7.1 Recommendation	96
7.2 Conclusion	99
List of References	100
Appendix	A-I

List of graphs

Page number

Graph-1.1 N.C.C Bank five years at a glance	2
Graph-2.1 Five years import/export of NCCBL	14
Graph-2.2 Total assets of NCCBL	14
Graph-2.3 Deposit growth of NCCBL	15
Graph-2.4 Advances growth of NCCBL	16
Graph-2.5 Investments of NCCBL	17
Graph-2.6 Percentage of deposit growth rate	20
Graph-2.7 Percentage of investment growth rate	22
Graph-2.8 Percentage of advance growth rate	24
Graph-2.9 Percentage of import growth rate	26
Graph-2.10 Percentage of export growth rate.....	28
Graph-3.1 General banking activities at a glance	32
Graph-3.2 Current deposit performance for five years	33
Graph-3.3 Savings deposit performance for five years	33
Graph-3.4 Sundry deposit performance for five years	34
Graph-3.5 Special savings scheme performance	34
Graph-3.6 Term deposit interest rate	41
Graph-3.7 Loan/advance activities at a glance	47
Graph-3.8 General loan performance for five years	47
Graph-3.9 Performance of house building loan	48
Graph-3.10 Performance comparison of SOD (FO) & SOD (G)	48

Graph-4.1 Satisfy with the present customer service.....	68
Graph-4.2 Transaction period with NCCBL.....	69
Graph-4.3 Number of respondent who have accounts with other banks.....	70
Graph-4.4 Adequate present product offered by NCCBL.....	71
Graph-4.5 Importance of introducing Micro-credit scheme to the educated unemployed.....	72
Graph-4.6 Efficiency of foreign exchange facility.....	73
Graph-4.7 Awareness of ATM card facility provided by NCCBL.....	74
Graph-4.8 Introduction of on-line branch banking.....	75
Graph-4.9 Prospect of student loan scheme.....	76
Graph-4.10 Improvement of customer relation through priority banking	77
Graph-4.11 Adequate bill collection facility in NCCBL.....	78
Graph-4.12 Awareness of the locker service provided by NCCBL.....	79
Graph-5.1 Five years current deposit performance	83

List of Tables

	Page Number
Table-1.1 N.C.C Bank five years at a glance	2
Table-2.1 Geographical location of branches	11
Table-2.2 Comparative deposit growth	19
Table-2.3 Percentage of deposit growth rate	20
Table-2.4 Comparative investment growth	21
Table-2.5 Comparative investment growth rate	22
Table-2.6 Comparative advance growth	23
Table-2.7 Comparative advance growth rate	24
Table-2.8 Comparative import	25
Table-2.9 Comparative growth rate of import	26
Table-2.10 Comparative export	27
Table-2.11 Comparative growth rate of export	28
Table-3.1 Performance of profit in Dhanmondi Br.	29
Table-3.2 Rate of interest for different account	31
Table-3.3 General banking performance for five years	32
Table-3.4 Rate of interest for term deposit	40
Table-3.5 Layout of Special Savings Scheme	42
Table-3.6 Schedule of monthly profit provided in Special Fixed Deposit Scheme	43
Table-3.7 Commission rate for Pay-order issuance	44
Table-3.8 Loans/advances performance for five years	46
Table-3.9 Accepted commissions for L/C	63

Table-4.1 Satisfy with the present customer service.....	68
Table-4.2 Transaction period with NCCBL.....	69
Table-4.3 Number of respondent who have accounts with other banks.....	70
Table-4.4 Adequate present product offered by NCCBL.....	71
Table-4.5 Importance of introducing Micro-credit scheme to the educated unemployed.....	72
Table-4.6 Efficiency of foreign exchange facility.....	73
Table-4.7 Aware of ATM card facility provided by NCCBL.....	74
Table-4.8 Introduction of on-line branch banking.....	75
Table-4.9 Prospect of student loan scheme.....	76
Table-4.10 Improvement of customer relation through priority banking.....	77
Table-4.11 Adequate bill collection facility in NCCBL.....	78
Table-4.12 Aware of the locker service provided by NCCBL.....	79
Table-4.13 Summery of the comments.....	80
Table-5.1 Profit performance of Dhanmondi Br.	82
Table-5.2 Trend of current deposit in Dhanmondi Br.	83
Table-5.3 Different interest for term deposit	84
Table-6.1 Loans/advances performance for five years	92
Table-6.2 Percentage of loan/advance growth rate	92

List of Acronyms

NCCBL	: National Credit & Commerce Bank LTD.
SWIFT	: Society for Worldwide Inter-bank Financial Telecommunication.
WAN	: Wide Area Network.
IPO	: Initial Public Offering.
FDD	: Foreign Demand Draft.
SB	: Savings Account.
CD	: Current Account.
FDR	: Fixed Deposit Receipt.
SSS	: Special Savings Scheme.
STD	: Short Term Deposit.
ATM	: Automated Teller Machine.
CC	: Cash Credit
SOD (FO)	: Secured Overdraft (Financial Obligation).
SOD (G)	: Secured Overdraft (General).
FDBP	: Foreign Documentary Bill Purchase.
FDBC	: Foreign Documentary Bill for Collection.
IRC	: Import Registration Certificate.
LTR	: Letter Trust Receipt.
LIM	: Loan Against Imported Merchandise.
PAD	: Payment Against Documents.
FOB	: Free on Board.
L/C	: Letter of Credit.
BOL	: Bill of Lading
BNP	: Bangladesh Nationalist Party.
SBL	: South East Bank Ltd.
PBL	: Prime Bank Ltd.
DBL	: Dhaka Bank Ltd.

Acknowledgement

I express my deepest gratitude and profound respect to my project supervisor Dr. Tanbir ahmed Chowdhury, Associate professor, Department of Business Administration, East West University (EWU) for his valuable suggestions, constant encouragement and keen interest at every stage of this study, without which this would have been extremely difficult to accomplish. I consider it as a great opportunity to have a share of some of his knowledge and expertise and find myself proud to work with him.

I express my deepest sense of gratitude to Mr. Mamun-ur-Rashid, Vice-President of NCCBL Dhanmondi Br. for placing me as intern with his reputed institution.

I am also extending my heartfelt gratitude to Mr. Sarwar-E-Alam Chowdhury, Assistant Vice-President of NCCBL Dhanmondi Br. for providing me all necessary information, valuable suggestions. Without his valuable direction, untiring help and cordial assistance it would have been impossible to carry out the study.

I am specially indebted to Mr. Abdul Mannan, Senior Principal Officer of NCCBL Dhanmondi Br. for discussing different issues regarding loans/advances and always guide me in a way that is inexpressible.

Thanks are due to my friends Saanjoy Gupta and Ashraful Islam for their inspiration and support throughout the study.

At the end I like to express my gratitude to Mr. Tarikul Alam, Secretary of NCCBL for his kind support and guidance.

Finally, I am grateful to almighty Allah.

Declaration

This is to declare that the material presented in this project/ thesis is the result of my work. It is further declare that neither this thesis nor any part therefore has been submitted else where for the award of any degree or diploma.

Signature of the author

.....

Md. Hasan Zobair.

Executive Summary

Banking system is an integral part of modern economy. Commercial Banks have for many centuries played a vital role in the financial systems. National Credit and Commerce Bank Limited is one of the well-established banks in Bangladesh. National Credit and Commerce Bank Ltd. started its operation on 17th may, 1993. The Bank is incorporated as a banking company under the companies Act 1913. Much development of a country depends on the performance of the banking system fulfilling its goals. It has 31 branches all over Bangladesh.

This report is based on the “Business Development Trend of the Branch”. I have specifically assigned to Dhanmondi branch to conduct my internship report. I have to assess where is the present business development trend going and what is the problem that Dhanmondi Branch is facing to maintain the development trend. This report is composed of six chapters.

Chapter one includes the introductory part. This part of the report describes about the origin, purpose, objective and scope of the study. Moreover this part enables the reader with the relevant limitation experienced regarding the report information.

Chapter two includes profile of the NCCBL and it is the overall scenario of the NCCBL. The different prospects of NCCBL like Mission, values, objectives and features of the bank. This chapter also includes the performance of NCCBL that includes the latest data until 2000.

Chapter three includes an appraisal of business development trend of Dhanmondi Br. In this chapter I assess the general banking, loan/advance, and foreign exchange department and try to find the present development trend of the branch. Also I have conducted a survey to understand the development trend and it provide me true picture of the trend.

Chapter four includes business development problems of the Dhanmondi Br. From analyzing the data and also from the survey questionnaire I try to locate the business development problems of the Br.

Chapter five includes prospective new business development area of the NCCBL. Business development trend of Dhanmondi Br. is very much dependent on the credit policy of NCCBL. They have to follow the major source of income for the branch and where they are loosing their profit. They have to identify the weaker link of the trend and try to solve the problem or otherwise their development trend can be hampered.

Chapter six includes recommendation and conclusion. I have illustrated the personal experience during my internship. Then followed by the long list of recommendation and conclusion states the overall wrap up of the report. If effective supervision and follow up can be insured then the business development trend of the Br. will smooth and easy.

Chapter 1

Introduction

Chapter 1 Introduction

1.1 History of NCCBL:

Banking system is an integral part of modern economy. Commercial Banks have for many centuries played a vital role in the financial systems. The vital role continues today, although, as with other financial institutions, the functions of commercial banks have changed as the needs of the economy have changed.

National Credit and Commerce Bank Ltd. (NCCBL), a leading private sector commercial bank began its operation as an investment company at 25th November 1985 in the name National Credit Limited. It was converted into a scheduled bank because of many restrictions in both collection and disbursement of fund while it was an investment company. As per the Bangladesh Bank order all types of transaction was closed for about 14 months from 22nd April 1992. After obtaining permission from the Government of the People's Republic of Bangladesh and the Bangladesh Bank, National Credit limited; an investment company was converted into a full-fledged commercial bank. National Credit and Commerce Bank Ltd. started its operation on 17th may, 1993. The Bank is incorporated as a banking company under the companies Act 1913. Much development of a country depends on the performance of the banking system fulfilling its goals. It has 31 branches all over Bangladesh. Scattered savings are polled and channeled through the banking system effectively to improve economic welfare. N.C.C Bank Ltd. carries out all the banking activities through its branches all over the country.

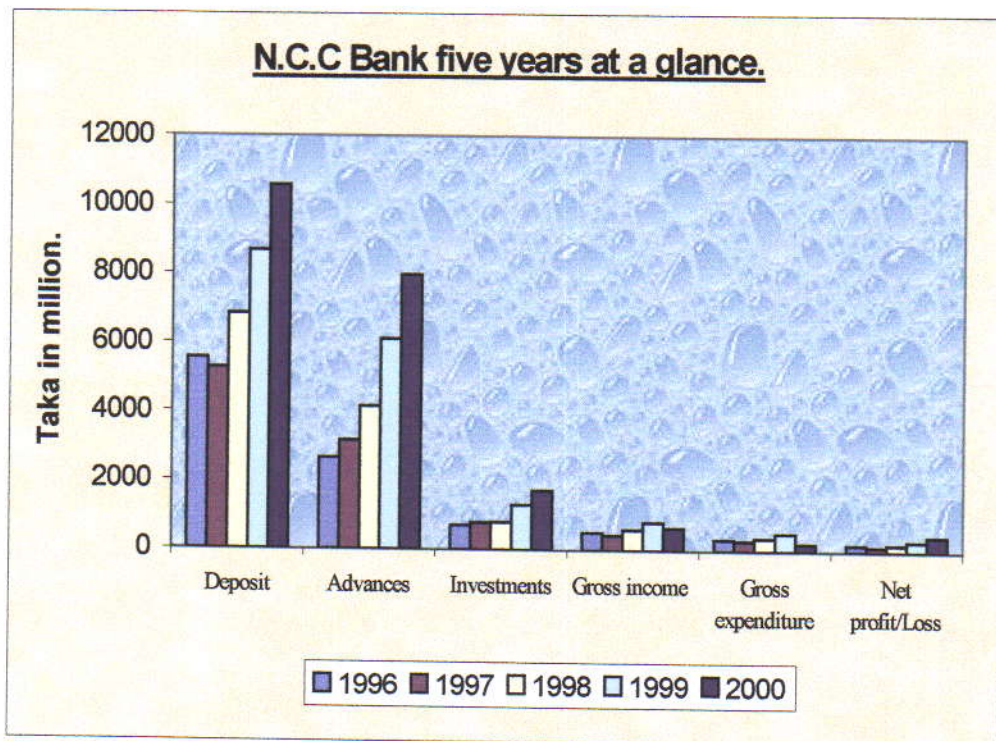
N.C.C. Bank is one of the leading commercial bank in Bangladesh. The Bank is listed in the Dhaka and the Chittagong Stock Exchange as a publicly quoted company for its general class of shares. However, NCCBL runs as per company rules free from the Government intervention. During 1994 & 1995, It was starting years of Bank's operation. Through this period they gave emphasis on consolidating the affairs of the institutions as well as expansion of the business network

1.2 Performance of NCCBL:

(Taka in Million)

Particulars/Year	1996	1997	1998	1999	2000
Deposit	5542.65	5274.71	6824.93	8663.48	10557.72
Advances	2649.58	3158.02	4153.39	6108.44	7965.14
Investments	695.44	766.21	797.16	1283.46	1722.01
Gross income	516.91	429.83	581.20	801.29	655.25
Gross expenditure	327.44	299.73	370.19	510.17	226.01
Net profit/Loss	189.47	130.10	211.01	291.12	429.24

Table-1.1 N.C.C Bank five years at a glance.



Graph-1.1 N.C.C Bank five years at a glance.

1.3 Objectives of the study:

The broad objective of the study is to sketch out an overall “Business development trend of the branch”

The overall objective behind the study can be represented as:

- ❏ To present an overview of NCCBL.
- ❏ To apprise business development trend of NCCBL, Dhanmondi branch.
- ❏ To identify the problems of business development trend of NCCBL, Dhanmondi branch.
- ❏ To find out the new prospective business development area for NCCBL, Dhanmondi branch.
- ❏ To recommend suggestions for the business development of NCCBL, Dhanmondi branch.

1.4 Rational of the study:

At the beginning of the operational period NCCBL had huge liability. The bank has to appropriate a vast amount to overcome massive non-performing asset from its profit. However, At present NCCBL with the network of its 31 Branches moves to a stage from where it can operate its function in a moderate way.

Dhanmondi Branch of NCCBL is one of the best of 31 Branches. In recent time NCCBL (Dhanmondi Br.) is facing some huge competition from other private banks. They have to adopt some business development strategy to compete with the competitors. So, for this reason the study of the business development trend of Dhanmondi branch is very important. This study will help us to indicate how we can develop the business strategy.

1.5 Scope of the study:

The presentation of the strategic and organizational striven for the National Credit and Commerce Bank Ltd. and investigating the current strategic marketing strategies applied by it, provide the scope of the study. The area of the study was the Dhanmondi branch of NCCBL. The internship report deals with “Business development trends of the branch”. An infrastructure of the organization has been detailed, accompanied by a global perspective and look into the future.

During my internship in the NCCBL, I have observed and experience the intensity of client’s satisfaction about the services provided by the institutions. Therefore, I gradually measured the determinants and variables for developing my survey questionnaire. Accordingly, I have randomly selected 30 (thirty) respondents and carry on with my survey activities.

1.6 Methodology of the study:

The report is composed of information collected from both secondary sources and primary data collection survey. The secondary data collected from the National Credit and commerce Bank archive, Annual report and used for the organizational part of the report.

For primary data, I have conducted a survey of 30 (thirty) respondent to collect the observations and analyze the data for evaluating the business development trend of the branch.

⇒ **Secondary Data:**

I have used different types of secondary data in completion of my internship report. Sources of secondary data are as follows:

Bank of your Choice



✳ Internal sources:

1. Bank's Annual Report.
2. Information regarding new product development.

✳ External Sources:

1. Bangladesh Bank Report
2. NCCBL (Dhanmondi Br.) Annual report.
3. Different books related to Business development.

⇒ **Primary Data:**

I have collected primary data by interviewing clients of the National Credit and Commerce Bank Dhanmondi branch. I have also included valuable insights of the employees. These data helps me to determine the business development trend of the Br. I have collected the primary data as follows:

- ✳ Face to face interview with the client's.
- ✳ Through structured questionnaire.
- ✳ Discussion with the officers concerned.

1.7 Limitations of the study:

The internship report was not free from limitations. The study has been conducted on the subject of "Business development trend of the Br.". The manager of National Credit and Commerce Bank has provided all the necessary information with his best abilities. Key limitations of the study are as follows:

Bank of your Choice



- ① Time was the most important limitations in preparation of the internship report. The program allotted only 10 (Ten) weeks for entire study, which disable many opportunities for a comprehensive study.
- ② Relevant papers and documents were not available sufficiently.
- ③ It was little difficult to get the actual information. In many cases the questionnaire had to be explained elaborately to the respondent. Much concerned was raised by the respondents such as, why the study is being undertaken, what would it reveal, are there any risk involved in answering this questions etc.
- ④ It was limited to a specific period of 1996 to 2000.
- ⑤ In many cases up to date information is not available.
- ⑥ As the officers were very busy with their daily work, they could provide very little time.
- ⑦ Due to time constraints the sample size for the survey is small.

Chapter 2

Profile of the NCCBL

Chapter 2 Profile of the NCCBL

2.1 Mission of NCCBL:

- ☆ To provide the ultimate service in banking.
- ☆ A Progressive Bank with Excellence.
- ☆ Bank of Your Choice.

2.2 Board of Directors:

At present there are 27 members in the Board of Directors. Out of 27 members 24 of them are the sponsor of the shareholders and 3 of them are publicly nominated as the equity participants from capital market have included them.

However, the members are obliged to maintain the annual general meeting and declare the dividend pay-out schedule on due time. Moreover, the adhoc committee selected by the shareholders represents individual body who then looks after the periodic issue with the management and tries to solve the problems.

2.3 Values of NCCBL:

To be a progressive private bank in Bangladesh, NCCBL are dealing with the values that are stated below:

- I. Creates new opportunities for its clients.
- II. To contributes towards formation of national capital, growth of savings and investment in trade, commerce and industrial sector.
- III. It gives customized services.
- IV. It maintains harmonious banker-client relationship.

2.4 Objective of NCCBL:

NCCBL's main objective is to maximize profit through customer satisfaction, which very much reflects the idea of any type of service oriented business. National Credit and Commerce Bank has been ensuring profit by providing best and improved customer service along with other corporate objectives mentioned below:

- 1) To provide excellent customer service to its clients, so they choose NCCBL first.
- 2) To carry on the business deals in foreign exchange including buying and selling of foreign exchange, dealing in foreign currency notes, granting and issuing letter of credit, travelers check, circular notes and negotiating of export documents and all other matters relating to the foreign exchange.
- 3) Ensure high return on investments and with different service products.
- 4) To play a significant role in the improvement of the economic condition of this country.
- 5) Make profitable investments, disciplined growth strategy and growth in annual profit margin.
- 6) To remain as the market leader through diversification of the business and automation of the banking operations.
- 7) Create and maintain a congenial environment so that the people will be proud and eager to work with NCCBL.
- 8) To create a fully integrated financial service system.
- 9) To create employment opportunity for positive contribution to the community.
- 10) To build up a strong and enduring organization which employs good business practices and deliver better service of the highest quality.



2.5 Features of NCCBL:

Bank is an intermediary institution. Like other commercial bank NCCBL also has some special features. They are as follows:

- ✳ **Legal Entity:** It is compulsory matter for a bank to achieve legal entity. The stronger legal entity leads to effective banking program. NCCBL has strong legal entity.
- ✳ **Organizational Structure:** NCCBL has a well-set organizational structure. Organizational structure is a precondition of effective banking activities.
- ✳ **Financial Solvency:** Though NCCBL is a new bank, but its ratio of liquidity is well and strong. So, the clients get greater confidence in the bank.
- ✳ **Location of the Bank:** Location is very useful for a bank. The head office and the branches of NCCBL are located in the center point of the capital and the other district towns.
- ✳ **Relationship with the Central Bank:** As the NCCBL is the government-registered bank, So it maintains a friendly behavior with the Bangladesh Bank.
- ✳ **Security:** The NCCBL is totally a secured bank. The clients of the bank get a heavy security on their deposit.
- ✳ **Management of the bank:** The executives and the officers of the NCCBL are very experienced. Maximum executives are ex-government bank officers.
- ✳ **Foreign Exchange:** NCCBL operates foreign exchange business promptly. There are 13 branch deals with foreign exchange.

2.6 Geographical Locations of Branches:

NCCBL has 31 (Thirty-one) branches all over in Bangladesh. Their location and address are as follows:

SL. no.	Name of the Branch	Address	Telephone
1	Motijheel Main Branch	6, Motijheel C/A, Dhaka	9566285
2	Foreign Exchange Branch	29/A, Toyenbee Circular Road, Motijheel C/A, Dhaka	9570139 9556765
3	Kawran Bazar Branch	Hasney Tower 3/A Kawran Bazar C/A, Dhaka	9124902 9124903
4	Dilkusha Branch	Hossain Chamber 43, Dilkusha C/A, Dhaka	9564787 9568638
5	Dhanmondi Branch	Plot#275/G, Road#27(old) Dhanmondi R/A, Dhaka	8110518 8121240
6	Malibagh Branch	B-62, Malibagh Chowdhury Para DIT Road, Dhaka	9342916 8321768
7	Mirpur Branch	Anwar Mansion 40, Senpara Parbata Mirpur-10, Dhaka	8016388 8018036
8	Babubazar Branch	Reaz Medicine Market, Babubazar 57, Mitford Road, Dhaka	7392068 7318596
9	Bangshal Branch	216, Bangshal Road, Dhaka	9565833
10	Gulshan Branch	85, Gulshan Avenue, Dhaka	8827743
11	Islampur Branch	2/1, Ahsanullah Road Islampur, Dhaka	7394881 7394882
12	Jatrabari Branch	123/1-A, South Jatrabari, Dhaka	7512097
13	Moghbar Branch	382, Moghbazar, Tongi Diversion Road, Dhaka	9344676 9343049
14	Mitford Branch	Paradise Bhaban 34, Mitford Road, Dhaka	7311090 7317509

SL. no.	Name of the Branch	Address	Telephone
15	Agrabad Branch	Noor Chamber, 34, Agrabad C/A Chittagong	031-712219 71336
16	Halishahar Branch	Plot#9, Block#L, Chittagong-Dhaka Highway, Halishahar, Chittagong	031-718334
17	Jubilee Road Branch	5, Jubilee Road, Chittagong	031-614574
18	Kadamtali Branch	1151, D.T Road, Chittagong	031-712845
19	Khatungonj Branch	601, Ramjoy Mohjan Lane, Chitt.	031-619959
20	Majhirghat Branch	15, Strand Road, Chittagong	031-617302
21	O.R. Nizam Road Br.	659, O.R. Nizam Road, Chittagong	031-638869
22	Cox's Bazar Branch	Main Road, Bazarghata, Cox's Bazar	0341-64112
23	Feni Branch	Hazi Ibrahim Hossain Market 10, Trank Road, Feni	0331-73177
24	Jessore Branch	Jess Tower, M.K. Road, Jessore	0421-72246
25	Khulna Branch	3, K.D. Ghosh Road, Khulna	041-721492
26	Laxmipur Branch	Chowdhry Super Market College Road, Laxmipur	0381-55433
27	Rangpur Branch	Rainbow Plaza, G.L. Roy Road Rangpur	0521-64769
28	Chowhatta Branch	Sayed Complex, Airport Road, Amborkhana, Municipal Corporation, Sylhet	0821-713031
29	Laldighirpar Branch	Idris Bhaban, Mahajan Patty, Sylhet	0821-714631
30	Moulvibazar Branch	Yakub Mansion, Sylhet Road Moulvibazar	0861-52312
31	Madunaghat Branch	P.O. Rashid Bari, P.S. Hathazari Dist. Chittagong	031-672146 Ext:140

Table 2.1 Geographical location of branches



2.7 Performance of NCCBL:

National Credit and Commerce Bank Ltd. has been able to achieve satisfactory progress in all areas of its operation during 1999 and earned an operating profit of Tk. 291.12 million which is 37.96% higher than that of the preceding year.

2.7.1 Authorized Capital:

Authorized capital of the Bank remains unchanged at Tk.750.00 million in the year 2001.

2.7.2 Paid-up Capital:

The bank raised its paid-up capital from Tk.195.00 million to Tk.390.00 million during 2000 through IPO of which sponsor shareholders equity stood at Tk.198.00 million. With the increase of paid up capital to Tk.390.00 million, the capital base of the bank has become strong.

2.7.3 Reserve funds and other reserves:

The reserve fund increased to Tk.187.32 million in 2000 from Tk.95.90 million in 1999, a growth of 95.33%, which is quite significant compared to the position of the previous year.



2.7.4 Treasury:

Treasury dealings of local money market and foreign currency which is in operation since 1999 has handled significant volume of treasury transaction during 2000 and earned impressive for the bank.

2.7.5 Money Gram:

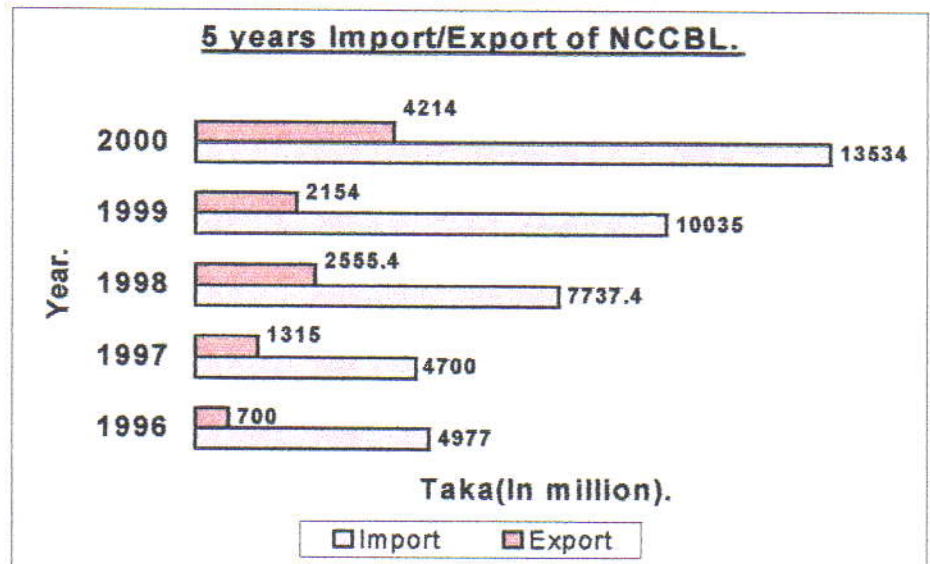
Money Gram is renowned all over the world as the quickest mode of transfer fund from one country to another. The Bank commenced the Money Gram operations from November 1998, as a prestigious product of the bank. The remittance claims are settled on the spot. The customers are highly satisfied with the spot settlement performance.

2.7.6 SWIFT:

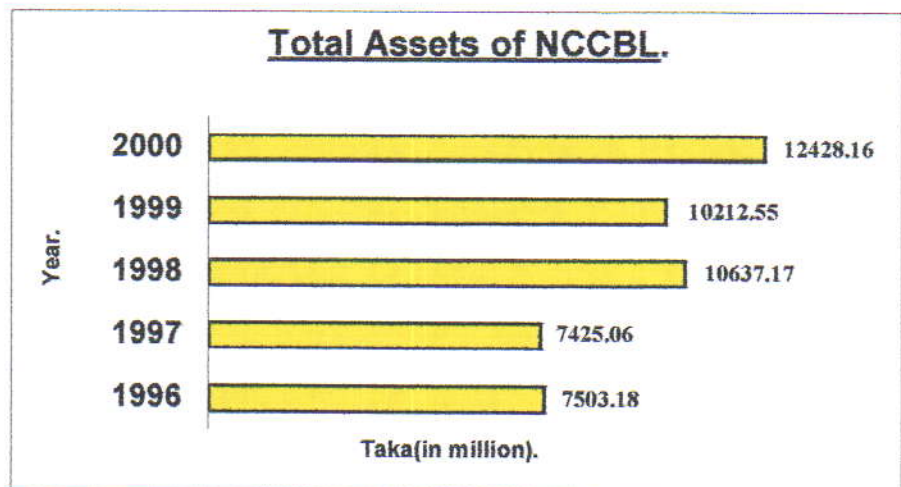
The bank has become a member of SWIFT (Society for Worldwide Inter-Bank Financial Telecommunication) in 1999, which provides a fast, secured and accurate communication network for financial transaction such as letter of credit, fund transfer etc. The membership of SWIFT has opened up possibilities of uninterrupted connectivity with thousands of user institutions in 150 countries around the world.

2.7.7 Foreign Exchange Business:

Foreign Trade Operation of the bank made significant role in the overall business development of the bank. During the year 2000, the bank handled foreign exchange transaction amounting to Tk.17945 million, which is an increase of 45.23% over the last year.



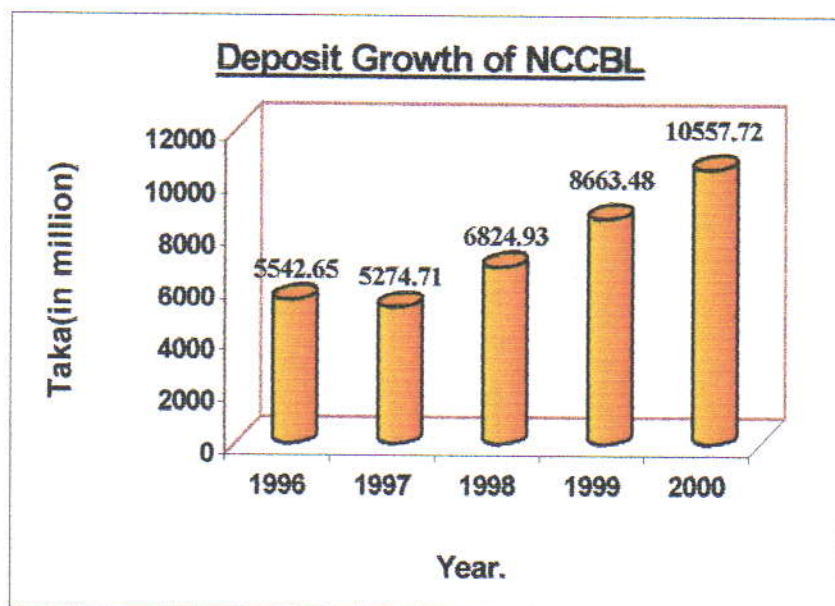
Graph-2.1 Five years import/export of NCCBL.



Graph-2.2 Total assets of NCCBL.

2.7.8 Deposits:

The bank mobilized a total deposit of Tk.10557.72 million as on 31st December, 2000 as against Tk.8746.59 million as on 31st December, 1999 showing an increase of 20.71% over the preceding year. Several welfare deposit schemes introduced by the bank, have helped mobilization of savings and growth in deposit of the bank.



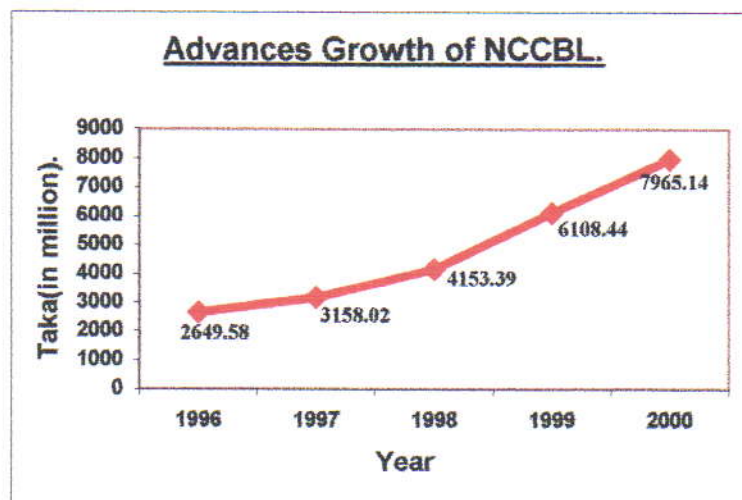
Graph-2.3 Deposit growth of NCCBL.

2.7.9 Automation and Information Technology in Banking:

To extend efficient and prompt services to the client's as well as minimize the cost, Branches and Head offices are being gradually computerized. Steps are being taken to set up a Wide Area Network (WAN) across the country to provide the on-line branches banking facility to the valued customers.

2.7.10 Credit:

The bank followed its own credit policy within guidelines emanating from Bangladesh Bank in respect of loanable funds. The bank continues to explore and diversify the area of financing in addition to traditional financing of domestic and international trade. It financed a number of industrial projects and participated in industrial loans in syndication with other banks during the year. Consumer Credit Scheme and Lease Financing introduced by the bank earlier are also operating satisfactorily. The total loans and advances of bank increased to Tk.7965.14 million as on 31st December, 2000 against Tk.6108.44 million as on 31st December, 1999 indicating an increase of 30.40% . The ratio of Deposits and Advances was 1:0.75 in 2000.



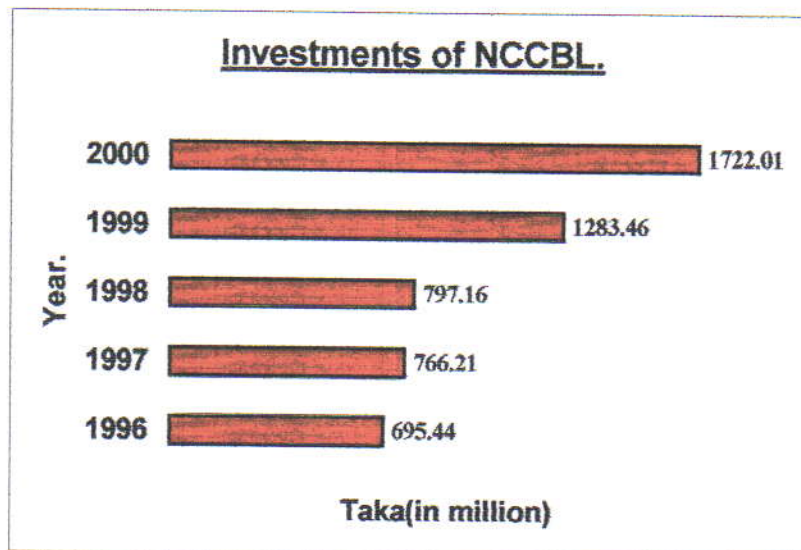
Graph-2.4 Advances growth of NCCBL.

2.7.11 Non-performance Loans:

The bank took effective steps for recovery of non-performing and classified loans and advances. As a result, Banks ratio of classified loans to total loans as on 31st December 2000 has come down well below the set ratio of Bangladesh Bank. The bank recovered a total classified and stuck-up loans and advances of Tk.341.71 million during 2000.

2.7.12 Investment:

The size of investment portfolio of the bank as at 31st December, 2000 stood at Tk.1722.01 million against Tk.1283.46 million in the previous year indicating an increase of 34.17 percent. The portfolio comprises of Treasury bills, Debentures, Ordinary shares and Prize bonds.



Graph-2.5 Investments of NCCBL.

2.7.13 Operational Results:

Due to prudent lending and effective management of funds, the bank earned an impressive operating profit of Tk.429.24 million during 2000, out of which a loan provision was made for Tk.200.00 million, the net profit thus stood at Tk.229.24 million. The growth rate was 47.44%. The bank earned an appreciable operating profit of Tk.291.12 million during 1999, out of which a loan loss provision was made for Tk.183.00 million, the net profit thus stood at Tk.108.12 million. The growth rate was 37.96%.



2.8 Comparative analysis:

Financial performance of any financial organization evaluates about the actual financial performance of the bank. The performance can be evaluated by comparing the performance with the other banks. The year wise performance reveals that how well the banks are doing through the years.

However, comparative analysis reveals that how well the bank is doing in comparison with other banks. Through comparative analysis performance of any bank in the market can be measured. For this purpose the performance of NCCBL was compared with three leading bank of the country like: Prime Bank Ltd., Southeast Bank Ltd., and Dhaka bank Ltd.

Financial performance of a bank includes the performance of deposit, advance, investment, import and export. A brief discussion on these topics have been included and compared with that of other leading banks of the country:

❑ **DEPOSIT PERFORMANCE:**

The existence of a bank mainly depends on its resources. One of the major resources is the deposit. Deposit is the main source of cash flow in the bank. Shortfall of deposit can be harmful for the bank and can result in liquidation. With the orbit of time and generation deposit become due to immense competition, changes in people's saving motive, changes in government policy and due to some other socio-economic factors. Because deposit mobilization being harder, bank's need to attract the depositors with new scheme and services. It is the main source from where a bank finances to others. A healthy deposit is a very good sign of progress for any bank.



2.8.1 Comparative Deposit Growth:

The comparative deposit growth analyses, the bank growth compared with other bank growth. Other bank may include banks of the country like Prime Bank Ltd., Southeast Bank Ltd. and Dhaka Bank Ltd. The deposit growth is compared with the growth of the three banks to evaluate the performance in terms of deposit scheme.

(Take in million)

Banks	1995	1996	1997	1998	1999
NCCBL	3863	5542	5274	6824	8663
SBL	1175	2374	3286	4833	6602
PBL	1554	3145	4263	5313	7660
DBL	NIL	2800	4000	5299	7503

Table-2.2 Comparative Deposit Growth.

The above table shows the growth of the deposit of the banks. The table does not show the percentage, it is in "Taka in million". It will not give us the clear picture. By going through the table it will be seen that the performance of NCCBL is better than the other banks.

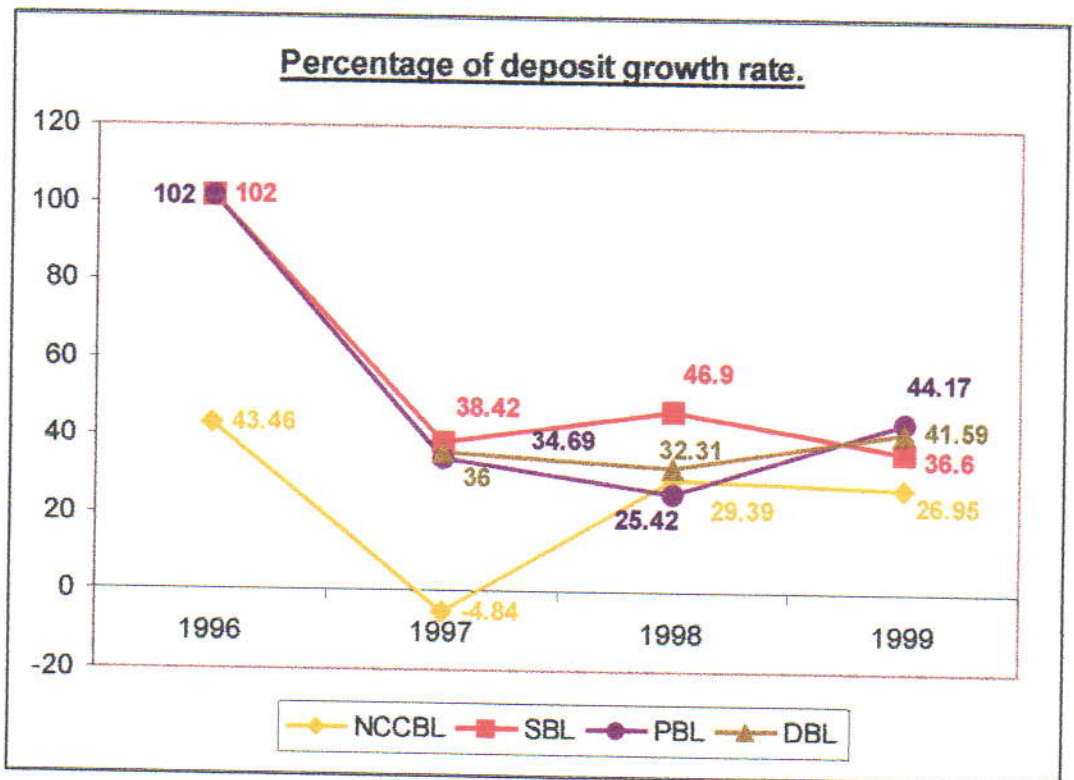


(Percentage)

Banks	1996	1997	1998	1999
NCCBL	43.46	-4.84	29.39	26.95
SBL	102	38.42	47.08	36.6
PBL	102	34.69	25.42	44.17
DBL	NIL	36	32.31	41.59

Table-2.3 Percentage of comparative deposit growth rate.

From the table we can say that the performance of NCCBL, with the other comparative banks, in percentage the performance is not so good as the other banks, as the rate of the growth is not constant. There is a slow down in the year of 1997 but it covered in the year of 1998. The deposit growth compared to other bank is very poor. Here is given the graph for the above table.



Graph-2.6 Percentage of deposit growth rate.

2.8.2 Comparative Investment Growth:

Banks invest in profitable venture from there deposit. This earning from investment helps in various ways to increase profitability of the bank. NCCBL is a profitable organization, with investment in various sectors. The trend of investment shows that the investing has been profitable till now. The investment portfolio consists of all interest bearing securities such as Govt. Treasury bonds, National treasury bonds, other approved bonds, debentures, Bangladesh Bank Bills, equity shares of different enlisted companies etc are generally preferred for the bank's investment of funds.

(Taka in million)

BANKS	1995	1996	1997	1998	1999
NCCBL	654	695	766	797	1283
SBL	277	429	420	510	972
PBL	213	554	583	604	965
DBL	NIL	250	285	355	520

Table-2.4 Comparative investment growth.

From the above table we can say that, NCCBL is in good position in terms of numeric value as there is always a substantial growth. It increased about Tk.41.00 million from the year 1995 to 1996 but when we calculate the percentage like the previous ones the result is same. The rate is not so good as the other banks. So it can be said that the bank needs to do the improvement in this sector.

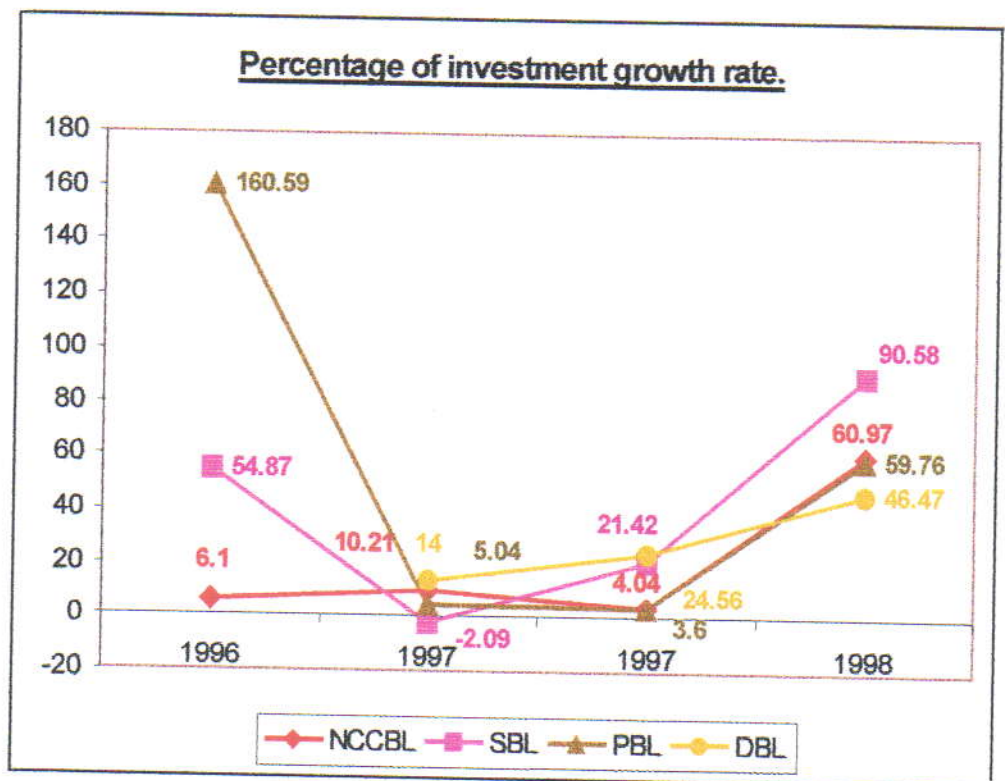


(Percentage)

BANKS	1996	1997	1997	1998
NCCBL	6.1	10.21	4.04	60.97
SBL	54.87	-2.09	21.42	90.58
PBL	160.59	5.04	3.6	59.76
DBL	NIL	14	24.56	46.47

Table-2.5 Comparative investment growth rate.

The table above is the shadow of the table? But the change is the above table is in percentage. When we calculate the percentage like the previous ones the result is same. The rate is not so good as the other banks. So it can be said that the bank also needs to do the improvement in this sector. The following graph will illustrate the whole picture:



Graph-2.7 Percentage of investment growth rate.



2.8.3 Comparative Advance Growth:

To run the operation and earn profit, every commercial bank advances and invests their deposited money in various profitable ventures. The effective and profitable policies concerning advancing and investment is needed unceasingly. Without proper mobilization for deposit under the shadow of advanced and investment, no bank exist.

The bank followed its won credit policy within guideline emanation from Bangladesh Bank. In respect of its loan-able funds in addition traditional financing of industrial and commercial activities, the bank introduced consumer credit scheme for rapid growth of customer base, which aims to help the fixed income groups in raising their standards of living.

(Taka in million)

Banks	1995	1996	1997	1998	1999
NCCBL	2273	2649	3158	4153	5432
SBL	1175	1231	2588	3402	5052
PBL	229	1202	1752	3128	5121
DBL	NIL	556	1580	2692	3843

Table-2.6 Comparative advanced growth.

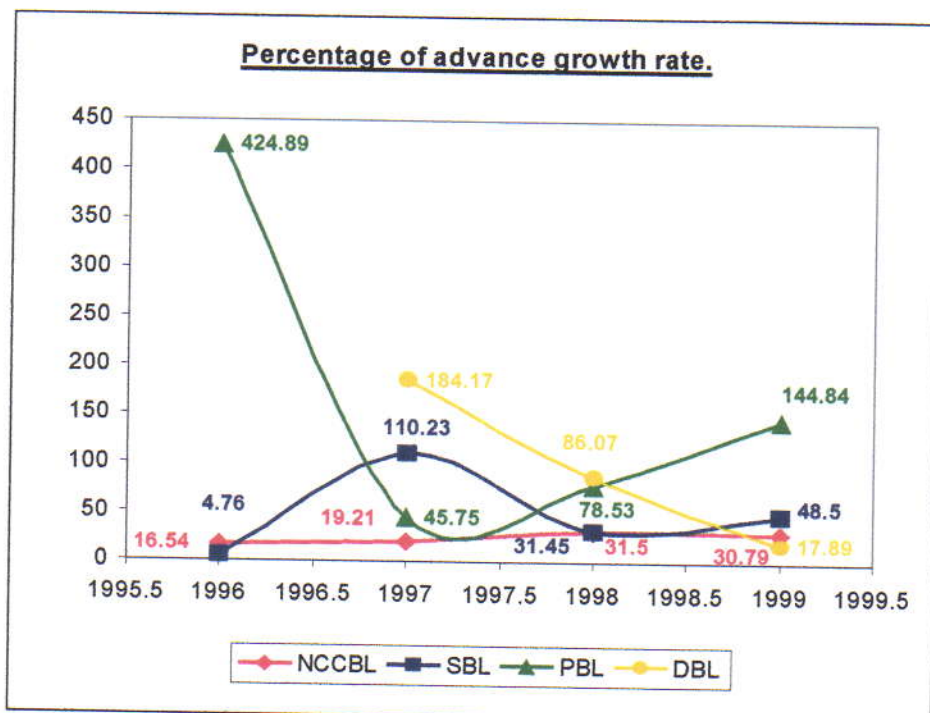
From this table we can say that the comparative growth of advance of NCCBL is far better than the comparative banks in terms of numeric value because the NCCBL was established in 1993 but the other banks was established in 1995. But the following table and graphs will not give the same picture as it is in percentage of growth.

(Percentage)

BANKS	1996	1997	1998	1999
NCCBL	16.54	19.21	31.5	30.79
SBL	4.76	110.23	31.45	48.5
PBL	424.89	45.75	78.53	144.84
DBL	NIL	184.17	86.07	17.89

Table-2.7 Comparative advance growth rate.

It has to be said that in terms of percentage of the growth the position of the bank is not so good as the other banks. In the sense the position of Southeast Bank in comparative reality though it had incurred a substantial amount of decline in the year of 1997. That's the main reason to keep the growth of advance in higher place than others are. By observing the graph it will be easily understandable that the growth in term of percent is not satisfactory for the NCCBL.



Graph-2.8 Percentage of advance growth rate.

2.8.4 Comparative Import Growth:

Foreign trade plays a vital role for overall business of the bank. For smooth functioning of foreign trade business a large network of foreign correspondents have already been established. During 1999, the bank handles total foreign exchange in import sector of business from Tk.10035 million. The table also informed us that the initial stage was the golden age of NCCBL. The percentage rate of NCCBL was also same as the numeric condition. The graph also depicts that there was a dramatic slow down in the year of 1997 it is showed in the graph, which is negative, which implies that performance in the maturity stage is not as the initial introduction stage.

(Taka in million)

BANKS	1995	1996	1997	1998	1999
NCCBL	4885	4977	4700	7737	10035
SBL	256	2233	4686	6852	8229
PBL	NIL	250	250	665	990
DBL	NIL	1530	4384	6993	9076

Table-2.8 Comparative import growth.

The table above is on the import function of the bank. The table shows the total amount in million taka. It will not give the clear view of the current picture. The following table in percentage will give the real view.

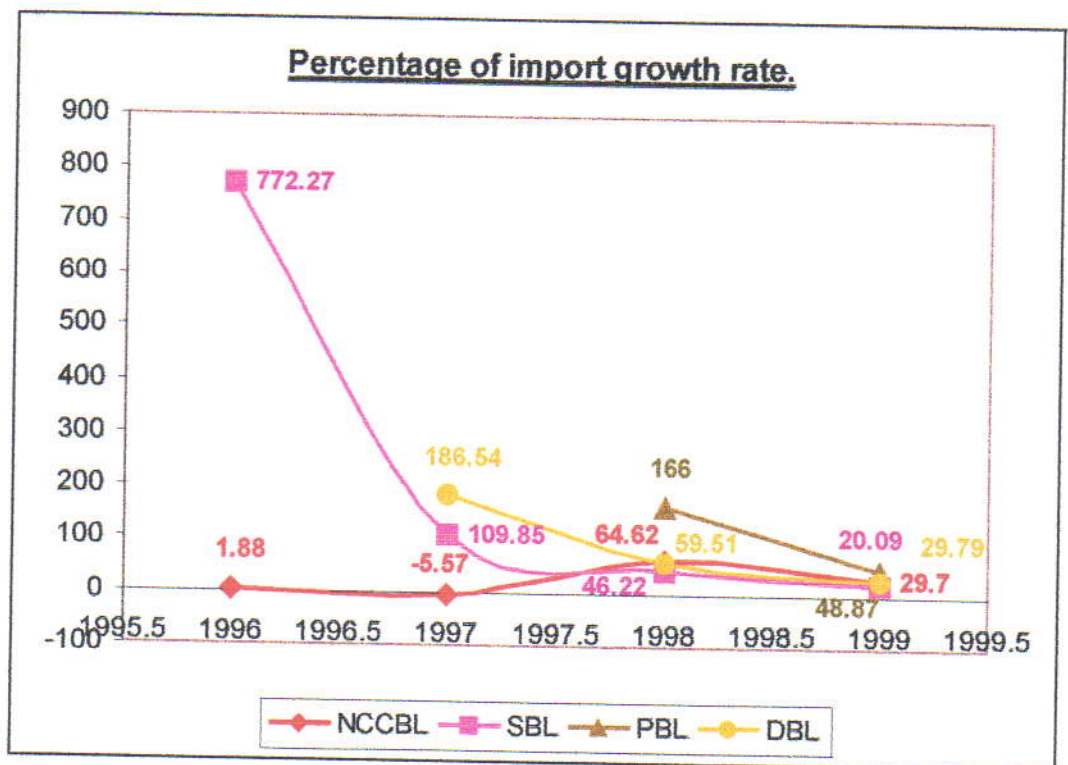


(Percentage)

BANKS	1996	1997	1998	1999
NCCBL	1.88	-5.57	64.62	29.70
SBL	772.27	109.85	46.22	20.09
PBL	0	0	166	48.87
DBL	0	186.54	59.51	29.79

Table-2.9 Comparative growth rate of import.

From the table we can say that it is easily visible that the performance of NCCBL with the other private bank is not satisfactory. No other than the NCCBL is the only bank that incurred the negative rate in the year of 1997 while Southeast bank perform a better performance from the very beginning. Numerically from the year 1995 to 1999 there is a growth in import performance but the rate that has been shown in the graph is not at all satisfactory.



Graph-2.9 Percentage of import growth rate.

2.8.5 Comparative Export Growth:

Export is another source of earning in case of banks. Though our country follows an open market economy policy but still the export factor plays an important role. The main export market is the garment. There is also some important sector of export growing very rapidly. They are mainly Leather, Fresh vegetable, Software, Fisheries items etc. From the following table we can see the export earning of NCCBL.

(Taka in million)

BANKS	1995	1996	1997	1998	1999
NCCBL	271	700	1315	2555	2154
SBL	2	105	177	353	704
PBL	50	50	180	450	600
DBL	NIL	1170	1530	1934	3299

Table-2.10 Comparative export growth.

From the table we can say that the performance of NCCBL is satisfactory. AS from 1995 to 1998 there is a constant increase in the export. But in the year 1999 there is a decrease in export, which is not acceptable in a matured stage.

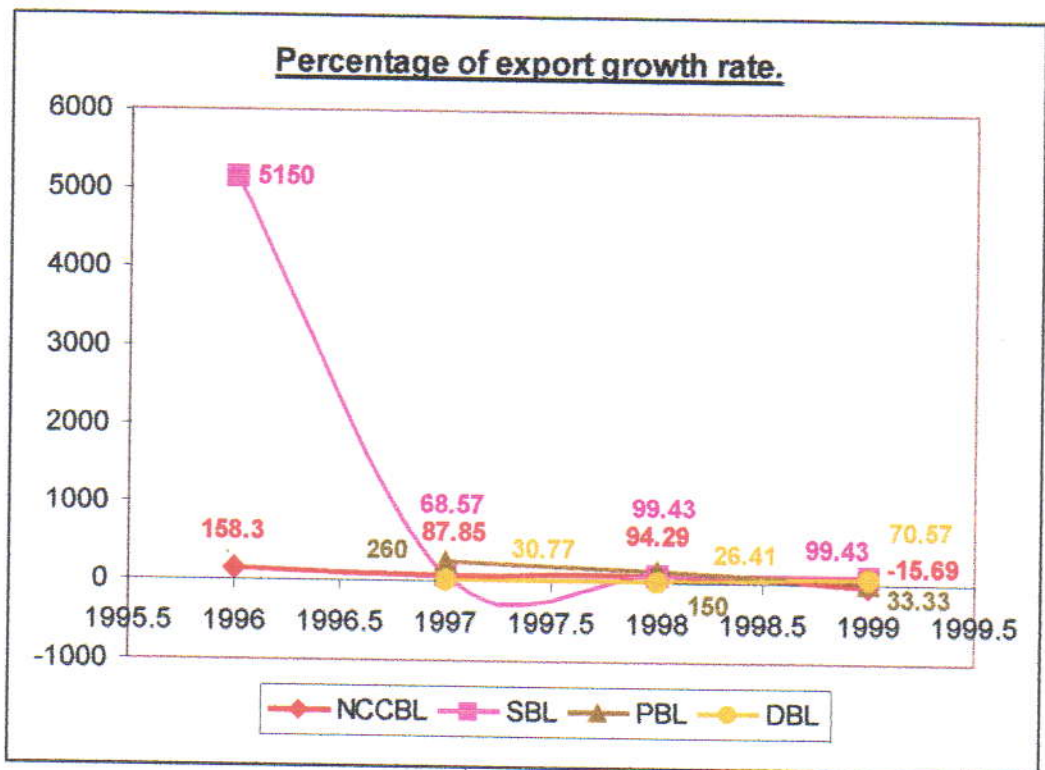


(Percentage)

BANKS	1996	1997	1998	1999
NCCBL	158.30	87.85	94.29	-15.69
SBL	5150	68.57	99.43	99.43
PBL	NIL	260	150	33.33
DBL	NIL	30.77	26.41	70.57

Table-2.11 Comparative growth rate of export.

The chart states the real picture of the export condition of the selected banks. In contrast the condition of NCCBL is not good. Though there is a sufficient amount of growth but the rate of increase in the growth is not constant.



Graph-2.10 Percentage of export growth rate.

Chapter 3

***An appraisal of business
development trend of NCCBL
(Dhanmondi Br.)***

Chapter 3 An Appraisal of Business

Development Trend of NCCBL

3.1 General Banking Department:

General banking means general banking activities of a bank. It is the most important and preliminary work of a bank. All other activities like investment and foreign exchange are rolled through the general banking. The general banking system of NCCBL (Dhanmondi Br.) is very dynamic and errorless. The executives and the officers are very friendly and supportive in their work. Although NCCBL (Dhanmondi Br.) is a new bank but their general banking activities is excellent. Their excellent progress can be viewed by their previous performance. All the clients are satisfied with their services. They expand their services to reach new customer year by year.

In their effort to improve their customer facility, they provide different facilities and offered numerous types of general banking facility. They are trying hard to improve themselves every year in relation with the other branch of the N.C.C Bank. If we follow the table below then we can see that there total income and net profit has decreased sharply and also their total expenditure has increased very significantly. So, they need to cut their expenditure and increase their total income, which will lead to higher net profit.

Particulars / Years	1999	2000	2001
Total Income	Tk.3,34,96,290.11	Tk.2,14,19,276.82	Tk.1,47,71,363.46
Total Expenditure	N/A	Tk.55,53.175.29	Tk.66,80,930.14
Net Profit	N/A	Tk.1,58,66,101.53	Tk.80,90,433.32

Table-3.1 Performance of profit in Dhanmondi Br.



3.1.1 Components of General Banking:

The National Credit and Commerce Bank Ltd. (Dhanmondi Br.) offer various types of general banking components. They are very essential tools for the bank to serve the customers. To attract new customers the bank has to launch new components or re-furnished their existing products.

Their components of general banking are as follows:

- ⌘ Savings Account. (SB)
- ⌘ Current Account.(CD)
 - Current Account for Private Firm.
 - Current Account for Proprietorship.
 - Current Account for Limited Company
- ⌘ Fixed deposit receipt.(FDR)
- ⌘ Special Savings Scheme, (SSS) 5 or 10 years.
- ⌘ Short Term Deposit. (STD)
- ⌘ Special Fixed Deposit Scheme.
- ⌘ *E-cash*.(ATM)
- ⌘ Government Bond.

3.1.2 Opening of an Account:

Account opening is the first and preliminary work for a bank. Account opening is a very important task for any kind of banking activity. A person converts as a client when he/she opens an account on the bank. According to the merit of the account the procedure for opening an account is different.

NCCBL offered various types of account to its clients. There are some general requirements to fulfill to open an account. They are as follows:

- ♣ Minimum age of 18 years.
- ♣ For joint account more than two persons are allowed.
- ♣ Minimum balances of Tk. 1000 for savings account.
- ♣ To be certified by an introducer who has an account with the bank.
- ♣ To provide passport size photographs attested by the introducer.

🏠 Rates of interest for Various accounts:

Name of Deposit	Rate of Interest
Current account	0%
Savings account	7.00%
FDR	Depends on maturity.
SSS	10% & 12%
STD	5.50%

Table-3.2 Rate of interest for different account.

3.1.3 Performance of General Banking:

There are several components of general banking. With a view to ensuring risk free and profitable investments of limited income of majority of our people and thereby provide maximum benefits. N.C.C Bank is a progressive commercial bank in private sector.

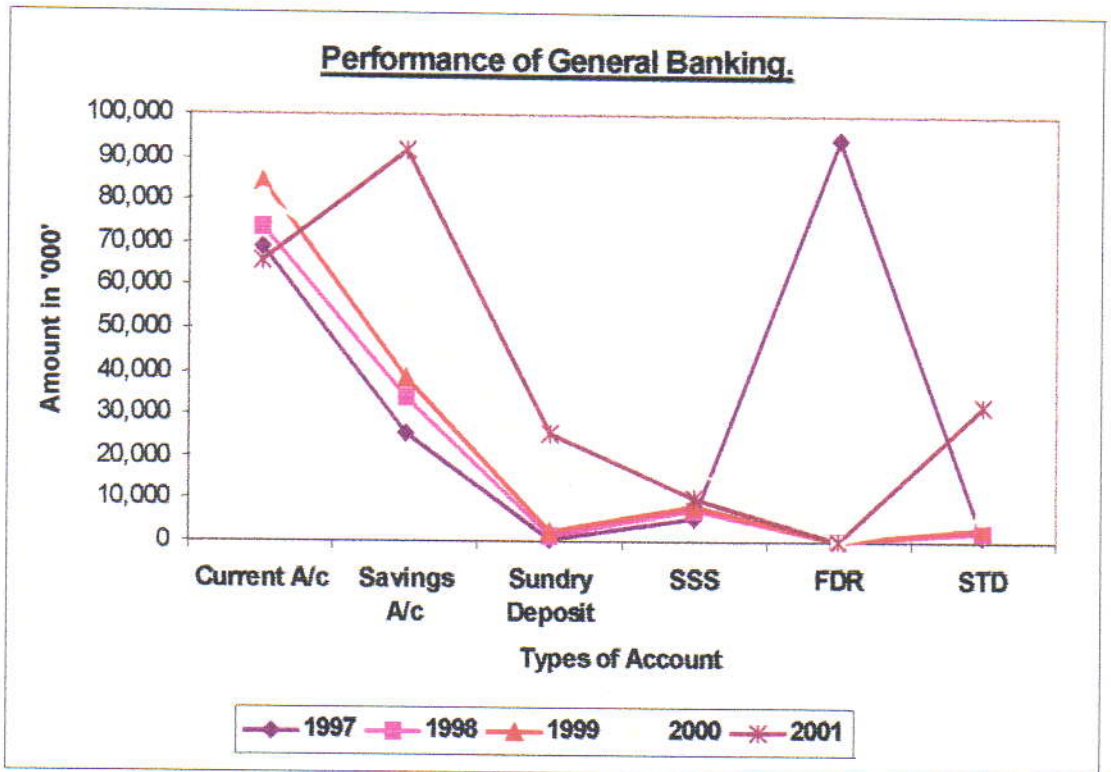


Their general banking activity is one of the best in private commercial banks. They are as follows:

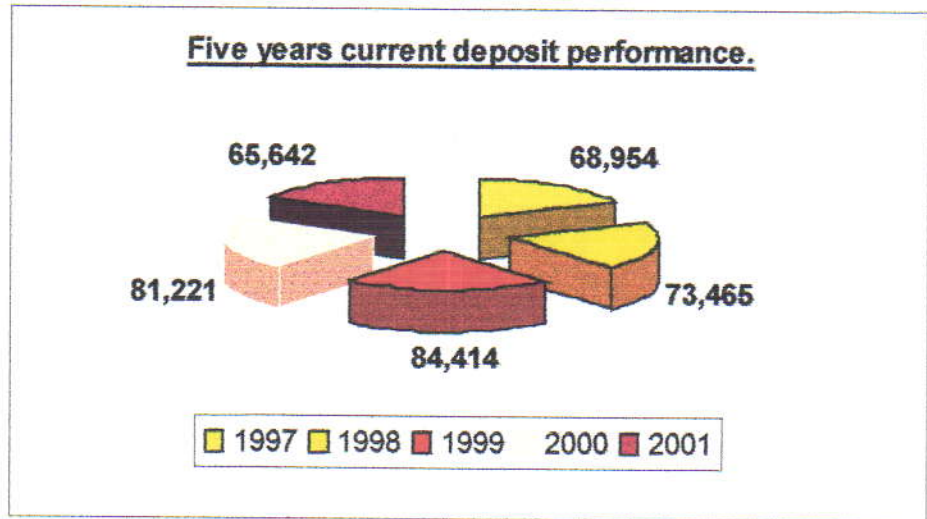
(Amount in '000')

Particulars / Year	1997	1998	1999	2000	2001
Current Account	68,954	73,465	84,414	81,221	65,642
Savings Account	25,643	33,584	38,535	55,164	91,441
Sundry Deposit	528	1,235	2,355	16,858	25,488
SSS	5,456	7,445	8,190	17,058	9,975
FDR	94,434	1,00,032	1,28,193	1,38,783	3,97,433
STD	1,325	2,528	3,368	5,912	31,906

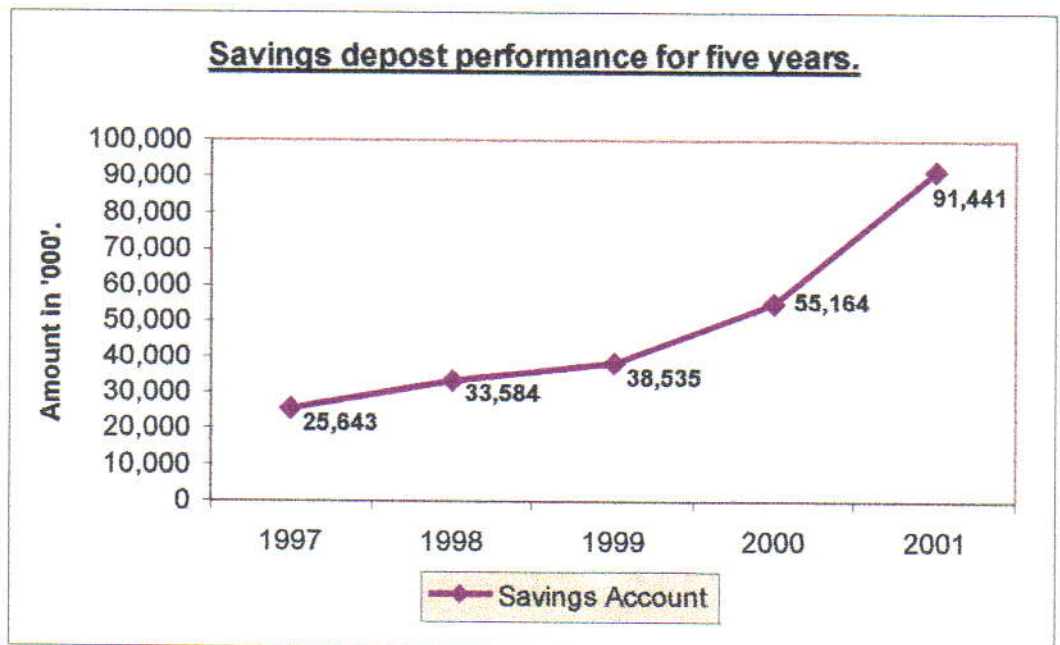
Table-3.3 General banking performance for five years.



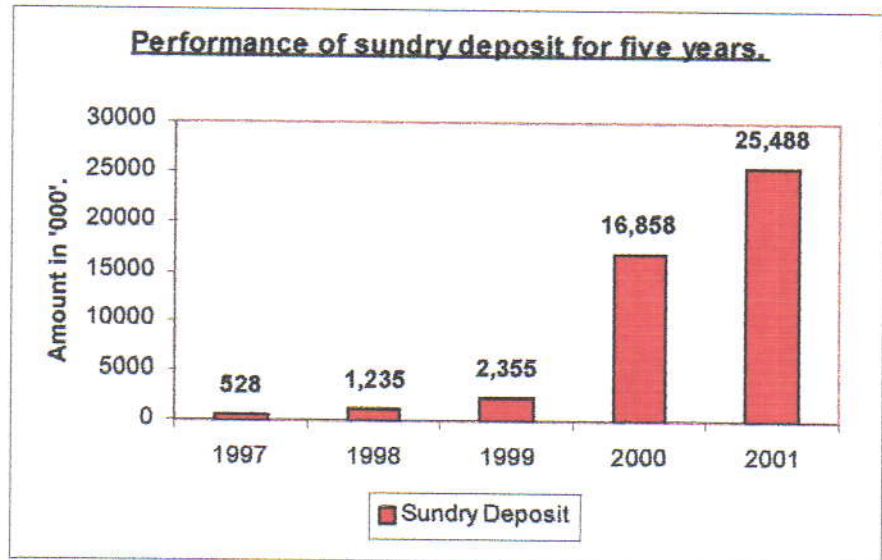
Graph-3.1 General banking activities at a glance.



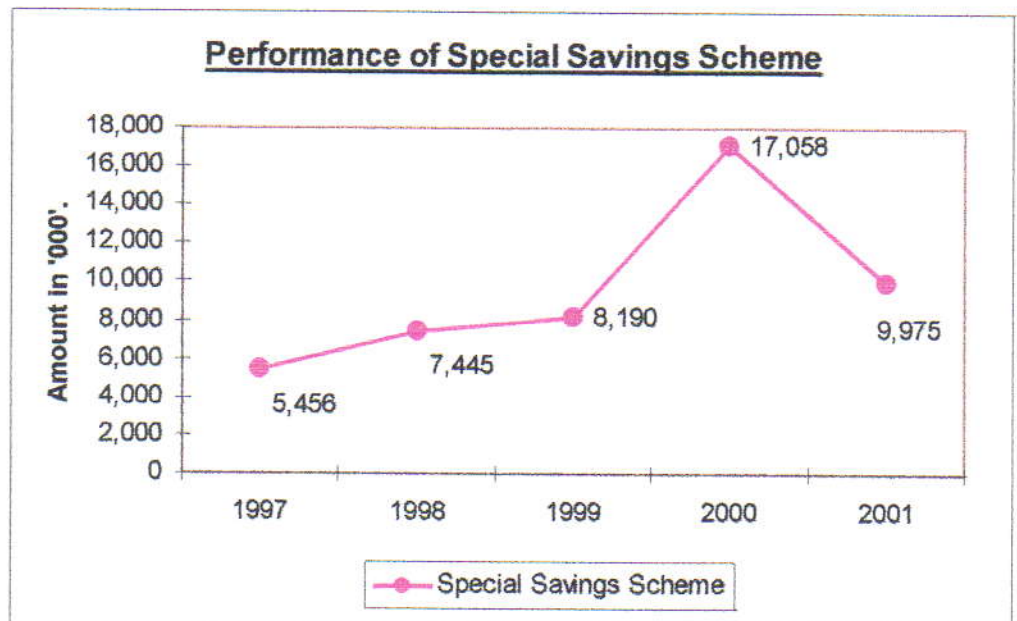
Graph-3.2 Current deposit performance for five years.



Graph-3.3 Savings deposit performance for five years.



Graph-3.4 Sundry deposit performance for five years.



Graph-3.5 Special Savings Scheme performance.



3.1.4 Description of Deposit Accounts:

There are several types of deposit accounts. Each account has different characteristics and every account has some purpose to serve. According to their uniqueness they are described as follows:

❖ Savings Account:

It is the general account of the NCCBL (Dhanmondi Br.). Individual or more than two persons can open a savings account on NCCBL. The rules and regulation that are must need to fulfill to open a saving account are as follows:

- ♣ Applicant has to be a Bangladeshi citizen.
- ♣ Account may be opened in the name of any adult individual or jointly whom is/are mentally sound. In case of joint account balance laying in the account may be either or bath or all of them or to the survivor as per special instruction.
- ♣ Two passport size photographs attested by the introducer.
- ♣ Accounts may be opened in the name of club, association and similar institutions subject to production of there by laws and articles of association acceptable to the bank.
- ♣ Account may be opened in the name of illiterate persons after completion of necessary formalities but withdrawals from such accounts should be allowed only on personal appearance.
- ♣ A suitable introduction is required for opening the A/c.
- ♣ Not more then one account should be allowed to be opened by one person in his/her name at any one branch of the bank but this will not prevent a parents/guardian for opening more then one account for their children who are minors.
- ♣ Each account will be given a separate account number which should be quoted while making withdrawal or deposit in the account or any correspondence.



- ♣ Depositors may deposit money in his/her account as often as he/she likes. Banks may accept Cheques, Drafts, Payment order, Dividend warrants etc on behalf of the account holder for collection.
- ♣ Initial Deposit for opening the account is Tk.5000 and the account may be closed where the balance falls below Tk.500. however Manager has the discretion to authorize opening account below Tk.5000.
- ♣ Only cheques supplied by the bank can make withdrawals.
- ♣ A depositor may withdraw money from his/her account twice in a week.
- ♣ Depositor may withdraw his/her deposit money up to 25% without notice but for withdrawals more then 25%, 7(Seven) days notice is required. In the event of contravention of the rule, the depositor's will not be given any interest in this account for that month.
- ♣ If a depositor persistently withdraws more then twice a week or a sum exceeding 25% of the balance in his/her account without notice, the bank may realize service charge in its discretion. This will be in additional to forfeiture of interest provided for above.
- ♣ Depositor will get interest on the amount deposited in his/her account irrespective of any limit.
- ♣ In the event of return of cheque for want of funds, the bank may in its discretion charge a penalty for each such presentation.
- ♣ If any Excise Duty / Income Tax etc is levied by the government on deposit/interest earned the same will be paid by debiting depositors account.
- ♣ If a depositor likes to close his/her A/c service charge of Tk.250 will be deducted from the A/c.
- ♣ The bank shall allow transfer of accounts from one branch to another at the request of the depositor free of charge but actual expenses incurred on postage may be recovered.
- ♣ The bank reserve the right to refuse issuance of fresh cheque books or to close any account without assigning any reason which in its opinion is not satisfactory conducted.



- ♣ The bank gives a deposit book to the account holder to deposit money to the bank and the account holder must store the deposit book carefully.
- ♣ Account holder must use bank's own cheque book to withdraw money.

The officers and authorized persons are issuing cheque book, deposit slips and statement of account to the account holder of savings. The officer justifies the information that is submitted by the account holder for opening an account. The officers process account-opening formalities as early as possible.

❖ Current Account:

NCCBL is one of the well-reputed private bank in Bangladesh. It operates very diverse current account operation. They serve various types of customers, like current account for private company, current account for limited company, current account for partnership business as well as proprietorship business. All of these current accounts are follow according to the rules and regulation of the National Credit and Commerce Bank LTD. Rules and regulation for current deposit accounts are as follows:

- ❖ Current deposit accounts are opened with sums of not less than Tk.1000 in the names of parties known to the bank or properly introduced.
- ❖ It is understood that the balance at credit will not at any time be allowed to fall below Tk.1000, A minimum charge of Tk.100 per half year is made on all small operative accounts and on those accounts in which the number of transaction is out of proportion to the balance deposit.
- ❖ Only the form of cheque books supplied by the bank should be used. Cheques materially altered will not be paid unless such alteration bears the signature of the drawer in full.



- ❖ Application of cheque Books should be made by letter or on the form inserted near the end of each book. Customers are requested to keep Cheque books under lock & key. The bank will not be responsible in any way for any unauthorized payment resulting from disregard of these instructions and the burden of proof will be upon the clients to show that they have not been negligent in the safe keeping of the Cheque books. Constituents are particularly requested to count the number of Cheque forms in each cheque book they received and to immediately inform the bank if any cheque form or the requisition slip contained therein is missing.
- ❖ In drawing cheques the amount both in words and figures should be written distinctly and the cheques should be drawn in such a way as to prevent the insertion of any other words or figures which may facilitate fraudulent alterations.
- ❖ Cheques sent in for collections should not be drawn against until they have been realized. The bank reserves the right to refuse payment of cheques drawn against unclear cheques etc. although credited in the passbook.
- ❖ Constituents are requested to observe the same style of signature as the specimen left at the bank and to give the bank notice of all the changes of address.
- ❖ All deposit to current account made by local constituents should be accompanied by pay-in slip and the depositor should satisfy themselves that the deposit are verified by the received and date stamp of the bank and the initials of the bank's official.
- ❖ Constituents are particularly requested to cross all the cheques intended for collection before paying them into their accounts.
- ❖ No receipt will be recognized unless it bears the initial or signature of an officer of the bank.
- ❖ Cheque books and pay-in slip books are issued to constituents free of charge, but lost passbook will be replaced only on payment of Tk. 50.
- ❖ The bank collects local cheques etc. on clearing free of charges and all other collection item at charges to be ascertained on application.
- ❖ The bank will carefully register notices of stop payments. The bank cannot undertake any responsibility in case of same being overlooked.
- ❖ Cheques drawn payable to firms or Limited Companies may not be accepted for credit of personal accounts even though drawn payable to bearer.



- ❖ Statement of accounts will be supplied to the constituents every month free of cost. Statement can be supplied more frequently if required. Pass book in lieu of statements can be issued if desired.
- ❖ Signature on cheques other than those in English or in Bangali should be made in the presence of and had initialed for by one of the officers of the bank.
- ❖ A charge of Tk.100 will be made on all accounts closed within six months of their opening.
- ❖ The bank reserve to itself the right to close without the previous notice any account which opinion is not satisfactory operated upon or for any other reason whatsoever which it shall not be incumbent on the bank to disclose to the constituents. The bank shall endeavor to collect cheques and other items as promptly and as carefully as possible but it can accept no responsibility in case of delay or any loss.
- ❖ The bank reserve to itself the right to alter or add or cancel any of the foregoing rules at any time.
- ❖ The bank does not normally recognize trust.
- ❖ The Post Office and other agents for delivery shall be considered the agents of the customers for all deliveries of letters, remittance etc. and no responsibility can be accepted by the bank for any delay, nondeliveries etc.
- ❖ More than two applicant can open the account.
- ❖ Account holder can deposit money number of times.
- ❖ There is no restriction of how many times and the amount of money is withdrawn.
- ❖ For a limited or privates company various types of legal documents have to submit to open a current account. That documents might be Articles of association, Trade license etc.
- ❖ To be certified by an introducer who has a current account with the bank.
- ❖ Two-passport size photographs for each of the account holders attested by the introducer.
- ❖ The account holders have to provide the company seal when it is necessary.
- ❖ The bank gives a deposit book to the account holder to deposit money to the bank and the account holder must store the deposit book, cheque book carefully.



NCCBL has huge response to the client's of the current account. Many firms, Limited Company opens the current to the NCCBL. NCCBL feels proud to serve many renowned company of the country.

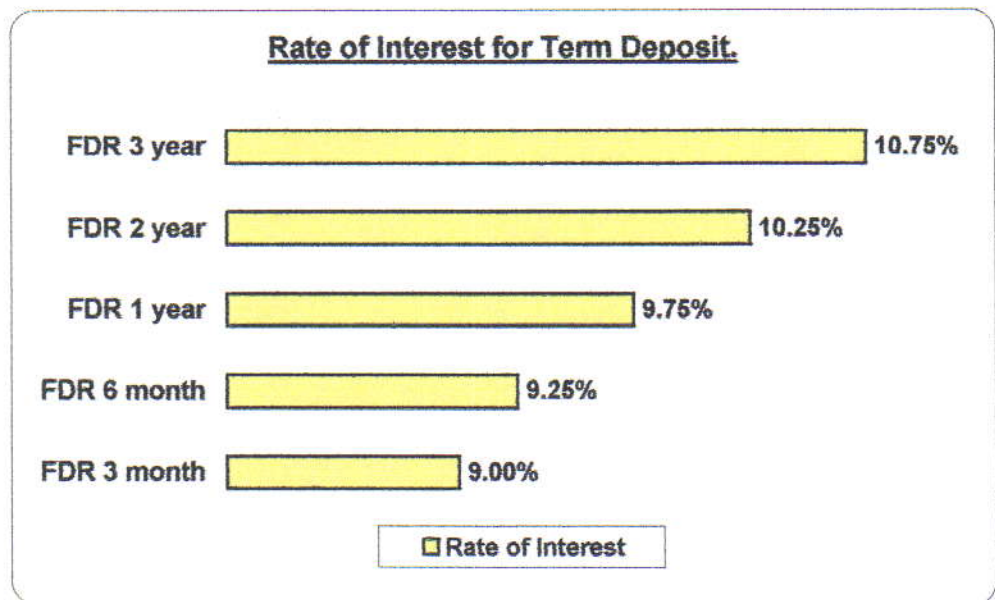
❖ Fixed Deposit Receipt:

NCCBL offers various types of FDR to its client's. Their maturity is different depending on the time period. Their maturity may be 3 months, 6 months, 1 year, 2 years or 3 years. In NCCBL customers can open a FDR in individually or jointly. Customers can get the interest after the maturity period.

🏠 Rates of Interest for Term Deposits:

Nature of Deposit	Rate of Interest
Fixed Deposit 3 month	9.00%
Fixed Deposit 6 month	9.25%
Fixed Deposit 1 year	9.75%
Fixed Deposit 2 year	10.25%
Fixed Deposit 3 year	10.75%

Table-3.4 Rate of interest for term deposit.



Graph-3.6 Term deposits interest rate.

❖ Short Term Deposit:

NCCBL offers STD to its valued customer's. Short Term Deposit is a deposit where the payment of the interest is paid on monthly basis. The rate of interest on STD accounts is 5.50% per annum. There are some rules and regulation that must be maintained by the STD account holder. Like if the account holder of STD account wants to withdraw money from the account they have to inform the bank before. Otherwise the account holder may not receive the interest for that month.

❖ Special Savings Scheme, (SSS):

NCCBL has proudly offered SSS to its customers. There is a special typed form for opening a SSS. The duration of this scheme is 5 years or 10 years. One Passport size photograph is required to open the SSS. There are various types of SSS that is offered by the NCCBL. The variation depends on the amount and the time of maturity of the SSS. The monthly installments of Tk.100 to Tk.2500 may be deposited every month during the entire period of the scheme. Installment of Tk.5000 and Tk.10000 are for 10 years only. The depositors will be paid a specific amount on the expiry of the fixed period as per the following table:

Monthly Installment (Taka)	Duration	
	5 Year	10 Year
100/-	8,000/-	22,500/-
200/-	16,000/-	45,000/-
300/-	24,000/-	67,500/-
400/-	32,000/-	90,000/-
500/-	40,000/-	1,12,500/-
1,000/-	80,000/-	2,24,500/-
1,500/-	1,20,000/-	3,37,500/-
2,000/-	1,60,000/-	4,50,000/-
2,500/-	2,00,000/-	5,62,500/-
5,000/-	--	11,25,000/-
10,000/-	--	22,50,000/-

Table-3.5 Layout of Special Savings Scheme.

- In this scheme depositor may open one or more accounts of different installment in the same Branch.
- Loan may be extended up to 80% of the deposited amount.

❖ Special Fixed Deposit Scheme:

This is a special scheme offered by the NCCBL to its customers. Some of the features of this scheme are as follows:

- ❖ Any amount of Tk.50,000/- or its multiple may be deposited under this scheme.
- ❖ Duration of this scheme is 5 (five) years.
- ❖ Monthly installment will be given to the depositors against the deposited amount according to the following schedule.

Amount of Deposit (Tk.)	Monthly Profit (Tk.)
50,000/-	500/-
1,00,000/-	1,000/-
2,00,000/-	2,000/-
3,00,000/-	3,000/-
4,00,000/-	4,000/-
5,00,000/-	5,000/-
6,00,000/-	6,000/-
7,00,000/-	7,000/-
8,00,000/-	8,000/-
9,00,000/-	9,000/-
10,00,000/-	10,000/-

Table-3.6 Schedule of monthly profit provided by Special Fixed Deposit Scheme.



❖ Deposit Collection and Payment:

A bank offers transaction accounts to its customers, such as demand deposits. It also offers various types of savings accounts and certificate of deposits and makes a variety of loans. Every account holder deposits and withdrew money from his/her account.

The account holders of NCCBL can deposit their money and withdraw it very easily. Because they're banking service is very dynamic and errorless. For this reason NCCBL gets public's confidence which increases their amount of deposits every year. On the other hand, account holders withdraws their money at a time of the banking hour. In some special cases it is possible for the customers to withdraw money after the banking hour of the NCCBL. It is one of the positive sides of the bank.

❖ Attractive charges on remittances:

I. Issuance of Pay Order:

Amount	Commission
Up to Tk.1.00 Lac	Tk.10/-
Above Tk.1.00 Lac to Tk.5.00 Lac	Tk.20/-
Above Tk.5.00 Lac	Tk.50/-

Table-3.7 Commission rate for Pay-order issuance.

II. Issuance of DD / TT / MT

❖ Commission ----- @ Tk.0.10%

❖ Telephone / Telex Charges ----- Tk.30/-



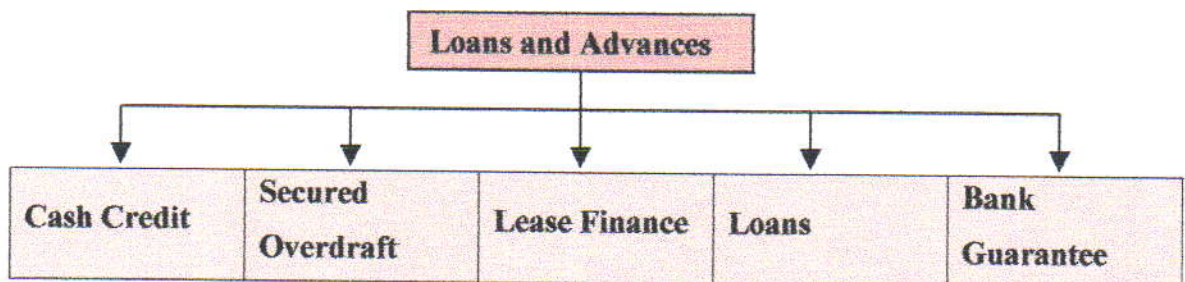
3.2 Loans and Advance Department:

As a private commercial bank NCCBL has some inherit commitment to its society. It provides loans and advances, which can gear up the economy actively. Commercial and Industrial loans are loans made to business concerns to finance their day-to-day activities, to finance their longer term needs and for other business purposes. The maturity of these loans range from 1 (one) day to 10 (ten) years or longer.

NCCBL has been extending credit facilities to the potential, productive and priority sectors as per Bangladesh bank instructions. Good loans are most profitable asset for the bank. A big portion of operating income is generated from lending.

3.2.1 Classification of Loans and Advances:

The loans and advances are divided into the following segments:



3.2.2 Performance of Loans / Advances:

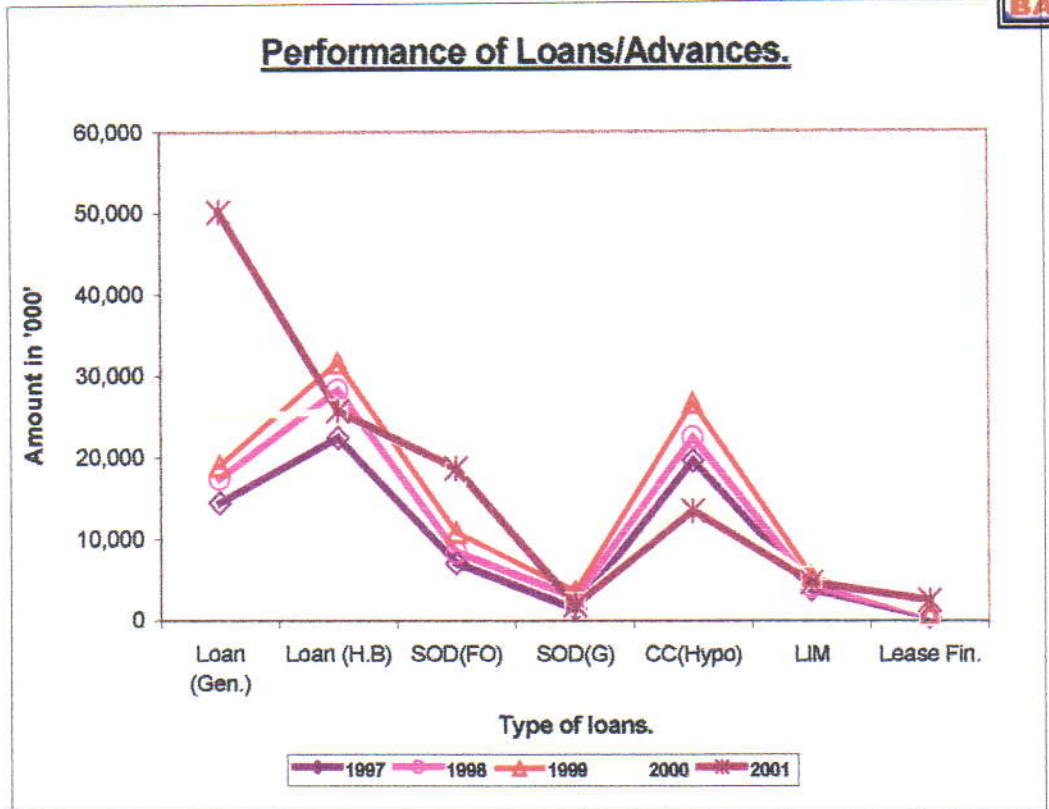
There are several components of loan / advances in NCCBL. The profit of a commercial bank depends primarily on the utilization of its funds. Bank cannot lend its fund fully. As per Banking Company Act 1991 every banking company has to maintain a specified minimum (presently 16%) of the total of its demand and time liabilities in from of cash and approved securities with Bangladesh Bank.

So, N.C.C Bank has to carefully invest in loan / advances to get the maximum performance from the investment. At present the performance of loans/advances are as follows:

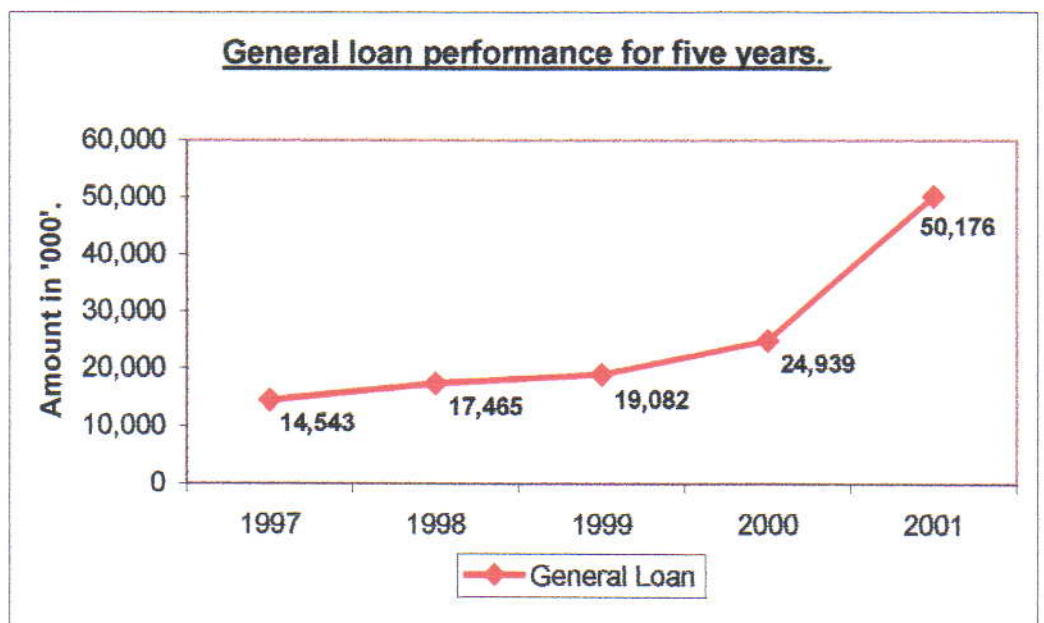
(Amount in '000')

Par./Year	1997	1998	1999	2000	2001
Loan (Gen.)	14,543	17,465	19,082	24,939	50,176
Loan (H.B)	22,445	28,319	31,704	25,752	25,768
SOD(FO)	7,114	8,456	10,904	18,147	18,731
SOD(G)	1,461	2,863	3,602	2,084	1,947
CC(Hypo)	19,653	22,485	26,724	15,311	13,548
LIM	3,852	4,215	5,447	5,258	4,729
Lease Fin.	485	695	754	775	2,550

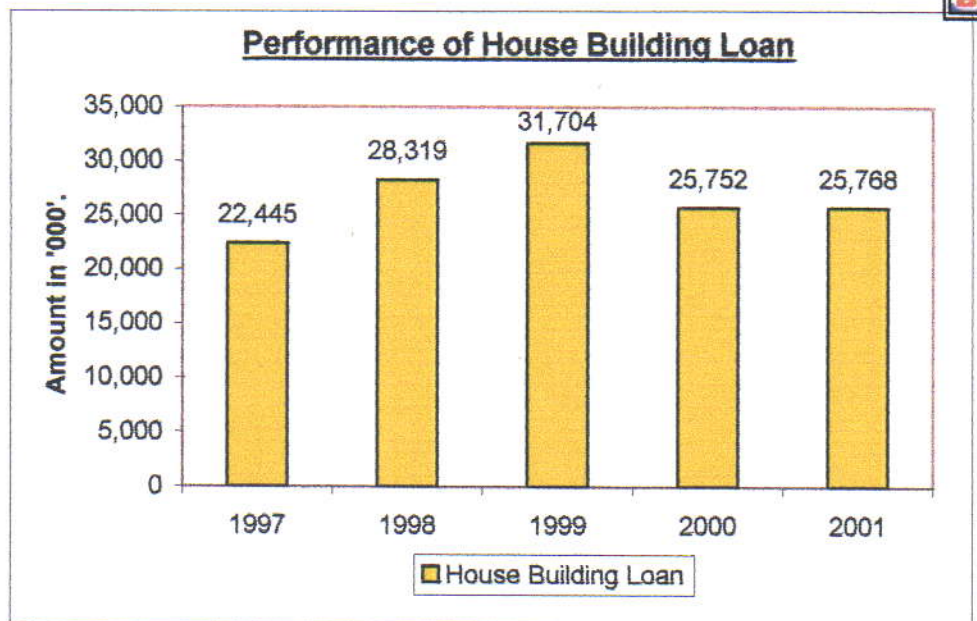
Table-3.8 Loans/advances performance for five years.



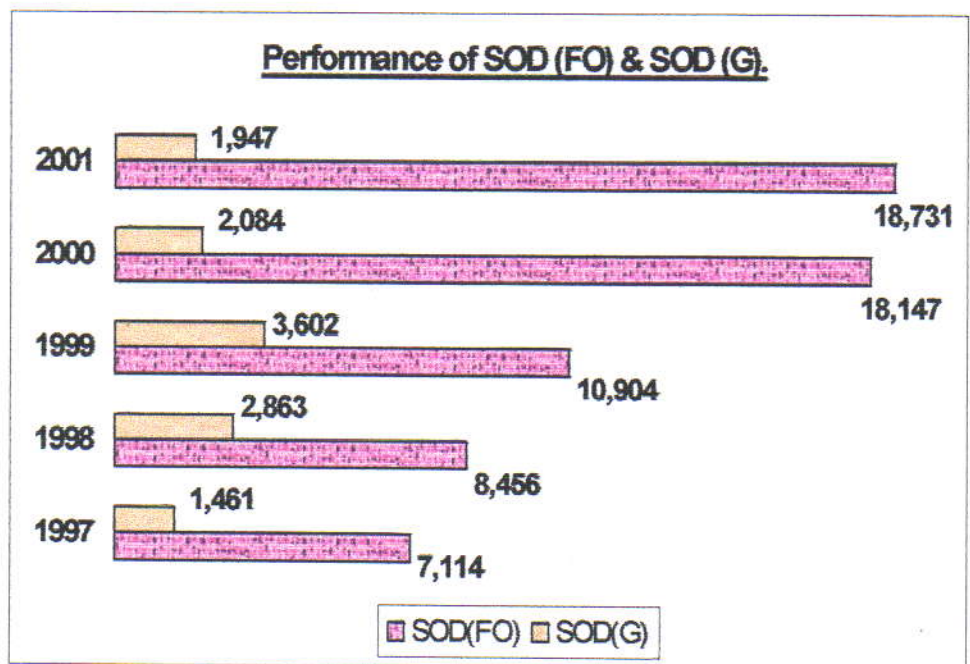
Graph-3.7 Loans/advance activities at a glance.



Graph-3.8 General loan performance for five years.



Graph-3.9 Performance of house building loan.



Graph-3.10 Performance comparison of SOD (FO) & SOD (G).



3.2.3 Description of Loans / Advances:

N.C.C Bank provides loans/advances to all kinds of customers. Customers can choose any types of loan depending on their needs. Every year NCCBL tries to offer new kind of product to their customers.

There are several types of loans/advances accounts. Each account has different characteristics and every account has some purpose to serve. According to their uniqueness they are described as follows:

❖ Cash Credit:

Cash credit and continuing credits are the form of credit schemes that are short-term renewable loans with a specific credit limit. The interest rate is calculated on a daily credit limit basis. As credit activities, the cash credit facility is given on security like the collateral. There are two types of CC loan criteria. They are given below:

1. Check the accounts to find out the money are needed or not.
2. Stock (Primary or preliminary security).
3. Land as a form of collateral.

There are two types of cash credit. They are as follows:

- ❖ Cash credit (Hypothecation)
- ❖ Cash credit (Pledge)



⌘ Cash credit (Hypothecation)

This short-term advance is given on the basis of hypothecation of goods. Basically this loans are given to improve the financial condition of the business. The letter of hypothecation is created against the goods in favor of the bank and the borrower binds himself to give possession is handed over the charge is converted into pledge. This type of facility is generally given to the reputed borrowers of undoubted integrity.

⌘ Cash credit (Pledge)

Under this agreement, cash credit is sanctioned against pledge of goods or raw materials. By signing the letter of pledge, the borrower surrenders the physical possession of the goods under the banks effective control as security for payment of bank dues. The ownership of goods remains with the borrower. The pledge creates an implied LIEN in favor of the bank on the underlying merchandise. In the event of the failure by the borrower to honor his/her commitment, the bank can sell the goods for the purpose of recovering the credit. No collateral security is normally asked for grant of such credits.

⌘ Validity of cash credit:

As the cash credit (Hypo) is a short-term loan the validation period also is within a year. However this limit can also be renewable.

⌘ Rate of Interest:

The rate of interest is usually from 14% to 17% per annum, varying from credit to credit, with quarterly rest subject to change time to time.



✦ Margin:

In case of cash credit (Hypo) the margin is on 50% of the stock value.

✦ Mode of repayment:

From daily sales proceeds once in every 45 days and finally within the validity.

✦ Security against cash credit (Hypo) allocation:

- a) Primary: Hypothecation of stocks at borrower shop/store both existing and future duly insured under banks clause.
- b) Collateral: Registered mortgaged land, with the value assessed by the bank.
- c) Personal guarantee: Personal guarantee of owners of the landed property offered as collateral security.
- d) Charge documents: Demand promissory note, letter of agreement, letter of disbursement, letter of hypothecation, letter of continuity, memorandum of deposits of the title deed.

✦ Security against cash credit (Pledge) allocation:

The security is as same as the hypothecation except no hypothecation of goods is necessary and list of stock is very much necessary with its value added to it.



❖ Secured Overdraft (SOD):

A loan facility on a customer with a current account at the bank permitting him/her to overdraw up-to a certain agreed limit for an agreed period. The terms of loans are normally that it is repayable on demand or at the expiration date of the agreement. This credit facility thus allows a customer to overdraw to a certain agreed limit for a certain period.

There are two types of secured overdraft. They are as follows:

- I. Secured overdraft (Financial obligation). {SOD(FO)}
- II. Secured overdraft (General). {SOD(G)}

❖ **Secured overdraft (Financial obligation):**

Secured overdraft is given against the security of financial documents. These documents include FDR, DPS, Bonds etc. This type of overdraft is applicable for any individual or trading concern. There is no necessity of collateral in SOD (FO). There are two security in SOD (FO). They are as follows:

- a) Charge documentation.
- b) Letter of LIEN and authority for advance against FDR/Bonds.

❖ **Secured overdraft (General):**

These sort of secured overdrafts are mainly given against the work orders. Disbursements are made only after assertion of genuineness of the work order and after completion of all formalities. Drawings shall be allowed only against the valid supply. Registered irrevocable general power of attorney to be executed by the borrower in favor



of the bank for direct collection of cheques and bills to be issued by the work-awarding agency against the supply of work order. The department officially issued a letter of acceptance to issue all cheque bills etc. against the concerned supply/work order in favor of NCCBL.

♣ Mode of Payment SOD (G):

30% is deducted from each running bill towards reduction of limit proportionately and finally are adjusted within the validity.

♣ Security against SOD (G):

- a. Primary: LIEN of the work order or supply order.
- b. Collateral: Registered mortgage of land or immovable property.
- c. Charge documents: Demand promissory note, letter of agreement, letter of LIEN, letter of hypothecation (bill), letter of continuity, letter of guarantee and memorandum of deposit of the title deed.

❁ Lease Finance:

In lease finance a customer take lease rent from the bank for a certain period, which is owned by the bank. The equipment or the lease product is given to the customers prior to some agreement and the customer pays monthly/quarterly installment, against it. The party is required to deposit a number of installments before and the bank pays the rest. On payment of installments the customer does not become the owner of the article rather he has to pay a transfer value as per assignment to set ownership of the same. Usually the bank does not require any type of collateral. This gives advantage to the customer in respect of payment of taxes, as the bank owns the article.



◆ Security against Lease Financing:

- 1) Ownership of the leased article belongs to the bank.
- 2) Collateral may be requested.
- 3) Financial obligation.

❖ Loans:

There are various types of loans being sanctioned by NCCBL. These loans are short or long term loans. Loans that mature within a year is called short-term loan. If the maturity period of the loan is more than one year then the loan is called long-term loan. NCCBL gives loans in different sectors like, general, house building, employee loans etc.

◆ Mode of repayment:

Usually loans are repaid on the basis of monthly installment, to be started after one month from the date of disbursement and balance if any within validity.

◆ Security against loans:

- 1) Registered mortgage deed executed by the owners of the property and most deed will be drafted and executed under supervision of the lawyer and every thing remains under banks safe custody.
- 2) Charge documents: demand promissory note, letter of agreement, letter of disbursement, letter of guarantee, memorandum of deposits of title deeds.
- 3) Usually charge to be created on the fixed and floating assets.



♣ Interest Rate:

Usually the interest rate varies from 14% to 17%. But for the employee the rate is only 8%.

⌘ Bank Guarantee:

Bank guarantee is used against work order. As work order being obtained by the customer, bank gives Bid Bond to few parties for participating in the tender. Normally bid bond is used against charge documents depending on their relationship with the party. Bank may relax the security margin.



3.3 Foreign Exchange Department:

Foreign exchange is free exchange of one country's currency with another country currency or instrument. Applied in making payment between countries. It can be taken as an instrument, which is drawn, accepted made of or issued of all deposit, Credit and balances payable in any foreign currency.

In the NCCBL the foreign exchange department is divided into two parts. They are as follows:

1. Letter of credit (Export).
2. Letter of credit (Import).

3.3.1 Letter of credit (Export):

Export means good and service sold by one country to another foreign household, business and government care called export. The letter of credit is a credit contract in which, the buying and selling procedure takes place. This procedure happens through banks as the bank work on behalf of the buyer. This is the most formal process is buying and selling good and service as the bank send in the documentary letter of credit to the desired buyer by the seller.

A. Documentary letter of credit:

In this documentary letter of credit, all the information about the required goods on services is mentioned details. A documentary letter of credit on master letter of credit may contain the following information:

- ♣ Detail information about the required good or merchandise



- ♣ Quality required
- ♣ Material to be used
- ♣ Transport / shipment date
- ♣ Sellers name and address
- ♣ Place of disposal
- ♣ Buyers name and address
- ♣ Issuing banks name and information
- ♣ Beneficiary banks information

B. Back to back:

The back to back L/C happens when the export open another L/C against fee master L/C to fulfill the requirements of the master L/C, the export actually opens another L/C to buy raw materials to finish the main product required by the importer. N back to back L/C the exporter opens L/C, thus became an importer may be local and foreign to import raw materials.

C. Packing credit:

Packing credit occurs when the exporter is given some credit amount to meet the initial expense. The duration for packing credit is 180 days, usually the packing credit amount is 10 % of the export L/C unit.

D. Foreign Document Tray Bill Collection (FDBC)

FDBC occurs when, the exporter has packed and shipped his document on board, and there by submitting the document to be negotiating back. Then the negotiating sends the document to the issuing bank for bill collection. This is called foreign documentary. Bill collection usually the duration is 21 days on FDBC.



E. Foreign Documentary Bill Purchase (FDBP)

When bank purchase export bills to bill the working capital need of the customer, the FDBC occurs exporter submit all necessary documents along with a letter of indemnity to NCCBL for negotiation. After the clearance of the document the bank may purchase the bill and send an FDBP document to the issuing bank.

F. The SWIFT service:

The word SWIFT stands for society for world wide inter bank financial telecommunication is a co-operative society under begin law and is owned and controlled by its member bank. SWIFT is computerized data transmission network. It is massively used by the foreign exchange department of NCCBL most common uses of SWIFT is L/C issuing. Making amendments and passing necessary information to the foreign banks.

G. Required document in L/C operation:

In the export L/C, departments, the documents carry very meaning to the export L/C. There are two types of documents that is required in the export L/C. Following is the classification of the required documents.

- ◆ Financial Documents.
- ◆ Transport Documents.



♣ **FINANTIAL DOCUMECT:**

1) **BILLS OF EXCHANGE:**

It is a financial document defined as unconditional order in writing addressed by one to another, any sign by the desired person, requesting to whom. It will be addressed to pay on demand or at a fixed or determine future line. A some of money to, on to the order of, or a specified person, or to bearer.

2) **INVIOCE :**

The seller's bill of super in favor on importer includes quality, description of goods price etc. usually the commercial invoice is used must of the time export.

3) **PACKING LIST :**

The lists of packed merchandise, showing quality, weight quality, weight cartons, etc.

4) **CERTIFICATE OF DESIGN :**

This is a certificate used by the manufacture that the product being produces in the particular company.



5) INSPECTION CERTIFICATE :

This certificate issued by the neutral organization studying that goods has been inspected prior to shipment of is a per requirement of the client.

6) INSURANCE :

The document issuing hat the goods is properly issued under the insurance act.

♣ **TRANSPORT DOCUMENT :**

a) BILL OF LADING :

Document signed by the career on the master of ship or their agent acknowledgement receipt of goods for carrier transportable to a stated designation from the specified port of shipment.

b) NON NEGOTIABLE :

Title of cargo cannot be transport by the endorsement.

c) CHARTER PARTY :

Bill of lading issued by the party, which take lease for the vassal.



d) POSTAL CARRIER :

By receiving goods the carrier agent will give receipt.

e) AIRWAY BILL :

Issued goods for transportation to a specified airport from a certain airport.

f) COMBINED BILL OF LADING :

This is a transport document, which is normally issued when carriage of goods is made involving at least two modes of transport.

3.3.2 Letter of Credit (Import):

Let us define import, import is the goods series bought by one country from another foreign household, businessman, or government art called import. To import a person should be competent to be an importer.

A. REQUIRED DOCUMENT:

- a. Valid import registration certificate (IRC)
- b. Trade license
- c. Tin certificate
- d. Vat certificate
- e. Insurance cove note



- f. Insurance cover invoice
- g. Certificate of government
- h. Import from duty signed
- i. Performa invoice supplied by the beneficiary
- j. Must have the current A/C in the bank

B. IMPORT PROCEDURE:

The import procedure is followed by some steps each steps contribute to proceed to the next step. These steps are as follows:

- a. Submission of application from the import from
- b. Proposal sent to the head office for approval by the branch bank
- c. Required document submission
- d. Payment of SWIFT, telex, commission charges
- e. Document sent to the foreign exporter
- f. Export documents received from the exported
- g. Payments against document of release order from the bank
- h. Lone against imported merchandise or letter of trust receipt if required by the party
- i. Goods released from the port

C. LTR (LETTER TRUST RECEIPT):

Letter of trust occurs when an importer fills up the LTR form and applies for it LTR is permissible only if the importer is an reputed, trust worthy and having done business with the particular bank for a long time. LTR creates an option for the importer, to pay due by installment.



D. L/C MARGIN:

L/C is the amount of down payment or deposit to open the L/C, this is a sort security for the L/C purpose. Usually the margin varies from importer to importer. Generally a regular importer enjoys lower margin facility from 10% - 20% for a new customer of the main margin may be 80% - 100% (the function of SWIFT)

E. CHARGES:

Handling charges per document Tk.100.

✦ Accepted Commissions:

Duration	Commission
90 Days (1 st Quarter)	0.60%
120 Days (2 nd Quarter)	0.90%
180 Days (3 rd Quarter)	1.20%

Table-3.9 Accepted commission for L/C.

Postage Charge – Tk.200

Stamp Charge – Tk.150

Swift / Telex Charge – Tk.3500 per document.

F. LOAN AGAINST IMPORTED MERCHANDISER (LIM):

Loan facilities up to a satisfactory limit to the traders customer by the bank against security of the value of the given only to the selective customers who have been doing good business with the bank for a long time.



G. PAYMENT AGAINST DOCUMENTS (PAD):

After receiving the document sent by the foreign exporter, which include bill of exchange shopping document etc. The importer pays the dues against the document received by the bank and letter releases the merchandiser from the port. So, after due payment, which include commissions, product price, charges of swift, Telex, miscellaneous, the arty is eligible to take the release documents from the bank on this payment is called PAD.

3.3.3 Foreign Remittance (MONEY GRAM):

In NCCBL the foreign remittance facility is remarkable in this modern area, handling foreign remittance swiftly is a bare necessity. The foreign remittances handle by the bank through money Gram. Money gram is renowned all over the world as the quickest mode of transfer of found from one country to another. More than 22,00 money Gram agents, in over 100 countries are linked world wide to make sure that money is transferred in minutes. When customer transfer money it reaches destination within 10 minutes.

* FEATURES OF MONEY GRAM:

There are several features of money gram. They are discussed below:

I. FAST:

When money is transferred through money gram service, money gets there fast usually in 10 minutes or less. People use the money Gram service thousands of times a day, all over the world. It is trusted, guaranteed and reliable thoroughly proven way to transfer money worldwide.



II. EASY:

Just one simply from and the computerized more transfer network speed found to destinations throughout the world quickly, effortlessly. The bank commenced Money gram option from November 1998 as prestigious product of the bank, the remittance claims are settled on the spot. The customers are highly satisfied with the spot settlement performance.

*** MONEY GRAM FLOW STEPS:**

1. Sender comes to the money gram Agent
2. Sender initial transfer by completing "Send from" at the Money Gram agent location
3. Sender gets receipt and notified recipient of the transaction reference number
4. Recipient comes to the bank fills out the receive from to request funds to show proper identification (i.e. passport, Valid ID Card)
5. Bank contacts the money Gram transaction. Center to obtain authorization to pay recipient
6. Recipient receives the funds



3.3.4 The Effect of SWIFT in Foreign Exchange:

Swift is a network that provide fast, secured and accurate communication network for financial transactions such as letter of credit, fund transfer etc. The word swift stands for “Society for world wide inter bank financial telecommunication, it is a cooperative by its member banks. It provides secure global communication to 6800 financial institution in 189 countries. The bank has become a member of Swift in 1999.

* SOME FEATURE OF SWIFT:

- ❏ Messages are transmitted in standard, internationally accepted format, simplifying and permitting end to end automation of much banking transaction.
- ❏ Highly secure, with mechanism ensuring confidentiality of information with an extremely low unit transaction cost. Swift is most cost-effective means of transmitting international message.

Chapter 4

Findings of the Survey of NCCBL (Dhanmondi Br.)

Chapter 4 Findings of the Survey of NCCBL (Dhanmondi Br.)

4.1 Findings from the Survey:

I have conducted a survey of 30 (thirty) respondent to collect the observations and analyze the data for evaluating the business development trend of the branch. I have collected primary data by interviewing clients of the National Credit and Commerce Bank Dhanmondi branch. I have also included valuable insights of the employees. These data helps me to determine the business development trend of the Br. I have collected the primary data as follows:

- * Face to face interview with the client's.
- * Through structured questionnaire.
- * Discussion with the officers concerned.

In my survey questionnaire I asked 12 (twelve) questions in relations with the business development trend of the branch. I have also discussed concerned officials about the business development problems of the branch. They give valuable insights about the topic. The respondents also provided me with valuable suggestions and what they really want and what they expect from the banking services of NCCBL Dhanmondi Br.

4.1.1 Findings from the questions:

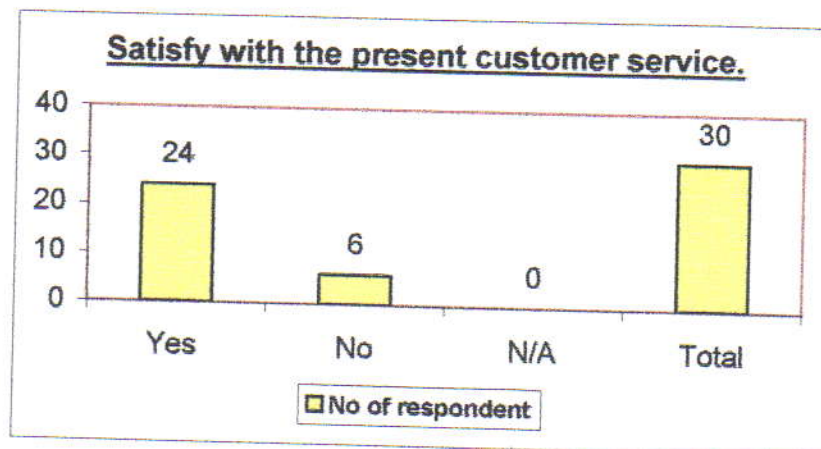
The respondents respond with my questionnaire willingly with the assurance of strict confidentiality. The detail analysis of the survey is given in the following:

Question No: 1 Do you satisfy with the present customer services provided by NCCBL?

Particulars	No of respondent	Relative percentage
Yes	24	80%
No	6	20%
N/A	0	0%
Total	30	100%

Table-4.1 Satisfy with the present customer service.

It is evident from the table that 80% of the respondent are facilitated with the service provided by the NCCBL Dhanmondi Br. However 20% of the respondent expressed about their problems regarding the satisfaction of the present services offered by the bank.



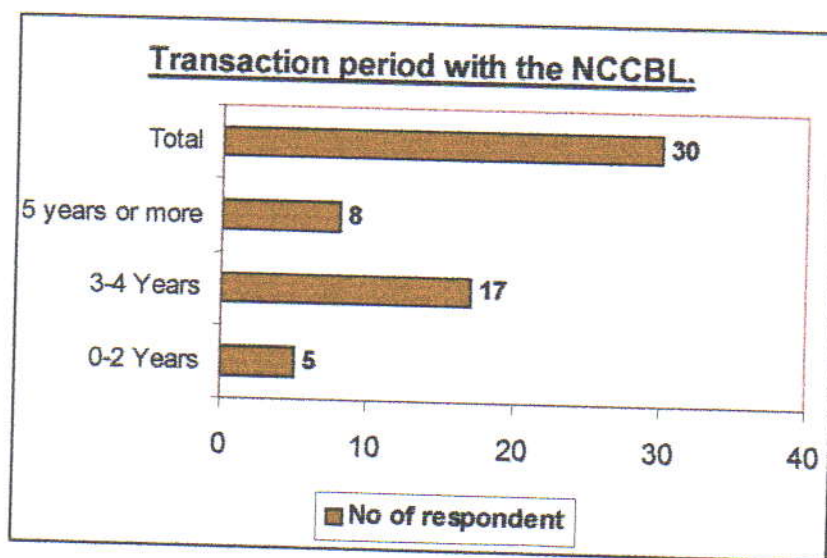
Graph-4.1 Satisfy with the present customer service.

Question No: 2 How long are you continuing transaction with the bank?

Particulars	No of respondent	Relative percentage
0-2 Years	5	17%
3-4 Years	17	57%
5 years or more	8	26%
Total	30	100%

Table-4.2 Transaction period with NCCBL.

The table explained the year of involvement of the clients with the bank. The question was also indirectly reveals the ongoing facility smoothness with the bank. 17 respondent among the 30 respondents are involved for the 3-4 years with the bank. This indicates that the officials are always addressing the requirements of their clients. Nevertheless, it is the target pose by the top management of the bank to go for the new clients. So, we found that the bank has gathered five clients who are relatively new in terms of involvement.



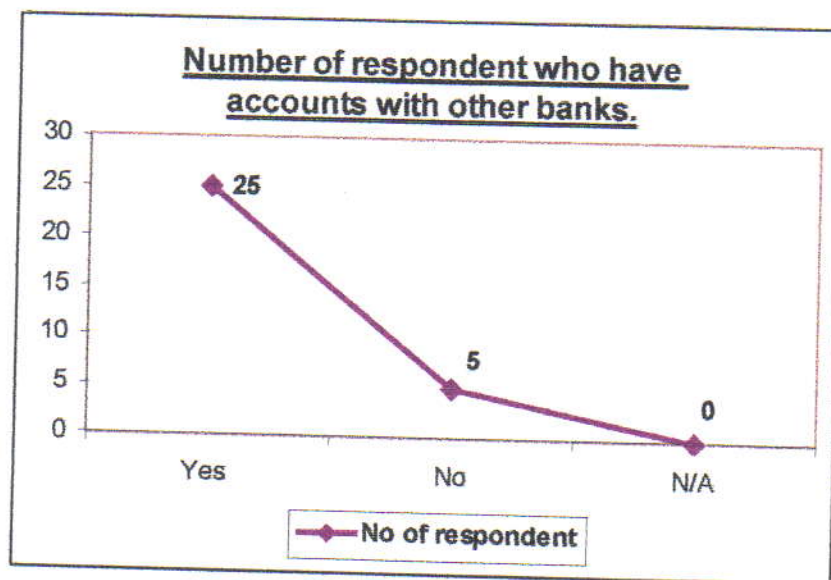
Graph-4.2 Transaction period with NCCBL.

Question No: 3 Do you have any types of accounts with other banks?

Particulars	No of respondent	Relative percentage
Yes	25	83%
No	5	17%
N/A	0	0%
Total	30	100%

Table-4.3 Number of respondent who have accounts with other banks.

The above table tries to find out the preferences and the level of involvement with the bank. It can be explained, from the table the 83% of the respondent maintain accounts with the other banks in the form of savings, current, fixed deposit and deposit pension scheme accounts. The rest of the 17% of the respondent only maintain accounts in the NCCBL Dhanmondi Br. We can infer that the most of the respondent feels that it is necessary to maintain the accounts with the bank for the relationship that they establish with the bank officials. It is true that the efficiency rate in various products and services provided by the financial institutions varies. So, therefore a client naturally maintains accounts with the other banks and also for arranging for other facilities.



Graph-4.3 Number of respondent who have accounts with other banks.

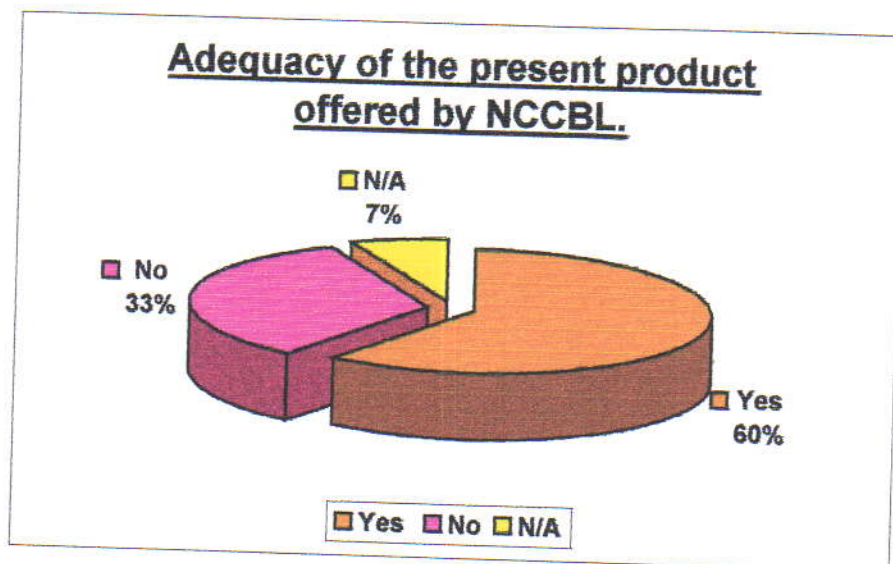


Question No: 4 Do you think the present product of NCCBL (Dhanmondi Br.) is adequate?

Particulars	No of respondent	Relative percentage
Yes	18	60%
No	10	33%
N/A	2	7%
Total	30	100%

Table-4.4 Adequacy of present product offered by MCCBL.

The table illustrates is the services offered by the bank is adequate or not. It is apparent that most of the respondent, 60% of them thinks that present product of NCCBL is adequate. The 33% of the respondent told about the possible areas that the bank might come up with better product or reform of the existing product. The 7% of the respondent did not respond with the question.



Graph-4.4 Adequacy of present product offered by MCCBL.

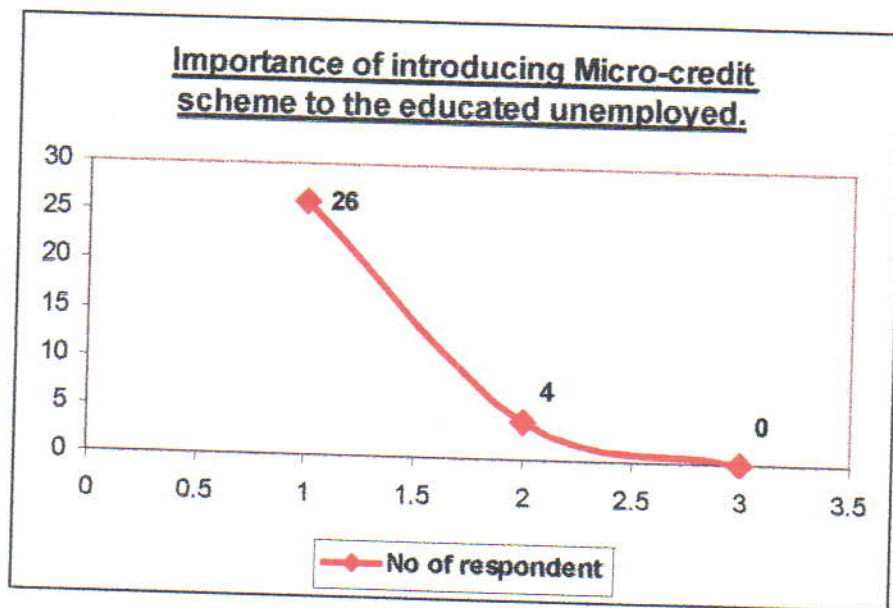


Question No: 5 Do you think introduction of Micro-credit scheme will help the educated unemployed people?

Particulars	No of respondent	Relative percentage
Yes	26	87%
No	4	13%
N/A	0	0%
Total	30	100%

Table-4.5 Importance of introducing Micro-credit scheme to the educated unemployed.

Most of the respondent, 87% of them think that different Micro-credit scheme will help the educated unemployed people. But the 13% of the respondent think otherwise. They do not agree with question. The respondent who agreed with the question think that the bank have to be very careful with the scheme. Because they think the chance of default will be higher.



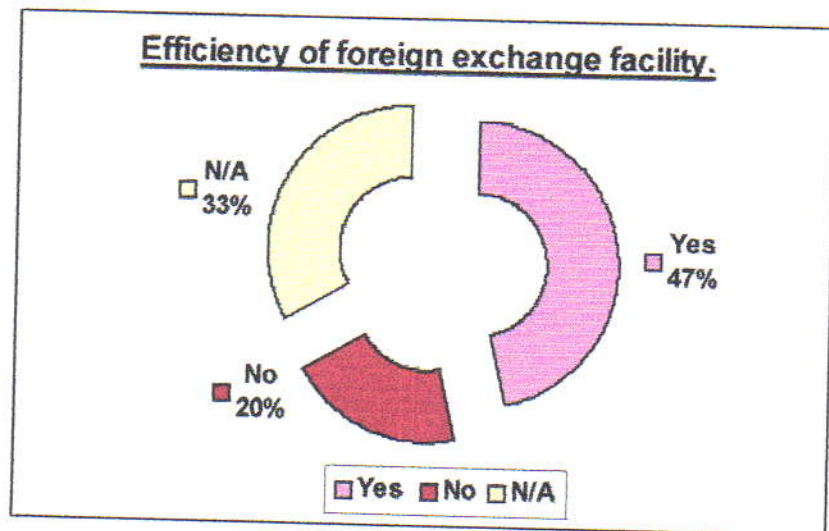
Graph-4.5 Importance of introducing Micro-credit scheme to the educated unemployed.

Question No: 6 Do you think the present foreign exchange facility is adequate?

Particulars	No of respondent	Relative percentage
Yes	14	47%
No	6	20%
N/A	10	33%
Total	30	100%

Table-4.6 Efficiency of foreign exchange facility.

Above table reveals the adequacy of the present foreign exchange facility. Number of participant of this question is 20. That reveal that 10 respondent is not associated with the foreign exchange department. From those 30 respondent 47% of them are satisfied with the facility provided by the foreign exchange department. The 20% of the respondent think that they need to improve the facility they provide to them.



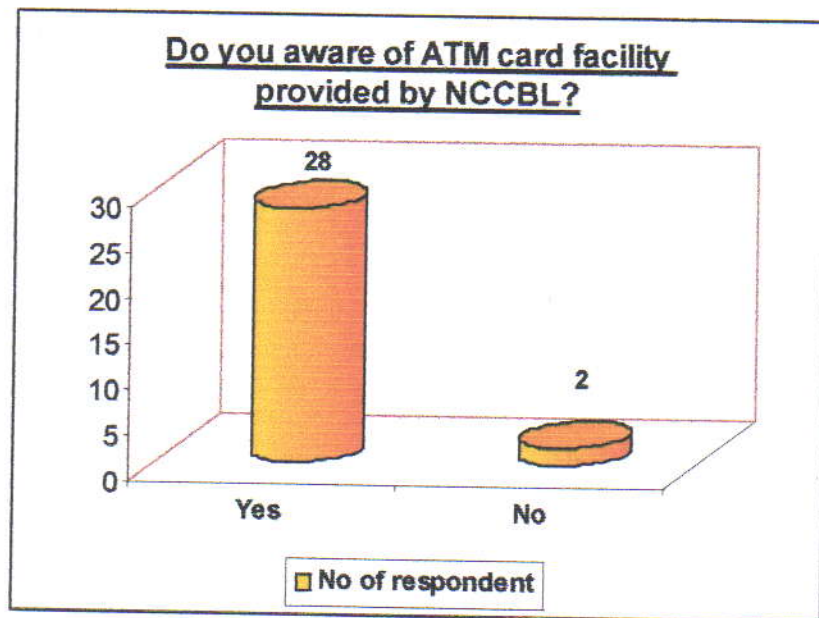
Graph-4.6 Efficiency of foreign exchange facility.

Question No: 7 Do you aware of the ATM card facility provided by the NCCBL?

Particulars	No of respondent	Relative percentage
Yes	28	93%
No	2	7%
Total	30	100%

Table-4.7 Aware of the ATM card facility provided by NCCBL.

It is evident from the table that 93% of the respondent are aware of the ATM card facility provided by the NCCBL. But they also aware of the annual free the bank charges for the ATM services. From the respondent 7% of them are not aware of the ATM card facility provided by the NCCBL.



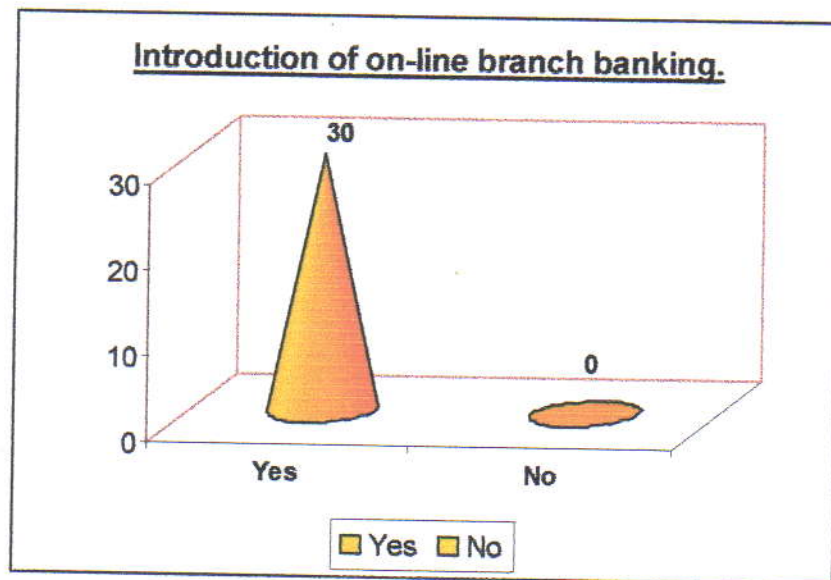
Graph-4.7 Awareness of the ATM card facility provided by NCCBL.

Question No: 8 Do you think on-line branch banking should be introduced in NCCBL?

Particulars	No of respondent	Relative percentage
Yes	30	100%
No	0	0%
Total	30	100%

Table-4.8 Introduction of on-line branch banking.

From the above table it is revealed that all of the respondent agree with the question. Most of the respondent knows the facility of on-line branch banking. Most of the foreign private banks do there banking on-line. So, the respondent thinks on-line branch banking should be introduced in NCCBL.



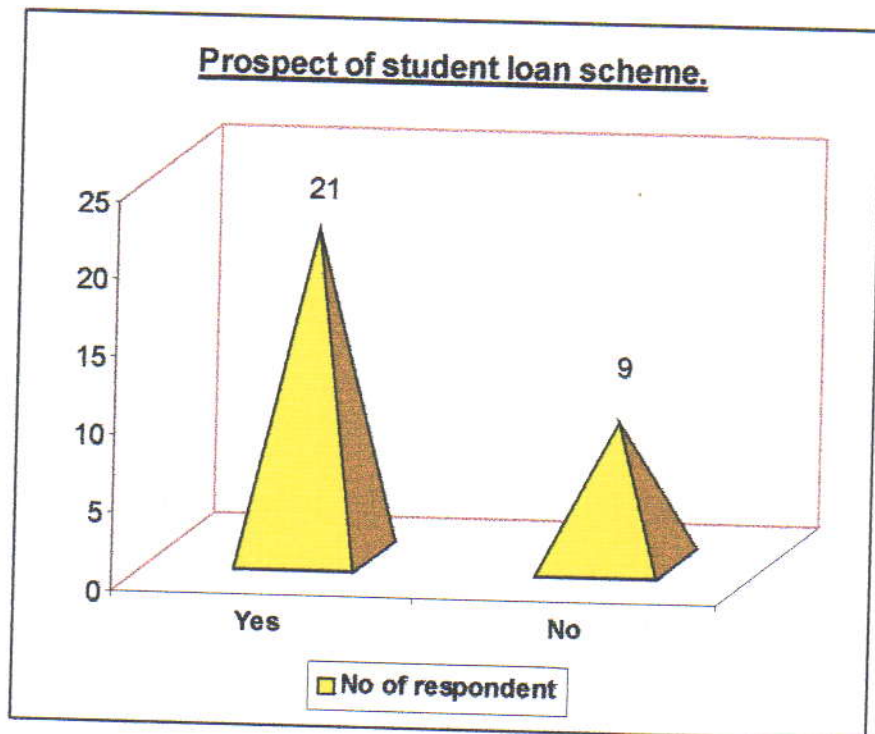
Graph-4.8 Introduction of on-line branch banking.

Question No: 9 Do you think student loan for studying private university will be a good tool for the bank?

Particulars	No of respondent	Relative percentage
Yes	21	70%
No	9	30%
Total	30	100%

Table-4.9 Prospect of student loan scheme.

The above table tries to find out if there is a possibility of student loan for studying private university. Among the 30 respondent 21 of them thinks that student loan will be a good tool for the bank. But rest of the respondent, 9 of them does not agree with the question. They think the student who study in the private university comes from wealthy family and they do not need the student loan to support their study.



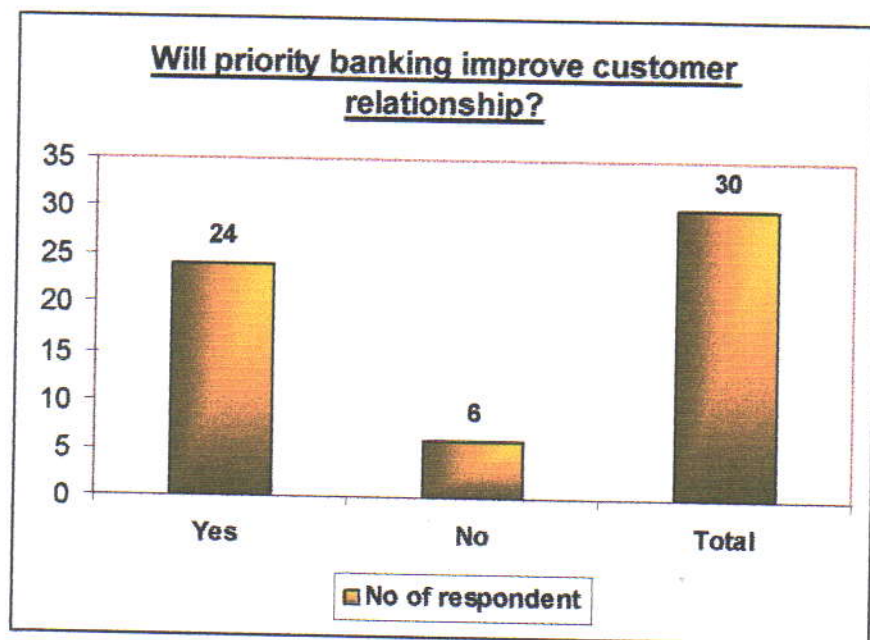
Graph-4.9 Prospect of student loan scheme.

Question No: 10 If priority banking offered to you, Do you think your relationship with the bank will be better?

Particulars	No of respondent	Relative percentage
Yes	24	80%
No	6	20%
Total	30	100%

Table-4.10 Improvement of customer relation through priority banking.

From the above table we found out that 80% of the respondent think that if priority banking offered to them the relationship with the bank will be better. But 20% of the respondent think otherwise. They believe that to some specific extent it can be done, but the general banking activity should not be prioritized.



Graph-4.10 Improvement of customer relation through priority banking.

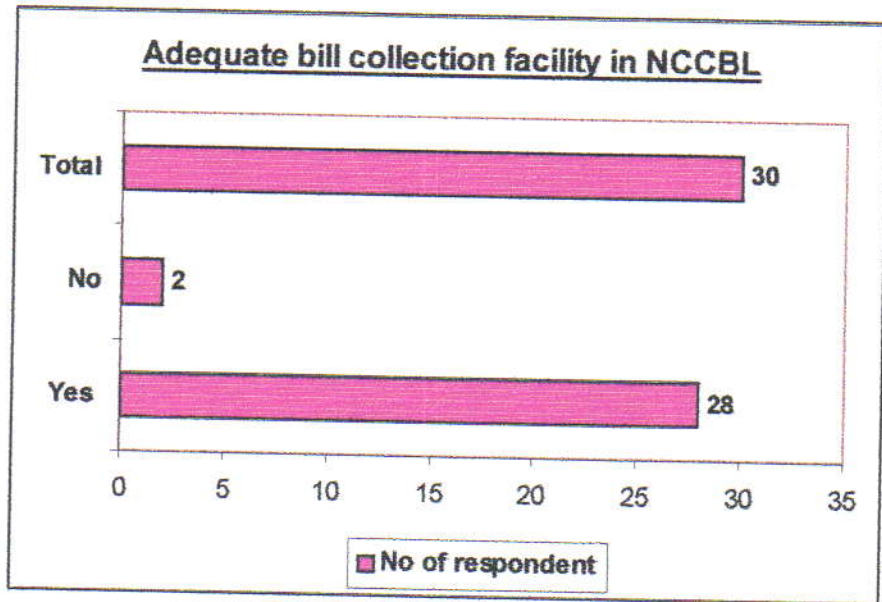


Question No: 11 Do you think bill collection facility is adequate in NCCBL?

Particulars	No of respondent	Relative percentage
Yes	28	93%
No	2	7%
Total	30	100%

Table-4.11 Adequate bill collection facility in NCCBL.

The above table illustrates the adequacy of the bill collection facility of NCCBL. Among the respondent 93% of them agree with the question and 7% of them does not. In recent time NCCBL has included Gas bill collection to their service. All the bills can be paid in cheques also. So, most of the clients are satisfied with their bill collection facility.



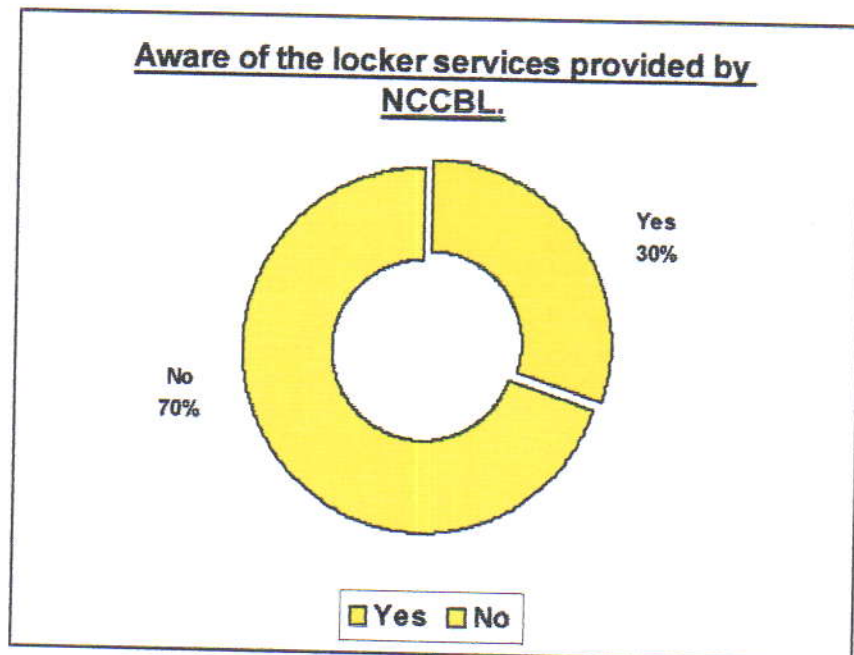
Graph-4.11 Adequate bill collection facility in NCCBL.

Question No: 12 Do you aware of the locker service provided by the bank?

Particulars	No of respondent	Relative percentage
Yes	9	30%
No	21	70%
Total	30	100%

Table-4.12 Aware of the locker service provided by NCCBL.

It is evident from the table that 70% of the respondent does not aware of the locker services provided by the NCCBL. It shows that NCCBL has lack of promotional activity. Most of the respondent does not know about the locker service they provide to their customers. Only 30% of the respondent know about the facility of locker service. So, NCCBL should increase their promotional activity.



Graph-4.12 Awareness of the locker service provided by NCCBL.

4.1.2 Findings from the Comments:

Particulars	No of Respondent
Automated Billing system	21
Increase promotional activity	14
More responsive	5
Time management	18
Increases in branches	7
More economical	4
On-line banking facility	12
Total respondent	30

Table-4.13 Summary of the comments.

The only open ended question in my questionnaire is this question where I have tried to come up with the client's suggestions. I believe that the suggestions are the most valuable sources for NCCBL to redesign the areas where it has the deficiencies and readdress the features of the package. Most of the respondent had came up with several ideas and areas where the Dhanmondi Br. may have room to develop its operation through introducing different services that are suggested above. NCCBL should try to introduce automated billing system by which the bank can automatically debit the computer-generated bills. Many respondents feel that the official must work round the clock to facilitate the clients to meet the deadlines. Moreover, many of them express the need to increases the number of branches and effectively manage their time in the case of loan assessment. Few of the respondents feel that they do not have sufficient amount of promotional activity to introduce the existing or new products.

Chapter 5

***Business development
problems of NCCBL
(Dhanmondi Br.)***



Chapter 5 Business development Problems of NCCBL (Dhanmondi Br.)

5.1 Problems Relating Dhanmondi Br.:

Banking is the backbone of national economy. All sorts of economic and financial activities revolve around the axis of the bank. As the industry produces goods and commodities, so does the bank creates and controls money market and promotes formation of capital.

From this point of view banking a technical profession can be termed as industry. Services to its customers are the products of the banking industry, besides being a pivotal factor in promoting capital formation in the country. Banks are the only media through which international trade and commerce emanate and entire credit transaction, both national and international.

Being one of the best banks in Bangladesh, NCCBL (Dhanmondi Br.) has some problems. They are facing with different types of problems in their day-to-day activity. They have to overcome these problems so that they can be the best banks in Bangladesh. The problems they face can be divided into three types. They are as follows:

- 1) General banking problems.
- 2) Loans and advance problems.
- 3) Foreign exchange problems.



5.1.1 General Banking Problems:

General banking means general banking activities of a bank. It is the most important and preliminary work of a bank. All other activities like investment and foreign exchange are rolled through the general banking. In their effort to improve their customer facility, they provide different facilities and offered numerous types of general banking facility. The general banking system of NCCBL (Dhanmondi Br.) is very dynamic and errorless. In general banking in the NCCBL they face some problems. They have to overcome these problems for continuing their smooth and growing banking services. In the general banking department the problems are as follows:

❑ **Economic Growth:** With improved overall economic performance most of the firms experience increased profit and this helps them to put long term deposits in the bank. But when economic growth experienced on average of below 5% of economic growth most of the sectors became stagnant. So, if the economic condition is fragile then the deposit margin droops very significantly.

❑ **Poor performance in profit:** They are trying hard to improve themselves every year in relation with the other branch of the N.C.C Bank. If we follow the table below then we can see that there total income and net profit has decreased sharply and also their total expenditure has increased very significantly. So, they need to cut their expenditure and increase their total income, which will lead to higher net profit.

Particulars / Years	1999	2000	2001
Total Income	Tk.3,34,96,290.11	Tk.2,14,19,276.82	Tk.1,47,71,363.46
Total Expenditure	N/A	Tk.55,53.175.29	Tk.66,80,930.14
Net Profit	N/A	Tk.1,58,66,101.53	Tk.80,90,433.32

Table-5.1 Profit Performance of Dhanmondi Br.



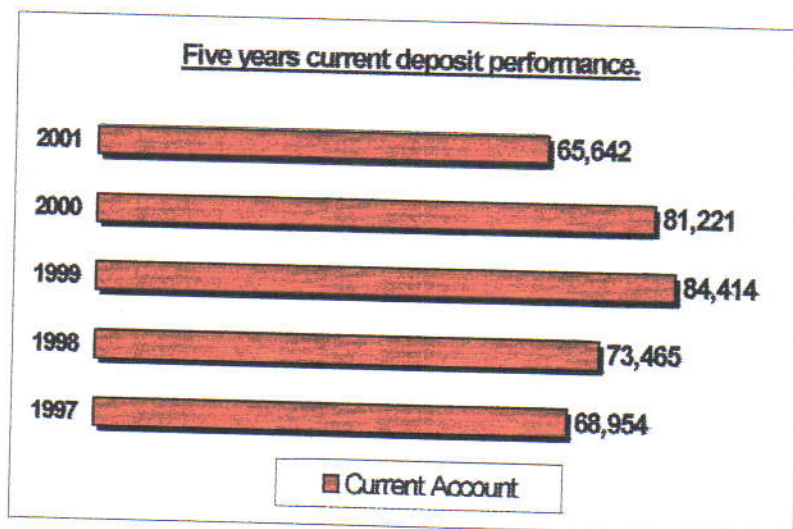
Current deposit collection: There are several components of general banking. With a view to ensuring risk free and profitable investments of limited income of majority of our people and thereby provide maximum benefits. N.C.C Bank is a progressive commercial bank in private sector.

NCCBL is one of the well-reputed private bank in Bangladesh. It operates very diverse current account operation. Current deposit is one of the important parts of general banking activity. They serve various types of customers, like current account for private company, current account for limited company, current account for partnership business as well as proprietorship business. All of these current accounts are follow according to the rules and regulation of the National Credit and Commerce Bank LTD. From the table we can see that in the year 1997 to 1999 the amount of current deposit is increasing. But from 2000 and 2001 the amount of current is decreasing. So, bank is losing the current deposit amount very fast. It is one of the alarming problems for the branch.

(Amount in '000')

Particulars / Year	1997	1998	1999	2000	2001
Current Account	68,954	73,465	84,414	81,221	65,642

Table-5.2 Trend of current deposits in Dhanmondi Br.



Graph-5.1 Five years current deposit performance.



☐ **Term deposit interest rate:** NCCBL offers various types of FDR to its clients. Their maturity is different depending on the time period. Their maturity may be 3 months, 6 months, 1 year, 2 years or 3 years. In NCCBL customers can open a FDR in individually or jointly. Customers can get the interest after the maturity period. The management of NCCBL has decided to decrease the rate of interest for term deposit. In some cases they decreased 1% from the previous year. But in the other new private bank they are offering high interest on term deposit.

Nature of Deposit	Rate of Interest	
	2000	2001
Fixed Deposit 3 month	9.25%	9.00%
Fixed Deposit 6 month	9.50%	9.25%
Fixed Deposit 1 year	10.50%	9.75%
Fixed Deposit 2 year	11.25%	10.25%
Fixed Deposit 3 year	11.75%	10.75%

Table-5.3 Different interest rate for term deposit.

☐ **Political Unrest:** Political unrest caused difficulties in the smooth operation of the depositors business and reduces cash flow for the depositors. During the political unrest of 1995 and 1996 many depositors face financial difficulty and they were not able to deposit money in the banks. So, for political unrest sometimes banks unable to collect their targeted amount of deposits.



- ❏ **Competition from the foreign banks:** NCCBL and many other private banks are now facing huge competition from foreign banks. They are attracting more customers by providing better customer services. They are frequently introducing new product to their clients. They are the leaders in the on-line banking facility. Some of the foreign banks first introduced ATM service to their clients. They are offering very attractive interest rate on their fixed deposit accounts. They also first introduced credit card facility in Bangladesh. Many of the foreign banks introduced different kind of personal and consumer credit loan first. Then the other banks follow their footsteps. So, NCCBL and many private banks are facing competition from foreign banks.
- ❏ **Lack of implementing IT technology:** It is the age of technology. Technology is part of our life now. Without implementing the latest technology we will fall behind very soon. There is some problem in NCCBL regarding technology. They introduced SWIFT services in the year 1999. Most of the branches including Dhanmondi Br. are computerized. Day by day the number of customer is increasing and the business activity is increasing. But most of the computers and servers is old model. They have very limited capacity to perform the job effectively. Most of the system hangs up 10-15 times a day. Then someone has to reboot the system entirely. So, NCCBL should upgrade their computer system in view of their customer facility.
- ❏ **Absence of attractive remuneration package:** NCCBL should offer attractive remuneration package to their officers. In that way the job satisfaction will be very high. In compare with other private bank their remuneration package is not satisfactory.
- ❏ **Located in a residential area:** NCCBL Dhanmondi Br. is located in residential area. So, compare with commercial area the number of business is small.



- ❑ **Inflation:** Inflation has destabilizing effect on business behavior. Rising price results in a rising demand for credit as the cost of inputs increases. So, when inflation hits in the economy then the purchasing power of the people reduces. For that reason they have to spend more money to buy few products. Their ability to save money decreases too. In that way when inflation occurs banks cannot fulfill their deposit margin.

- ❑ **Reduction in interest rates:** After the formation of BNP government in 2001, the government reduces the interest rate in all types of deposits. The government thought that these steps would create a situation when the interest rates on the loan will drop simultaneously. For that reason people are less willing to invest in FDR or long term deposit. So, to attract new customers in the bank they have to provide extra benefits to its customers.

- ❑ **Business Cycle:** When business cycle approaches downturn then many borrowers can not meet their loan obligation. So, the income of the bank gets very low. After 1995 the world economy experienced slowdown and some impact also falls on some exporters of Bangladesh. Many of the small garment factories closed in this time.

- ❑ **Poor promotional activities:** NCCBL has poor promotional activity. All other private and foreign bank has strong promotional activity. They continuously promote themselves in the newspaper and TV. They also sponsor different games and fairs and join in different socio-cultural activity.



5.1.2 Loans and Advance Problems:

Loans and advance department also faces some problems. They are as follows:

- ✎ Most important problem is concerned with mortgage. In some cases mortgage property is not properly justified. Sometimes the customers of loans and advances do not submit the valuation certificate. Some cases proposal for the loan is not reasonable because not create as per credit norms. It is very unbelievable that sometimes banks sanctions loans without taking any security or any type of collateral against the loan.
- ✎ Wrong selection of borrower and failure to assess the credit worthiness of the customer's, experience and capability to complete the project. Sometimes it is very difficult to assess the credit worthiness of the borrower. That is failure to take into account three C's: Capital, Character and Capacity.
- ✎ Lack of proper documentation and proper assessment of securities is another problem. Because of defective documentation bank may undergo legal process ending up with no fruit. Legal opinion on the document has to be obtained.
- ✎ Insufficient disclosure about the purpose of borrowing may lead to diversification of funds. So, the purpose of the loan must be satisfactory in point of view of the bank.
- ✎ Lack of effective supervision and control creates problem in the loans and advance department. Most of overdue loans are created for this reason. Before guaranteeing the loan we have to judge the health of the organization. One of the most effective ways to studying the health of the business is by examining regularly the balance sheet of the concerned company. Find out the profit and loss account and what is their asset against the liabilities.



✎ Lack of up to date knowledge.

✎ Many borrowers do not want to repay the loan. They believe that it is not necessary to repay the loan they have taken for their business purpose. It is one of the biggest problems of the loans and advance department. Sometimes they spend their valuable time trying to collect the overdue loans.

✎ In Bangladesh laws for the recovery of classified loans are not very much effective. Each suit takes much time to give their final results. Sometimes it takes several years. Another vital problem is auction. During the auction time there is no buyer to buy the mortgaged land. Sometimes bank does not get the proper value of the mortgage land. So, it is one of big problem for the bank.

✎ Inflation has destabilizing effect on business behavior. Rising price results in a rising demand for credit as the cost of inputs increases. So, whenever such highly leveraged company faces financial difficulty or deflationary period comes in, then their ability to repay is significantly reduced. Inflation during the period first rapidly falls to 1.81% and then raised gradually.

✎ Natural disaster like Flood, Fire, Cyclone etc can slow the economic growth.



5.1.3 Foreign Exchange Problems:

Foreign exchange department is one of the income sources for the NCCBL. But it does not also free from problems. The problems faced by NCCBL Dhanmondi Br. is as follows:

Only the urgent works are done and all normal works remain unattended and sometimes pending.

Reminders letter to parties of PAD, LIM and LTR are not sent in time for which any accident or auction by customs may incur.

No country wise beneficiary's credit report files.

Sanctioned letters are not kept in the concerned files.

Inspections of inventory are not done and they are depending on the inventory keeper having crores of LIM liabilities.

Regularization of documentation and other works are not done properly.

Not sending reminder letters to the parties not submitting bill of entry.



5.2 Problems related to the Customers of the Bank:

NCCBL is one of the well-known and reputed bank of Bangladesh. But they also have some problems regarding to their customers. They are as follows:

- * Many of the customers face some problem when they ask the officer to give them the statement of their account. Sometimes the computer hangs up and it will take 10-15 minutes to reboot the system.
- * Many of the customer feels that they are not getting the quality service they are suppose to get from the bank. So, the bank should improve the customer service.
- * The bank follows very old account opening procedure.
- * Loan/advance granting procedure should not be lengthy. Proper customers should get the loan very quickly.
- * Some of the customers feel that they should get the priority service from the bank.
- * Some of the customers feel that billing system of NCCBL should be automated and they do not have to stand in line to pay the bill.

Chapter 6

***Prospective new business
development area of NCCBL
(Dhanmondi Br.)***



Chapter 6 Prospective New Business Development Area of NCCBL (Dhanmondi Br.)

6.1 Introduction of New Prospective Trends:

As one of the leading private commerce bank, NCC bank has been playing a vital role in the overall economic development of the country. Business development trend of Dhanmondi Br. is very much dependent on the credit policy of NCCBL. They have to follow the major source of income for the branch and where they are loosing their profit. They have to identify the weaker link of the trend and try to solve the problem or otherwise their development trend can be hampered.

6.1.1 New Areas of Loan:

The general credit policy of the bank is to help sustaining economic growth of the country in pursuance to government policy, Banking Company Act and the guideline issued from Bangladesh Bank from time to time. The credit portfolio of the bank covers wide range of economic activities in trade, commerce, industry, import, exports and other sector with a view to contributing in sustainable economic growth and employment opportunities.

Since the bank believes in sound lending, principals of safety, security, liquidity, profitability, purpose, productivity and diversified credit portfolio keeping in view of national objectivity guide its credit policy.

Banks collect deposit from different source and invest them in various areas. Their main source of income is from loans and advances. They have to be careful that where they are doing very poorly. To increase their income level they have to look new ways of investment. They have to follow the business development trend of the branch. Table 6.1 below will show us five years loan and advance performance.

(Amount in '000')

Par./Year	1997	1998	1999	2000	2001
Loan (Gen.)	14,543	17,465	19,082	24,939	50,176
Loan (H.B)	22,445	28,319	31,704	25,752	25,768
SOD(FO)	7,114	8,456	10,904	18,147	18,731
SOD(G)	1,461	2,863	3,602	2,084	1,947
CC(Hypo)	19,653	22,485	26,724	15,311	13,548
LIM	3,852	4,215	5,447	5,258	4,729
Lease Fin.	485	695	754	775	2,550

Table-6.1 Loans/advances performance for five years.

(Percentage)

Par./Year	1998	1999	2000	2001
Loan (Gen.)	20.09	9.26	30.69	101.19
Loan (H.B)	26.17	11.95	-23.11	0.06
SOD (FO)	18.86	28.95	66.43	3.22
SOD (G)	95.96	25.81	-42.14	-6.57
CC (Hypo)	14.41	18.85	-42.71	-11.51
LIM	9.42	29.23	-3.47	-10.06
Lease Fin.	43.29	8.49	2.79	229.03

Table-6.2 Percentage of loan/advance growth rate.



From table 6.2 we can see that the percentage of loans and advance growth rate. The percentage of general loan has increased from 1999 to 2001. But in the sector of SOD (G), CC (Hypo) and LIM has negative growth rate. But there is a very positive growth in Lease finance. From the table it is clear that the development trend of the branch is presently rely on the General loan, Lease finance and SOD (FO).

From the survey I found some new areas of loan which will lead the branch for the future business development trend. They are as follows:

- ❖ Introduction of Micro-credit loan
- ❖ Introduction of student loan for studying private university
- ❖ Introduction of personal loan
- ❖ Introduction of software development loan
- ❖ Introduction of cyber-cafe loan
- ❖ Reform of the existing loan

This type of new loan and the reform of the existing loan will improve the business development trend of the branch. Reform of the existing loan and cutting the expenditure will increase their net profit.



6.1.2 New Areas of Deposits:

Some of the new areas of deposits are as follows:

- ✉ Introduction of Credit card facility.
- ✉ Introductions of on-line branch banking.
- ✉ Introduction interest on current account.
- ✉ Offered priority banking to the valued customers.
- ✉ Improvement of bill collection facility.
- ✉ Introduce new promotional activity.
- ✉ Improvement of existing customer service facility.
- ✉ Introduction of one month FDR.
- ✉ Improvement of ATM service.



6.1.3 New Areas of Foreign Exchange:

Foreign exchange department is another area where they earn their profit. From the foreign exchange department they earn their commission from the importer and the exporter. The foreign exchange of NCCBL mainly deals with foreign exchange margin providing against the import and export L/C through branches and credit related activities, monitoring current status of different credit facilities at different time intervals, such as monthly, quarterly or half-yearly basis.

Some of the new areas of foreign exchange are as follows:

- ❖ Introduction of computerized credit information system.
- ❖ Reform of the existing product.
- ❖ Introduction of new promotional activity.

Chapter 7

Recommendation and Conclusion

Chapter 7 Recommendation and Conclusion

7.1 Recommendation:

- The working condition of the employees should be improved. Employees must be provided with adequate working resources. So, they can perform their job smoothly.
- The salary level should be increased as most of the employees feel that their salary level is much lower than other banks. If this does not happen then there is a good chance that the bank is going to lose some experienced employees.
- Employees must be put into challenges, So, they feel excited and important. Moreover it will increase their working interest and improve their services.
- Placement of employees should be based on their skill and abilities. The more the employees are placed in the right place the higher the chances that they will provide a better service.
- There should be adequate improvement in the deposit collection. Bank should come up with new schemes. With reasonable facilities, which will attract customers.
- Though there is a consumer scheme of the bank but it is not being properly implemented yet. These schemes are very useful and risk is minimum and can ensure at least 97% return.
- In this modern age of technology where most of the banks have credit card facility, NCCBL is lagging behind in this field. Introduction of this facility will decrease the pressure of short-term credit facility and will make banking for the clients.



- Banker should carefully assess customers credit worthiness, experience and capability to complete the project. A credit officer should form a view of his client. He should know and should collect all information about the prospective borrower.
- To attract more customers NCCBL has to create a new marketing strategy, which will increase the total export and import business.
- Bank can provide foreign market reports, which will enable the exporter to evaluate the demand for their products in foreign countries.
- Attractive incentive package for the exporters will help to increase the export and accordingly it will diminish the balance of payment gap of NCCBL.
- Ensure that the advances has been sanctioned and disbursed as per norms and procedure prescribed by the central bank and as per practice, procedure and norms of the bank.
- Check the documents and ensure that the documents have been obtained as per terms of sanction and as per procedure for such type of advance.
- Ensure that the security/collateral has been obtained as per terms of sanction and valuation has been assessed correctly and the security is maintained properly.
- Ensure that the security has been properly insured where required as per policy, procedure and practice.
- Political intervention in loan granting decision must be eliminated.
- Ensure that the disbursements are made as per procedure and terms of sanction.

Bank of your Choice



- Ensure collection of periodical reports, returns and information about the borrower and the activities or projects financed.
- They should always monitor the performance of its competitor in the field of foreign trade.

In order to get competitive advantage and to deliver quality service, top management should try to modify the service on the basis of recommended factors.



7.2 Conclusion:

Today's business is very competitive and complex. To survive in the market the organization need competent people and has to take some effective policy. Banking sector being a service sector of Bangladesh continues to contribute to a great deal in the economy of Bangladesh.

NCCBL is an emerging bank. It has done nine years of banking service. In this age of competition, at the initial part of business every institution has to go through the difficult path of survival. This report is being done on the subject of "Business Development Trend of Dhanmondi Branch".

From the survey and the observation I try to find out the development trend of the branch. The main source of income in Dhanmondi branch is from loan/advances and the foreign exchange department. From the analysis I found out some of the loan criteria is not performing very well. If their performance is not improved then the business development trend will be hampered. So, some of their loan/advance and foreign exchange product have to reformed very quickly and also they have to introduce new product to their customers. Also they have to launch new marketing campaign.



List of Reference

1. Annual Report of NCCBL, Year 1996-2000.
2. Yearly Closing Statement of Dhanmondi Branch, Year 1997-2001.
3. Annual Report of Southeast Bank, Year 1995-1999.
4. Annual Report of Prime Bank, Year 1995-1999.
5. Annual Report of Dhaka Bank, Year 1996-1999.
6. Donald R. Fraser, Benton E. Gup and James W. Kolari, Commercial Banking, The Management of Risk
7. Paul A. Samuelson, William D. Nordhaus, Economics, Sixteenth edition.

Questionnaire for the client

The study of "Business development trend of the Br."
(Confidential: Only for academic purpose)

QUESTIONNAIRE

(I am a student of East West University {EWU}, conducting the survey of "Business development trend of the Br." as a part of my internship report. I assure you that all the information provided by you, will be kept strictly confidential. Your kind co-operation will be appreciated.)

✈ Name of the Respondent:

✈ Sex: M F

✈ Profession of the Respondent:

1. Do you satisfy with the present customer services provided by the NCCBL?

Yes No N/A

If no, Please specify some reasons

2. How long are you continuing transaction with the Bank?

- 0-2 years
 3-4 years
 5 years or more

3. Do you have any types of accounts with other banks?

Yes No N/A

If yes, The nature of the account

4. Do you think the present product of the NCCBL (Dhanmondi Br.) is adequate?

Yes No N/A

If No, please give some suggestions for introducing some new product:

.....

5. Do you think introduction of Micro-credit scheme will help educated unemployed people?

Yes No N/A

If yes, Please mention of some avenues for Micro-credit disbursements:

.....

6. Do you think the present foreign exchange facility is adequate?

Yes No N/A

If No, Please give some suggestions:

7. Do you aware of the ATM card facility provided by the NCCBL?

Yes No

8. Do you think on-line branch banking should be introduced in N.C.C.B.L?

Yes No

9. Do you think student loan for studying in private university will be a good tool for the bank?

Yes No

10. If priority banking offered to you, Do you think your relationship with the bank will be better?

Yes No

11. Do you think bill collection facility is adequate in N.C.C.B.L?

Yes No

If No, Please specify some reasons:

12. Do you aware of the locker service provided by the bank?

Yes No

P.T.O

If you have any comment, Please specify them below:

.....

.....

.....

.....

.....

.....

.....

.....

Signature of the respondent:

.....

Thank you for your Co-operation.



