



Internship report
On
“Analysing Retail Banking Model of National Bank Limited”

Course code:
BUS400

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Date of Submission:
17.12.2018



“Analysing Retail Banking Model of National Bank Limited”

Letter of Transmittal

17 December, 2018

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Subject: Submission of Internship Report on “**Analysing Retail Banking Model of National Bank Limited (NBL)**”

Dear Miss,

This is my utmost gratification to submit the internship report entitled “Analysing Retail Banking Business Model of National Bank Limited (NBL)”. I have completed my internship program from National Bank Limited, Begum Rokeya Sarani Branch at West kafrul, Mirpur, Dhaka- 1216

By this report I got a prospect to gain a realistic understanding to the working behavior of the banking sector through National Bank Ltd, Begum Rokeya Sarani Branch. In this report, I tried to point out in brief about Retail Banking service of National Bank Ltd. With your supervision, I hope that the report will meet all your requirements.

Sincerely,
Sadia Afroz
14304126

Letter of Endorsement

The internship report entitled “Analysing of Retail Banking Model of National Bank Limited” has been submitted in partial fulfillment of the requirements for the degree of Bachelors of Business Administration (BBA), BRAC Business School on 17 December, 2018 by Sadia Afroz (14304126). Any opinions or suggestions made in this report are entirely that of the author of the report. The University does not condone nor reject any of these opinions or suggestions.

Mahreen Mamoon

Assistant Professor

Internship Supervisor

BRAC Business School, BRAC University

Acknowledgement

First of all, I want to thank the Almighty Allah for allowing me to complete this report. This report is entitled '**Analysing Retail Banking Model of National Bank Limited**'. This report has been completed effectively under the kind supervision of few people

First, I would like to convey my thanks to my honorable faculty supervisor **Mahreen Mamoon**, Assistant professor, BRAC Business School, BRAC University. It is quite impossible to complete this report without her valueable guidance.

Then, I would like to show my gratefulness to Md. Akbar Hossain (Manger), Farjana Shafiqe (Senior Executive Officer), Md. Shafikul Islam (Officer), Md. Habib Mehedi (Officer), Sharifa Shimu (Officer), Piya Yesmin (Junior Officer) and Mir Ishat Ara (Junior Officer) who helped me to learn banking activities by giving instructions, valuable information and suggestion about various banking system and procedure over time to time.

And finally I would like to thanks my family for their support throughout my entire internship period.

Executive summary

National Bank Limited is started its journey on March 28, 1983. From then it has been executing its banking operations throughout the whole country very effectively and efficiently. National Bank Limited's service and facilities are the latest to convince all of its consumers. To reach its consumers and reach at desired organization goal is only possible by giving valuable service to the customers. Along with services, they have better relationship with customers so that they can know their need and wants.

Retail banking service is desirable to take hold of the most consumers in this era because customers are more conscious about products and services. To keep pace with competition in the market National Bank Limited try to provide their best retail products and services to serve their customers.

This report is consisted with brief discussion of retail banking program, its products and services and analysis of retail banking model including comparing with other banks. In the last part of report I have mentioned some handful findings and recommendations with the conclusion that might be accurate way to overcome the drawbacks of National Bank Limited.

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CHAPTER ONE

Organization Overview

1. Overview of the Organization

This chapter portrays the overview of National Bank Limited, their product and service offerings, their nature of business, Organogram, mission, vision, goals and objectives.

1.2 Overview of National Bank Limited

National Bank Limited (NBL) is one of the successful financial institution and also established as the first private sector bank fully owned by Bangladeshi Entrepreneurs. NBL has been prospering as the largest private sector bank with the progression of time in confronting many stress and strain. The members of the board of directors are creative businessman and leading industrialist of the country. To emulate with time and in concordance with local and global economic practices and for executing all modern services, National Bank Limited, as an economic establishment, mechanized all its branches with computer networks in accordance with the competitive commercial demand of time. National Bank Limited was officially initiated by the president of People's Republic of Bangladesh Justice Ahsanuddin Chowdhury on March 28, 1983 yet the primary branch at 48, Dilkusha Commercial Area, Dhaka started its commercial operation on March 23, 1983. Then the second branch was opened on 11 May, 1983 at Khatungonj, Chittagong. At present, National Bank Limited has been carrying on business through its 200 branches and Agri branches spread all over the country. Since the very beginning, the bank has applied much accentuation on abroad activities and took care of a sizable quantum of homebound foreign remittance. It has drawing courses of action with 415 correspondences in 75 nations of the world, and also with 37 abroad Exchange Companies situated in 13 nations. National Bank Limited was the first domestic bank to set up organization courses of action with the world popular Western Union keeping in mind the end goal to encourage snappy and safe settlement of the significant outside trades earned by the expatriate Bangladeshi nationals. This has implied that the expatriate can transmit their well deserved cash to the country without any difficulty. National Bank Limited was likewise the first among private banks to present international Master Card in Bangladesh. Meanwhile, National Bank Limited has also epitomized the Visa Card and Power Card. The Bank has in its utilization the most recent data innovation administrations of SWIFT and REUTERS. NBL has been proceeding with its small credit program for payment of guarantee free horticultural advances among the poor farmers for enhancing their employment. The Transparency and

accountability of a financial institution are reflected in its Annual Report containing its Balance Sheet and Profit & Loss Account. In acknowledgement of this, National Bank was bestowed with Crest in 1999 and 2000, and certificate of appreciation in 2001 by the institute of Chartered Accountants of Bangladesh. Moreover, the bank has a solid group of very qualified and experienced experts along with a productive board of directors who performs a crucial job in figuring and executing arrangements.

1.3 Mission

Efforts for expansion of their activities at home and abroad by adding new dimensions to their banking services are being continued unabated. Alongside, they are also putting highest priority in ensuring transparency, accountability, and improved clientele service as well as to their commitment to serve the society, through which they want to get closer and closer to the people of all strata. Winning an everlasting seat in the hearts of the people as a caring companion in uplifting the national economic standard through continuous up gradation and diversification of their clientele services in line with national and international requirements is the desired goal they want to reach.

1.4 Vision

Ensuring highest standard of clientele services through best application of latest information technology, making due contribution to the national economy and establishing themselves firmly at home and abroad as a front ranking bank of the country is their cherished vision.

1.5 Core Values

NBL's Core Values consist of 6 key elements. These values bind our people together with an emphasis that people are essential to everything being in the Bank. They are described in below:

Integrity

National Bank Limited protects all of their customer's information. They serve everyone in an equitable and consistent manner and create an environment, which earns customer trust.

Open Communication

National Bank Limited creates good relationship with customers based on integrity and respect. They offer various products according to their customers and shareholders benefit and serve them with their superior service.

Performance Driven

In National Bank Limited, employees are performance driven as they believe that great performance in service can attract a good amount of customers.

Continuous Self Improvement

This is another important value of National Bank Limited. Employees are always trying to improve their personal growth by providing valuable services to the customers and take new challenges every day. Continuous learning, self challenges and endeavor make way for self improvement.

Quality

National Bank limited provides better quality and hassle free service to their consumers.

Teamwork

Association, open communication and keeping up an uplifting frame of positive attitude reflect National Bank Limited's pledge to a steady situation dependent on teamwork.

1.6 Objectives of the organization

The objectives of National Bank are specific and targeted to its vision. The objectives of National Bank are given below:

- To create an honest, open and enabling environment of banking.
- To deliver a high performance organization the bank is focused on improving cost efficiency and utilizing capital more effectively
- To deliver sustainable growth.
- To motivate people for savings and make it out as loan and advance.
- To expand standard of living and promote the new entrepreneurs for investment business sector.

1.7 Board of Directors of National Bank Limited

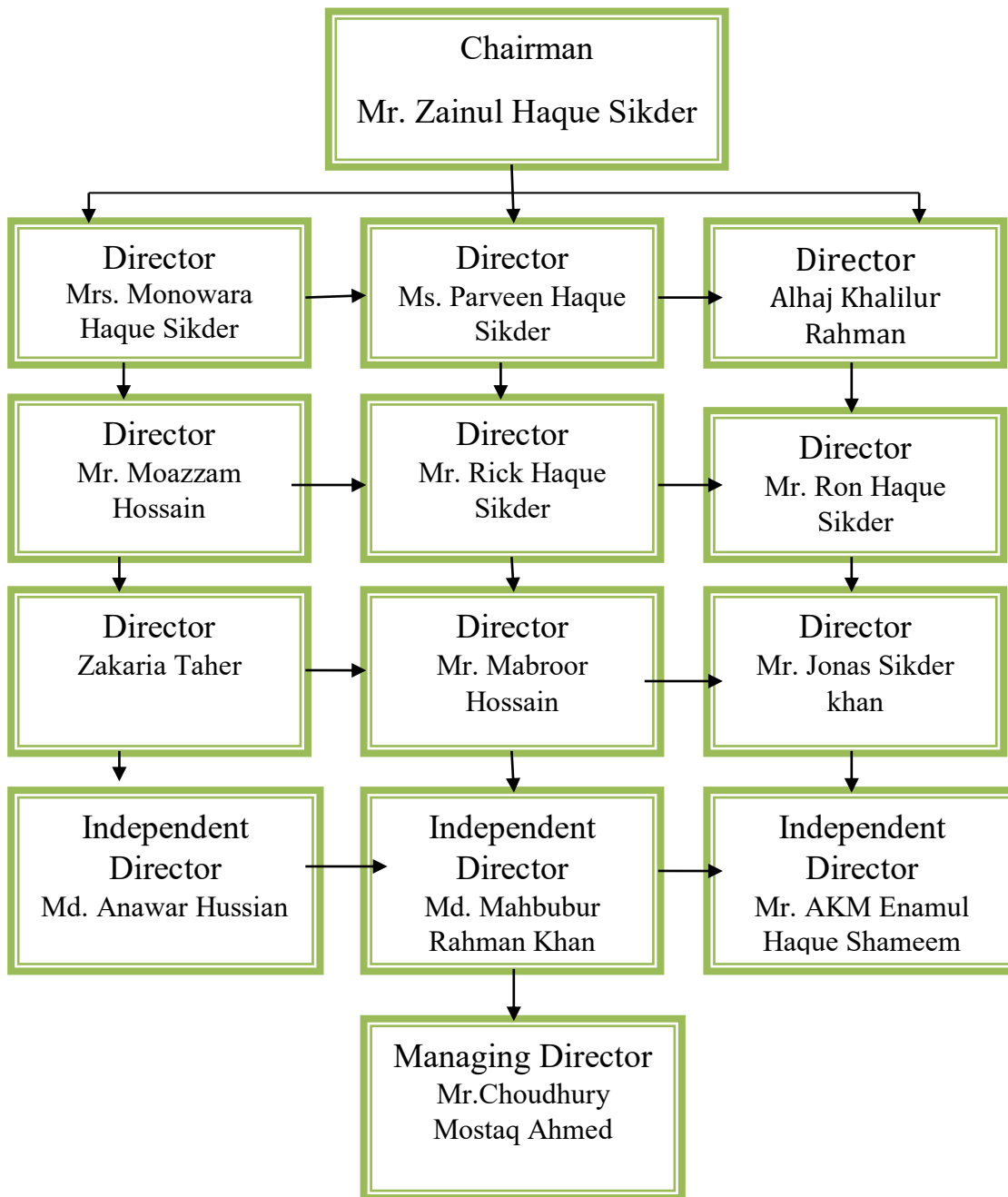


Fig: Board of Directors of National Bank Limited

1.8 Organogram of National Bank Limited

Organogram of National Bank Limited (Begum Rokeya Sarani Branch) is given below in detailed manner:

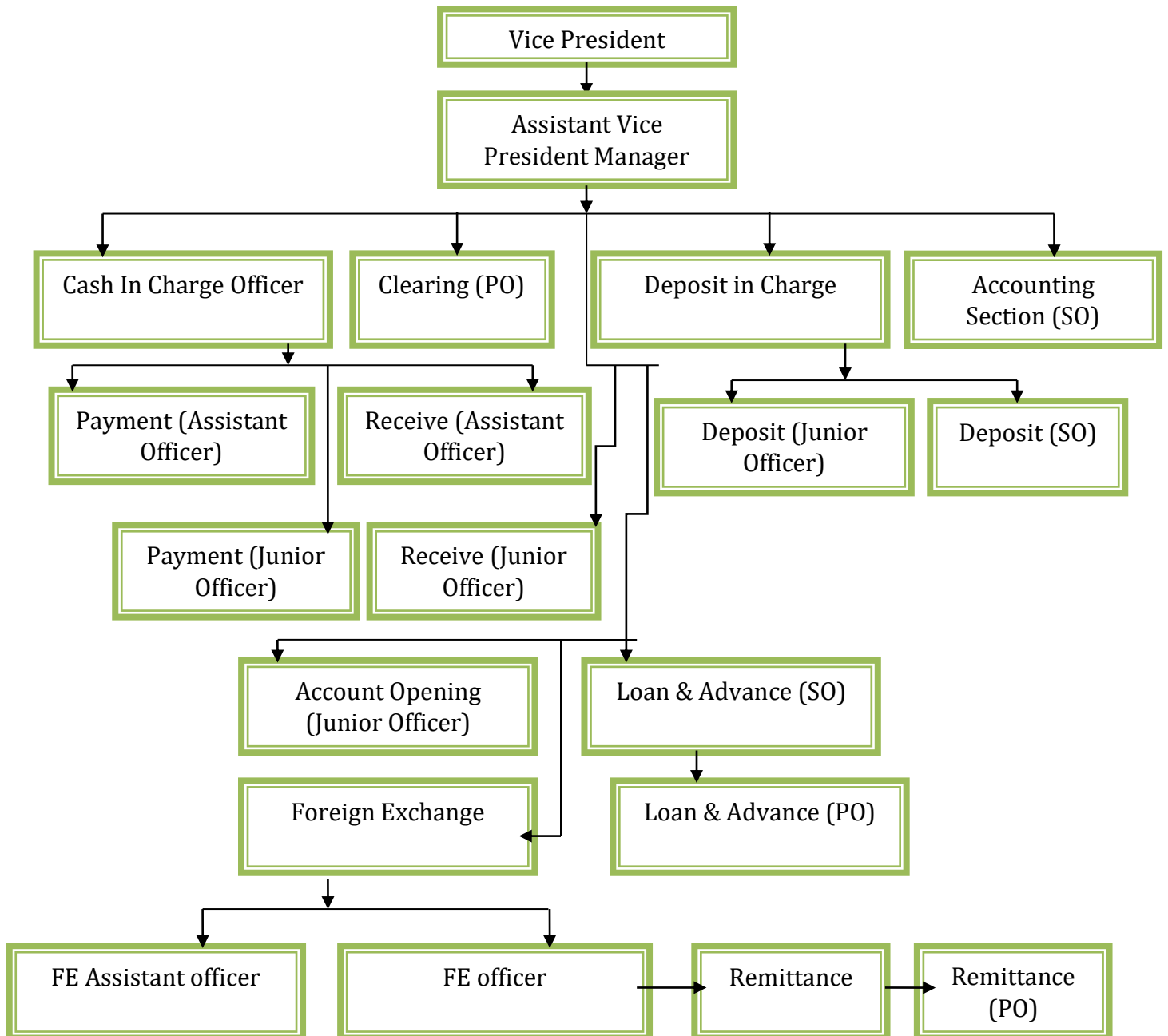


Fig: Organogram of National Bank Limited

1.9 Departments of National Bank Limited

There are several departments in National Bank Limited. These departments are related to each other. This also plays a vital role in deposit mobilization of the organization. Departments that are operated in National Bank Limited (Begum Rokeya Sarani Branch) are described in below:

- *Account opening department:*

Account opening is the door for customers to go into business with bank. It is the foundation of banker-client relationship. Various rules and directions are kept up and different documents and papers are taken while opening an account. A client can open distinctive sorts of records through this division such as Savings, Current, fixed deposit account etc.

- *Cash Department*

Cash department of National Bank Limited plays fundamental since it manages the most fluid resources. The proper management of this section entails the overall effectiveness of the organization. This department is responsible for the following functions such as receipt of deposit, making payment to the customer, management of vault of the branch.

- *Remittance Department*

Remittance department implies exchanging of funds through various instruments other than cheque. Remittance incorporates both local and foreign remittance to serve its customer.

- *Deposit Department*

Deposit is the soul of a bank. From the history and starting point of the saving money system, deposit accumulation is the principle capacity of a bank.

- *Clearing Department*

Clearing is a framework by which a bank can collect clients subsidize from one bank to another through clearing house. Clearing House is where the agents of various banks get

together to receive and convey check with another banks. Cheques, Pay Order (P.O), Demand Draft (D.D.) Collection of amount of other banks on the behalf of its client are an essential capacity of a Clearing Department.

- ***Loan and Advance department***

Loan and advance department is the survival unit of the bank. Banks accept deposits from the investors in state of giving interest to the contributors' in condition of providing interest to them. National Bank Limited gives loans and advances to brokers, businesspeople and industrialists. Besides, nature of credit may vary as far as security requirement, disbursement arrangement, terms and conditions and so on.

- ***Accounts Department***

Accounts Department is called as the operational hub of the bank. In this department, transactions are done each day and these exchanges are to be recorded appropriately and systematically as the bank deals with the investors' cash.

1.10 Functions of National Bank Limited

The aim of National Bank Limited is to effectively partake in the financial advancement of the country by working a monetarily stable banking system. It gives credits to deserving borrowers and in the meantime secures contributors' advantage. The foremost exercises NBL are given underneath:

- General Banking
- Receiving of money on deposit.
- Credit and Investment.
- Utility Services.
- SME Financing.
- Online banking
- Attending Bills of exchange & Draft of customers.
- Sanction of Loans.

- Transfer of money.
- Collection of receipts.
- Acting as advisor
- Foreign Trade (Import, Export, Remittance)

1.11 Product and service of National Bank Limited

The following product and service are available in National Bank Limited:

Products:

1) Deposit products

Saving Deposit	Millionaire Deposit Scheme (MDS)
Current Deposit	Double Benefit Account (DBA
Fc Deposit	Apan Thikana Sanchay Prakalpa (ATSP)
Term Deposit	Luxury Saving Deposit Scheme (LSDS)
NBL Monthly Saving Scheme (NMS)	Shadhinota Deposit
Monthly Earning Scheme (MES)	Century Deposit Scheme

Fig: Deposit Products

2) Credit products

Overdraft	House Building
Consumer Credit Scheme	Trade Finance
Lease Financing	Small Medium Enterprise (SME)
Agriculture Finance	

Fig: Credit

3) Cards

- Credit Card

National Bank Limited familiarized Credit Card and Acquiring card exchanges first ever in Bangladesh in 1997 among the local banks as a primary individual from MasterCard International. From there on in 2003, National Bank Limited got primary enrollment of Visa Worldwide and presented Visa Credit Card in the nation with Acquiring of Visa card exchange.

In MasterCard section, they provide platinum local, platinum dual, gold dual, gold international, gold local, classic dual, classic international and lastly classic local.

- Debit Card

National Bank Limited presented EMV Chip Visa Debit Card in 2016 to give 24/7 hour banking services to its large number of customers furnished by ATM offices with specific branches accentuating clients' interest and business significance. National Bank Limited debit card holders can use ATM booths of member banks. Those members are such as Agrani Bank, Bangladesh Krishi Bank, Basic Bank Ltd, Exim Bank Ltd, Bank Asia Limited, Southeast Bank Ltd, NRB Global Bank Ltd, NRB Bank Ltd, IFIC Bank, Mutual Trust Bank Ltd, Jamuna Bank Ltd, Sonal Bank Ltd, Uttara Bank Ltd, and The City Bank Limited etc.

Service:

1. E-Service

- ATM
- Automated Branch Banking
- Green Banking

2. Modern Banking

- Online Banking
- Mobile Banking
- NBL Remittance
- NBL Pin Cash

3. Foreign Remittance and Online Money Transfer

Samba	NEC Money Transfer Limited, UK
Al Fardan	EL Remit Transfer
Instant Cash	Placid
Xpress Money	Western Union Money Transfer
Quick Pay	MoneyGram
National Exchange Company	SWIFT

Fig: Foreign Remittance

CHAPTER TWO

Introduction

2.1 Rationale of the study

“There exist limitless opportunities for every industry.”-Charles Kettering

The Banking Sector of Bangladesh in regard to the proportion of its economy is about greater than various economies of comparative dimension and per capita income. The total size of the fragment at 26.54% of GDP overwhelms the financial systems. Bangladesh Bank is the Central Bank of Bangladesh and the prime controller of the part. There are 58 arranged banks in Bangladesh who work under full control and supervision of Bangladesh Bank which is locked in to do thusly through Bangladesh Bank Order, 1972 and Bank Company Act, 1991.

This area is moving towards new measurement as it is changing quickly because of rivalry, deregulation and financial reforms. Presently in banking industry advance technology innovation has removed in each mean of banking systems. Internet banking, ATM, Mobile banking has made this sector easier to the consumers as well as employees.

The utilization of innovation has augmented the scope of banking services. Also, a major piece of development of the business can be ascribed to the surge in retail banking. The retail-banking environment is changing fast. Technology has enhanced this sector in such a way which made easier to the consumers to access the banking service. Recently, Banks are offer different loan for customers by keeping their requirements in mind. Retail banking is typical mass-market banking, where individuals use local branches for banking. Services broadly include deposits, lending, cards and remittance. *(Rahman, 2011)*

In Bangladesh, the total size of the retail banking industry will be at around \$500 million or Tk 3,500 crore, excluding SME, according to Standard Chartered Bank Bangladesh, the pioneer and market leader of retail banking in Bangladesh. *(Rahman, 2017)* The retail banking is offering so many business chances to banks which have a great extent focused on the corporate customers. If this situation continues to carry on with the same pace then the next 10 years the retail banking environment will be more exciting and prominent.

As I have got the opportunity to get authentic information and real life experiences from National Bank Limited(Begum Rokeya Sarani Branch) which is one of the renowned bank in our country and also known for retail banking service. I have planned to do my internship report on ‘**Analysing Retail Banking Business Model of National Bank Limited**’. I believe this can be an important research not only for the National Bank Limited but also the retail banking sector of Bangladesh

Therefore, the reason behind choosing this topic is to study the fundamental statements of retail banking and retail banking service of National Bank limited as well as examine how the product centric or customer-centric business model influence the service of retail banking system of National bank limited.

2.2 Objectives of the report

“The journey of a thousand miles begins with a single step”- Lao Tzu

- *General objective:*

The general purpose of preparing this internship report is to successfully complete the Bachelor of Bachelor of Business Administration (B.B.A) degree requirement under the BRAC University.

- *Specific Objective :*

1. Giving an overview of National Bank Limited.
2. Studying fundamental statements of Retail Banking Systems.
3. Giving brief overview of National Bank Limited’s Retail Banking operation and services.
4. Conducting qualitative research on revolving on the retail banking business model of National Bank Limited
5. Finding how business model influence the service of retail banking system of National Bank Limited.

2.3 Delimitation of the study

During my Internship period, I faced some problems while collecting the data and information from the manager, employees and customers as well. Those are mention in below:

- Time constraint is one of the main problems. 3 month is not enough to gain knowledge about particular area of bank.
- Employees were remaining so busy during the bank hours so it was so difficult to talk with them regarding my report. Still they managed some time from their busy schedule and help me by giving information regarding my topic..
- The study only focused on Begum Rokeya Sarani Branch of National Bank Limited which may differ from other branches.
- One of the crucial problems I faced difficulty to talk with customers. Some customers were unaware of the things for instance; they did not know what actually they are doing because they are illiterate. Some customers were not interested to talk because they were busy.
- Sufficient records, publications, figure are not available. So did not get enough information for comprehensive study.

CHAPTER THREE

Literature Review & Methodology

3.1 Review Related Literature

Numerous studies have been conducted in Bangladesh and other countries on various perspectives of banking specially retail banking. Some worthwhile studies are relating to retail banking are given below:

The word “retail” comes from old French “retailer”, from Oxford Dictionary “retail” means sell in small quantities or parcels. As per Oxford Dictionary, the definition of “retail banking” is a bank that offers banking services to individuals and small businesses, as opposed to one dealing with large corporations and financial institutions.

From Investopedia, “Retail banking” also known as consumer banking, is the typical mass-market banking in which individual customers use local branches of larger commercial banks. Services offered include savings and checking accounts, mortgages, personal loans, debit/credit cards. In retail banking, the focus is on the individual consumer.

“Retail banking” aims to be the one stop shop for as many as financial services as possible under the circumstances for the benefit of individual retail customers (*Investopedia*). The retail banking offers considerably better spread of 3-4% service compared to very thin spread available to banks in case of corporate clients. (*Banking drive: Retail banking and its objectives, 2015*)

“Retail Banking” is in the charge of about half of all banking revenues around the world; the rest originates from corporate banking and different sources, including resource administration, investment banking, proprietary trading and so on. These extents are most certainly not liable to change drastically between now also, 2021, a period amid which BCG anticipates retail keeping money incomes to ascend by 5.3% every year. A compound yearly development rate of 5% would speak to the quickest increment in the segment in something like 10 years. Albeit a few patterns in banking most clearly, digitization are pertinent over all areas and markets, retail banking is inalienably a nearby business, inseparably bound up with every nation's monetary essentials, administrative scene, and focused elements. (*Desmangles, Dupas, Sachse, T'serclaes, Vasy & Walsh, 2018*)

According to Ms Shyamala Gopinath, Deputy Governor of Reserve Bank of India, Though retail banking incorporates an extensive and complete scope of monetary items like, residential mortgage loan, advances for customer durables, vehicle fund, deposit items, credits against equity shares, auto finance, individual credits, advances for Initial Public Offer (IPO) so on etc. But the issue of retail banking is critical and topical. Over the globe, retail lending has been an astounding advancement in the commercial banking area as of late. The development of retail lending, particularly, emerging economies, is inferable from the rapid advances in data innovation, the developing macroeconomic condition, financial market reform, several micro-credit demands and supply side variables. *(Retail banking directions: opportunities and challenges, 2005)*

Moreover, retail banking environment is changing fast in Bangladesh also. A banker from 1980's cannot imagine the peace at where banks are operating today. Till 2000, banks carried out conventional banking and offered few deposit and lending products. Now a day's banks offers loans for housing, cars, education, credit cards, marriage, travel, medical treatment, car CNG conversion, festivals, renovation and what not. *(Rahman, 2011)* It can assume that the expanding utilization of technological innovation has improved both the compass and accessibility of banking services. Increase of SME loans, online banking service, mobile banking, ATM booths and several branches of corporate banks makes banking services at customers' hands. This makes so easy and comfortable for the consumers. For any kind of retail banking services, customers are the utmost priority to the banks.

3.2 Methodology of the report

In order to complete this report, I have followed two methods of research. One is primary research and another one is secondary research.

- **Primary research :**

For the primary research, I have taken related data or information from the manager of National Bank Limited, Begum Rokeya Sarani Branch, and other officers of the bank as well. Moreover, arranging FGD (Focus Group Discussion), informal conversation with customers and personal observation all these things helped me to understand the underlying issues of retail banking

service of National Bank Limited and also helped me to find the loopholes so that I could able to come up with some possible solutions to work with.

- *Secondary research :*

For the secondary research, I have done it with the help of related journals, books, articles, newspaper and different online news portals. These things helped to get in depth idea regarding retail banking and business model as well.. However, Internet is a vast source of information. Internet helped me to great extent to complete this project. Another thing I wanted to mention, the website of National Bank Limited (www.nblbd.com) was my constant helping hand throughout the whole research.

CHAPTER FOUR

Retail banking program of National Bank Limited

NBL's retail banking program

National Bank Limited has positioned itself as the "Major channel in business" through the retail banking sector. Retail banking assurance the client to keep up the desire customers based on their daily needs. They categorize their products from the High-Profile client's base to low-Profile clients.

Certainly, the facts demonstrate that National Bank Limited has a solid picture in their customers mind with their impeccable performance in their integral profession and still at this point they are proceeding with their progress by keeping up their consumer loyalty level

“Customers don’t know what they want until you show it to them” ~ Steve Jobs

Retail Banking Products

In retail banking, National Bank Limited has 3types of products. They are:

These products are described in below:

1. SME

Small and Medium Enterprise financing is the most predominant and incredibly offering things in retail banking division of National Bank Limited, moreover a key item as demonstrated by their clients request. There are diverse classifications SME Loan that gives unadulterated benefits to their shoppers. It has some purpose:

- To urge individuals to work on small business.
- To recognize potential business visionaries and financial help to the newly challenged entrepreneurs of Bangladesh.
- To make channel for credit expansion and investigate work opportunity.
- To contribute in the financial advancement of the nation through reinforcing economic activities.

Definition of SME:

According to Bangladesh Bank , existing definition of SME is recommended by Better Business Forum and accepted as a uniform one by Ministry of Industry and Bangladesh Bank (www.bb.org.bb) .Criteria of the definition of SME are given below:

Small Enterprise:

Small Enterprise refers to the firm/business which is not a public limited company and conforms to the following criteria

Serial no.	Sector	Fixed asset other than Land and building (TK.)	Employed Manpower(not above)
1	Service	50,000-50,00,000	25
2	Trading	50,000-50,00,000	25
3	Manufacturing	50,000-1,50,00,000	50

Source: www.bb.org.bd

Medium Enterprise:

Medium Enterprise refers to the establishment/firm which is not a public limited company and in respect the following criteria:

Serial no.	Sector	Fixed asset other than Land and building (TK.)	Employed Manpower(not above)
1	Service	50,00,000-10,00,00,000	50
2	Trading	50,00,000-10,00,00,000	50
3	Manufacturing	1,50,00,000-20,00,00,000	150

Source: www.bb.org.bd

4.1.2 NBL's Areas of SME Banking

Existing and prospective areas of NBL SME banking generally are following in to 3 categories of business by maintaining the rules and regulations of Bangladesh Bank. They are:

- *Trading*

For trading, National Bank Limited gives loan to the importers of food& grain, milk powders, dyes and chemicals, hardware & machineries, milk powder, electronic goods, construction materials, water pump and generator, beauty parlor, boutique house, car parts etc.

They also provide loans to the retailer of readymade garments, restaurants and fast food owner, pharmacy shop owner, supermarkets, stationary items, sanitary shop and furniture stores owner for their business purpose.

- *Service*

For service, National Bank Limited provides loan to the service related business. Such as real estate companies, educational institute, advertising firm, clearing and forwarding agent, non-profit organizations, clubs, gas stations, transport or container mover, grocery, laundry, shipping agents, contractors etc.

- *Manufacturing*

For manufacturing purpose, National Bank limited gives SME loan to the different sectors in order to help the entrepreneurs' to run their business smoothly and care free. Packaging, garment accessories, four mils, suppliers to MNC/LLC, printing and publishing, furniture and pharmaceutical National Bank provides loan to these sectors.

Despite of these areas, National Bank provides monetary help to the customers who are associate with small medium business or entrepreneurs. For them, National Bank launched two loan item they are “**Festival small business loan**”, and “**NBL small business loan**” (bankinfo.bd.com) another package which exists in the bank named, “**NBL waver loan**”.

Festival small business loan:

Festival small business is collateral free and advance. Limit up to maximum Tk. 3 lac and this loan disbursement period is also 3 months. Its rate of interest is 17.00% and tenure is also maximum 3 months (the day of post festival)

NBL small business loan:

With “zero “or free collateral National Bank Limited gives NBL small business loan to the entrepreneurs. Maximum Tk. 5 lac with 17.00% rate of interest. Lastly, Tenure is 5 years (1 month grace period).

NBL waver loan:

NBL wavers loan is collateral free up to Tk. 5 lac (above Tk. 5 lac to Tk. 50 lac registered mortgage will be required. Rate of interest is 15.00% quarterly rest. Loan repayment procedure based on installment and revolving (revolving loan can be renewed after 1 year). Tenure of NBL wavers loan is maximum 5 years.

Eligibility:

National Bank Limited gives loan to any genuine and small business man/ entrepreneurs / enterprise having honesty, integrity and sincerity.

4.2 Deposit

NBL has distinctive store plots all around its branches in Bangladesh. Along with two basic sorts of deposit items Saving Deposit and Current Deposit, they have other particular deposit products. They are described in brief:

Saving deposit:

National Bank offers a problem free and low charges savings record for its clients. Subsequently there is a limitation on the withdrawal in month .Heavy withdrawals are allowed just against prior notice. Premium is given upon the lowest deposit cash for that month. Withdrawal sum

ought not to be more than one-fourth (1/4) of the aggregate parity at once & limit twice in a month

Benefits (Condition apply)

- Interest rate is 4.50% on average monthly balance.
- Minimum balance Tk. 1000
- Maintenance charge yearly Tk. 400
- No hidden cost

Current deposit:

Current deposit is an account where the account can make numerous transactions within a working day. There is no transaction number of deposit and withdrawals from the current record inside accessibility of funds. As the bank is under the commitment to reimburse this deposit on interest, on premium is paid in this record. Moreover, for the business and transaction purposes consumers opened this account. This account basically opened by businessmen, public institutions, corporate bodies and associations etc. National provides the following types of account:

- ***Individual account:***

In this account, there must be a nominee and also need NID card photocopy, passport sized photo and TIN certificate of the account holder and nominee.

- ***Joint account:***

Here, account holder can be one or more person and also nominee can be several people. If it is for partnership business, they have to submit their partnership deed to the bank.

- ***Proprietorship account:***

For proprietorship account, account holder needs to bring Trade license of their business, TIN certificate, NID card photocopy and 2 copies passport sized photos to the bank for opening current account.

- ***Limited company:***

For private and public limited company, client needs to bring trade license, TIN certificate, NID card of all boards' directors, letter of incorporation given by joint

stock companies, Memorandum of association, Article of association of the business and resolution from board to the bank.

Term deposit:

Under term deposit National Bank offers two types of deposit scheme. One is Special Notice Deposit (SND) and fixed deposit.

- ***Special Notice Deposit:*** Special notice deposit scheme (SND) is a special account based on the savings of customers. National Bank Limited offers different interest to their consumers to keep them with their valuable service. The minimum maintenance charge of this account yearly Tk.500.
- ***Fixed deposit:*** National Bank Limited offers fixed term savings that will scale up saving amount with the time. Fixed deposit is one, which is repayable after the predetermined period fixed by the customers. The period varies from 3 months, 6months and 12 months or more. These deposits are not repayable on demand but they are withdrawing able subject to a period of notice. Hence, it is a popularly known as ‘Time Deposit’ or ‘Time Liabilities’. In case of FDR it is clearly mention that when the amount will be withdrawal & the principle & interest amount. Duration of Fixed deposit is maximum 1 year and Interest rate for 3 month is 6% and for 6 month and 1 year is 8.50%. If consumer withdraws his/her before the date of maturity, he/ she won’t get any interest.

Benefits (Conditions apply)

- Any amount can be deposited
- Premature encashment facility is available
- Overdraft facility is available for term receipt. (www.nblbd.com)

FC deposit:

FC deposit is known as foreign deposit. National Bank Limited gives the opportunity to maintain the foreign currency account through its authorized dealer branches. There two Fc deposit products that offers NBL to their customers:

- ***Resident foreign currency deposit (RFC)***

In RFC, first of all there is no initial deposit is required to open the account. Interest will be offered 1.75% for US Dollar Account, 3.00 % for EURO Account and 3.25% for GBP Account. They will get interest on daily product basis on the credit balance (minimum balance of US\$ 1,000/- or GBP 500/- at least for 30 days) maintaining in the account. (Source: www.nblbd.com)

- ***Non- resident foreign currency deposit (NFC)***

For NFC, it can be opened for One month, Three (3) months, Six (6) months and One (1) Year through US Dollar, Pound Starling, Japanese Yen and Euro. The underlying least amount of \$1000 or 500 Pound Starling or equal other assigned cash. Interest is paid on the parity keep up in the Account. This interest is tax free in Bangladesh. (Source: www.nblbd.com)

NBL Monthly Saving Scheme (NMS)

NBL monthly saving scheme is a new product that National Bank Limited offers to its customers. It is mainly for retail customers. There are few benefits that customers can get from this deposit scheme. First of all, monthly installments of deposits will be Tk.500, Tk.1000, Tk. 1500, Tk. 2000, Tk. 3000, Tk. 5000, Tk. 10000 and up to Tk. 50000. Secondly, account which maybe opened for any installment and term is not changeable. Lastly, customers are allowed to open more than one account for different installment in a bank. (Source: www.nblbd.com)

Monthly Earning Scheme (MES)

Under this scheme one will deposit a minimum of Tk.1, 00,000/- or its multiple up to Tk.10, 000,000/- and the revised payment Schedule of MES of all different periods i.e. September 01, 2018; i.e. 1 Years, 3 Years & 5 Years. (Source: www.nblbd.com)

Double Benefit Account (DBA)

National Bank Limited offers Double Benefit Account for its customers. The benefits under this scheme will become double in 7.5 years. The effective rate of which is 9.68% per year.

Benefits (condition apply)

- In this scheme customers have to deposit TK.1000 and they can open more than one account.
- Customers can open the account independently or jointly.
- All the customers of double benefit accounts will be offered with free life insurance policy under this plan.(Source: www.nblbd.com)

Millionaire Deposit Scheme (MDS)

Under the millionaire deposit scheme customers can deposit a fixed amount on monthly basis for 4, 6, and 9 or 12 years and on maturity he/she will be just a millionaire.

Benefits (condition apply)

- Deposit of fixed monthly amount for 4, 6, 9 or 12 years. Deposit size will be based on tenure. Upon maturity the depositor will get Tk. 10, 00,000/-.
- A person is allowed to open more than one MDS Account.
- The account may be opened either singly or jointly. (Source: www.nblbd.com)

Shadhinota: By monthly income scheme

Shadhinota is a by monthly income scheme which is launched from March 28, 2018. The new deposit scheme is designed by keeping the depositor's demand in mind. It has got some distinctive features than that of substitute products available in the market. The management of the bank strongly believes that "Shadhinota "will make a successful product and will also help the bank in mobilizing the fresh deposits from the mass depositors. However the details of newly deposits scheme deposits are as below:

Benefits (Condition apply)

The period of the deposits will be 2years. The beneficiary will receive Tk.900 as interest in every two months against every Tk.50000 initial deposit; total 12 interest payments will be made in two years and initial deposit will be repaid upon the expiry of the term.

- Bank will not charge any of its own. Only government charges will deducted from the amount
- Account can be opened at multiple of Tk. 50000 without any upper limit. (Source: www.nblbd.com)

Century deposit scheme

Century deposit scheme is a new product in National bank limited. This product is launched from 15 July, 2018 for the retail consumers and depositors.

Benefits (Condition apply)

- The period of the deposit scheme is 100 days.
- The interest of the product is 9.00%
- The initial amount can be Tk. 50000 and above
- It is not auto renewable (Source: www.nblbd.com)

4.3 Credit

In banking phrase, credit alludes to the loan and advances made by the bank to its clients or borrowers, Banks credit is which a man who has given the expected security to a bank has freedom to attract to find out degree settled upon. It is a game plan for conceded installment of loan purchase.

Credit implies an arrangement of, or pledge to give, funds or substitutes for funds, to a borrower, including off- balance sheet transactions, clients, credit extensions, overdrafts, bills obtained and limited, and financial leases.

National Bank provides a series of credit facilities throughout their all branches. They are described briefly in below:

Security overdraft:

National Bank Limited offers overdraft facilities for the corporate consumers in to help them for their day to day business operation. The short form of security overdraft is SOD. Security overdraft is two types. One is general (it against working capital) another one is export (Payment of acceptance bills at receipt of export proceeds). In this term, facility is available against deposit receipt or mortgage property. Low charge in overdraft account maintenance and lowest interest rate 13- 16%

Lease finance:

National Bank limited provides lease benefits to its customers so that customers can get the easy installment service. Its financing areas are capital machinery, different types of equipment, Gas, diesel generator, power plant, medical equipment, lift or elevator, constructor elements, information technology equipment and consumer durables.

Benefits:

- Competitive monthly rental
- Tax benefit
- Fast processing
- Easy handover after leasing period

House building:

National Bank Limited provides house building loans to the consumers facilitate to purchase the flats or construction of house. The amount reaches out up to 70% or Tk.75,00,000 which is the most astounding of construction development cost. Its period is accessible up to 9 months for purchasing flats and 12 months for construction work. Interest rate is competitive and no expense for application or processing.

Small medium enterprise:

National Bank Limited provides monetary help to the small businessmen or enterprise with their newly launched product named “NBL festival small business loan” and “NBL small business loan”. Here, maximum Tk. 3 lac for festival scheme and also maximum Tk. 5 lac for small business loan. Duration for festival scheme is 3 months and on the other hand 5 years (Including 1 month grace period) for small business loan.

Consumer Credit Scheme:

National Bank Limited offers consumer credit facility for retail customers. In this scheme they provide loans for Electronic consumer products and computer or computer accessories. Maximum Tk. 75,000 given to the consumers who are interested. The processing of this scheme is very fast and consumers do not have to give any application or processing fee. The interest rate is competitive along with easy monthly installment.

Trade Finance

National Bank Limited provides extensive banking services to a wide range of business concerns, for example, mechanical; division for fare or import purpose as working capital, parking credit, insurance of import L/Cs, and affirming export L/Cs, for example, bonds and certifications. There are few advantages clients can get from exchange fund, for example, low financing cost frame 13-14.5%, take least processing time and low administration charges.

Agriculture Finance:

Agriculture performs an essential job in Bangladesh economy and the improvement of our nation fundamentally relies upon farming and the efficiency of rural zones. Understanding the significance of agriculture finance is making self-dependent work opportunity and financial improvement of the nation. National Bank Limited offers agriculture and provincial credit benefits through its own branches and the nation over since its initiation. Under this plan, National bank provides another plan named "Darida Mukti". Drida mukti is mainly for the small business owners, experts, and cottage and hand craft ventures, negligible and landless people. These entrepreneurs, experts, farmers can open an account by storing just Tk 10. Low loan costs on basic premise and loan limit is up to TK. 1 lac (Sources are from: www.nblbd.com)

CHAPTER FIVE

Analysis of Retail Banking Business Model

Analysis of Retail Banking Business Model of NBL

We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better"- Jeff Bezos

National Bank Limited began its journey with a splendid prosperous past, now they are one of the reputed banks in the cutting edge of private banking time. To prevail in future, National Bank Limited has ventured up with an exceptionally rewarding product offering that has centered on its focused on client. At the specific origin, they strongly determine to contribute in the national economy, bring back the long overlooked taste of banking administrations and flavors with a feeling of commitment and pride.

National Bank Limited has carrying out their banking activities through retail banking products and successfully able to draw the attention of consumers. Customer loyalty can be one of the main reasons. Their retail banking services encompasses along with varieties of items and services previous which is arranged by keeping consumers demand on mind as I mentioned before. To understand the situation of the retail banking service of National Bank Limited, I have analyze it with two models one is product-centric and another is customer centric-model. I believe, these two models will help me to understand how well their services are, their position in the competitive market and how these models influence the service of Retail Banking system of National Bank Limited.

A **product centric** organization centers on creating more up to date and further developed items regardless of the demand that is existent in the market. The demand is non-existent, the utility and the nature of the product makes a new client section for the item. (*Peppers, 2013*)

On the other hand, a **customer-centric** organization, centers around distinguishing a key client segment, their needs and wants, and after that constantly creating products and services to satisfy those necessities. Such an association would commonly grow by expanding the wallet share within its customer segment and by going into more current markets to target comparative clients there. (*Peppers, 2013*)

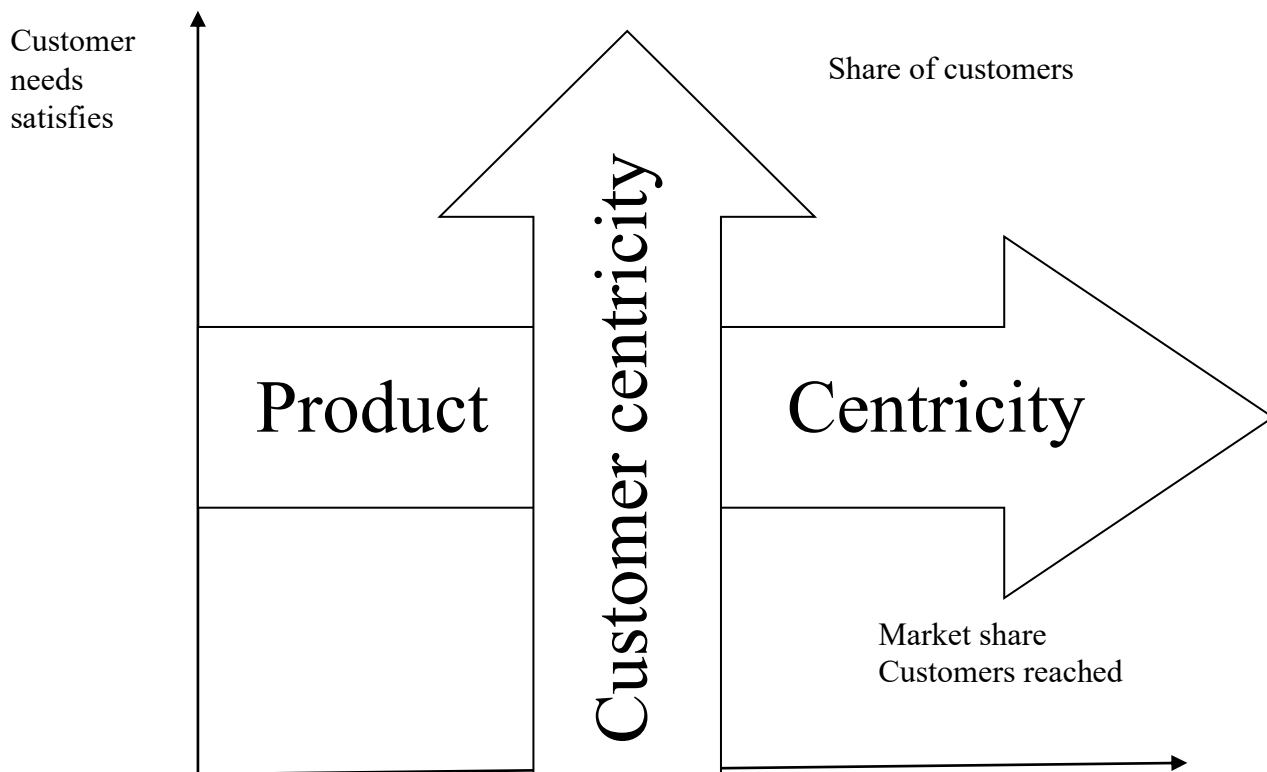


Fig: Don peppers model for explaining the synergy of customer and product centricity

According to the famous author, speaker and Cx expert as well as the founder of rogers and peppers group **Don Peppers**, to analyze any particular market we need to visualize a “market space” defined by the customers’ needs a business can satisfy (the vertical dimension) and by the number of customers it has (the horizontal dimension) In this way we can map customer centricity and product centricity at the same time.

Product-centric rivalry depends on having an item that meets a specific client need, and afterward attempting to discover whatever number clients as would be prudent who need to have that require met. Achievement is estimated by the length of the horizontal arrow (i.e., what number of clients are reached). In aggressive terms, this would speak to organization's share market.

Yet, customer- centric rivalry begins with an individual client and endeavors to address individual client's issues as could be expected under the circumstances – over all the organization's divisions and specialty units, and through time (i.e., addressing a client's needs week after week, month after month). What's more, the length of the vertical bolt represents the share of consumer. (Peppers, 2013)

From this graph it ought to be evident that customer-centric model doesn't really strife with product-centric model, since they aren't inverse in bearing however symmetrical, so they have practically zero impact on one another.

In short, Don Peppers finds out the difference between these two competitive strategies that will make an easier understanding over these two models:

A product-centric competitor focuses on one product at a time and tries to sell that product to as many customers as possible. On the other hand, a customer-centric competitor focuses on one customer at a time and tries to sell that customer as many products as possible. (Peppers, 2013)

If I put the retail banking service of National Bank Limited in to this model, we found that National Bank Limited has completely follow product centric business rather than customer centric. If we see their services, basically they focused on product segmentation instead of customer segmentation. While other banks in the competitive market follow customer centric model. Yet they are surviving in this competitive market with their effective performance. It would be better if I compare National Bank Limited service with other banks to know the condition of their in the market and what changes they need to put in the service.

First of all, in deposit items, one of the newly launch scheme of NBL is NMS (NBL Monthly Saving Scheme). The matured amount of this scheme is 20,625 with 9.03% interest rate for 3 years. Other banks for example, BRAC Bank's scheme Flexi DPS (Deposit premium scheme) similar to NMS but their matured amount is Tk. 20,561.

According to Don Pepper's model, though National Bank followed product centric model but their market share is larger than BRAC Bank. So, it proves that their volume per unit share is comparatively higher than other banks.

Secondly, BRAC Bank has "Probashi Banking" division which is totally very much structured and dependent on the diverse kinds of NRB client (who lives in remote area) with 3 more sub units. Under every unit there are varieties of projects set. In any case, in NBL we have just only one banking facility named as "NRB Banking", only mention how to operate the account.

Thirdly, In terms of IT division/internet banking BRAC Bank has gained much advances contrasting with NBL online banking service. Where BRAC Bank has given genuine significance of online banking to its "e-Banking" service however NBL furnishes just the transaction activities with a very poor IT technology in addition to backdated database framework

To sum up, considering all these factors I come up with this decision that National Bank Limited should follow both product centric model and customer centric model for their further betterment.

CHAPTER SIX

Findings of the study

Each bank has its own procedure. As the objectives of my report, I attempted my best to gather information for the report and discover the problems. Three months is not enough to find the inadequacy of any types of organization. Still I tried to generate some findings here. I hope that this will help to fulfill my internship objectives.

6.1 Poor technology system:

National Bank Limited has not yet set up proper networking service, which is very important to compete with others in this competitive era. Sometimes, their server does not work, sometimes abruptly down between works which hampers the work and time. NBL has very poor IT department, while most of the other banks has strong IT department. If their IT department becomes more effective then customer will be able to collect the information easily.

6.2 Lack of proper database:

As National Bank Limited's IT division is not able to deliver better service, officers also face some problems while working on consumer database. When customers wanted to know about their account statements, balance employees cannot be able to deliver the service quickly because of server down problem and they also do not entry properly customers information.

6.3 Lack of ATM booth:

In National Bank Limited, employees of the bank do not encourage people to use cards because there is not sufficient ATM booth throughout the city. This will discourage people for taking their service because in retail banking debit cards, credit cards and ATM booths are most important term. For customers' devotion, National Bank needs to p-provide more ATM booths.

6.4 Lack of customer focus:

National bank Limited need to focus on both corporate and retail customer. As there is no sufficient corporate account in National Bank Limited (Rokeya sarani branch) this can be used as a strategy to capture more customers. Also they need to provide higher interest rate among the various products to gain higher market share in the market.

6.5 Lack of advertising:

National Bank has lack of advertising problems. They do not sponsor their name in various social activates as other banks do. So most of the people are unaware of them along with their products and service as well. They also do not promoting their bank into the newspaper, television, billboard and other medium as well.

6.6 Compensation problem:

In spite of giving so hard work and dedication, employees get demotivated sometime as they do not get what they deserve.

CHAPTER SEVEN

Lessons Learned From the Internship Program

Lessons learned from Internship program

7.1 Corporate Etiquette:

In corporate business world etiquette is a key to success. It even starts from the tone of our voice, which includes politeness, kindness. We need to be as gentle as we want it from others. While doing my internship at National Bank Limited, I have learned a lot about corporate etiquette and manners. I have learned to be gentle, patient and cooperative.

7.2 Time Management:

For achieving any objectives what we require the most is a decent sense of time execution. Amid my internship journey I have figured out how to replenish my time management ability of understudy life into genuine corporate life. This expertise has given me persistence, self - control and made me more effective.

7.3 Punctuality

It is said that time is more profitable than money. Through time with diligent work we can get money however we can never get a solitary minute extra with money. That is for what reason being punctual is an unquestionable need for everybody. I have constantly endeavored to be punctual in my life however after this internship journey I have comprehended its significance.

7.4 Accountability

In our day by day life, we scarcely practice accountability since we tend to get rid of any obligation. Be that as it may, I got this good opportunity to take in the significance of responsibility in corporate life. While doing internship in National Bank Limited, I happened to be responsible for every single undertakings performed by me.

7.5 Ability to confront problems

Life is brimming with problems. Wherever we go, we need to confront the issues of life. I do trust that, problems will dependably be there yet on the off chance that we have the will to confront it. At the end of day we can discover an answer out of it at any rate. Same goes for working in any organization. While doing my internship I have figured out how to face problems with persistence and calm mind.

7.6 Communication skills

Last but not the least, my correspondence aptitude simply raised from a typical dimension to the following one. It additionally alludes to the between close to home expertise. At the end of the day, I need to go up against that. I have been honored that I got such a motivating encompassing, to the point that upgraded me with some additional standard skills and made me as a better person and also a good team player.

CHAPTER EIGHT

Concluding statements

8.1 Recommendation

While doing the report, I came up with some recommendations which may help the bank to beat some of its drawbacks in the competitive market by growing its efficient business operation:

- The bank should take more initiative steps to develop an effective research and development centers to get innovative ideas to capture the prominent market.
- National bank need to develop better and updated technological system with high end software and servers to provide better online banking service to the consumers.
- To provide better retail banking service, National Bank should come up with more ATM booths.
- They should take part more on CSR activities and sponsor their names to the various social activities so that people can aware of their bank
- National Bank should focus more on advertising their products and services to grab more customers.

However, this research is surely not a perfect research. There are some restrains and limitation in this research. They are given below:

- Firstly, due to time constraints and lack of accessibility, I could not able to do quantitative research.
- Secondly, for this research I could only conduct a FGD (focus group discussion) consisting the employees of the organization I worked for. Therefore I could not use any statistical tools to grab opinions of hundreds people.

8.2 Conclusion

This research is all about the retail banking service of National Bank Limited and analyzing their service through business model. The retail banking service of National Bank limited is enrich with varieties of products and services which are designed keep the consumers needs in mind. Some part of this organization needs to improve but despite of that site, National Bank Limited is very renowned and popular for their effective service and excellent performance on banking

sector. National Bank Limited's customers are quite satisfied with all types of financial service that they provide. Moreover in order to keep maintain this success in this arena, the manager, all the board directors and employees need to have clear idea about their loan, fund ,capital, liquidity, reserve, loan, deposit regarding the smooth way of controlling the bank and make further contribution to the country's economic development.

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Appendix

1. What is retail banking?
2. Is there any particular term for retail banking?
3. What is the purpose of retail banking?
4. Interest rates of deposit scheme.
5. What is SME?
6. Do you follow the rules and regulation of Bangladesh Bank in term of giving SME loan?
7. In which Criteria the bank gives loans to the different people?
8. How many packages that bank gives to the customers under SME?
9. Is there any loan for employees or staffs?
10. Do you have any opinion regarding the problems or challenges that NBL faces?
11. Which products are fall under foreign remittance service?
12. What are your valuable suggestions for improving retail service as well as banking service?