

Activities and Performance Analysis of the Foreign Exchange Department of National Bank Ltd.

2013



Submitted to

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Activities and Performance Analysis of the Foreign Exchange Department of National Bank Ltd.

**An Internship report prepared for the fulfillment for
the degree of Bachelors in Business Administration**

BRAC University, Dhaka

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Letter of Transmission

September 5th, 2013

To

Mr. Saif Hossain

Lecturer

BRAC Business School

BRAC University

Mohakhali, Dhaka

Subject: Submission of the Internship Report

Dear Sir,

With due respect, I would like to thank you for assisting me to prepare the internship report. This task has given me the opportunity to explore the activities of banking sector. The report contains a working procedure of Foreign Exchange department and its performance evaluation. It was a great pleasure for me to have the opportunity to work on this bank which remains in a very good position than other banks in Bangladesh. I would be very happy to provide you with any clarification regarding the report.

Therefore, I pray and hope that you would be kind enough to accept my Internship Report and oblige thereby.

Sincerely Yours,

Md. Istiaque Sharif

ID# 09104025

BRAC UNIVERSITY

Acknowledgement

At first, I should thank Almighty Allah for enabling me to complete my internship report in time. I got appointed to work as an intern at National Bank Limited, Banani branch. I gathered experience as I worked in an office environment. I would like to express my gratefulness and thanks to my respected academic supervisor Mr. Saif Hossain, faculty member of BRAC University, for giving me the useful instructions in making the report. His dynamic guidance at all stages of work encouraged me to accomplish my work successfully. I am also thankful to Head of HR Division of National Bank Ltd, for allowing me to work in Banani branch. I am grateful to the employees of National Bank Ltd, Banani branch, for their cooperation. They have been very helpful throughout the internship period. It was a great opportunity to do internship in such an organization like National Bank Limited. I always felt that I was under guidance of highly qualified and experienced personnel. The experiences I have gathered will be very beneficial in my career.

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Executive Summary

The report is on the performance evaluation of the foreign exchange activities of National Bank Ltd. This is a necessity for the successful completion of the BBA program. The report has been made with the help of NBL officials and some third party sources that are being appropriately cited.

At first, the report includes a short introduction of the organization. There is the introduction to the company along with its history. The products/ services, organizational organogram and the mission- vision of the company have also been reviewed.

As I am working as an intern at National Bank Ltd., there are certain responsibilities of mine. I have gathered a lot of new experiences. I have observed many things and had the opportunity to stay in touch with the very helpful employees of NBL. All these things are also reviewed.

Afterwards, the main body of the report starts. The different topics are divided among many chapters for the convenience of understanding. Export, import and remittance, as a function of foreign exchange, was discussed briefly. Then, the analysis part includes the performance evaluation of the foreign exchange department. The report has ended with some findings, recommendations and conclusions.

Chapter- 1

Introduction

Bank can be termed as iron cell of blood in a financial system of a country. Without bank a financial system can't survive. From the very beginning of financial activity in human civilization bank has a remarkable contribution as a whole. Banking, a pillar of economy, is guided by laws, rules, regulations and practices. The prime objective of the banking industry as a whole is to collect deposits from the public and to invest the same in the form of loans and advances to businesses. The service necessary for financing of import, export, guarantees etc is also the function of banks. In our country, like others, banking companies act 1991 remain operative to control and monitor the function of banks in coordination with the other laws. Since the banking functions are commercial in nature, many laws from the negotiable instrument act to civil procedure code are essential in the day-to-day operations of the banks.

One of the largest businesses carried out by the commercial bank is foreign trading. Foreign trade can be easily defined as a business activity, which crosses national boundaries. These may be between parties or government ones. No country can produce all kinds of goods. From this sense; this is the origin of foreign trade. When two countries exchange goods or services between them we can call it foreign trade. The trade among various countries falls for close link between the parties dealing in trade. The situation calls for expertise in the field of foreign operations. The bank, which provides such operation, is referred to as rendering international banking operation. Mainly transactions with overseas countries are in respects of import, export and foreign remittance. International trade demands a flow of goods from seller to buyer and of payment from buyer to seller. In this case the bank plays a vital role to bridge between the buyer and seller.

No country is self - sufficient in this world. Every country is more or less dependent on another for goods or services. For the following reasons foreign exchange is very important for any country:

- International trade gives opportunity of exchange of goods.
- National assets and resources of a country can be utilized properly.
- Foreign Currency can be earned easily.

- International trade helps to trade domestic production globally.

About National Bank Ltd

National Bank Limited has its prosperous past, glorious present, prospective future and under processing projects and activities. Established as the first private sector bank fully owned by Bangladeshi entrepreneurs, NBL has been flourishing as the largest private sector Bank with the passage of time after facing many stress and strain. The members of the board of directors are creative businessmen and leading industrialists of the country. To keep pace with time and in harmony with national and international economic activities and for rendering all modern services, NBL, as a financial institution, automated all its branches with computer networks in accordance with the competitive commercial demand of time. Moreover, considering its forthcoming future, the infrastructure of the bank has been rearranging. The expectation of all class businessmen, entrepreneurs and general public is much more to NBL. At present it has 145 branches. In addition, the effective and diversified approach to seize the market opportunities is going on as continuous process to accommodate new customers by developing and expanding rural, SME financing and offshore banking facilities.

The bank was inaugurated on March 28, 1983 but the first branch at 48, Dilkusha Commercial Area, Dhaka started commercial operation on March 23, 1983. The 2nd Branch was opened on 11th May 1983 at Khatungonj, Chittagong. At present, NBL has been carrying on business through its total 167 service locations spread all over the country. Since the very beginning, the bank has exerted much emphasis on overseas operations and handled a sizable quantum of home bound foreign remittance. It has drawing arrangements with 415 correspondents in 75 countries of the world, as well as with 37 overseas Exchange Companies located in 13 countries. NBL was the first domestic bank to establish agency arrangements with the world famous Western Union in order to facilitate quick and safe remittance of the valuable foreign exchanges earned by the expatriate Bangladeshi nationals. This has meant that the expatriates can remit their hard-earned money to the country with much ease, confidence, safety and speed.

NBL was also the first among domestic banks to introduce international Master Card in Bangladesh. In the meantime, NBL has also introduced the Visa Card and Power Card. The Bank has in its use the latest information technology services of SWIFT and REUTERS. NBL has

been continuing its small credit programs for disbursement of collateral free agricultural loans among the poor farmers of Barindra area in Rajshahi district for improving their livelihood.

National Bank, has now acquired strength and expertise to support the banking needs of the foreign investors. NBL stepped into a new arena of business and opened its Off Shore Banking Unit at Mohakhali to serve the wage earners and the foreign investors better than before. Since its inception, the bank was aware of complying with Corporate Social Responsibility. In this direction, it has remained associated with the development of education, healthcare and have sponsored sporting and cultural activities. During times of natural disasters like floods, cyclones, landslides, we have extended our hand to mitigate the sufferings of victims. It established the National Bank Foundation in 1989 to remain involved with social welfare activities. The foundation runs the NBL Public School & College at Moghbazar where present enrolment is 1140. Besides awarding scholarship to the meritorious children of the employees, the bank has also extended financial support for their education. It also provided financial assistance to the Asiatic Society of Bangladesh at the time of their publication of Banglapedia and observance of 400 years of Dhaka City.

The Transparency and accountability of a financial institution are reflected in its annual reports containing its Balance Sheet and Profit & Loss Account. In recognition of this, NBL was awarded Crest in 1999 and 2000, and Certificate of Appreciation in 2001 by the Institute of Chartered Accountants of Bangladesh. The bank has a strong team of highly qualified and experienced professionals, together with an efficient Board of Directors who play a vital role in formulating and implementing policies.

Mission and vision of NBL

Vision

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

Mission

The mission of NBL is to expand the activities at home and abroad by adding new dimensions to the banking services. Alongside, they are also putting highest priority in ensuring transparency, account ability, 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.

Products & Services

National Bank Limited offers different types of Corporate and Personal Banking Services involving all segments of the society within the purview of the rules and regulations as laid down by the Central Bank and other Regulatory Authorities-

Deposit Products

- Savings deposit
- Current deposit
- Term deposit
- Foreign currency deposit
- Monthly saving scheme
- Monthly income scheme
- Double benefit scheme
- Millionaire income scheme

Credit products

- Overdraft
- Lease financing
- House building
- Small medium enterprise
- Consumer credit scheme
- Trade finance

Cards

- Credit card
- NBL power card

Organizational Hierarchy



Chapter- 2

My job at NBL Banani branch

I was assigned at the Banani Branch of National Bank Ltd. It was quite a nice experience. Most importantly, I learned to act responsibly in time of great pressure. This practical orientation is necessary for the development and preparation of a person before entering into the corporate world. The things that I have learned at NBL are:

- Meaning of responsibility
- Necessity of commitment
- Punctuality and regularity
- Interaction ability

National Bank Ltd. has always been a preference of the fresh graduates for doing their internship. This is because of the friendly environment of the bank. Mostly, I worked in the foreign exchange department of NBL. I also worked in other departments for some days. I was responsible for the following-

- Preparing pay orders
- Updating the record book and clearing FDR.
- Assisting in auditing.
- Assisting potential clients.
- Data entry, document endorsing and advising.
- Attaching L/Cs to the documents.

Throughout my internship period, I have made some critical observations. Most of the observations are positive in nature. All the employees are very wise and responsible. My observations are-

- Work is never left pending for the next day unless it is absolutely necessary.
- The operation can be more efficient.
- A good performance is always praised by the fellow employees.

- The employees hardly get any free time because of the huge workload.

Every employee has his own set of work. But still, if anyone needs any help, the employees come forward in helping him with his work despite having a huge workload.

I have also learned about the corporate structure of the bank which are-

- The client comes first
- Search for professional excellence
- Openness to new ideas & new methods to encourage creativity
- Quick decision-making
- Flexibility and prompt response
- Sense of maintaining ethical standard

Chapter- 3

Summary

At first, the objectives, importance, scope, methodology and limitations have been discussed in general. Afterwards, import, export and remittance have been discussed briefly as these are the main activities of foreign exchange. Later, a performance analysis has been conducted for a better understanding of the situation. It was, later on, followed by some findings, recommendations and conclusion.

Objective to the project

The general objective of the study is to gather practical knowledge regarding banking system and operation. The practical orientation gives us a chance to relate the four year, long theoretical learning of BBA Program with the practical experience. This consists the following:

- To get an overall idea about the foreign exchange procedure of National Bank Ltd.
- To describe the organizational structure, management, background, functions and objectives of the bank.
- To examine the profitability of the bank compared to the commercial bank.

- To know the performance of foreign exchange department of NBL.

Importance

The report is essential for the completion of the Bachelors of Business Administration. It emphasizes on the foreign exchange department of National Bank Limited, Banani Branch. The foreign exchange department is one of the major departments of NBL. The report emphasizes on the activities of the foreign exchange department. The report also includes a performance analysis of the activities of the foreign exchange department. Therefore, the report holds its importance to get an overall idea about the foreign exchange department of National Bank Limited, Banani branch.

Scope

This report has been prepared on the basis of experience gathered during the period of internship. For preparing this report, I have also got information from Annual reports and other third party websites. The employees of the bank were helpful in providing the information related to the Banani branch that could not be found in the annual reports. I have presented my experience and findings by using different charts and tables, which are presented in the analysis part.

Methodology of the study

The report is prepared on the basic of foreign Exchange of National Bank Ltd. To conduct the overall study, at first I explored the sources of Primary and Secondary information and data. Different files of the department and statement prepared by Foreign exchange department (FED) helped me to prepare this report. To present financial performance of NBL, I used the Annual Reports of NBL. For preparing this report I have used some graphical representation to find out different types of analytical interpretation.

Primary data

- Official records of NBL.
- Face to face conversation with the client.
- Personal Interview – Face-to-face conversation and in depth interview with the respective officers of the branch.
- Personal observation – Observing the procedure of banking activities followed by each department.
- Practical work exposures on different areas of the branch

Secondary data

- Study on Annual Reports of Natioanl Bank Limited.
- Relevant file study as provided by the officers concerned.
- Other manual information.
- Online data from NBL website.
- Various publications on the Bangladesh Bank.

Limitation

The internship report was not free from limitations. I faced some problems during the study-

- Lack of supervision: As the officers were busy with their daily work, they could provide me very little time. Sometimes, they didn't want to supervise due to pressure of work load.
- Restricted information: There are various information the bank officer didn't provide due to security and other corporate obligations.

Other limitations: As I am a newcomer, there is a lack of experience in this concern. And many practical matters have been written from my own observation that may vary from person to person.

Chapter- 4

Foreign Exchange Department of NBL, Banani Branch

The Foreign Exchange Department of NBL, Banani Branch is divided into two sections:

- Foreign Trade (L/C Operation): It includes Import and Export.
- Foreign Remittance

Import

The word “import” is derived from the word “port”, since goods are often shipped via boat to foreign countries. Import means purchase of goods and services from the foreign countries. Normally consumers, firms, industries and Government of Bangladesh import goods to meet their various necessities. So, in brief we can say that import is the flow of goods and services purchased by economic agent staying in the country from economic agent staying abroad. Countries are most likely to import goods that domestic industries cannot produce as efficiently or cheaply, but may also import raw materials or commodities that are not available within its borders. Mainly, imports are the goods and services that are bought by residents of a country, but made outside of the country. It doesn't matter what the goods or services are, or how they are sent. They can be shipped, sent by email, or even hand- carried in personal luggage on a plane. In economics, an import is any good or service brought into one country from another country in a legitimate fashion, typically for use in trade. It is a good that is brought in from another country for sale. An import in the receiving country is an export to the sending country.

Import Regulations followed by the bank

As per Import & Export control Act 1950, no person can indent, import or export any goods in Bangladesh except in case of exemption issued by the government of the peoples of Bangladesh. According to Import and Export Control Act, 1950, to be an importer the person should obtain the Import Registration Certificate (IRC) from the Office of Chief Controller of Import and

Export. Goods from Israel or goods originated from these countries are not importable. Import of goods into Bangladesh is not permissible on the flag vessel of Taiwan and Israel.

Procedure of Import Registration Certificate (IRC):

To carry on the business of import, the first thing one need is registration with the licensing authority of the area. To get this registration, the interested person/institutions submit the application along with the following papers/documents directly to the chief controller of imports and exports or respective zonal offices of CCI&E. Following papers/documents are usually required to obtain IRC-

- Income tax registration certificate
- Nationality certificate
- Certificate from Chamber of Commerce and Industry or Registered Trade Association
- Bank solvency certificate
- Copy of trade license
- A forwarding letter to the CCI&E

On receiving application, the respective CCI&E offices will scrutinize the documents and conduct physical verification (if necessary) and issue demand notice to the prospective importers to furnish the following papers/documents through their nominated Bank:

- Original copy of Treasury Challan deposited as IRC fees
- Assets certificate
- Two copies of passport size photographs of the Importer
- In case of partnership registered partnership deed

The nominated bank of the applicant will scrutinize the papers/documents and verify the signature of the applicant. After verifying, the nominated bank will forward the same to the respective CCI&E office with forwarding schedule in duplicate through bank's representative. The CCI&E office will acknowledge on duplicate copy of the forwarding schedule and return back the same to the bank representative. On being satisfied after securitization of the documents

the respective zonal offices of CCI&E will issue Import Registration Certificate (IRC) to the applicants.

Methods of Importing

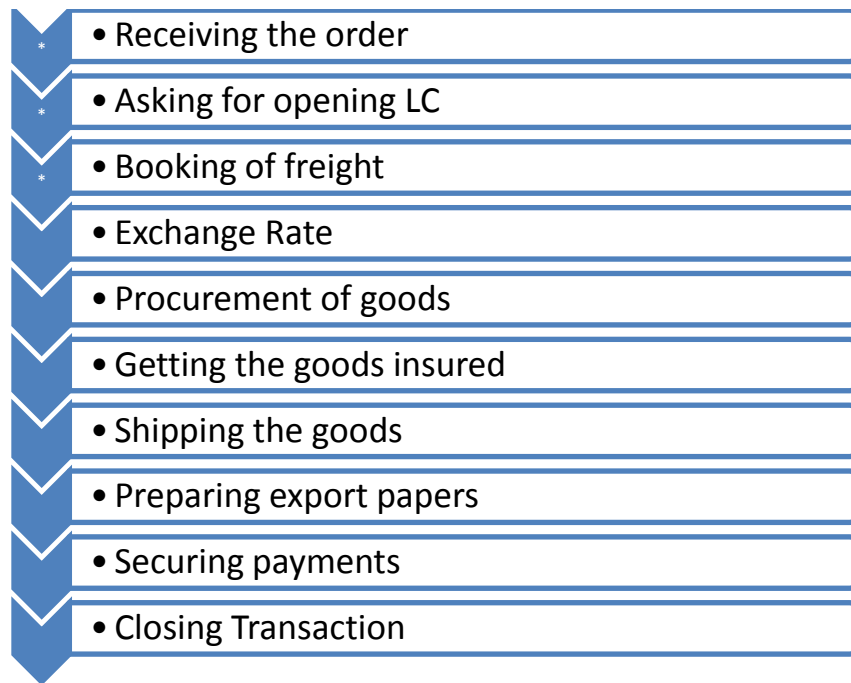
There exist a number of procedures of importing goods from the foreign country. Goods may be directly imported from the foreign manufactures or they may be imported through the selling agents of the foreign producers. Whoever does the function there are some stages of importing, which are as follows:



Export

Export means to transfer goods from one place to another. It is a function of international trade whereby goods produced in one country is shipped to another country for future sale or trade. The sale of such goods adds to the producing nation's gross output. If used for trade, exports are exchanged for other products or services. Exports are one of the oldest forms of economic transfer, and occur on a large scale between nations that have fewer restrictions on trade, such as tariffs or subsidies. Many companies are heavily dependent on exports for sales, any factors such as government policies or exchange rates that affect exports can have significant impact on corporate profits. The exporter must pay duty on goods exported. The exporter should obtain registration from the office the chief controller of import & export, trade license ERC, LCA to open export L/C.

Export process



Things done in export

In broader aspect the major responsibilities that are performed here are —

- L/C Advising
- Documents Collection
- Documents negotiation
- Export financing

Parties of the Export

- L/C issuing bank
- Importer
- L/C advising bank
- Exporter
- Confirming bank
- Negotiation bank

- The paying / Reimbursing Bank

Export Formalities

The export trade of the country is regulated by the Imports and Exports (control) Act, 1950. There are a number of formalities, which an exporter has to fulfill before and after shipment of goods. These formalities or procedures are enumerated as follows:

- Registration of the Exporter
- Export Registration Certificate (ERC)
- Export permit Form (EXP)

Foreign Remittance

The word remittance originates from the word 'remit' which means to transfer money/fund. In banking terminology, the word- 'remittance' means transfer of fund from one place to another and when money is transferred from one country to another then it is called Foreign Remittance. National Bank Ltd. is an authorized dealer to deal in foreign exchange business. As an authorized dealer, a bank must provide some services to the client regarding foreign exchange and this branch provides these services through foreign remittance department. The basic function of this department is outward and inward remittance of foreign exchange from one country to another country. In the process of providing this remittance service, it sells and buys foreign currency. The conversion of currencies takes place at an agreed rate of exchange in which the banker quotes, one for buying and another for selling. In such transactions the foreign currencies are like any other commodities offered for sales and purchase.

Foreign Remittance refers to the transfer of fund from one country to another either through the office channel i.e. banking channel, post office or the informal channel. In Bangladesh, the informal market is playing a significant role. However, we shall limit our discussion within the official channel. Foreign Exchange earnings are very important for the country as valuable foreign exchange is involved in the transfer mechanism. From the year 1990, financial liberalization has been started which is still going on. Due to liberalization, restrictions on foreign remittance have been eased. Bangladeshi Taka is convertible for current amount

transactions on March 24, 1994 with the view to achieve better exchange rate management system. And from April 1994 Bangladesh Government has accepted the status of Article VIII of International Monetary Fund.

NBL places an important role to transfer money from other countries to Bangladesh and Bangladesh to other countries. Inward and outward T.T, M.T and draft are the main components of foreign exchange remittance. The Foreign Remittance incoming and outgoing through this branch are handled by Head Office.

Agency Arrangement

To facilitate foreign exchange business throughout the world, agency arrangement may be made between local bank and foreign bank. However, in case of agency arrangement accounting relationship may or may not be made.

Drawing Arrangement

Drawing arrangement is made to facilitate remittance through concluding accounting relationship between banks & corresponding bank or exchange house.

Functions Performed by Foreign Remittance

- Issuance of TC, Cash Dollar/Pound.
- Issuance of FDD, FTT & purchasing, payment of the same
- Passport endorsement.
- Encashment Certificate.
- F/C Account opening & filing.
- Maintenance of ledger of Cash Dollar, FC Deposit A/C & TC.
- Preparation of all related statement, Voucher & posting
- Preparation of Weekly, Monthly, Yearly Statement for Bangladesh Bank
- Attending all related correspondence to other Bank or Institution.

Types of Foreign Remittance

Foreign Remittance has two wings-

- Inward Remittance.

- Outward Remittance.

Inward Foreign Remittance:

Inward remittance covers purchase of foreign currency in the form of foreign T.T., DD, and bills etc. sent from abroad favoring a beneficiary in Bangladesh. Purchase of foreign exchange is to be reported to Exchange control Department of Bangladesh Bank on Form-C. Followings are the Inward foreign Remittance of NBL:

- Foreign Telegraphic Transfer Payable
- Foreign Demand Draft Payable
- Traveler's Cheque Payable
- Encashment of foreign currencies endorsed in the passport.
- Purchase of Foreign Currencies.

Outward Foreign Remittance

Outward remittance covers sales of foreign currency through issuing foreign T.T. Drafts etc. Sale of foreign exchange is reported to Exchange control Department of Bangladesh on form T/M. Remittances issued by NBL to foreign corresponds to fulfill its customer's need is the Outward Foreign Remittance of NBL. It comprises the following:

- Foreign Demand Draft Issued
- Traveler's Cheque Issued
- Foreign Telegraphic Transfer
- Endorsement of Foreign Currencies in passport
- Sale of Foreign Currencies

Chapter- 5

Foreign Exchange Performance Analysis

Import

Year	Whole Bank Import	Branch Import
2011	65102.3	1807.68
2012	47525.50	1372.41
2013 (January 1 to August 30)	53085.20	2010.47

Table: 1

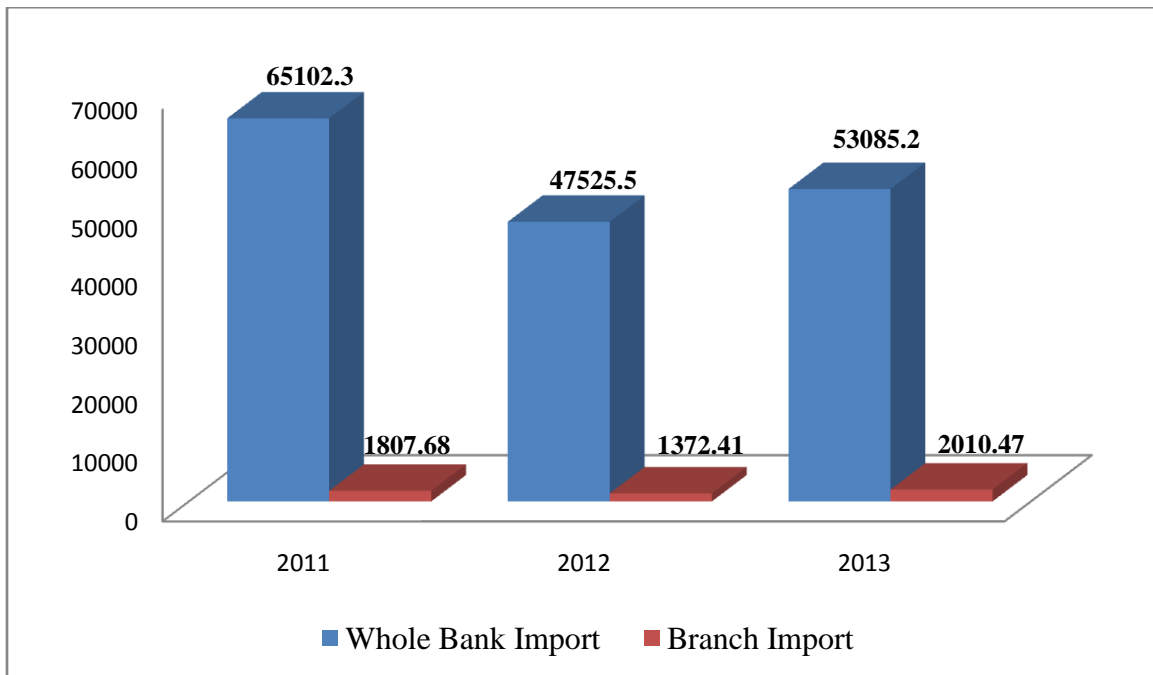


Figure: 1(Taka in Millions)

Import volume of NBL, Banani Branch, during the year 2013 is BDT 2010.47 million compared to BDT 1807.68 million in 2011, which showed an effective growth by 10.09%. However, in

2012, branch import volume was 1372.41 million which shows a decrease amount compared to the year 2013. Moreover, import volume of national bank, in 2013 is BDT 53085.2 million compared to BDT 65102.3 million in 2011. The amount decreased in 2012 but it is expected that the amount will be more than it was in 2011, in 2013. The major import areas were raw materials, fabrics and accessories, chemicals, electronic goods and other consumer products, capital machinery, medical equipment and food grains (vegetable oil, rice, sugar etc.).

Export

Year	Whole Bank Export	Branch Export
2011	44180.5	1509.85
2012	33553.60	2458.41
2013 (January 1 to August 30)	35845.31	2363.89

Table: 2

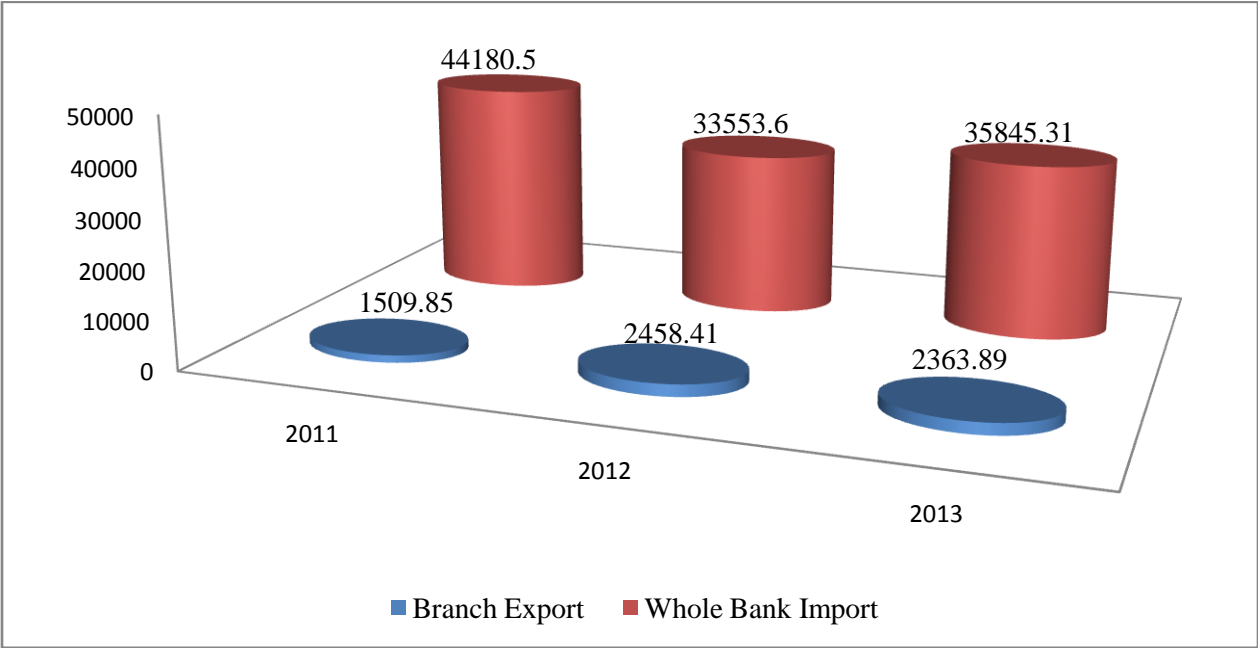


Figure: 2 (Taka in Millions)

During 2013, total export volume of NBL stood at BDT 35845.31 million compared to BDT 33553.6 million in 2012. This reflects a slight increase in growth by 6.4%. However, the export volume was higher in 2011 compared to that of 2012 and 2013. The branch export in 2011 was

1509.85 million and it is seen to be increasing. In 2012, it increased by 38.58%. In accordance to the half yearly report of 2013, it is seen that the export volume is quite significant and it is expected to increase more and surpass the amount that was in 2012. The bank has given emphasis on export of traditional items like jute, jute goods, raw jute, leather and ready-made garments.

Foreign Remittance

Year	Branch Foreign Remittance
2012	355.09
2013 (January 1 to August 30)	313.96

Table: 3

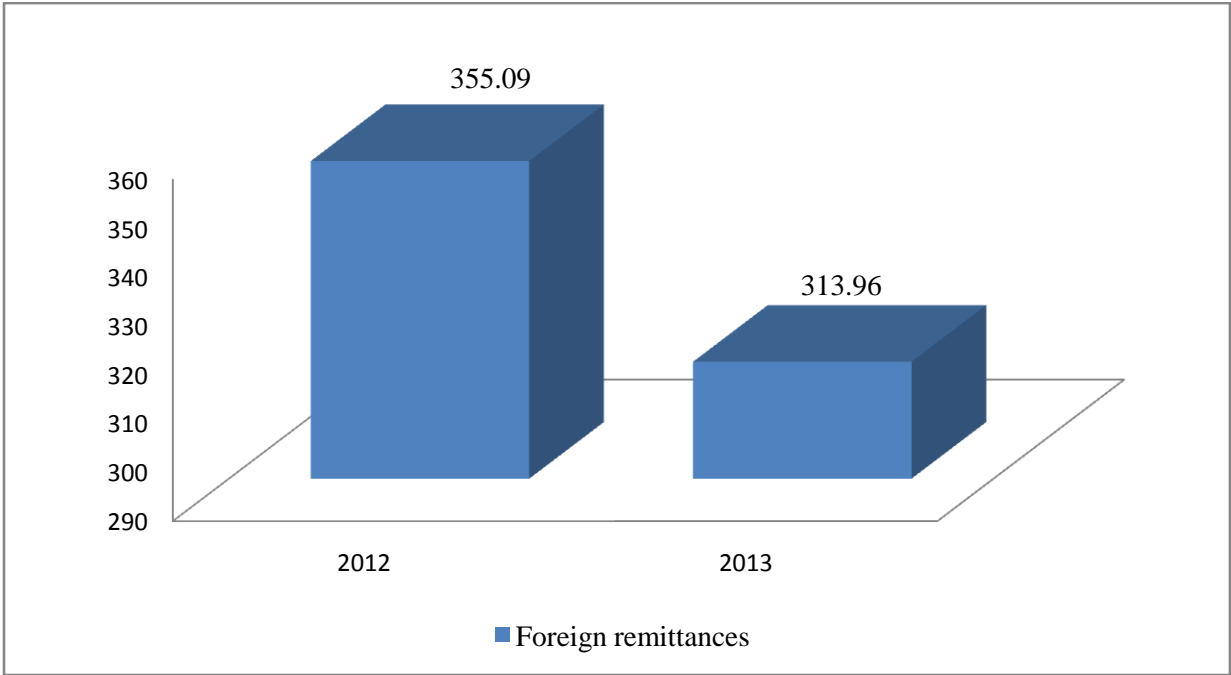


Figure: 3

In 2012 NBL procured inward foreign remittance of BDT 355.09 million. In 2011, there was inward foreign remittance of BDT 313.96 millions. This growth was possible due to introduction of different instant payment products and technology including extending SWIFT, Online, EFT

etc. and further efforts are being made for more speedy payments.

Earnings Per Share for the Whole Bank

Information per Share	2011	2012	2013
Earnings per share (BDT) (Share value BDT10)	4.29	1.90	2.04

Table: 4

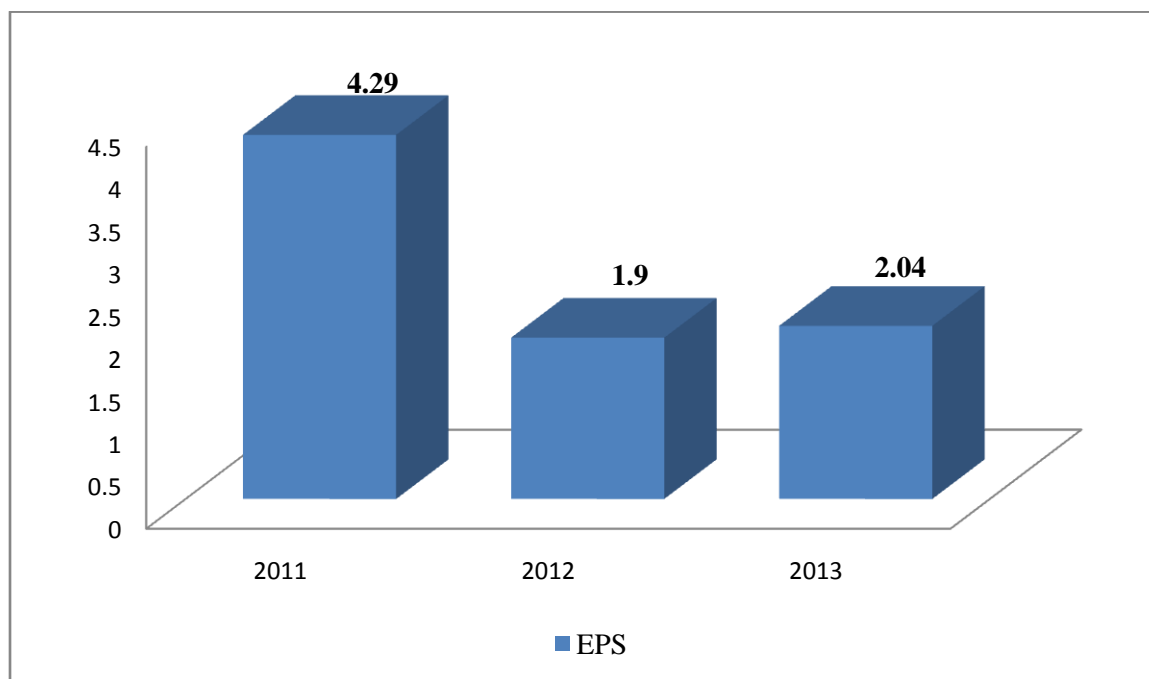


Figure: 4

In 2012 the banks' earnings per share decreased dramatically by 55.71% from 4.29 (2011) to 1.9 which is not a good sign for the bank and for the shareholders. However in 2013, EPS increases from 1.9 to 2.4 that reflects a growth.

TOTAL ASSETS

At the year-end (BDT in billion)	2011	2012
Total Assets	169.04	205.21
Loans and Advances	115.39	126.17
Investments	30.33	54.33
Fixed Assets	1.96	2.002

Table: 5

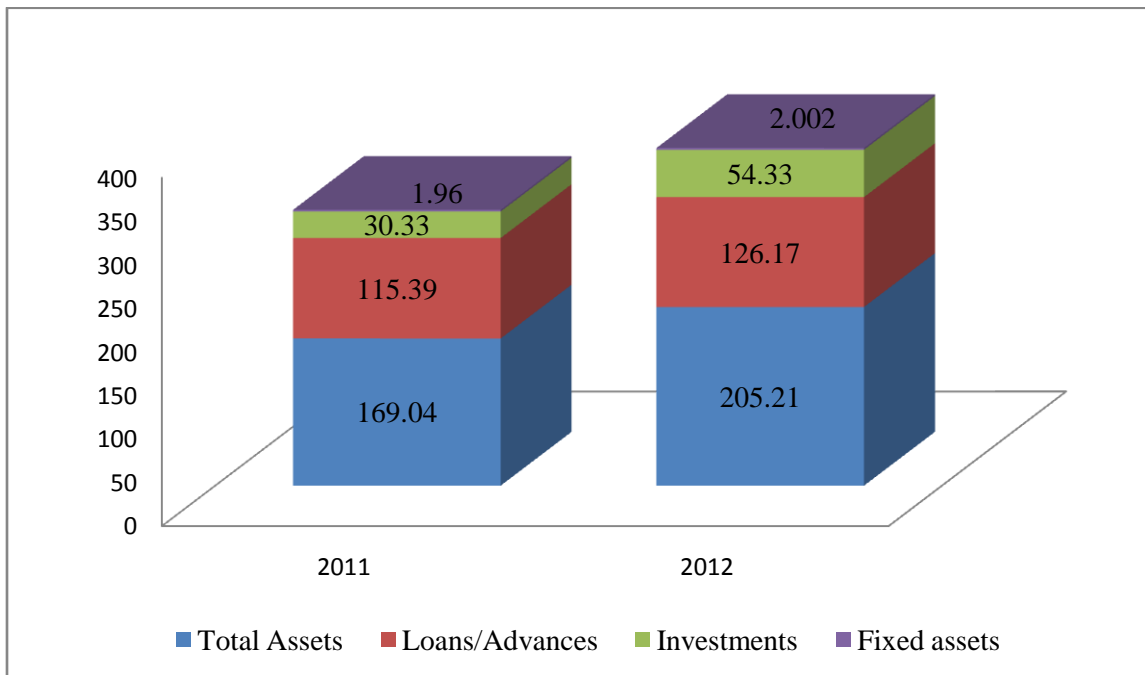


Figure: 5

The banks' total assets posted a 17.7% increase in 2012, raising from BDT 169.04 billion to BDT 205.21 billion. The major contributor to this growth was the increase in investments, which jumped by 44.2%, from BDT 30.33 billion to BDT 54.33 billion and in loans and advances, which jumped by 8.54%, from BDT 115.39 billion to BDT 126.17 billion. Fixed assets of the bank also increased remarkably to BDT 2.002 billion from BDT 1.96 billion, an increase of 2.098%.

EARNING PER SHARE COMPARISON

	2011	2012	Average
AB Bank Ltd.	3.78	3.32	3.55
Bank Asia Ltd.	3.89	1.35	2.62
BRAC Bank Ltd.	5.54	1.74	3.64
Dutch-Bangla Bank Ltd.	10.77	11.57	11.17
Dhaka Bank Ltd.	6.25	1.69	3.97
Eastern Bank Ltd.	5.59	3.91	4.75
IFIC Bank Ltd.	3.00	1.20	2.1
Jamuna Bank Ltd.	3.71	2.47	3.09
Mercantile Bank Ltd.	3.53	2.24	2.89
Mutual Trust Bank Ltd.	1.59	1.29	1.44
NCC Bank Ltd.	3.76	2.09	2.93
National Bank Ltd.	4.29	1.9	3.1
ONE Bank Ltd.	3.99	2.70	3.35
Prime Bank Ltd.	4.77	2.89	3.83
Southeast Bank Ltd.	2.33	1.89	2.11
Standard Bank Ltd.	3.19	2.73	2.96
The Premier Bank Ltd.	1.34	1.30	1.32
The City Bank Ltd.	4.07	1.26	2.67
Trust Bank Ltd.	3.51	.55	2.03
Uttara Bank Ltd.	5.76	3.76	4.76
United Commercial Bank Ltd.	4.19	1.89	3.04
Rupali Bank Ltd	7.94	7.37	7.66
	Total EPS		78.98
	Mean		3.59

EPS	
National Bank Ltd	3.1
Commercial Bank Average	3.59

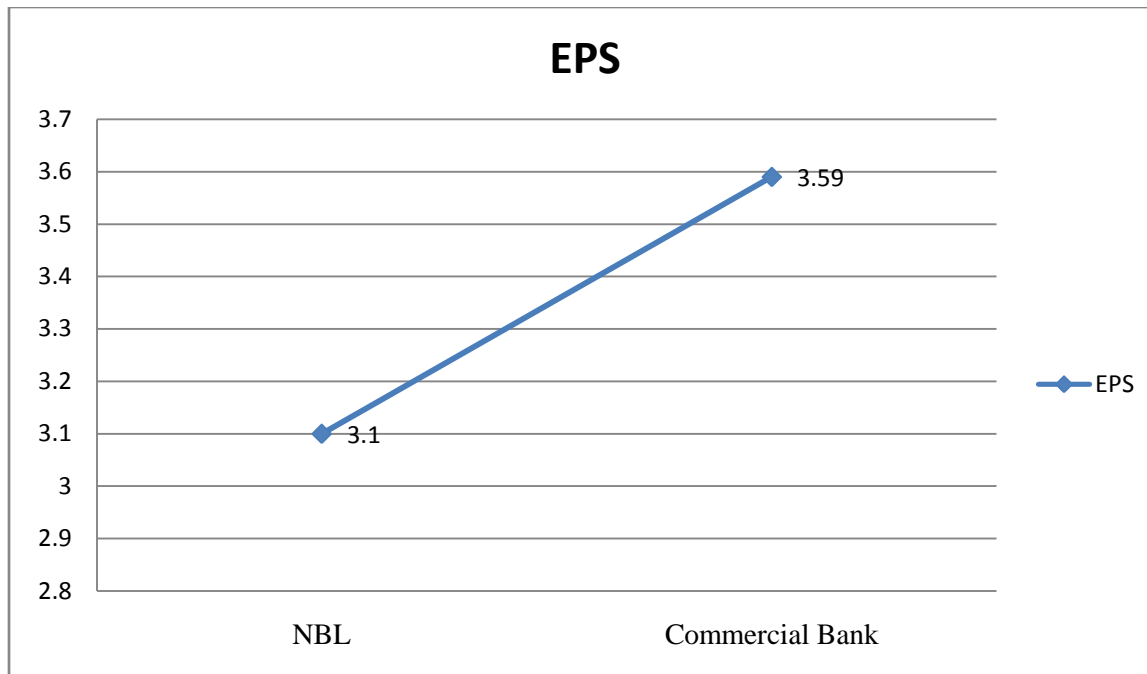


Figure: 6

Earnings per share of National Bank Ltd are 3.1, where average EPS of commercial banks is 3.59. In 2012 EPS of NBL has decreased compared to the EPS of other commercial banks which is not good for NBL.

Chapter- 6

Major Findings

Banking sector being a vital sector of Bangladesh contributes a lot in the economy of the country. A Lot of new commercial bank has been established in the recent years and these banks have made the banking sector very competitive. So now, banks have to organize their operation and do their business according to the need of the market. Banking sectors no more depends on a traditional method of banking. In this competitive world, this sector has trenced its wings wide enough to cover any kind of financial services anywhere in this world. The major task for banks,

to survive in this competitive environment is by managing its assets and liabilities in an efficient way. National Bank Limited is one of the leading banks in the private sector, and it gives a vast service to its customer. I observed the foreign exchange department, general banking area and also loans and advance department very carefully. The following are some extract of the major findings:

- NBL foreign exchange department is doing well and it shows the growth compare to previous year.
- Export, Import, Foreign Remittance growth rate increasing in 2013 compared to previous year.
- For the effectiveness of the foreign exchange department, NBL has divided the whole department into three major parts, which are Export, Import, and Remittance.
- The monitoring system of the foreign exchange department of NBL is excellent. The chain of command is strictly maintained here. The executives now and then visit the department, which keeps all the officers alert about their duty.
- NBL earning per share is seen to be increasing in 2013 and EPS is quite good compared to average commercial Bank EPS.
- Some rules and regulations of government work as barrier for the free flow of remittance, export and import of profitable goods.
- Problems faced by real estate companies for repaying the loans.
- Loss in share market.

Recommendations

As per earnest observation some suggestions for the improvement of the situation are given below:

- To attract more clients NBL has to create a new marketing strategy, which will increase the total export import business.
- Attractive incentive packages for the exporter will help to increase the export and accordingly it will diminish the balance of payment gap of NBL.
- Long term training very much required for the foreign exchange officers.

- Bank can provide foreign market reports, which will enable the exporter to evaluate the demand for their products in foreign countries.
- New investment sector is booming rapidly. NBL should identify those untapped areas of business and invest in those sectors such as gas plant, condensed milk project, ship breaking etc.
- Effective Management Information System must be evolved by NBL so that correct decisions may be taken at correct time at policymaking level.
- Proper communication needs to establish with clients.
- Arrangement of monthly /quarterly training courses /workshops for the selected by the authority in order to promote employee to their desired level
- It is noted that “delay in service” is one of the problems faced by the clients. Attempts should be made to straighten the banking procedure.

Conclusion

This report is prepared to fulfill one of the requirements of BBA program to submit internship report under Business students. It is an effort to cover the foreign exchange activities in general which has been observed during the internship period in National Bank Ltd. The activities of the foreign exchange department are much broader. Everything may not be covered here due to time constraint. However, the report includes enough information to get an overall idea about the foreign exchange department of National Bank Ltd.

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Appendix

NBL= National Bank Limited

FED= Foreign exchange department

GHR= Group Human Resources

CRM= Credit Risk Management Department

ICC=Internal Control & Compliance

ADC= Alternate Delivery Channel

RMU=Risk Management Unit

DMD=Deputy Managing Director

OBU=Off-Shore Banking Unit

GF=Group Finance

CAD=Credit Administration Department

FDR=Fixed Deposit Receipt

NBR =National Board of Revenue

CCI&E= Chief Controller of Imports & Exports

L/C= Letter of Credit

ICC=International Chamber of Commerce

UCPDC=Uniform Custom and Practice for Documentary Credit

FCC=Foreign correspondents adjusting charges

IRC/ERC=Import/Export Registrations Certificate