



Internship Report

On

**“Banking system of NCC Bank Ltd:
An analysis of it’s investment
portfolio”**

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An analysis of it’s investment portfolio”

Submitted To

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Submitted By

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12 June, 2016

Letter of Transmittal

12th June, 2016

Ms. Iffat Tarannum

Lecturer,

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Subject: Submission of Internship report

Miss,

I was supposed to prepare an internship report on **“Banking system of NCC Bank Ltd: An analysis of its investment portfolio”** to fulfill the requirement of the Internship program of BBA degree.

This report contains the general banking system of NCC bank and also the financial analysis of its investment portfolio.

I am very much grateful to you because you approved me to work on this report. Miss I have taken more time than it was given me to do the task and thus I am really embarrassed and sorry but I tried to prepare it perfectly with proper information. Again thank you for supporting me throughout the whole project.

Sincerely yours,

MD. Fahim Rahman

ID NO: 11204037

BRAC Business School,

BRAC University

Acknowledgement

First of all, I would like to thank Almighty Allah for blessing on me in completing my internship report. Then I would like to thank my parents for their valuable support and their blessing on me which has helped me most to do the tasks.

Secondly, I would like to express my thankfulness to my academic supervisor Ms. Iffat Tarannum from the core of my heart for her kind support, guidance, constructive instructions and for motivating me to do this report.

Thirdly, I would like to thank to HR Division of NCC Bank Limited as they have given chance me to do internship in Motijheel main branch.

I am also grateful to Mohammad Toufiqul Islam (Senior Officer), Md. Shagedul Islam, Principal Officer (Loan & Recovery Department), Md. Mamun Bhuiyan (Executive officer), Md. Abul Heshem Sir (FAVP) as they have helped me a lot by guiding me to learn banking, understanding professional manners and also helping me with proper data which were required for my internship report.

Last but not the least, I would like to thank my family – my parents, my friends and well-wisher who have supported me by providing vital information which helped me to complete this report successfully.

Executive summary

I have been working at NCC Bank Limited for 3 months as intern and most of the part of my report is based on my practical knowledge. This Internship Program has helped me a lot to learn about the actual situation of a financial institution. Banking sector plays the most important role in the economy of a nation. NCC Bank Limited has been operating as a leading private commercial bank with its strong business arrangement. It has 104 branches all over Bangladesh and providing sincere and customized banking service to its customers. The Bank has set up a new standard in financing in the Industrial, Trade and Foreign exchange business. Its various deposit & credit products have also attracted the clients-both corporate and individuals who feel comfort in being with NCC Bank Ltd.

The report consists of several parts. First one is the introduction part that includes objective, methodology, scope and limitation of the report. Second part is all about to introduce with the organization. In the third part of the report I have tried to express my personal feelings and learning from this three month internship period. Then the main part which I have included in chapter four. My internship report topic was “Banking system of NCC Bank Ltd:An analysis of it’s investment portfolio”. I explained the banking system of NCC bank in brief in chapter 4 (Part A) and Analysis of its investment portfolio done in chapter 4 (Part B).

I have shown different investment of NCC Bank and their proportion. NCC Bank’s portfolio is mainly consisted of 3 types of investment. Loan & advance, government securities and other securities. I have analyzed the investments by years and also I have compared some of the investment portion with another bank to show the comparative financial situation of NCC Bank.

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Chapter 1

Introduction

1.1:Background and objective of the report

Report submission is a part of my internship program and I have worked in various department of NCC Bank Ltd, Motijheel Principal Branch. My topic was given by the bank authority which is “Banking system of NCC Bank Ltd:An analysis of its investment portfolio.” My advisor Ms. Iffat Tarannum approved me to work on this topic. In this report, I have tried to make an overall analysis on different financial activities of NCC Bank Ltd and analyze their financial portfolio. It will make easier to understand the actual financial condition of NCC Bank and to figure out the more or less profitable portions of their portfolio. It will also help to prepare a list of recommendation for the management of advanced department of the bank.

1.2:Methodology

The methodology includes 3 parts:

- The sample selection,
- Sources of data and
- Method of data analysis.

1. The sample section: I have worked on NCC Bank Ltd and my major topic was financial portfolio analysis. Thus, along all the other departments, I have to more emphasis on Advanced department that includes loan and loan recovery section.

2. Sources of data:It includes primary and secondary data.

The primary data has been collected through direct observation, talking to the clients and face to face discussion with senior officer and junior officer in related field.

Secondary data were collected from:

- ✓ Annual reports of NCC Bank
- ✓ Foundation training course book for MTO’s published by NCC Bank training institute

✓ Internet and newspaper

3. Method of data analysis: The financial data of NCC Bank Limited will be analyzed in a descriptive manner including Ratio analysis, different graphs etc.

1.3:Scope

In today's world, banks have been playing an important role in economic development and contributing continuously to build the country. This sector is expanding very quickly in our country because of globalization and reform of private sector. To survive as a key player in this highly competitive and complex business environment a bank should develop its business strategy. Thousands of industries are growing up and surviving with bank loans that end of the day making our economy stronger. Investing in which sector is more profitable and less risky should be identified and take necessary steps.

1.4:Limitations

The main limitation for preparing this report was time. Working a lot in the bank along preparing intern report was quite harder to manage. Sometimes the officials do not want to disclose all the information with interns. Again sometimes they were quite busy with their work that it was hard to talk to them for getting information.

Chapter-2

Background of the Organization

2. Background of the Organization

2.1: Overview of NCC Bank Ltd: Now a day's National Credit and Commerce Bank Limited (NCCBL) is one of the most popular banks in Bangladesh. The bank began its journey from 1985 as an investment company and till 1992, the company operated up with 16 branches and after that with the permission of the Central Bank converted into a fully fledged private commercial Bank in 1993 with paid up capital of Tk. 39.00 crore to serve the whole nation. At present the bank is running 68 branches and waiting many to be opened all over Bangladesh. Each branch is headed by a Head of Branch (HO) who in turn gets the assistance of the Manager Operation (MO) in dealing with several day to day activities of commercial banking. The main objective of NCC Bank Ltd is to achieve Profit maximization and increase customer satisfaction level and it has become a progressive commercial bank in private sector in Bangladesh with a very impressive slogan called, "Where Credit & Commerce Integrates". The bank is one of the most disciplined Banks with their unique corporate culture which has created and customer loyalty. The people in the Bank see themselves as a community and family that believe in working together for mass development. The following departments are working restlessly with honesty and dignity for the continuous development of the bank:

- ✓ Human Resources Division
- ✓ Advanced division
- ✓ Personal banking Division
- ✓ Operations Division
- ✓ Computer and Information Technology Division
- ✓ Finance & Accounts Division
- ✓ Audit & Risk Management Division
- ✓ Treasury Division

2.2: Mission: Becoming the most adorable commercial Bank in serving the Nation as a progressive and socially responsible financial institution by bringing credit & commerce together for increased Shareholders profit and sustainable growth.

2.3: Vision: Delivering and providing excellent financial service to our communities based on strong customer relationship by creating an organized and friendly environment where customers and our people can excel.

2.4: Services provided: NCC Bank provides almost every type of services to the consumers that a modern bank provides. Some of the services that NCC Bank provides are given below:

#Depositary materials:

- ✓ Saving Bank Account (SB A/C)
- ✓ Current Deposit Account (CD A/C)
- ✓ NCC Bank Special Savings Scheme (SSS)
- ✓ Fixed Term Deposit (FDR)
- ✓ Short Term Deposit (STD)
- ✓ Money Double deposit programs
- ✓ Premium term Deposit
- ✓ Interest Earning Term Deposit

#Loans:

- ✓ Cash Credit
- ✓ Long Term and Short term financing
- ✓ House Building Loan
- ✓ Car Loan
- ✓ Small Business Loan

#Foreign Exchange:

- ✓ Non Resident Foreign Currency Deposit Account (NFCD)
- ✓ Non Resident BDT Deposit Account (NRTA)
- ✓ Resident Foreign Currency Deposit Account (RFCD)
- ✓ Foreign Currency Deposit Account
- ✓ UAE Exchange
- ✓ Arab National Bank (ANB)

2.5: Organizational Hierarchy of NCCBL (from top to bottom) :

- I. Managing Director
- II. Executive Vice President
- III. Senior Vice President
- IV. Vice President
- V. Senior Assistant Vice President
- VI. Assistant Vice President
- VII. Senior Principal Officer
- VIII. Principal Officer
- IX. Senior Officer
- X. Officer
- XI. Junior Officer
- XII. Assistant Officer

2.6:Board of Directors:

Directors of NCC Bank are the owner of the bank. They have different percentage of shares in the bank. At present the Board of directors consists of 11 members excluding the Chairman and Vice-Chairman of the Bank. Out of 26 members 13 of them are the sponsors of the shareholders. Almost all the members are reputed industrialist and businesspersons of our country. The Chairman heads the Board. Each of the directors is the member of the Board. The members are obliged to maintain the annual general meeting and declare the dividend pay-out schedule on due time. Moreover, the committee selected by the shareholders represents individual body that then looks after the periodic issue with the management and tries to solve the problems.

Chapter-3

Internship Experience of NCC Bank Ltd

3.1: Internship experience at NCC Bank

After completing the academic studies of my BBA program, I was supposed to join an organization for a three months internship. I joined at NCC Bank on 27th march 2016 as an intern and will finish on 27th June.. I joined at Motijheel principal branch of NCC Bank. This three month internship program has given me the broad scopes to learn and get the real insight of practical banking works with which I can relate my academic studies. It has helped me to make connection between what I have learnt from our BBA and what is the actual situation.

During this period I got chance to work in different departments of the bank. First few days I worked in general banking department. In GB department, my supervisor was MD. Arman Sarker (Senior officer) and he taught me different aspects of general banking. I worked in dispatch where all inward and outward mails are registered. Then I worked in account opening section where I have learnt how to open a bank account whether it is current account or savings account or anything else, the procedures and what documents are required. Then I learnt how to make requisition to get a check book and the procedures of issuing a check book. During this period I worked in advanced department where there are loan and loan recovery section. There I learnt how to get a loan and the procedures of sanction the loan. There my supervisor was Md. Sagedul Islam, principal officer (Loan & recovery section). He taught me the procedures of recovering a bad loan. Besides I have to maintain different type of register books on regular basis in different table like register book for check requisition, Clearing check resister book, register book of interests paid of Sanchoypatra. I have work with LC department though they did not let me to do any major work but I have learnt many things from there. I learned the LC procedure. There was a department called Sanchoypatra department. Motijheel Principal Branch is the only branch among all the branches of NCC bank runs this department. Most of the period I have to work here because there are only two officers in this department and with these two people only, it is harder to accomplish all the daily tasks. I have issued many Sanchoypatra, forwarding those sales to Bangladesh Bank along paying hundreds of Interest installments to the clients and then again report those tokens to Bangladesh Bank. I have learnt all the procedures regarding all 3 types of Sanchoy Patra (5 years maturity Paribarsanchoypatra, 3 years maturity 3 month matured installment Sanchoypatra and Bangladesh Sanchoypatra) issued by the Bangladesh Bank. There

are some chief clients of NCC bank. City Group is one of them. I was also sent to the head office of City Group for couple of days to make different agreements regarding LC issues. In loan recovery department I have gone to the court with the officials to observe and learn the actual procedures done by the official for recovering a bad loan. I also worked with the IT department to calculate the total asset value of electronic devices used in our bank.

During my intern period I have enjoyed my works a lot cause all the employees were very friendly and helpful. It has helped me to maintain discipline, adopting with new environment and learn to work with responsibility.

3.2: My Job description at a glance:

- ✓ Maintaining register book of clearing check and issuing check book.
- ✓ All tasks of Sanchoy Patra department including issuing, payment, reporting and forwarding.
- ✓ Receiving inward and outward mails.
- ✓ Helping my officers to find some data
- ✓ Check receiving and helping clients in opening accounts

3.3: Personal Recommendations:

I have worked as an intern at Motijheel principal branch of NCC Bank and I have some personal suggestions or recommendation for them:

1. Internship program of NCC Bank should be more structured
2. They do not give any compensation for intern thus they should give at least a minimum convenes to the interns.
3. Level of communication between branch manager and the general employees is very low
4. IT system of NCC Bank should be more developed to keep pace with the other modern banks.

Chapter 4 : “A”

Banking system

of

NCC Bank Ltd

4(A) -1:General Banking Department

4 (A) - 1.1:Introduction

General banking is the introductory department of the bank which creates an important link between customers and bank. It's really a crucial department for the bank. Having all the required sections of general banking, the main branch of NCC Bank which is at Motijheel, regularly receives deposits from customers and meets their demands for cash by honoring instruments. Besides, it is the department which is mostly exposed to the maximum number of bank customer. In addition to that employees who have recently joined usually work in general banking department.

4 (A) - 1.2:Functions of General Banking Department:

- Opening and closing accounts
- Issuing cheque book
- Receiving telephone
- Enquiry of accounts
- Providing accounts statement
- Issuing solvency certificates
- Transfer of accounts

4 (A) - 1.3: The different types of account facilities provided by NCC Bank are:

- A. Current Deposit (CD)
- B. Saving Deposit (SD)
- C. Fixed Deposit Receipt (FDR)
- D. Short Term Deposit (STD)

4 (A) – 2:Remittance Department

Having a wide network of branches all over the country NCC Bank offers various types of remittance facilities to the public. They serve as best media for remittance of funds from one place to another. This service is available to both customers as well as non-customers of the bank. Some of the important modes of transferring funds from one to another bank are:

1. Demand Drafts (DD)

This is the method which is used to transfer customer's money to another person or organization outside the clearing house area from a branch of one bank to an outstation branch of the same bank or to a branch of another bank. In this case, a prior arrangement is made between those banks with the issuing branch. Moreover, this is an order instrument in which the issuing branch gives instruction to the payee branch to pay certain amount of money to the order of certain person or organization. The payee or drawer branch on receipt of the message decodes the message. Then if account is maintained with the payee branch, being fully satisfied it pays the amount by crediting the payee's account. Telegraphic transfer may also be issued supporting the beneficiary who maintains account with other banks. In such case the payee branch issues pay order in favor of the payee and hand over the pay order to the concerned bank branch for making payment to the payee.

2. Payment order / pay order (PO)

This is a method through which the branch of a bank enables the customer to pay certain amount of money to the order of a certain person or organization within the same clearing house area of the pay order issuing branch.

3. Telephonic Transfer (TT)

This is a method of transfer of money where transaction is done through telephonic message. In this transfer process, customer's money from a branch of one bank is transferred to another branch of the same bank or to a branch of another bank with prior arrangement between those banks through telephonic message. In this case, the issuing branch sends the message of transfer

to the payee branch through telephone adding certain code number which is needed to withdraw the money.

4. **Mail Transfer (MT)**

MT is the method where a remitting bank issue mail transfer to the paying bank advising to make payment.

4 (A) – 3: Clearing Department:

The main function of the cheque clearing section of NCC Bank Limited, Motijheel main branch is to receive cheque, demand drafts and pay orders of their clients. The cheque clearing section examines whether the paying bank is outside Dhaka city or whether the paying bank is from its own branch.

Types of Cheque Collected by Clearing Department

- **Transfer Cheque:** These cheques are collected and paid by the same branch of NCC Bank Ltd.
- **Local bills collection cheques (LBC):** These cheques are collected and paid by two different branches of NCC bank which are situated in the same city.

Clearing House:

The function of clearing house is to arrange meetings for member banks through their representatives, at an appointed time and place for providing instruments drawn on the other and in exchange, to get instruments drawn on themselves. The net amount which can be payable or receivable is settled through an account that is kept with the controlling bank.

Types of Clearing:

- ✓ **Outward clearing:** Outward clearing means when a particular branch receives instruments drawn on the other bank within the clearing zone and those instruments for collection through the clearing arrangement is considered outward clearing for that particular branch.
- ✓ **Inward Clearing:** Inward clearing refers to receiving instruments by a particular bank which is on them and sent by other member bank for collection.

4 (A) – 4: Loans and Advances department

NCC Bank's major business is to collect deposits of saving from one kind of people of the society and invests these deposits as loan which is subjected to conditions to other kind of people of the society. To settle loan by the bank is called credit or advance. Usually banks do business by savings or deposits which are collected from local people. Therefore banks have to ensure not only about the security of the loan but also about the repayment of the loan while settling down loan.

Types of Loans and Advances Offered by NCCBL

I. General loan:

General loan means a lump sum repayable loan either in fixed monthly installments or in lump sum amount. In this case, no subsequent debit is normally allowed except interest and incidental charges. When the entire loan amount will be paid, there will be only reimbursement by the debtor.

NCC bank offers three terms loan:

- ✓ **Short-term loan:** Loans which are allowed up to 1 year are generally known as short term loan.
- ✓ **Mid-term loan:** Loans which are allowed up to 3 years are generally known as mid-term loan.
- ✓ **Long- term loan** Loans which are allowed for over 3 years are usually known as long-term loans.

II. House Building loan (HBL):

NCC Bank Ltd. offers house building loan in order to solve the residential problem of our middle class people. Who will be given loan is decided by the bank's policy. In order to get the loan the borrower must have land on which the building is constructed. Period of loan is maximum 5 years. It depends upon customer-banker relationship. Interest rate of this loan is 15.5% compounded monthly. The amount of the loan depends on customer and banker relationship. However, the value and the location of the land are essential aspects in this regard.

III. Loan against Trust Receipt (LTR):

Loan against Trust Receipt (LTR) is a temporary loan and is permitted to the customer against their application on the basis of trusts. This loan is call loan against trust receive. Though maturity of this loan will be allowed as per sanction letter, it may be allowed for thirty, sixty, ninety or one hundred and twenty days. The loan can be adjusted partially or fully. Interest rate of this loan is higher and charged on monthly basis. The loan is backed up by securities and monthly interest charge is 1505%.

IV. Loan against Imported Merchandise (LIM):

Loan against imported merchandise (LIM) is a temporary loan which is allowed to the importer against their imported goods. Maturity of the loan is allowable as per sanction letter. The loan is generally paid once. Interest rate for this loan is higher and is charged on monthly basis. Controls over the imported goods are completely maintained by the bank. These loans are backed by security.

V. Cash credit (Hypothecation):

Hypothecation is a charge on company for a debt where the charge is created by the debtor to the lender on his execution of a document in the said document, the debtor hinds himself to give custody of the hypothecated stock to the lender, if the lender so requires. In this process ownership and possession do not pass to the creditors. Rather, both ownership and possession remain with the borrower. As the goods remain in the possession of the borrower, banks grant hypothecation facility normally to first parties depending on the trustworthiness of the party.

VI. Cash credit (Pledge):

Pledge is bailment of goods or securities. It is allowed against pledge of goods. The bailment must be by the debtor of intending debtor or his duly authorized attorney. In this case, the goods have to be in the control of the pledge.

VII. Secured over Draft (SOD):

This is a kind of loan which is permitted on a current account operated upon by cheque.

Customers can choose any number of limits according to their suitability if the total amount in debt does not exceed the agreed limit. Interest is calculated on the actual debit balances.

Secured overdrafts (SOD) are four types on the basis of securities:

- ✓ SOD against FD
- ✓ SOD against PSP
- ✓ SOD against scheme
- ✓ SOD general

VIII. Payment against Document (PAD):

In this loan agreement process, at first, issuing bank gets the original shipping documents from Negotiation bank according to a letter of credit (L/C); then issuing bank checks the shipping documents for scrutiny. After examining the shipping documents issuing bank open a loan account on account importer.

4 (A) – 5: Human Resource Department

The Human Resources department of NCC Bank Limited is always committed to go to any extent to achieve the Bank's goal. It is the greatest strength of NCC Bank Limited having the ability to go beyond and constantly bring about changes for the betterment of the bank. The department carries out the responsibility of developing, retaining and attracting talents. It also ensures the "Right Person in Right Place in Right Time with Right Position" which helps to ensure the organizational long term growth by its effective employee's involvement. Their recruitment & selection process, compensation, training and development, performance appraisals are designed and controlled by the HR department. Moreover, the latest technological equipment facilitates the department to enrich their knowledge and skills.

The main tasks of the human resource department of NCC Bank are given below:

- ✓ Recruitment and selection decision
- ✓ Compensation
- ✓ Giving employees Training
- ✓ Performance Appraisal
- ✓ Bonus and Benefit
- ✓ Leave Management

Chapter 4:“B”

Analysis of investment portfolio

Of

NCC Bank

4 (B) 1:Trend Analysis

A trend analysis is an aspect of technical analysis that tries to predict the future movement of a stock based on past data. Trend analysis is based on the idea that what has happened in the past gives traders an idea of what will happen in the future. I have used the annual report of NNC Bank for the year 2013, 2014, 2015.

1.Total Asset:

Total asset is the final amount of all gross investments, cash and equivalents, receivables, and other assets. Total assets are the sum of all current and noncurrent assets that a company owns. They are reported on the company balance sheet.

Year	2015	2014	2013
Total Asset (Taka)	147,610,803,254	135,996,552,482	124,613,368,449

2. Total Liability:

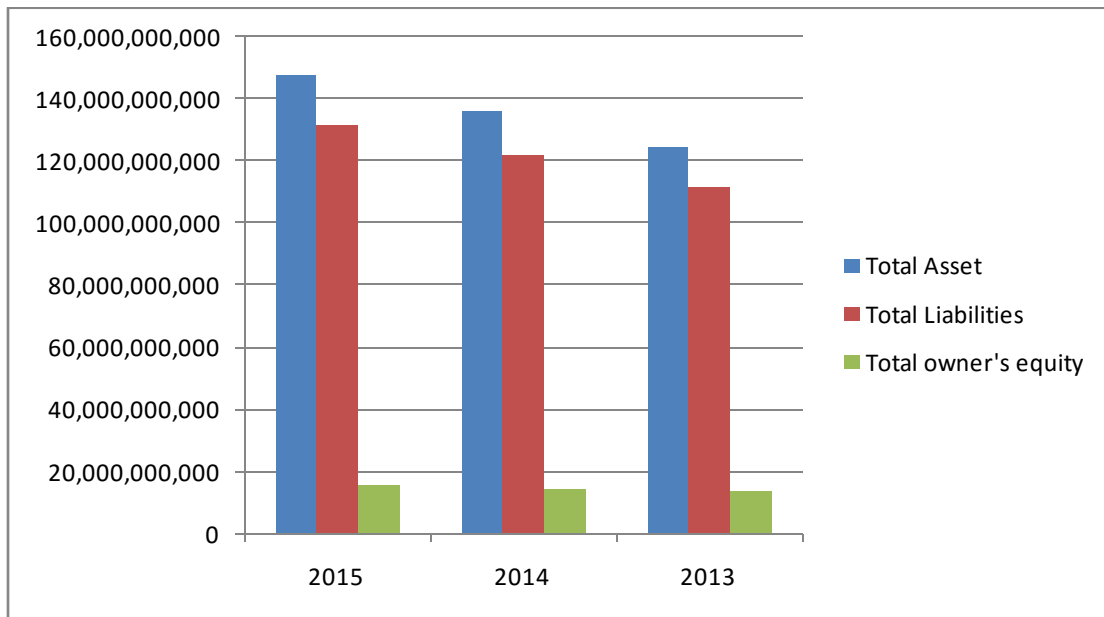
Total liabilities are the aggregate debt and financial obligations owed by a business to individuals and organizations at any specific period of time. Total liabilities of NCC Bank are reported on the company's balance sheet. Total liability of NCC Bank of the year 2015, 2014, 2013 is given in the below table:

Year	2015	2014	2013
Total Liabilities (Taka)	131,927,181,189	121,740,214,631	111,339,926,780

3. Equity:

Equity is the value of an asset less the value of all liabilities on that asset. Total equity of NCC Bank of last 3 years:

Year	2015	2014	2013
Total Equity: (Taka)	15,683,622,065	14,256,337,851	13,273,441,669



Graph: Comparative financial position of NCC Bank by years

We can observe from the graph that total asset of NCC Bank is increasing constantly by years and its happening because of their good financial performance which is the outcome of the Bank's internal control mechanism which is much streamlined. With the effective efforts of departments like Credit Administration Division, Legal Matters and Recovery, NCCB International Trade Services (NITS) the Bank's loan portfolios have been made more secured in terms of completion of documentation and collateral securities.

4 (B) -2: Portfolio: A portfolio is a grouping of financial assets such as stocks, bonds and cash equivalents, as well as their mutual, exchange-traded and closed-fund counterparts. Portfolios are held directly by investors and/or managed by financial professionals.

Portfolio of NCC Bank is consisted of 3 types of investment. They are:

1. Loan and advance
2. Government securities
3. Other investments

4 (B) 2.1: NCC Bank's Investment in government securities:

Treasury Bill:

	2015	2014
91 days treasury bills	-	1,209,850,791
182 days treasury bills	-	606,772,726
364 days treasury bills	347,767,839	23,101,883
Total:	347,767,839	2,139,725,400

Treasury bonds:

	2015	2014
2 years treasury bonds	91,704,985	246,942,152
5 years treasury bonds	7,429,990,964	8,949,517,929
10 years treasury bonds	5,656,527,074	6,720,207,098
15 years treasury bonds	3,195,893,499	3,328,561,411
20 years treasury bonds	3,307,598,192	3,852,031,768
Total	19,681,714,714	23,097,260,358

Prize Bonds:

	<u>2015</u>	<u>2014</u>
Prize Bonds	5,612,200	4,586,400

Total investment in government securities:

2015	2014
20,035,094,753	25,241,572,158

4 (B) - 2.2:NCC Bank's investment in other securities:

	2015	2014
ACI zero coupon bonds	-	12,139,999
Dhaka Bank subordinated bond	35,000,000	50,000,000
National Bank subordinated bond	25,600,000	32,000,000
Mutual Trust Bank subordinated bond	30,000,000	40,000,000
UCBL subordinate bond	200,000,000	-
Beximco pharmaceuticals (Debenture)	60,570	60,570
Investment in shares (Shares are mentioned in a separated list)	1,616,293,179	1,688,266,871
Less: Provision for investment fluctuation in shares	(484,456,414)	(495,377,836)
Total:	1,422,497,335	1,327,089,604

4(B) - 2.3: List of shares of NCC bank:

NCC Bank has invested in a variety of shares and bonds in the stock market. The list of shares are given below:

CompanyMarket Value(2015)

1. AB Bank Limited	2,547,271
2. Advance Chemical Industries Limited	28,080,000
3. Agrani Insurance Co. Limited	2,483,819
4. Al-Arafa Islami Bank Limited	42,965,586
5. Asia Insurance Limited	1,098,214
6. Asia Pacific General Insurance Limited	12,648,000
7. Bank Asia Limited	18,469,622
8. Bata Shoe Co. (BD) Limited	6,588,500
9. Bay Leasing & Investment Limited	18,890,855
10. Bangladesh Auto Cars Limited	649,800
11. Beximco Limited	1,929,544
12. Bangladesh General Insurance Co.	1,830,150
13. Bangladesh Submarine Cable Company Limited	17,063,585
14. BSRM Steel Limited	6,711,147
15. Confidence Cement	3,034,500
16. Dacca Dyeing & Manufacturing Co. Limited	1,961,781
17. Dhaka Electric Supply Company Limited	53,696,709
18. Eagle Star Textile Mills Limited	2,521,530
19. Eastland Insurance Limited	3,938
20. Eastern Bank Limited	6,589,440
21. Exim Bank Limited	79,808
22. Family Textile	606,320
23. Fareast Life Insurance Co. Limited	4,229,813
24. First Lease Finance & Investment Limited	543,790
25. GBP Power Limited	2,463,809
26. Grameenphone Limited	22,770,000
27. GPH Ispat Limited	5,221,755
28. Green Delta Insurance Co. Limited	9,384,881
29. Investment Corporation Bangladesh	10,690,000
30. ICB Islamic Bank Limited	1,800,450
31. IDLC Finance Limited	24,321,022
32. Islami Bank Bangladesh Limited	89,433
33. Jamuna Bank Limited	9,295,800
34. Jamuna Oil Company Limited	30,681,630
35. Karnaphuli Insurance Limited	1,926,704

36. Khulna Power Co. Limited		14,980,000
37. Lafarge Surma Cement Limited		7,460,000
38. Lanka Bangla Finance Limited		40,381,601
39. Makson Spinning Mills Limited		1,975,186
40. Mercantile Bank Limited		2,381,071
41. Mercantile Insurance Co. Limited		7,458,192
42. MI Cement Factory Limited		343,393
43. MJL Bangladesh Limited		4,988,470
44. Meghna Petroleum Limited		16,815,452
45. Navana CNG Limited		35,182,133
46. National Bank Limited		10,381,595
47. Olympic Industries Limited		4,665,600
48. Padma Oil Company Limited		8,437,097
49. Phoenix Finance and Investment Limited		3,344,000
50. Peoples Leasing & Financial Services Limited		9,565,213
51. Power Grid Co. Bangladesh Limited		1,262,250
52. Premier Leasing & Finance Limited		3,241,109
53. Prime Bank Limited		8,960
54. Prime Islami Life Insurance Company Limited		178,422
55. Prime Textile Mills Limited		80,168,000
56. Pubali Bank Limited		32,877,219
57. R.N. Spinning Mills Limited		27,768,650
58. Rupali Insurance Limited		3,895,298
59. Saham Textile		567,525
60. Summit Alliance Port Limited		5,401,614
61. Shahjalal Islami Bank Limited		10,942,074
62. South East Bank Limited		17,463,600
63. Square Textiles Limited		30,036,543
64. Square Pharmaceuticals Limited		38,055,000
65. Standard Bank Limited	54,206	
66. Summit Power Limited	5,006,735	
67. Tallu Spinning	189,833	
68. Titas Gas Transmission & Distribution Co. Limited	50,198,970	
69. Union Capital Limited	828,994	
70. Unique Hotel & Resorts Limited		13,479,840
71. United Airways (BD) Limited	12,267,270	
72. Uttara Bank Limited	3,474,212	
73. Central Depository Bangladesh Limited (CDBL)	3,138,890	
74. Dhaka Vegetable Oil Industries Limited		7,448,523
75. Bangladesh Rating Agency Limited	4,165,900	
76. SWIFT	2,843,073	
77. MSF Asset Management Company		2,000,000
78. Summit Purbanchal Power Company Limited	3,000,000	
79. Summit Uttaranchal Power Company Limited	2,000,000	
80. Venture Investment Partner Bangladesh Limited		18,000,000

81 .Green Delta Mutual Fund	24,097,776	
82 .NCCBL Mutual Fund	147,979,044	
83. MBL 1st Mutual	10,000,000	
84. NCCBL Mutual Fund	150,000,000	
85. South East Bank 1st Mutual Fund	30,909,091	
86. Trust Bank 1st. Mutual Fund	1,520,970	
87.NLI 1 st Mutual Fund		19,306,045

Total:1,616,293,179(Taka)

In 2014, the total values of NCC Bank's investment in different shares were **1,688,266,871(Taka)**

4 (B) -2.4: NCC Bank's investment in different type of loan:

	2015	2014
Overdraft,	678,489	16,818
Cash credit	19,387,132,066	16,143,152,430
Loan - general	1,572,206,896	2,168,759,274
Transport loan	339,615,798	319,361,289
House building loan	1,809,787,674	1,395,715,516
Loan against trust receipt (LTR)	11,158,284,051	13,926,443,337
Loan against imported merchandise (LIM)	137,541,692	149,735,453

Temporary business loan	1,004,876,111	-
Loan against investment	430	430
Loan against packing credit	158,198,538	139,474,580
Project loan	52,037,008	159,115,208
Demand loan	1,193,755,224	193,648,228
Lease finance	1,214,686,861	1,332,835,683
Payment against document	420,568,241	503,349,142
Consumer finance scheme	445,696	586,100
Housing loan under B.Bank refinance scheme	22,175,903	25,162,991
Staff loan	593,539,383	657,849,422
Small business loan	738,847,120	786,459,743
House renovation loan	8,295,090	14,418,549
Personal loan scheme	9,942,704	9,294,360
Term loan (small, medium & large)	22,260,819,760	18,350,059,110
Time loan	10,295,243,882	6,171,667,657
Agri credit	1,919,666,267	1,392,328,115

Special housing loan	1,180,654,458	1,057,326,355
Festival loan	47,017,338	43,601,146
Credit card	464,344,875	474,270,325
Forced loan	1,374,966,222	1,876,574,248
Short term loan	6,753,372,699	4,427,728,108
Retail loan	158,720,017	138,480,912
NCCB- Garments wear & foot wear cluster	18,003,371	23,570,921
Loan against EDF	655,101,566	-
Loan against financial inclusion	5,100,608	-
Education loan scheme	1,377,885	1,913,212
Total	101,775,003,921	88,739,476,147

4 (B) – 2.5: So NCC Bank's total investment (Taka):

	<u>2015</u>	<u>2014</u>
Loan and advance	101,775,003,921	93,766,512,875
Government Securities	20,035,094,753	25,241,572,158
Other securities and stocks	1,422,497,335	1,327,089,604
<u>Total</u>	<u>123,232,596,009</u>	<u>120,335,174,637</u>

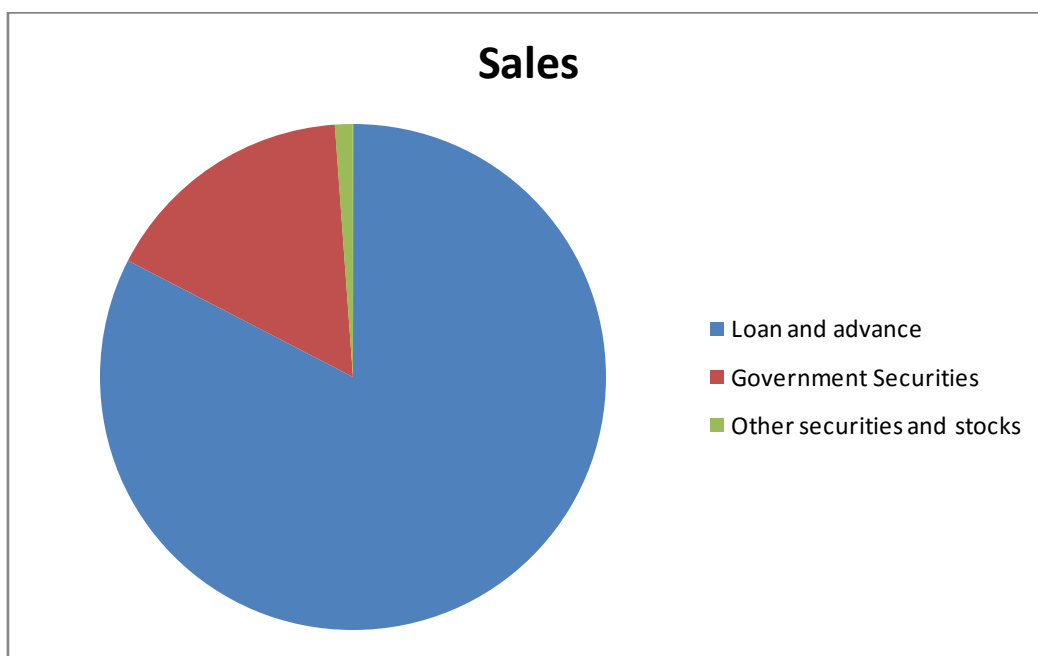


Figure:Proportion of NCC Bank's investment in different sector(2015)

We can observe from the graph that the major part of investment of NCC Bank is in loan & advance sector. The amount is 101,775,003,921 taka in 2015 and 93,766,512,875 taka in 2014. In 2015 they invested 82.58% of their total investment in loan & advance sector. Profit from loan & advance is the interest get from the clients and profit from other investments are dividends and interest from the respective financial institution.

To show the actual financial portfolio performance, I have compared the investment portfolio of NCC Bank with the investment portfolio of Mutual Trust Bank.

4 (B) - 2.6:Investment Portfolio of Mutual Trust Bank(2014,taka):

Loan & advance	77,140,918,049
Government securities	18,479,093,705
Other securities	2,288,752,564
<u>Total</u>	<u>97,908,764,318</u>

4 (B) - 2.7: Investment portfolio of NCC Bank (2014, taka):

Loan & advance	93,766,512,875
Government securities	25,241,572,158
Other securities	1,327,089,604
<u>Total</u>	<u>120335174637</u>

4 (B) - 2.8: Earnings from the investment:

1. NCC Bank (taka):

Interest earning from loan and advance: **12,002,336,832**

Income from other investment: **2,673,127,057**

So, total earning from investments = $(12,002,336,832 + 2,673,127,057)$
= 14,675,463,889

2. Mutual Trust Bank (taka):

Interest earning from loan and advance: **9,716,735,358**

Income from other investment: **2,492,377,440**

So, total earning from investments = $(9,716,735,358 + 2,492,377,440)$
= 12,209,112,798

4 (B) - 2.9: Percentage of earnings from Investments:

Mutual Trust Bank:

Total Investment = **97,908,764,318 taka**

Total earning from investment = **12,209,112,798 taka**

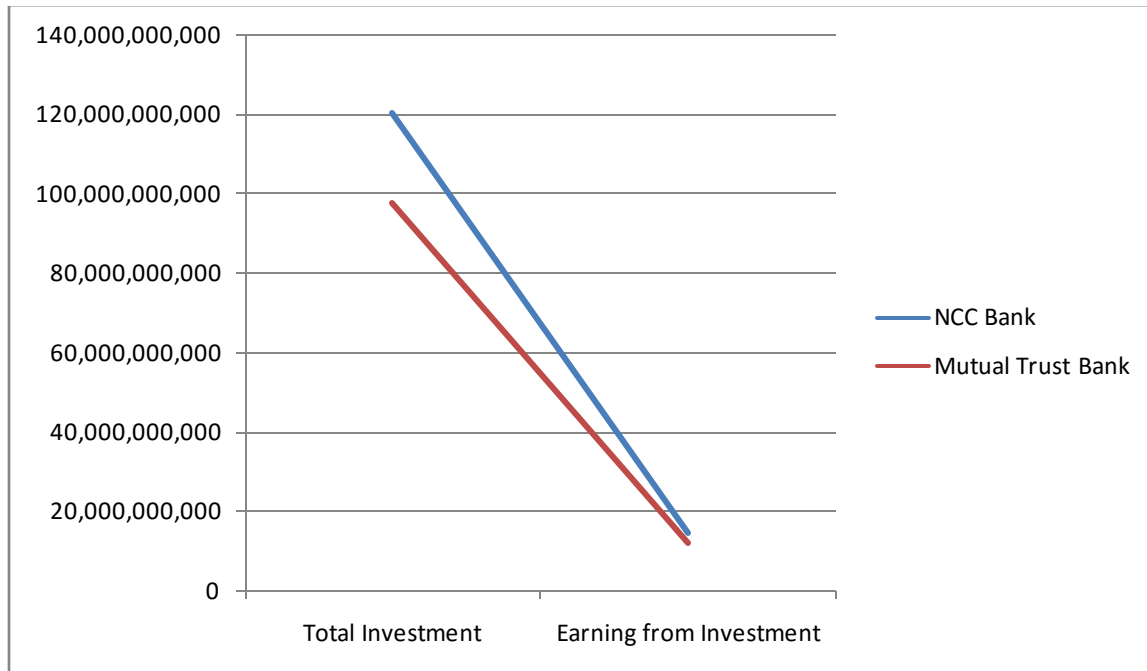
Percentage of earning from investment = **12.47%**

NCC Bank:

Total Investment = **120,335,174,637 taka**

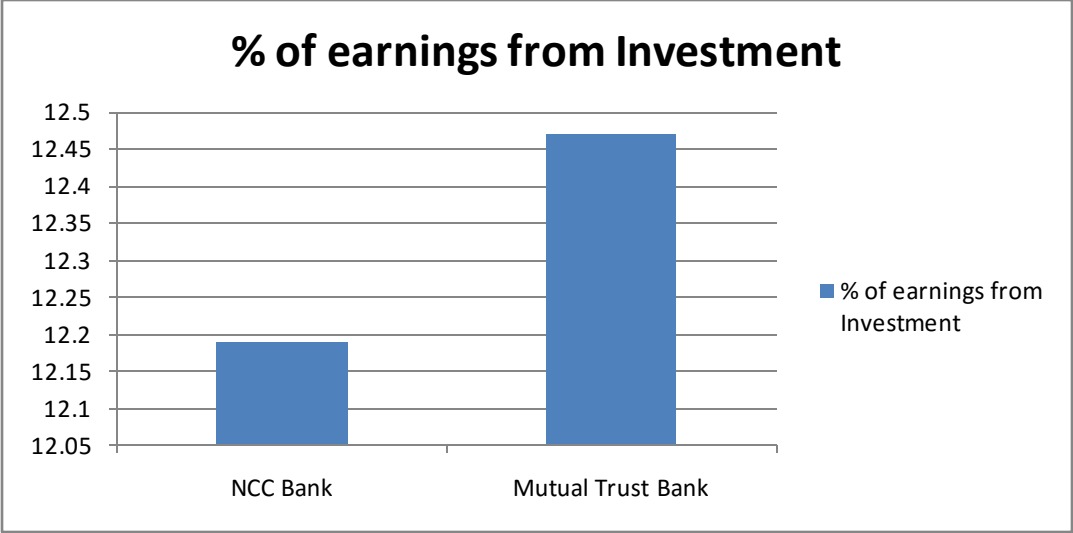
Total earning from investment = **14,675,463,889 taka**

Percentage of earning from investment = **12.19%**



Graph: Comparative Investments and earnings of NCC Bank and Mutual Trust Bank

From this graph we can see that the investment of NCC Bank is higher than Mutual Trust Bank and at the same time total earnings of NCC Bank from investment is higher than Mutual Trust Bank.



Graph: Comparative percentage of earning from investment

From this graph we can see that the percentage of earning from Investment of NCC bank is 12.19% is lower than that of Mutual Trust Bank which is 12.47% though the overall operating profit of NCC Bank in banking industry is higher than Mutual Trust Bank. So, NCC bank should bring a change in their Investment portfolio to make higher percentage of earnings from investment.

Chapter- 5

Recommendation & Conclusion

5.1:Recommendation:

NCC Bank Ltd is a well-established Commercial bank in the banking sector of Bangladesh. NCC Bank is doing much better than it should within this time period. But I think, to do something better than current performance, the bank should take some more steps to bring a change in their Banking and investment policy:

- ✓ Changes in banking sector trends may directly affect business so that it calls no longer completely Profitable. Therefore, the Bank has to keep information about the environment of each industry in which its customers operate
- ✓ Products and services provide by the Bank need to be more diversified.
- ✓ Communication between the employees and management should be more developed.
- ✓ Successful employment planning is designed to identify an organization human resources need. NCC Bank Limited can establish HRIS software to keep employees update; which type of qualified employees they have; forecast future requirement of qualified employees like other MNC Bank.
- ✓ The management should be more careful about the investment portfolio. Before buying or holding a stock, they should analyze more.
- ✓ To keep pace with the other banks, they should open more ATM booths to ensure better consumer satisfaction.

5.2:Conclusion:

In conclusion, the investment portfolio of NCC Bank is still profitable but they can make more profit by bringing a change in their investment policy. Overall NCC Bank is performing very good in the Banking sector for their attractive and innovative banking policies. NCC Bank's recruitment and selection process, training programs and initiatives taken in order to improve the quality of their employees and to ensure that they work to their fullest potential have generated good outcomes, which shows that their investment in their employees is successful. The last thing, before considering a loan proposal, all important aspects of the proposal must be analyzed properly to make to make sure that it's not going to be a bad loan that will not refund.

5.3:References:

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