



INTERNSHIP  
REPORT ON

**“BANKING SYSTEM OF NCC BANK LTD.:  
AN ANALYSIS OF ITS INVESTMENT  
PORTFOLIO”**

# INTERNSHIP REPORT

ON

## **“BANKING SYSTEM OF NCC BANK LTD.: AN ANALYSIS OF ITS INVESTMENT PORTFOLIO”**

SUBMITTED TO:

**Tanjina Shahjahan**

**Lecturer**

**BRAC UNIVERSITY**

SUBMITTED BY:

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SUBMISSION DATE: 30 July, 2017

## LETTER OF TRANSMITTAL

30 JULY, 2017

To

Tanjina Shahjahan

Lecturer

BRAC Business School

BRAC University.

Subject: Submission of Internship Report.

Dear Madam,

Due to respect, I pleased to submit my internship report on “Banking system of NCC Bank Ltd: An Analysis of its Investment Portfolio” to partially fulfill the requirements course BUS 400 of your supervision. It has been a worthwhile experience for undertaking such a research work analysis to get exposure to the real life banking operations. I have given my best effort to satisfy the academic requirements.

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. Ma, 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. I would like to thank you for your encouragement and support which inspired us to work enthusiastically. It would be my pleasure to respond any of your inquiry regarding the report.

Sincerely Yours,

Tahsin Maliyat- ID: 13104126

## ACKNOWLEDGEMENT

The completion of this undertaking internship report could not have been possible without the participation and assistance of so many people whose name may not all be enumerated.

First of all, thanks to the Almighty for giving chance and patience to me to finish this report just in time. Even, facing lots of difficulties I managed to complete my task. Then I would like to thank my parents for their valuable support and their blessing on me which has helped me most to done the tasks.

I wish to express my sincere gratitude to my supervisor Ms. Tanjina Shahjahan from the core of my heart for her kind support, guidance, constructive instructions and for motivating me for do this report. It's been a great opportunity for me to do an in-depth research and analysis of a bank and get a professional knowledge.

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

I am also grateful to my supervisor Mr. Md. S.M. Monzoor Alam (Senior Principal Officer), Ms. Tahmina Akter (Principal officer), Ms. Minara Begum (Principal officer), Ms. Farzana Tabassum (Executive officer), Ms. Ferdous Ara Swokat (Junior Officer) and Mr. Mosharaf Hossain Miazi (officer) and Ms. Fateha Jannat (Junior Officer) 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. Special thanks to my supervisor for inspiring me a lot.

Also a great thanks to my family and friends who tried their best to encourage and support me to keep up doing this task and provide all the facilities to finish the work. Lastly, my fellow interns for giving me some ideas and techniques which is required to do the job smoothly and soundly.

I cordially thank to all.

## EXECUTIVE SUMMARY

Banking sector plays a vital role in the economy. People prefer bank to save their money. National Credit and Commerce Bank Ltd was once a financial institution and converted to commercial bank in 1993. Since, then they have been operating as a leading private commercial bank with strong banking management. It has 106 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. Their investment policies are more structured as they were a finance company in past.

I have been working at NCC Bank Limited, Shyamoli branch for 3 months as intern. My experience over there was tremendous and got chance to learn more in banking, as my preference for work is bank. This Internship Program has helped me a lot to learn about the actual situation of a financial institution.

Most of the part of my report is based on my practical knowledge and what I have found in annual report of NCC Bank Ltd. My topic is “**Banking system of NCC Bank Ltd: An Analysis of its Investment Portfolio**”. So I have gathered information under this topic and the general banking that they perform daily.

The report consists of several chapters. First one is the introduction part that includes problem statement, objective, methodology, timeline and limitation of the report. In the second part of the report I have tried to express my personal feelings and learning from this three month internship period. Third part is all about to introduce with the organization. The fourth chapter talks about the general banking system. Then the main part which I have included in chapter five, analysis investment portfolio of NCC Bank Ltd. I have shown different investment of NCC Bank Ltd. 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 along with I have compared some of the investment by years to show the changes in comparative financial situation of NCC Bank Ltd. The distributional proportion on securities and loans are given with the process and valuation. Investment increase with the increasing deposits and growing number of branches, which is proven inside the report. Finally, the return from investment is mentioned to describe how well they are managing their investments to make their profit and satisfy their potential customers.

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## **Chapter 1: Introduction**



## INTRODUCTION

Submitting a report is a part of my curriculum of completing my internship and my BBA program. I have worked at National Credit and Commerce Bank Ltd, Shyamoli branch and being a Finance major bank authority gave me a topic, that is “Banking System of NCC Bank Ltd: An Analysis of its Investment Portfolio”. My University advisor Ms. Tanjina Shahjahan approved me to work on this topic. Inside these report, I have tried to put all the information about the investments of NCC Bank. I have analyzed the annual report along with discussed it with the officers to understand the whole scenario. An overall financial activity of NCC Bank is here in this report. After reading this report, it will be clear that what is NCC Bank’s profitable portion and understand the actual financial and monetary condition. In addition, it will make easier to figure out where and which sectors NCC Bank put their deposit collection. A list of recommendation is also given for management of advanced department of the bank that how they can improve their investment portfolio through implanting new and updated technical ways.

A bank’s major business is to accumulate the savings of general people and use those money to invest on them and the difference makes the profit. In these circumstance, bank need to be more thoughtful about, where to put that money, because if the positioning goes wrong, the trust along with the money will lose. A bank cannot face a loss, as they deal with the livelihood earnings of general people. A proper management and a suitable investment can save both bank and a community. In order to provide liquidity and a high income bank effort to make a high quality fixed investments through planning a prosperous portfolio. It helps to balance the duration and liquidity of their loans and liabilities. The proper formation of financial assets is the complex work for them. Understanding the right asset to embed on need an accurate analysis and research. Risk tolerance is the major factor of setting the portfolio and also includes the time horizon as well as amount they want to invest.

## STATEMENT OF PROBLEM

This report study is on “Banking System of NCC Bank Ltd: An Analysis of its Investment Portfolio”. It mainly focus on the sectors where Bank put their accumulated deposits on and how they make profit from that. The proper evaluation on bank’s profitability and effective distribution of money toward different loans and securities. Along with, the proportionate of returns from that investment and some recommendation on improving investment strategies, future initiatives and avoiding weakness.

## PURPOSE OF THE STUDY/ OBJECTIVES

Investment portfolio is part of banking system which creates a movement of savings rather being stay idly inside the locker. It helps the bank to make profit from gathered money. This study reflects how bank invest and where they invest. Specifically this study discusses how such return is possible with the help to general people's savings. Therefore throughout this study we can understand how bank finance to improve their and community's money.

### *Broad Objective:*

- To fulfill the partial requirements of the BBA Program.

### *Specific Objective:*

- To understand the banking systems of NCC Bank Ltd and overall banks of our country.
- To learn the function of the NCCBL; their operation, their management style and how they expose themselves for attracting disadvantaged people.
- To evaluate the performance of NCCBL, Related with investment portfolio.
- To be familiar with the various sectors where NCC Bank invest like Government securities, different types of loans and advances
- To find out the differences between bookish investment distribution and real world investment portfolio.
- To figure out the actual investment process and valuation.

## TIMELINE

- 2017 16 April** Started working as intern and got the topic.
- 2017 12 June** Met my advisor and discuss about the topic.
- 2017 13 June** Sent the topic proposal letter.
- 2017 14 June** Got the proposal approval.
- 2017 15-22 June** Collect annual report and information under my topic.
- 2017 5 July** Start writing the finding of my report.
- 2017 12 July** Sent draft to advisor.
- 2017 20 July** Got approval and suggestion of draft.
- 2017 25 July** Write suggested recommendation, rest of the report and mailed it to advisor.
- 2017 26-27 July** Write other stuffs and compile the report.
- 2017 30 July** Submission of the internship report and presentation.

## LIMITATION

Some limitations were faced while constructing this term paper. These include:

- Some of the limitation are every organization has their own secrecy that is not exposed to others. Access to more internal information which we could not get hold of and they did not even discloses those points in front of us.
- Higher level authority was not interested to give their interviews.
- All information was not available inside the Annual report.
- While collection the data they did not disclose their internal policy that hampers the organizational confidentiality.
- Data from different sources were quite inconsistent which created some problems in making the report.
- In the case of report writing a more comprehensive study is required, but that was not possible.
- Many officers of the branch are not well informed about their Investment policy. Sometimes they unable to provide information due to busy working schedule.

## METHODOLOGY

This analysis is basically a combination of primary and secondary data. The main source of data is the Annual reports of NCC Bank Ltd. Along with different officers from NCC Bank Ltd. I try to ask them and they responded to my questions and for that reason that information was very much restrictive with the organization as they want to keep this confidential.

**Primary data** are collected from personal observation, conversation of bank officials and Loan department.

**Secondary data** are collected from web site, annual report of NCC Bank Ltd and bank related magazines etc.

## **Chapter 2: Internship experience at NCC Bank Ltd.**

## INTERNSHIP EXPERIENCE AT NCC BANK LTD

After completing the academic courses of my BBA program, I was supposed to join an organization for three months internship. As bank was my first preference, so I dropped my CVs to some banks. Finally, I joined at NCC bank Shyamoli branch on 16 APRIL, 2017 as an intern. 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. Moreover, it gave me a practical experience before entering actual work life. During this period I got chance to work in different departments of the bank. Mainly, I have worked on general banking department. My Supervisor Md. S.M. Monzoor Alam (Senior Principal Officer) helped me in every aspects at work. He guided me and advise me how to work in a proper manner. He is a person with experience which he shared and that words inspired me a lot more than other things. Firstly, my job was to put seals on cheque books that arrive every day from head office and record the numbers with names in cheque book register with Md. Mosharaf Hossain Miazzi (Officer). Then, I worked in account opening section. I helped Ferdous Ara Swokat (Junior Officer) and Fateha Jannat (Junior Officer) madam in writing the forms according to the procedures. Then I learnt how to make requisition to get a cheque book and the procedures of issuing a cheque book and printing Thanks letter and sent them to the account holder through Post-office. Moreover, I worked with Farzana Tabassum mam for clearing the cheques and put seals and send them to Kawran Bazar branch for screening. I have learnt how to write Pay-order cheques from Minara Begum (Principal Officer), as these types of cheque need to be clean and clear every time with proper wordings, in addition I wrote all the cheque numbers as well as names in the PO register and did PO leaf balancing. Sometimes I did cash supplementary work and check the user documents of employees. 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 mentor was Mohsena mam, (principal officer) (Loan & recovery section). She taught me the procedures of recovering a bad loan. Shyamoli branch office went for Loan inspection and depositor collection, so I went with the officers. During Ramadan time, I helped in DESCO Bill collection process. I also worked with the IT department to calculate the total asset value of electronic devices used in our bank. With Tahmmina Akter mam, I worked on Audit report correction. I checked all the old account opening forms for identifying whether all the information are there or not, mainly NID numbers are written or not, as this information is very important now-a-days. In last few days, I worked in distributing ATM Cards and register them. During my intern period I have enjoyed my works a lot because 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.

## MY JOB DESCRIPTION AT A GLANCE

- ✓ Maintaining register book of clearing cheque, Pay-order, ATM cards and issuing cheque books,
- ✓ All tasks of opening accounts,
- ✓ Receiving inward and outward mails,
- ✓ Helping my officers to find some data, mainly information from old accounts and audit correction,
- ✓ Check cash supplementary and bill collection.

## PERSONAL RECOMMENDATION

As I have worked at Shaymoli branch, it is kind of transactional branch, so I have some suggestions for them:

- Internship program of NCC Bank should be more structured,
- They do not give any compensation for intern thus they should give at least a minimum convenes to the interns,
- They need to be more concerned while opening account or audit problems will always be there,
- Level of communication between branch manager and the general employees is very low.



## **Chapter 3: Background of Organization**

## OVERVIEW OF NATIONAL CREDIT AND COMMERCE BANK LTD (NCC BL)

National Credit and Commerce bank Limited, a private commercial bank bears a unique history of its own. The organization started its journey in the financial sector as an investment company back in 1985. The aim of the company was to mobilize resources from and invest them in such way to develop country's Industrial and Trade Sector. NCC Bank wanted to play a catalyst role in the formation of capital market as well. Its membership with the bourse helped the company to a great extent in this regard. The company operated up to 1992 with 16 branches and thereafter with the permission of the Bangladesh Bank converted into a full-fledged scheduled private commercial bank in May 1993 with paid up capital **Tk. 39.00** crore to serve the nation from a broader platform. During last 23 years of its operation NCCBL has acquired commendable reputation by providing sincere personalized service to its customers in a technology-based environment.

The initial authorized capital of the Bank was **Tk. 75.00** crore and, paid-up capital **Tk. 19.50**, core at the time of conversion, which rose, to **Tk. 39.00** crore. The present authorized capital is **Tk. 10,000.00** crore and paid up capital is **Tk. 8,832.18** crore. The sponsors of the new bank consisted of 26 (Twenty six) Members, who comprised the first Board of Directors. The share price of the bank is currently being quoted at both Dhaka and Chittagong Bourses at an average price of **Tk. 320/-** against per value of **Tk. 100/-**.

NCC Bank based upon its commendable business performance for the year ended 2016, has meanwhile declared stock dividend at the rate of 12.75%. The Bank which started with 16 branches in 1993, has at present 106 branches and 03 (three) Booths located in prime commercial areas of Dhaka, Chittagong, Sylhet, Feni, Khulna, Jessore and Rangpur District Headquarters, out of which as many as 41 are Authorized Dealer Branches, fully equipped for dealing in direct foreign exchange businesses. .

The Bank has set up a new standard in financing in the Industrial, Trade and Foreign Exchange business. Its various deposit and credit products have also attracted the clients-both corporate and individuals who feel comfort in doing business with the Bank.

## VISION AND MISSION



### VISION:

To become one of the adorable commercial Banks in serving the nation as a progressive and socially responsible financial institution by bringing credit & commerce together for increased Shareholders value and sustainable growth.



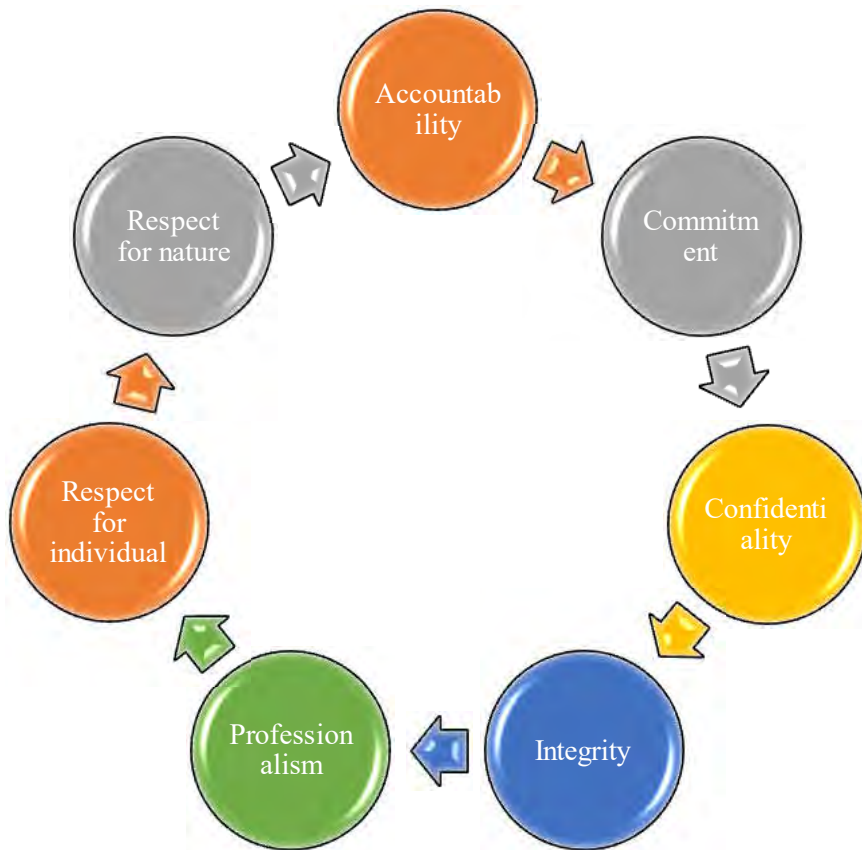
### MISSION:

Delivering excellent financial services to our communities based on strong customer relationship

Providing long last solutions that combining our cutting edge technology, experience and financial strength to our clients and stakeholders.

Creating a cohesive and friendly environment where customers and our people can excel.

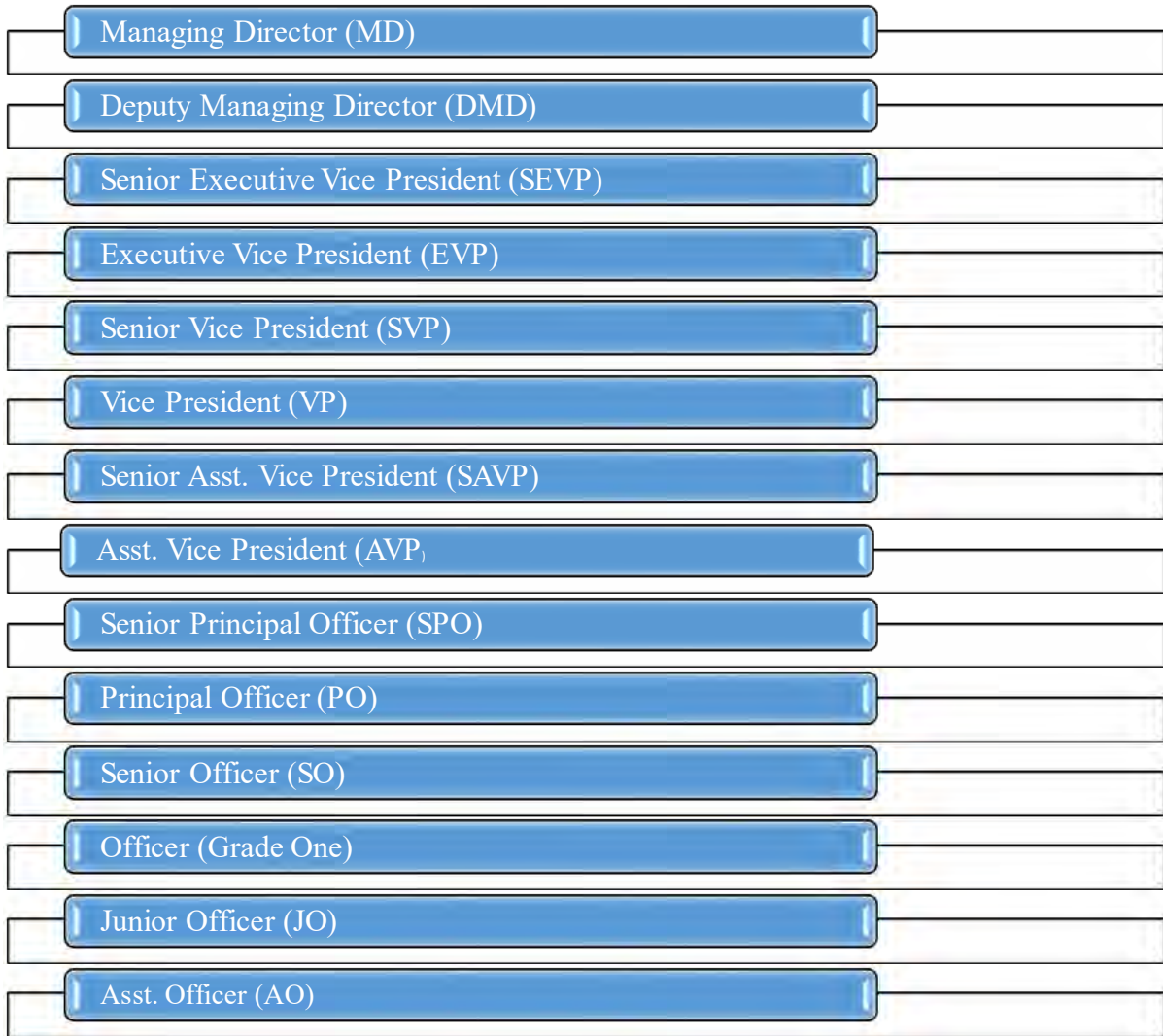
## CORE VALUE



## CORPORATE VALUE

Corporate culture refers to share their principles, attitudes, values and believes that describe member of an organization and characterize its nature. It helps to create and operate the goals, strategies, structure and approaches to labor, customers, and investors and to the greater community. So, organization with their strong corporate culture creates strong relationship with their Stakeholders. It also maintains employee and customer loyalty. NCC Bank is one of the most disciplined banks with their identical corporate culture. The people in the bank see themselves as a family which gives a believer in working together for development. In the long run positive corporate culture enhances a competitive advantage and service as a valuable organizational asset.

## ORGANIZATIONAL HIERARCHY



## DEPARTMENT

- Human Resource Division
- Advanced Division
- Personal Banking Division
- Operations Division
- Computer and Information Technology Division
- Finance and Accounts Division
- Audit & Risk Management Division
- Card Division
- Treasury Division, etc.

## **Chapter 4: Banking system**



## GENERAL BANKING SYSTEM OF NCC BANK

In 1993, NCC Bank converted to operational commercial bank from Investment Company. From then, NCC Bank has diversified their product line including traditional banking products and service, loans, card/ locker facilities. Traditional or general banking is the introductory department. It is very crucial department as it links between employees and customers. Most of the client's dealings are done through this sector. There are different functions that an officer of general banking department goes through:

- Opening or Closing accounts
- Issuing Cheque book
- Issuing Debit or Credit cards
- Providing Solvency Certificate
- Providing Bank Statements
- Transfer accounts
- Attending telephone enquiries
- Attending customers face to face enquiries, etc.

NCC Bank provides different types of Accounts facilities to their clients who can choose any one from the list for their necessity.

1. **Current Account:** Professional account allows withdrawing or depositing any time they want.
2. **Saving Bank Deposit Account:** Account is to savings purpose.
3. **Special Notice Deposit Account:** There are special notices or term indicated for withdraw or deposit.
4. **Recurring Deposit Account:** Fix the amount for particular time period.
5. **Special Saving Scheme:** Save money for a term like 5 years or 10 years for a special interest rate.
6. **RFCD Account:** The permanent residents of the country can save money of different currency.
7. **NFCD Account:** The non-residents can deposit money to account for savings.
8. **Term Deposit Account:** Different specific terms are notified for deposit scheme. For example: Premium term deposit, Money Double Program, Fixed Deposits, etc.
9. **Youngster Banking:** It is a minor account.

Along with the facility of transactional account, NCC Bank gives the benefit of different cards which helps to decrease the risk of carrying liquid cash. Multiple cards have diverse benefits and quality within it.

1. **Debit Card:** Man's Debit card, Woman's Debit card and Youngster Banking Debit card.

**2. Credit Card:** Visa Classic, Visa Gold, Visa Dual Gold and Visa Platinum card.

Some other service that NCC Bank provide for their valuable clients are;

- Locker facilities
- Utility Service : Bill receiving
- Issuance of T.C for foreign currency
- Manager to the issue
- Merchant Banking
- Bonds and Guarantees Mutual Fund
- Consultancy, etc.

## CHEQUE CLEARING

Cheque clearing is a most significant activity in everyday banking system. Clearing is a process, where a cheque of one bank moves to other bank for deposit. NCC Bank, Shyamoli branch have no screening machine for cheque clearing, so they have to send their cheques to Kawran-Bazar branch for screening and then they are put into clearing house for deposit.

There are two types of cheque collected for clearing, that are-

1. **Transfer cheque:** These cheques are collected and paid by the same branch of NCC Bank Ltd.
2. **Local bills collection cheque(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 draw cheques and bills from any of the member bank and exchange only the amount from other bank. Along with, arrange meetings for member banks through their representatives, at an appointed time and place for providing instruments draws for exchange. The net amount which can be payable or receivable is settled through an account that is kept with the controlling bank. There are two 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.

## REMITTANCE

Most of the banks of developing countries offer remittance, as some citizens here go abroad for work purpose. These is the process of transferring currency from one country to another, it also helps to enhance the economical money cycle. Remittance is the only service that bank provide to customers as well as non-customers. Various modes of transferring money are offered by NCC Bank for their customer.

- **Demand Draft:** 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.
- **Payment order/ Pay order:** This is a method through which the branch 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.
- **Telephonic Transfer (TT):** In this process, customer's money from a branch is transferred to another branch of the same bank with prior arrangement through telephonic message.
- **Mail Transfer (MT):** MT is the method where a remitting bank issue mail transfer to the paying bank advising to make payment.

## LOAN AND ADVANCE

Loan is the essential part of bank's profit. All the deposit that Bank collect from its customer, invest on loans which other customers demand for. The difference between this two interest rate is their profit. 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. NCC Bank offers different types of loans for settling various needs of customers.

- **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 this type of loan in three categories. **Short-term loan** (for 1 year or less), **Mid-term loan** (not more than 3 years) and **Long-term loan** (5 years or more).
- **House Building finance:** NCC Bank Ltd. offers house building loan in order to solve the residential problem of middle class people. The purpose for this loan can be purchase of Flat\House, construction of building or extension of building or floors. Period of loan is 5 to 15 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, but mostly it around BDT 500,000 to BDT 7,500,000.
- **House improvement loan:** along with house building finance, NCC Bank offers house improvement loan. House owner can take this loan for further renovation or improvements for 24 months to 180 months. The loan amount is around BDT 500,000 to BDT 5,000,000. The most important thing, interest rate is decided upon the relationship between customer and banker relationship; however it is kind of around 15%.
- **Car loan:** In this present era, car is an essential need for every class of people. Mostly, middle class have the less ability to buy a car by doing all the payment at once, so they take loan from bank. NCC Bank gives car loan for 3 years after analyzing the repayment ability of customer. They give up to BDT 4,000,000 as loan.
- **Small Business loan:** NCC Bank grant loan for the new entrepreneur to encourage their efficiency to do something for betterment. Entrepreneurs get around BDT 800,000 as loan for maximum 5 years without give anything as security.
- **Education loan:** To make each and every citizen of our country worthy enough to fight for their own and get ability to work for them, NCC Bank provide education loan to those who need it. Mostly, they give loan for student who want to go abroad for higher studies, but in some special cases, NCC Bank provide loan to the poor student who have that love for education.
- **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 15.5%.

- **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.
- **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.
- **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.
- **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 and SOD general.
- **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.

These are some example of loans that NCC Bank offers, however, there are lot more other loans that they provide for their customers.

## **Chapter 5: Analysis of Investment portfolio of NCC Bank Ltd**

## TREND ANALYSIS

Trend analysis is an augmentative practice of collecting information and plot in a model to find out the movement of particular events or aspects. It allows predicting the future by using historically data and indicating the intercourse. Here, I am showing financial outcome of NCC Bank for years 2012, 2013, 2014, 2015 and 2016.

### **Total Assets:**

All current and non-current assets are combined to make total assets. Total assets are the sum of cash and equivalents, gross investments, receivables, and so on, which must be equal to total liabilities and shareholder's equity. The total assets of NCC Bank are given below:

Year	2016	2015	2014	2013	2012
<b>Total Assets (Taka)</b>	174,067,010,385	147,610,803,254	135,996,552,482	124,626,249,746	126,068,228,146

*Table 1: Total Assets of NCC Bank Ltd for 5 years*

### **Total Liabilities:**

It represents the debt of an entity. Total liabilities are the collection of debts and financial obligations and calculated by summing up all long and short term debts. The table below is showing the total liabilities of NCC Bank of years 2012, 2013, 2014, 2015 and 2016:

Year	2016	2015	2014	2013	2012
<b>Total Liabilities (Taka)</b>	157,494,897,780	131,927,181,189	121,639,669,661	111,344,335,798	113,923,891,892

*Table 2: Total Liabilities of NCC Bank Ltd. for 5 years*

### **Total Shareholder's Equity:**

It is the most common financial analysis of understanding the financial health of an entity. Shareholder's equity represents the net value of the company. These is the amount that would be returned to the shareholders when the assets are liquidated and all the debts are repaid. The total shareholder's equity of different years are given below:

Year	2016	2015	2014	2013	2012
<b>Total Share Holder's Equity (Taka)</b>	16,572,112,605	15,683,622,065	14,356,882,821	13,281,913,948	12,144,336,287

*Table 3: Total Equity of NCC Bank Ltd. for 5 years*



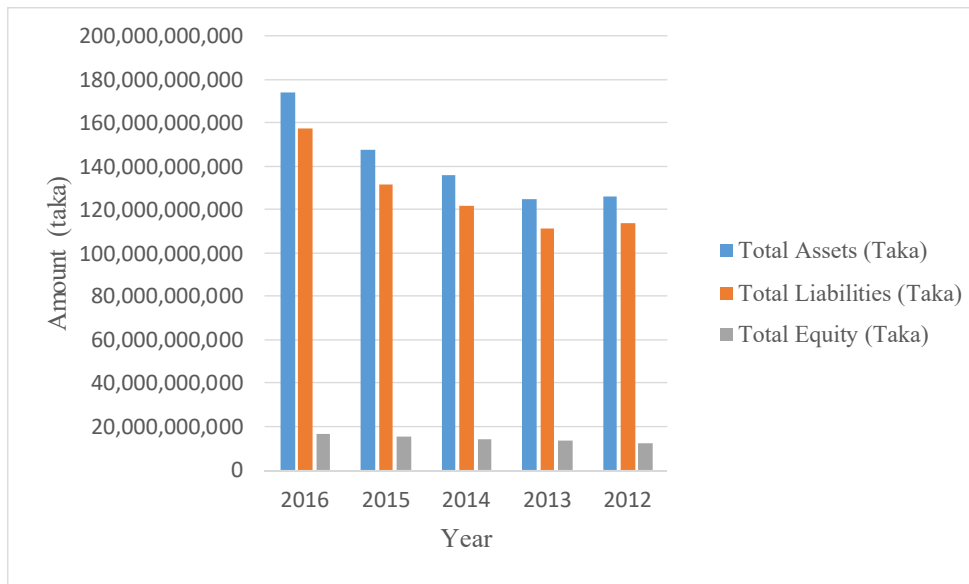


Figure 1: TA, TL, TE of NCC Bank Ltd. for 5 years

The graph is showing that, the total assets of NCC Bank are increasing along with its liabilities and equities. However, the liabilities and equities are not increasing drastically like assets, which shows that the amount of the rising assets are so rampant that can regime the claims of debts. The growth of total assets is happening because of their financial changes that they made by centralizing the process of foreign trade, centralizing the credit including loan documentation, recovery of stuck loan, effective control in following of ICC guidelines of internal banking process, which helps to possess the satisfactory level of Capital Adequacy Ratio (CAR). NCCB International Trade Service (NITS) are more secured in terms of documentation and collateral securities of loan portfolio. Mostly, all these happen, since some opportunities came across which increase credit volume by having relatively suitable political situation round the year, increasing import and export earnings that leads to higher amount in taking loans.

## RATIO ANALYSIS

Analysis of different ratios is created to evaluate firm's efficiency on their operational and financial performance, such as, liquidity, solvency, and profitability, etc. The ratios are captured to sort the past events for predicting the future trend.

### Return on Assets:

Return on Assets is the exhibitor of showing the profitability generated by assets. It shows the effectiveness of management that how way they use assets produce profit. Here, the ROA of consecutive years.

Year	ROA
2016	1.30%
2015	0.97%
2014	1.16%
2013	0.91%
2012	1.14%

Table 4: Return on Assets of NCC Bank Ltd. for 5 years

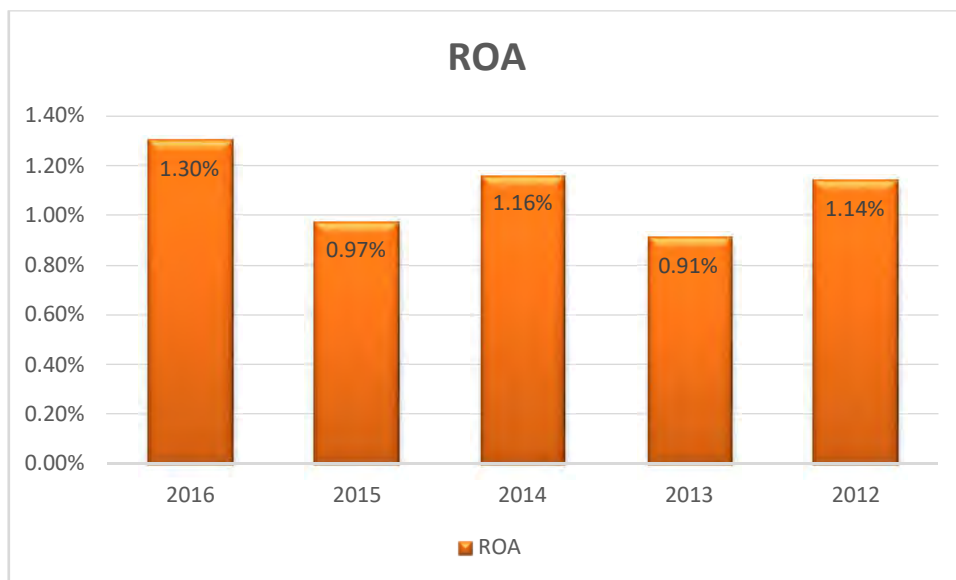


Figure 2: ROA of NCC Bank Ltd. for 5 years

Graph that is given above, the ROA of 2015 and 2013 was poor as the interest paid for deposits and borrowings was higher than other years along with that, the provision for loan and advance was high too, which leads to lower net income. Basically in these two years, the difference of two interest rate which result in Bank's profit was short, that did not allow to make prosperous earnings.

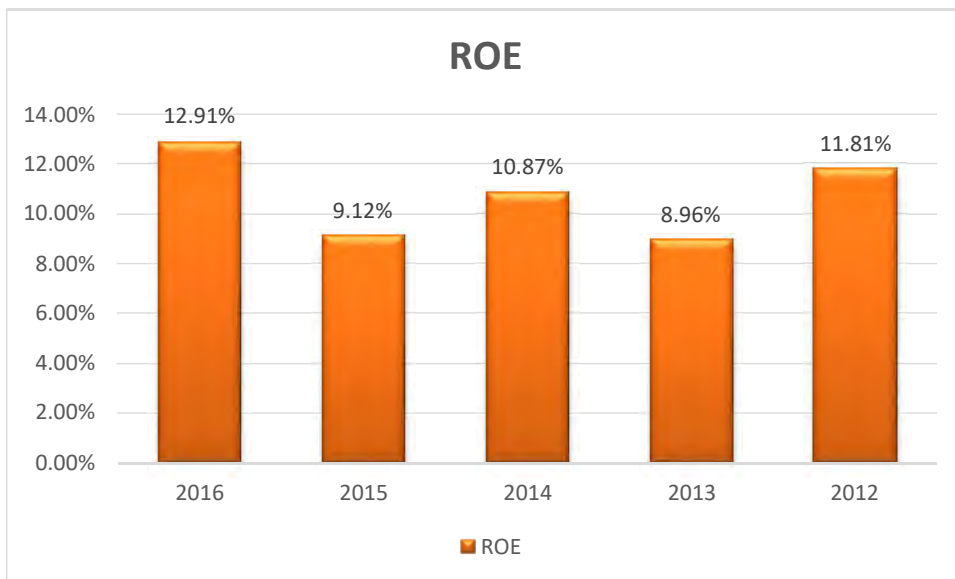
### **Return on Equity:**

The money that shareholder invested which support to make income for an entity, calculated through return on equity. Return of Equity indicates the amount of net income interchange as a percentage of shareholder's investment.

<b>Year</b>	<b>ROE</b>
<b>2016</b>	12.91%
<b>2015</b>	9.12%
<b>2014</b>	10.87%
<b>2013</b>	8.96%
<b>2012</b>	11.81%

*Table 5: Return on Equity of NCC Bank Ltd. for 5 years*

The graph below present that, ROE of 2013 and 2015 was lower than other years. These positions have the same reason that is given of ROA. The difference of deposit interest income and loan interest expense was not significant enough to generate earning that close to other years. However, that does not mean, Bank could not make any profit in these two years. It is just that their profit is kin of low in 2013 and 2015.



*Figure 3: ROE of NCC Bank Ltd. for 5 years*

## INVESTMENT PORTFOLIO

Portfolio is grouping of different kind of financial assets created by investors with the expectation of earning a return. Financial assets include stock, bond, cash equivalents, mutual, exchange trade or close funds, etc. Investors or portfolio managers arrange the assets according to tolerate the risk investing object and amount for the investment. The portfolio that investor made, truly depend on their taste of taking risk. Mostly the risk takers invest more on stocks, real estates and options. The people, who prefer less risk, go for bonds and stocks of well-known companies. The risk preference also relies on the investments and time horizon.

National Credit and Commerce Bank Ltd. has been classified their investment portfolio in three different groups. They are:

- Government securities
- Other securities
- Loan and Advance

An entity goes in a process for selecting the desired portfolio. These is the process that investor wish for to meet his investment goal and constraints that related to his investment. NCC Bank follows a certain procedure to select their longing investment. The investment process NCC Bank pursues is:

- **Assets allocation:** It is one kind of strategy that intent to balance risk and return of particular investment with a certain amount and time horizon. The three different asset class are- fixed income, cash and equivalent.
- **Security selection:** It is the screening process of securities in terms of assets class. After the establishment of assets allocation, investor and his/her management team go for the process of choosing their wished securities.
- **Security analysis:** These are the process of examining the tradable securities, whether the securities fall into their investment goals and risk preferences structure or not.

## GOVERNMENT SECURITIES

It is one kind of bond or other promissory certificate by Government that after particular maturity date it will be repaid by the entity. NCC Bank have selected Government securities such as Treasury bills, Treasury bonds, prize bonds and in 2016 they go for Bangladesh Bank bills, which usually called treasury bills, but in the year of 2016, maturity terms were not mentioned. According to different years the Government securities are given below:

### Treasury bill:

These short term debt obligations have maturity of one year or less than one year backed by Government, which including no interest and issued at discount price.

Years	2016	2015	2014	2013	2012
91 days T-bill			1,209,850,791		4,738,766,960
182 days T-bill			606,772,726		4,943,773,745
364 days T-bill		347,767,839	323,101,883		

Table 6: Treasury Bill of NCC Bank Ltd. for 5 years

### Treasury bond:

T-bonds are marketable debt securities issued by Government with maturity of more than ten years. It is known as risk free in the market and makes semi-annual interest payment.

Years	2016	2015	2014	2013	2012
2 years T-bonds		91,704,985	246,942,152		
5 years T-bonds	3,844,281,477	7,429,990,964	8,949,517,929		8,078,060,346
10 years T-bonds	4,996,317,012	5,656,527,074	6,720,207,098	8,079,658,638	5,208,434,974
15 years T-bonds	3,319,892,642	3,195,893,499	3,328,561,411	5,010,441,045	3,332,584,938
20 years T-bonds	3,287,978,962	3,307,598,192	3,852,031,768	2,911,666,012	1,962,608,371

Table 7: Treasury Bond of NCC Bank Ltd. for 5 years

**Prize bond:**

It is lottery bond, bearing non-interest. Government raises bonds for internal borrowings, after a particular time it is refunded to its owner.

<b>Year</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>P-bond</b>	8,878,100	5,612,200	4,586,400	4,814,600	5,288,800

*Table 8: Prize Bond of NCC Bank for 5 years*

**Bangladesh Bank Bill:**

Bangladesh bank bill also known as Treasury bill, but here the time of maturity is not mentioned.

<b>Year</b>	<b>2016</b>
<b>B-Bank bill</b>	5,796,023,899

*Table 9: Bangladesh Bank Bill of NCC Bank Ltd. for 5 years*

**Total investment in Government securities:**

<b>Year</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Total</b>	21,253,372,092	20,035,094,753	25,241,572,158	16,006,580,295	28,269,518,134

*Table 10: Total Government Securities of NCC Bank Ltd. for 5 years:*

## OTHER SECURITIES

NCC Bank ordains their investment with different types of debt securities. Those are given below:

Year	2016	2015	2014	2013	2012
<b>The City Bank Ltd. CP</b>	500,000,000				
<b>Dhaka Bank Ltd. CP</b>	250,000,000				
<b>Prime Bank Ltd CP</b>	200,000,000				
<b>ACI CP</b>				100,000,000	
<b>Zero coupon bond</b>					40,379,999
<b>ACI zero coupon bond</b>			12,139,999	15,559,999	
<b>Subordinate bond</b>					140,000,000
<b>Dhaka Bank SB</b>	20,000,000	35,000,000	50,000,000	50,000,000	
<b>National Bank SB</b>	20,480,000	25,600,000	32,000,000	50,000,000	
<b>Mutual Trust Bank SB</b>	20,000,000	30,000,000	40,000,000	40,000,000	
<b>UCBL SB</b>	200,000,000	200,000,000			
<b>Bexmico pharmaceuticals debenture</b>	60,570	60,570	60,570	60,570	60,570
<b>Investment in shares</b>	1,894,648,553	1,616,293,179	1,688,266,871	1,741,642,343	1,652,743,493
<b>Less: Provision for investment fluctuation in shares</b>	400,397,331	484,456,414	495,377,836	441,135,058	264,220,926
<b>Total</b>	2,704,791,792	1,422,497,335	1,327,089,604	1,556,127,854	1,568,963,136

*Table 11: Other Securities of NCC Bank Ltd. for 5 years*

For example investment in shares (Quoted) of 2016 is given right after:

AB Bank Limited	6,219,00
Advance Chemical Industries Limited	38,785,319
Agrani Insurance Co. Limited	8,774,040
Al-ArafahIslami Bank Limited	71,392,368
Asia Insurance Limited	5,809,122
Asia Pacific General Insurance Co. Limited	30,603,248
Bangladesh Auto Cars Limited	1,965
Bangladesh General Insurance Co. Limited	5,392,872
Bank Asia Limited	28,890,612
Bata Shoe Co. (BD) Limited	3,368,950
Bay Leasing & Development Limited	66,145,144
BeximcoLimited	4,872,875
Bangladesh Submarine Cable Company Limited	25,969,818
BSRM Steels Limited	9,324,638
Confidence Cement Limited	-
Dacca Dyeing & Manufacturing Co. Limited	6,540,520
Dhaka Electric Supply Company Limited	72,012,264
Eagle Star Textile Mills Limited	4,227,951
Eastern Bank Limited	10,382,818
Eastland Insurance Limited	-
Envoy Textiles Limited	5,739,322
EXIM Bank Limited	-
Fareast Life Insurance Co. Limited	6,922,554
Family Textile (BD) Limited	1,572,746
First Lease Finance & Investment Limited	1,178,613
Fortune Shoes Limited	100,630
GBP Power Limited	3,960,512



GPH Ispat Limited	7,386,302
Grameephone Limited	22,635,437
Green Delta Insurance Co. Limited	16,038,868
Investment Corporation of Bangladesh	18,066,710
ICB Islamic Bank Limited	2,624,656
IDLC Finance Limited	25,566,544
Islami Bank Bangladesh Limited	-
Jamuna Bank Limited	18,278,045
Jamuna Oil Company Limited	38,446,269
Karnaphuli Insurance Company Limited	5,789,881
Khulna Power Co. Limited	21,628,851
Lafarge Surma Cement Limited	4,598,238
Lanka Bangla Finance Limited	81,920,858
Maksons Spinning Mills Limited	6,576,456
MEghna Petroleum Limited	17,750,513
Mercantile Bank Limited	4,152,810
Mercantile Insurance Co. Limited	19,321,039
MI Cement Factory Limited	3,221,416
MJL Bangladesh Limited	7,264,320
National Bank Limited	25,531,210
Navana CNG Limited	53,162,602
Olympic Industries Limited	12,390,377
Padma Oil Company Limited	10,866,255
Peoples Leasing and Financial Service Limited	36,134,880
Pheonix Finance and Investment Limited	6,168,182
Power Grid Co. of Bangladesh Limited	1,731,905
Premier Leasing & Finance Limited	12,800,426
Prime Bank Limited	-

Prime Islami Life Insurance Company Limited	357,126
Prime Textile Spinning Mills Limited	598,840
Pubali Bank Limited	32,877,219
R.N. Spinning Mills Limited	50,171,728
Rupali Insurance Limited	9,892,089
ShahjalalIslami Bank Limited	17,854,098
Saiham Textile Mills Limited	1,193,306
South East Bank Limited	34,097,583
Square Pharmaceuticals Limited	14,110,660
Square Textile Limited	36,097,311
Standard Bank Limited	-
Summit Alliance Port Limited	17,053,007
Summit Power Limited	61,407,660
Tallu Spinning Mills Limited	-
Titas Gas Transmission & Distribution Co. Limited	90,355,186
Union Capital Limited	2,665,589
Unique Hotel & Resorts Limited	31,553,613
United Airways (BD) Limited	33,362,945
Uttara Bank Limited	9,018,594
Yeaking Polymer Limited	10,373
	1,340,837,870

Table 12: Quoted Securities of NCC Bank Ltd 2016

Also investment in shares (Un-quoted) of 2016 is given right after:

Central Depository Bangladesh Limited (CDBL)	3,138,890
Bangladesh Rating Agency Limited	4,165,900
SWIFT	2,843,073
MSF Asset Management Company	-
Summit Purbachal Power Company Limited	2,000,000
Star Ceramics Limited	100,000,000
Summit Barisal Power Limited	140,000,000
Summit Uttaranchal Power Company Limited	-
Venture Investment Partner Bangladesh Limited	18,000,000
	270,147,863

Table 13: Unquoted Securities of NCC Bank Ltd 2016

Mutual Fund:

Green Delta Mutual Fund	24,097,276
NCCBL Mutual Fund-1	4,797,044
MBL 1 <sup>st</sup> Mutual Fund-1	10,000,000
NCCBL Mutual Fund-1	150,000,000
South East Bank 1st Mutual Fund	30,909,091
Trust Bank 1st Mutual Fund	1,520,970
NLI 1st Mutual Fund	19,155,939
	283,662,820

Table 14: Mutual Fund Securities of NCC Bank Ltd 2016

**(Total Investment in Shares of 2016 = 1,894,648,553 taka)**

## SECURITY VALUATION

All the investments that have been listed before, that are selected and acknowledged right after the process of investing (Asset allocation, Security analysis and Security selection). One more step is placed, that is valuation including, fair value, acquisition cost, amortized premium, discounts and so on. NCC Bank values the investment two different methods:

- **Held to Maturity:** Some security's cost is included in the financial report most importantly in form of debt security at their particular maturity date.
- **Held for Trade:** Some other securities are shortly traded for resell or repurchase and the profit or loss are calculated in changing fair value and required value.

## LOAN AND ADVANCE

A bank loan occasionally is called bank advance. Borrowers lend money from bank for a certain time and pay back a particular interest with principal amount for compensating the lender. NCC Bank categorized various loan schemes for their clients to satisfy their desire when they are running short with money. Starting from Personal to Group, House, Car, Business etc., different type of loans NCC Bank offer to their customer from the money they get as deposits.

LOAN AND ADVANCE	2016	2015	2014	2013	2012
Overdraft	22,746,210,011	16,818,678,489	16,856,594,303	15,507,242,389	13,916,160,770
Cash Credit	21,655,944,088	19,387,132,066	16,143,152,430	16,225,773,050	13,441,294,297
Loan-general	1,165,843,063	1,572,206,896	2,168,759,274	3,060,800,708	4,295.828,650
Transport loan	468,632,267	339,615,798	319,361,289	366,707,965	421,831,573
House building loan	2,388,264,429	1,809,787,674	1,395,715,516	1,417,559,673	1,417,372,264
Loan against Trust receipt (LTR)	9,982,028,608	11,158,284,051	13,926,443,337	16,081,812,358	17,290,689,032
Loan against imported merchandise (LIM)	82,698,032	137,541,692	149,735,453	100,004,676	81,98,362
Loan against investment			430	430	10,470
Temporary business loan		1,004,876,111			
Loan against packing credit	222,704,605	158,198,968	139,474,580	153,443,756	161,711,437
Project loan	50,877,308	52,037,008	159,115,208	184,646,908	169,407,720
Demand loan	31,902,273	1,193,755,224	193,648,228	10	1,009,075
Lease financing	1,767,481,512	1,214,686,861	1,332,835,683	1,259,195,964	1,536,125,073
Payment against document	304,227,995	420,568,241	503,349,142	477,250,080	920,367,371

Consumer finance scheme	378,696	445,696	586,100	614,456	896,903
Housing loan under B.Bank refinance scheme	18,633,237	22,175,903	25,162,991	31,747,840	33,458,007
Staff loan	594,262,537	593,539,383	657,849,422	707,992,809	661,258,176
Marriage loan	18,740,209				
Consumer loan	27,459,505				
Small business loan	666,666,814	738,847,120	786,459,743	787,702,881	767,603,717
House renovation loan	4,668,328	8,295,090	14,418,549	25,244,613	42,547,459
Personal loan scheme	6,545,025	9,942,704	9,294,360	7,032,425	7,967,119
Term loan (small, medium and large)	28,890,373,027	22,260,819,760	18,350,059,110	16,479,131,093	13,815,609,015
Time loan	9,088,974,896	10,295,243,882	6,171,667,657	4,808,010,118	3,265,724,795
Agriculture loan	1,937,366,127	1,919,666,267	1,392,328,115	1,657,391,958	1,015,925,875
Festival loan	35,978,007	47,017,338	43,601,146	51,597,661	50,390,355
Special housing loan	1,168,498,200	1,180,654,458	1,057,326,355	972,699,095	1,002,213,890
Credit card	447,732,068	464,344,875	474,270,325	459,895,531	364,939,607
Forced loan	1,520,735,454	1,374,966,222	1,876,574,248	2,053,298,001	1,887,952,941
Short term loan	14,976,943,279	6,753,372,699	4,427,728,108	3,326,706,628	1,180,718,905
Retail loan	194,080,201	158,720,017	138,480,912	102,986,154	59,397,995
NCCB-Garments wear & foot wear cluster	13,988,563	18,003,371	23,570,912	2,645,109	9,390,517
Loan against EDF	1,109,877,868	655,101,566			

Loan against financial inclusion	4,794,210	5,100,608			
Education loan scheme	662,431	1,377,885	1,913,212	527,275	2,258,717

Table 15: Loans of NCC Bank Ltd. for 5 years

Also, there are some other elements NCC Bank considers as their loan and advance part, those are:

YEAR	2016	2015	2014	2013	2012
<b>Inland bills purchased</b>	83,656	83,656	83,656	36,828,249	83,656
<b>Foreign bill purchased</b>					
<b>Local documentary bill purchased</b>	1,883,233,577	1,895,200,173	1,749,301,750	1,682,586,160	2,022,152,501
<b>Foreign documentary bill purchased</b>	86,716,403	65,534,673	61,164,694	63,433,308	104,423,929

Table 16: Advances of NCC Bank Ltd. for 5 years

Total investment portfolio of NCC Bank:

Year	2016	2015	2014	2013	2012
<b>Government Securities</b>	21,253,372,092	20,035,094,753	25,241,572,158	18,352,194,148	29,282,775,027
<b>Other Securities</b>	2,704,791,792	1,422,297,335	1,327,089,604	1,556,127,854	1,592,559,221
<b>Loan and Advance</b>	126,003,479,329	104,854,725,530	90,920,772,028	88,167,205,831	82,413,113,415
<b>Total</b>	149,961,643,213	126,312,117,618	117,489,433,790	108,075,527,833	113,288,447,663

Table 17: Total Investment of NCC Bank Ltd. for 5 years

## INVESTMENT AND DISTRIBUTION

NCC bank has designed their portfolio in a nice manner. All the securities whether it is Government or private, NCC Bank ordain their portfolio according to its necessity and profitability. For instance, in the year 2016 NCC Bank invested 64.48% on Government Treasury bonds, as it has been believed that Treasury bonds are best and most risk free item to invest on for a long time. After that, NCC Bank prefer Treasury bill, which is another risk free debt securities but for shorter period of time. Moreover, Treasury bills and bonds are issued by Government, for which Government sold them at a discount price and give some other facilities. Next, they prefer to invest in other well-known established company's share, with a belief that they can resell them at any time with high price, however, most of the leading company offer most high interest. Zero coupon bonds and other bonds are fall after that. Finally the prize bond, these types of bonds are lottery bonds, not much helpful, since Government issue them when need for borrowing arise.

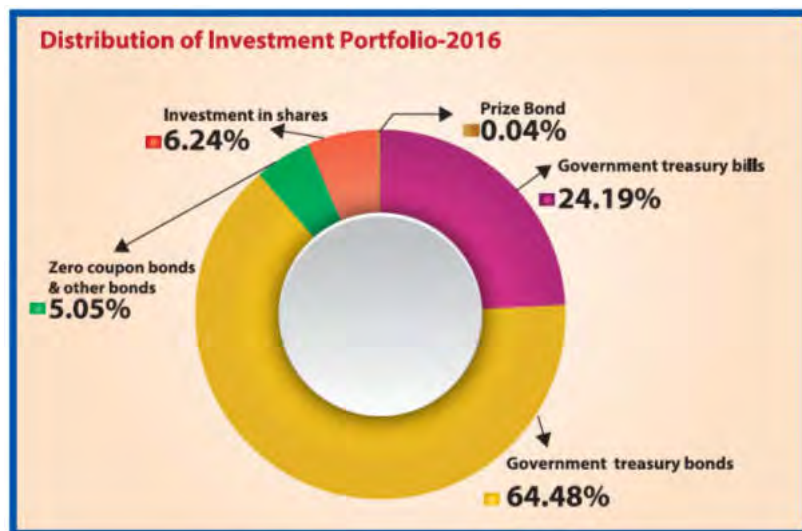


Figure 4: Distribution of Investment Portfolio 2016

The proportion of investment is not same for all years, but NCC Bank maintain their guided policy for investment to put them in same level, however, the invested amount sometimes drag the proportion to different place. For example, investment distributions for other years are given below:

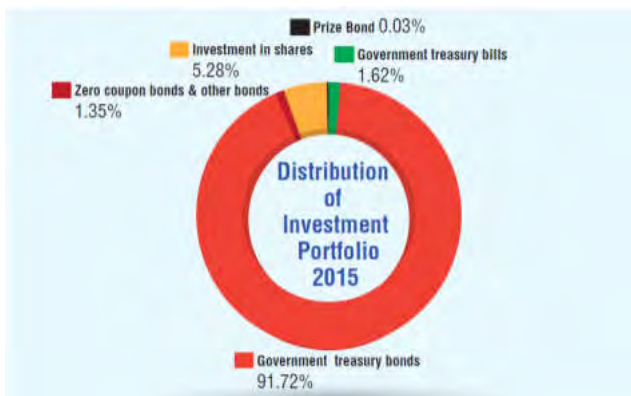


Figure 5: Distribution of Investment Portfolio 2015

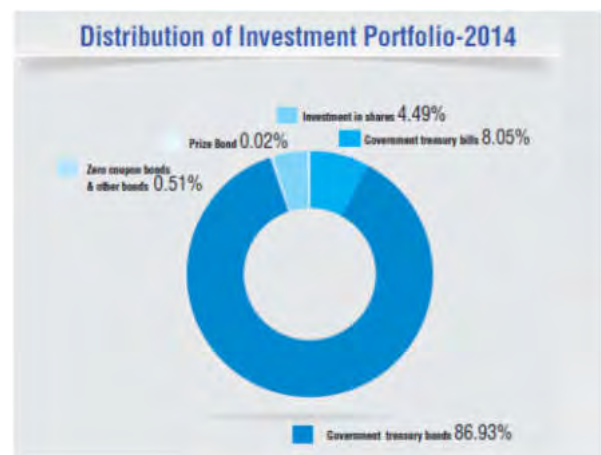


Figure 6: Distribution of Investment Portfolio 2014



## LOAN/ ADVANCE AND DISTRIBUTION

Same as investment, NCC Bank has decorated their loan profile with different types of loans, bills purchase and discounts, with keeping the proportion matters in mind. They never put all their money to one or two sectors. Through lot of research and with help of managerial personnel determined distribution proportion of their deposits. Mostly, NCC Bank lend to industry sector, as the risk factor of getting default is much and return is much higher there. Second most money NCC Bank put on business. They prefer these two sectors more than other loan categories, whereas Industry and Business help to

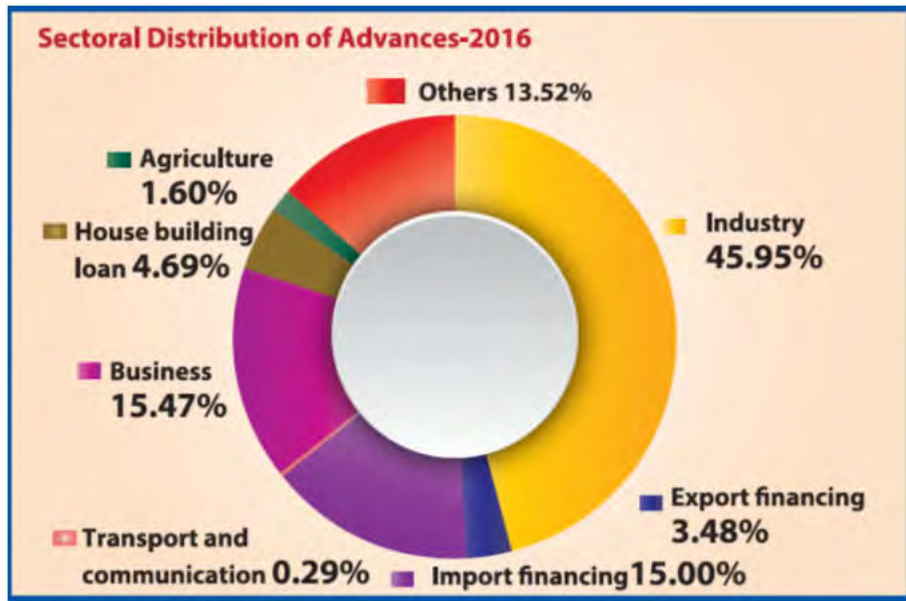


Figure 7: Distribution of Loan and Advance 2016

grow the economy, and a growing economy grow money and growing money will raise their own business. Then comes, import sector, basically a developing country like ours, without import a day cannot be completed. Then, the rest of the money is distributed to personal, house, export, transport etc sector. NCC Bank tries to keep on the track of same proportion for lending money, albeit that the amount they invest or exigencies change proportion some time. The distribution of loan and advance of three different years are given:

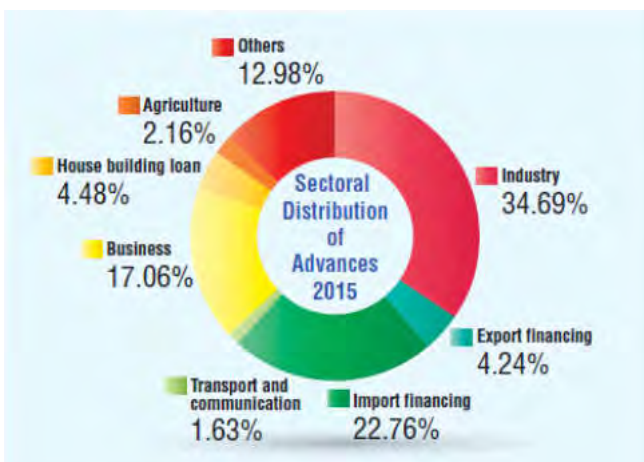


Figure 8: Distribution of Loan and Advance 2015

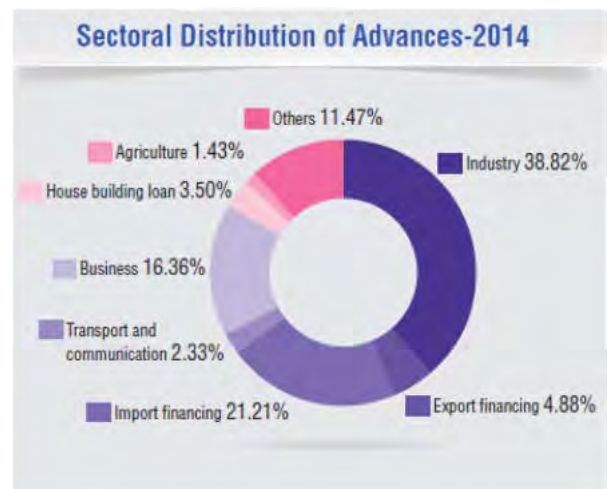


Figure 9: Distribution of Loan and Distribution 2014

## LOAN AND DEPOSIT

Deposit and loan is like uterine brother. Without deposits, lending money cannot be possible. All bank and their branches have target for increasing their deposits. As much deposits they can collect, as they can give loan from that. The growing number of branches of NCC Bank indicates that they are gather lot more deposits than before, which they can use for investments and earn profit. Basically, the Bank business itself says that, to one group, *“Don’t put your money idle, we will give you much more than*

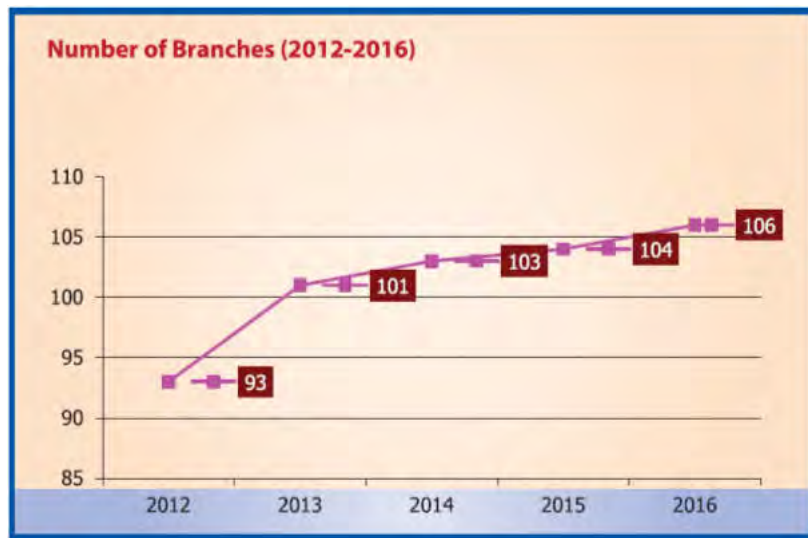


Figure 10: Number of Branches of NCC Bank Ltd.

*what you gave.”* And to other group, *“Need money for desires, take it, pay back later.”* Here, means inside the bank, deposited money are given to the borrowers, after particular time borrower’s payback money with interest and with the help of that interest bank give depositors more and put some for them as their profit. Finally, the increasing number of branches of NCC Bank, which is now 106 branch around Bangladesh, leads to increase deposits along with increasing loans and advances. The picture below is to prove for that:

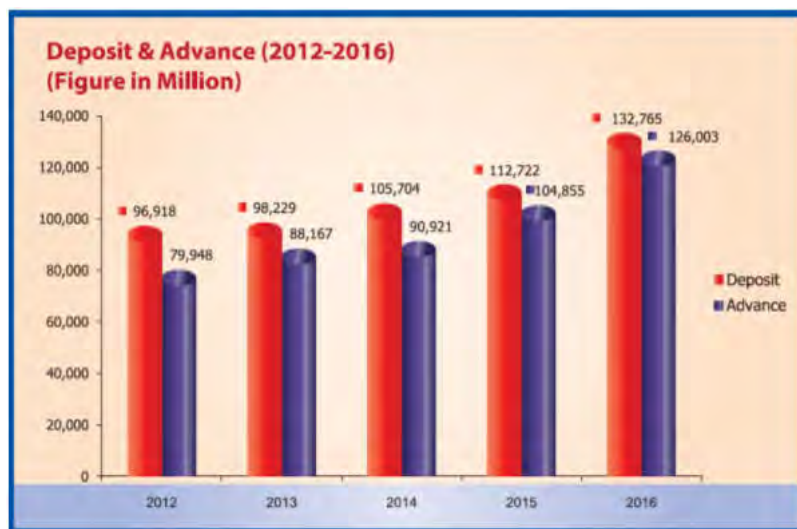


Figure 11: Deposits and Loan of NCC Bank Ltd. for 5 years

## INVESTMENT PORTFOLIO AND ECONOMY

A bank has that ability to stable the monetary system of an economy, even Government rely on bank that they can carry on the sustainability of the money policy inside and outside the country. Leave other bank, if we talk about just NCC Bank. NCC Bank has classified various loan schemes for their clients, who have potentiality to establish their dream, but run short of money to fulfill it. House, Car, Building, Personal, Marriage, education etc. are for individual and industry, business, import-export etc. for economy. In both way loans they are providing money for growing economy. For example, they give loan to a separate entity, who invest on building or purchasing home or may be buy a car, firstly he/she get benefited by having that in his/her life and more importantly, the tax he/she pay that will benefit the Government to ordain the economy for overall convenience. Moreover, a new care or building put a step forward to modernization. Same as, bank lend money for marriage or education purpose, both can help to farm and carry out an educated society who will further work for economic growth. The growing loan and advance graph, showing that NCC Bank has contribution toward the economy to grow for future betterment.

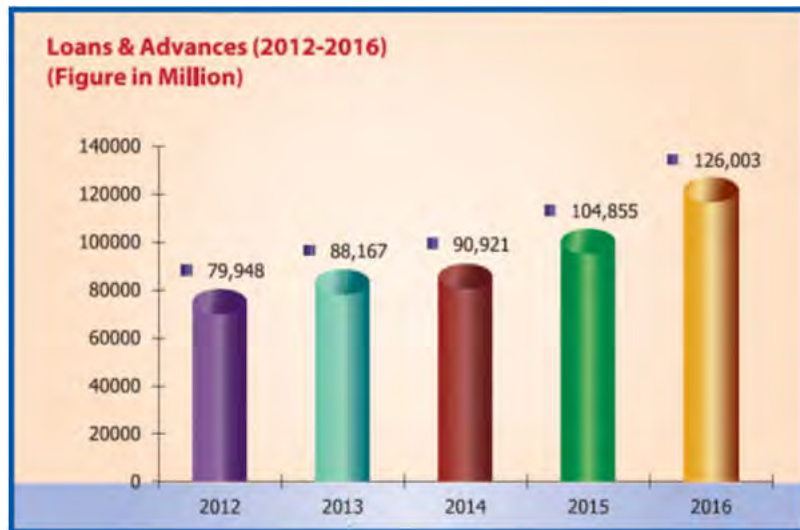


Figure 12: Loan and Advance of NCC Bank Ltd. for 5 years

Beside these, in the time of inflation and recession Government put the pressure upon bank to regulate the money supply. When Bangladesh Bank is in short of money, issue bills and bonds to; banks and lowers their interest rate. On the contrary, when it is inflation, Government slows the growth by making borrowing more expensive. This is how money rotates in the economy to balance the prosperity. NCC Bank handle the Business spending by investing on the shares, they issue for smoothing the operations and increasing their inventory. This is how they expand their business and the economic measure GDP grow up. The construction of buildings and roads are taking country toward modernization, to compete with the developed countries. The below graph showing that in 2013 and 2015 investment was much low than other years, in these years NCC Bank did not in short term treasury bills as Bangladesh Bank did not issue them so.



*Figure 13: Investment of NCC Bank Ltd for 5 years*

## RETURN ON INVESTMENT

Finally, it is time to talk about how much NCC Bank make income from investment. This is for sure, NCC Bank growing well and the portfolio they make, are assisting the economy toward betterment. The performance that the investment is doing is really hard to measure. In spite of that, return on investment is the way to evaluate the efficiency of the investment, whether the investment is on the right place, amount, and person or not. Here, as we can see the ROI was too high back 2011, after that in 2012 the ROI was too low, as the interest rate was an issue. From 2013, 2014, and 2015 onwards return on Investment is rising, which indicates that the NCC Bank is doing good with interest spread and making profit out of that.



Figure 14: ROI of NCC Bank Ltd for 5 years

## **Chapter 6: Recommendation and Conclusion**



## RECOMMENDATION

From 1993, National Credit and Commerce Bank Ltd. have work on their success along with customer's benefits. Though they are very good with their schemes and process, here some recommendations which I feel can help for long run.

- It is found that, total assets and total liabilities increases every year, but total equity is not growing in such manner. However, *increasing equity can boost their profitability*, since; profit year function can assist in giving away installment basis equity shares.
- Throughout the report it is seen that, return on Asset reduced in two years, this is because their expense increases in all aspects. In this cases, NCC Bank need to focus more on exact *forecasting of volatile interest rate* on both deposit and loan in respect of economic condition, which can help to maintain the ROA in every years.
- Same as ROA, return on equity fall in same two years. In these two years *Assets turnover*, which indicates the *operating efficiency* along with *financial leverage* that shows the *holding of debt* inside the company was not positive enough to grow the ROE. NCC Bank need to concentrate on asset management through increasing their *deposits* and *pay taxes* on time that ROE may stay in proper proportion in every year.
- Investing in Treasury bill is done through the operating banks. Individual, mainly corporate wants to open up the whereabouts by investing in liquid securities. In comprising with Treasury bonds NCC Bank can invest in *Treasury bills* more as first, it is a discount security; second it can be liquidate any time.
- Research found that, in 2013 and 2015 Bangladesh Bank sold more T-Bills and T-Bonds to control the *excess liquidity* but NCC Bank did not follow the path that Government set for banks and financial institute to buy them. Here, I recommend that, the management of NCC Bank can ensue some settlement under Bangladesh Bank.
- 3 month is a very short period of time to understand overall system of a bank, however, I found out that, there are different specific strategies for investment like, *Top-Down investing*, *Bottom-Up investing*, *Dividend investing*, *Fundamental analysis*, *Contrarian investment* and *Technical analysis*. Mainly, NCC Bank prefer Top-Down or Bottom-Up investing, but *Contrarian investing* is best for value-interest strategy, as it focuses on investing undervaluing securities that will grow in long run and add more value. In addition to, *Dividend analysis* is where preference goes for earnings and securities with high dividend. Most experts advise diversifying among investment styles is better for profitability.
- An aggressive portfolio analysis prefer on *capital appreciation*, which talks about investing on higher price securities. Though, investment is done through the collected deposits, so taking high risk for investment is not always a good decision, majorly for mutual fund as NCC Bank investment a lot on that.

- An investment is good when it is good for an individual. Bank invests from the *aggregated savings*, but they mainly figure out exactly what is better for increasing their *profitability*. Although the loan is the place where they prefer what is the necessity for the customers.
- NCC Bank follows a particular process for investment where asset allocation is a significant, but I must recommend the tactical asset allocation that classify assets in three specific group stocks, bonds and cash and balance them actively to maximize portfolio return and minimize risk compared to the benchmark.
- Return on Investment is not only involves the price or reduced expense, it also involves the expectation of customers. *Customer's loyalty* can help to increase their ROI, which may be possible if NCC Bank enhance their facilities to customers. For example, NCC Bank Shyamoli branch where *locker facility* and *Shonchay patra* are not available.



## CONCLUSION

The internship program was a very potential opportunity for me in those 3 months. During those 3 months at NCC Bank, Shyamoli Branch I worked almost all the departments more or less and observed properly that how they works in a structured way. This practical internship program helped me a lot to gain a proficient amount of practical experience in the corporate environment. NCC Bank is a very sophisticated bank with modern technology that have a good amount of fixed clients and the foreign exchange department is very excellent with their L/C and other related products. In Bangladesh, the Banking sector can influence the mainstream of development through their banking system and investment portfolio. Greater emphasis on the choosing and processing the investments can be beneficial for the Bank. Given the rich experiences of the Bank in Bangladesh, it is difficult to ignore the role of Bank in development management especially in a critical sector like health and family planning. With a view to utilizing the potentials of banking sector, an updated general banking and proper settlement of portfolio can developed their position. The findings of the study indicate that if Bank use the updated process for choosing the securities and sectors or individuals for loans, it will be beneficial for them. An efficient knowledgeable management team can increase their capabilities and the result of the work will be transparent. I am confident that the experiences that I learned through my internship program in NCC Bank Shyamoli Branch will help me a lot in my future even if I choose banking profession as my career.

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