

Report
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BBA



AN OVERVIEW OF NATIONAL BANK LIMITED

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AN OVERVIEW OF NATIONAL BANK LIMITED

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April 26,2011

Dr. Tanbir Ahmed Chowdhury
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Subject: Submission of the report of BUS 498

Dear Sir,

It's a great pleasure for me to have the opportunity to submit my Project work on "An Overview of the Activities and the Financial Performance of National Bank Limited (NBL) which had been a great experience for me to work with such a practical & real life issue to analyze with. I tried utmost to make & let it look like a professional one. Any kind of shortcomings are expected to have a kind view for my encouragement.

Thank you for your sincere & honest try to let me make easy & get familiar with the terms & facts to analyze the overall financial performances of the bank. Your support and suggestions has helped me to make the paper a successful one.

My efforts will be valued, if this report can serve for what it's been meant for & our assistance will be there for any queries.

Sincerely yours



Rajesh Kumar Dey
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ACKNOWLEDGEMENT

In this entire semester, I was engaged in working for making the project on National Bank Limited. Every body helped me a lot but our honorable Faculty Dr. Tanbir Ahmed Chowdhury had given a lot of assistance with knowledge. For preparing the report I have gone through many difficulties but I have overcome the obstacles by the proper guidance of our honorable faculty, Dr. Tanbir Ahmed Chowdhury. Special thanks to Dr. Tanbir Ahmed Chowdhury and thanks to the employees of Dhanmondi Branch for their help



Rajesh Kumar Dey

Executive Summary

The National Bank Limited had established in 1983, first 100 percent Bangladeshi owned bank operating a network of 145 branches that serves rural and urban areas, and some focus on agricultural sector. It has a wide variety of products including credit cards, and debit cards. It has started with 2 branches and now reaches to a top position in the country. It always focuses on using modern technology to satisfy customers, to be in competition and to win the competition. It is always careful about its stakeholders. It contributes highly in social corporate responsibility. For example in different natural calamities it donates huge amount of fund, it is operating a school for slum children, it provides scholarship to meritorious student of the country. It has consistent dividend policy and issue stock dividend. Its performance is being better day by day. It is going for expansion in each year. In the last five years the bank has opened 69 branches. Its deposit collection and loan disbursement is increasing in an increasing way. But its volume of non performing loans should be in control and should has a very less number of ATM booths.

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Chapter 01

INTRODUCTION

1.1 Origin of the report

The Project work is a basic requirement for completing the B.B.A course curriculum. This report was prepared on the topic named "An Overview of the Activities and the Financial Performance of the National Bank Limited (NBL)". Through out my Project work on National Bank Limited I have learnt about its services, its performance and activities.

1.2 Background of the study

Any academic course of study delivers a great value when it is learnt with practical application in real scenario. Only a lot of theoretical knowledge will generate little importance unless it has connection with practical life. Therefore proper learning is possible only when both theoretical and practical life is focused and it becomes fruitful when both are combined. When we engage ourselves in such fields to make proper use of our theoretical knowledge in our practical life situation, only then we come to know about the benefit of the theoretical knowledge. Such an application is made possible through project work. When theoretical knowledge is obtained from a course of study it is only the half way of the subject matter. And the knowledge becomes rich when the implication of theoretical knowledge is found out in practical life. Such a procedure of practical application is possible in project work. The report is titled "An Overview of the Activities and the Financial Performance of the National Bank Limited (NBL)". As a student of Business Administration Department this study will be very helpful in my practical life.

1.3 Objective of the study

The primary objective of the study is to meet the partial requirements for the fulfillment of B.B.A program. For the fulfillment of BUS 498, I have made the project work.

The main objectives are:

1. To appraise the principle activities of National Bank Limited
2. To appraise the financial performance of National Bank Limited
3. To identify the problems of National Bank Limited
4. To give suggestion to overcome the problems

1.3 Methodology of the study

Exploratory research method is used in writing this report. This type of research is meaningful in any situation in which the researcher does not have enough understanding to proceed with the research project. This research is characterized by flexibility and versatility with respect, because formal research protocol and procedures are not employed. It rarely involves structured questionnaire, large sample and probability sampling plans. Rather it is based on some numerical value collected from the annual report of the bank, and data found in the website of the bank. For the report the annual

report has been collected for year 2005-2009 and most part of the report has been done on the basis of this annual report.

1.5) Scope of the study

This Project work covers overall banking of National Bank Limited and its performance. Especially this report emphasizes on the services of national bank, its deposit mobilization, trend of expansion, and performance measured in terms of many different things like ROE, ROA, Interest income and expenditure, advances etc. which will give a overall idea of the banks performance and the opportunity to evaluate it.

1.6) Limitation of the study

To prepare a report on the achieved practical experience in a short duration is not an easy task. In preparing this report I have encountered some problems and limitation which are as follows

- The main constrain of the study was insufficiency of information, which was required for the study. Confidentiality of data, every organization has their own secrecy that is not revealed to others. So it became difficult to me to collect data on National Bank Limited. There are various information the bank employee can't provide due to security and other corporate obligations.
- Due to time limitation many of the aspects could not be discussed in the present report.
- Since the bank personnel were very busy, they could not provide enough time.
- Lack of my experience and depth of knowledge
- It was difficult for me to contact with higher level personnel in the bank



Chapter 02

**ORIGIN OF BANKS, BANKS IN
BANGLADESH & SERVICES**

A bank is a financial institution which plays a very important role in the economy of a country. It brings together borrowers and savers and collects money from savers as deposit and disperses it to borrowers as loan. The borrower invests the money which in turn helps in the growth of economy of a country. It also helps in foreign trade and remittance. Banks are also creating a huge number of jobs which is helping in reducing unemployment. Banks today readily provide hundreds of different services to millions of people, businesses, and governments all over the world. And many of these financial services are absolutely vital to our personal well being, our future success, and the well being of the communities and nations where we live. Banks are the principal source of credit for millions of individuals and families and for many units of government. Today banks are easing foreign trade as well as remittance transfer. They are acting as merchant bank, brokerage house etc.

2.1 Origin of Bank

The Jews in Jerusalem introduced a kind of banking in the form of money lending before the birth of Christ. The word 'bank' was probably derived from the word 'bench' as during ancient time Jews used to do money -lending business sitting on long benches.

First modern banking was introduced in 1668 in Stockholm as 'Svingss Pis Bank' which opened up a new era of banking activities throughout the European Mainland.

In the South Asian region, early banking system was introduced by the Afghan traders popularly known as Kabuliwallas. Muslim businessmen from Kabul, Afghanistan came to India and started money lending business in exchange of interest sometime in 1312 A.D. They were known as 'Kabuliwallas'.

2.3 NUMBER AND TYPES OF BANKS in Bangladesh

The number of banks in all now stands at 49 in Bangladesh. Out of the 49 banks, four are Nationalized Commercial Banks (NCBs), 28 local private commercial banks, 12 foreign banks and the rest five are Development Financial Institutions (DFIs).

State-owned Commercial Banks

The banking system of Bangladesh is dominated by the 3 Nationalized Commercial Banks, which together control more than 54% of deposits and operated 3616 branches (54% of the total). The nationalized commercial banks are:

1. Sonali Bank Limited
2. Janata Bank Limited
3. Pubali Bank Limited
4. Agrani bank limited

Though having such a huge number of branches and opportunity they are not in the satisfactory level in their performance because of their traditional banking, lack of innovation, and they do not use modern technology.

Specialised Bank of Bangladesh

1. Karmosangesthan Bank
2. Bangladesh Krishi Bank
3. Bangladesh Shilpa Bank
4. Bangladesh Shilpa Rin Sangstha
5. Ansar VDP Unnyan Bank

Private Commercial Banks

Private Banks are the highest growth sector due to the dismal performances of government banks (above). They tend to offer better service and products. They are always customer focused and creative. They also use modern technology to fulfill customer demand. And their contribution in the economy of our country is highest. There are 31 private commercial Banks.

Foreign Commercial Banks

1. Citibank
2. HSBC
3. Standard Chartered Bank
4. Commercial Bank of Ceylon
5. State Bank of India
6. Habib Bank
7. National Bank of Pakistan
8. Woori Bank
9. Bank Alfalah

Sonali Bank is the largest among the NCBs while Pubali is leading in the private ones. Among the 12 foreign banks, Standard Chartered has become the largest in the country. Besides the scheduled banks, Samabai (Cooperative) Bank, Ansar-VDP Bank, Karmasansthan (Employment) Bank and Grameen bank are functioning in the financial sector. Of the branches, 39.95 per cent (2,412) are

located in the urban areas and 60.05 per cent (3,626) in the rural areas. Of the branches NCBs hold 3,616, private commercial banks 1,214, foreign banks 31 and specialized banks 1,177.

BANGLADESH BANK

Bangladesh Bank (BB) regulates and supervises the activities of all banks. The BB is now carrying out a reform program to ensure quality services by the banks.

Pursuant to Bangladesh Bank Order, 1972 the Government of Bangladesh reorganized the Dhaka branch of the State Bank of Pakistan as the central bank of the country, and named it Bangladesh Bank with retrospective effect from 16 December 1971.

Bangladesh Bank (BB) has been working as the central bank since the country's independence. Its prime jobs include issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monetary matters. BB is also responsible for planning the government's monetary policy and implementing it thereby.

The BB has a governing body comprising of nine members with the Governor as its chief. Apart from the head office in Dhaka, it has nine more branches, of which two in Dhaka and one each in Chittagong, Rajshahi, Khulna, Bogra, Sylhet, Rangpur and Barisal.

2.4 Modern SERVICES offered by Banks

Historically, banks have been recognized for the great range of financial services they offer—from checking accounts and savings plans to loans for businesses, consumers, and governments. However bank service menus are expanding rapidly today to include security trading and underwriting, insurance protection, financial planning, the management of pension plans, advice for merging companies and numerous other innovative services.

SPECIAL SERVICES

Some Banks render special services to the customers attracting other banks.

INTERNET BANKING

Customers need an Internet access service. As an Internet Banking customer, he will be given a specific user ID and a confident password. The customer can then

view his account balances online. It is the industry-standard method used to protect communications over the Internet. To ensure that customers' personal data cannot be accessed by anyone but them, all reporting information has been secured using Version and Secure Sockets Layer (SSL).

HOME BANKING

Home banking frees customers of visiting branches and most transactions will be automated to enable them to check their account activities transfer fund and to open L/C sitting in their own desk with the help of a PC and a telephone.

ELECTRONIC BANKING SERVICES FOR WINDOWS (EBSW)

Electronic Banking Service for Windows (EBSW) provides a full range of reporting capabilities, and a comprehensive range of transaction initiation options. The customers will be able to process all payments as well as initiate L/Cs and amendments, through EBSW. They will be able to view the balances of all accounts, whether with Standard Chartered or with any other banks using SWIFT. Additionally, transactions may be approved by remote authorization even if the approver is out of station.

AUTOMATED TELLER MACHINE (ATM)

Automated Teller Machine (ATM), a new concept in modern banking, has already been introduced to facilitate subscribers 24 hour cash access through a plastic card. The network of ATM installations will be adequately extended to enable customers to non-branch banking beyond banking.

TELE BANKING

Tele Banking allows customers to get access into their respective banking information 24 hours a day. Subscribers can update themselves by making a phone call. They can transfer any amount of deposit to other accounts irrespective of location either from home or office.

SWIFT

Swift is a bank owned non-profit co-operative based in Belgium servicing the financial community worldwide. It ensures secure messaging having a global reach of 6,495 Banks and Financial Institutions in 178 countries, 24 hours a day.

SWIFT global network carries an average 4 million message daily and estimated average value of payment messages is USD 2 trillion.

Swift is a highly secured messaging network enables Banks to send and receive Fund Transfer, L/C related and other free format messages to and from any banks active in the network.

Having SWIFT facility, Bank will be able to serve its customers more profitable by providing L/C, Payment and other messages efficiently and with utmost security. Especially it will be of great help for our clients dealing with Imports, Exports and Remittances etc.

Chapter 03
AN OVERVIEW OF
NAITONAL BANK LIMITED
AND ITS PRINCIPAL
ACTIVITIES



3.1 National Bank Limited

National Bank Limited has established as the first private sector bank fully owned by Bangladeshi entrepreneurs. The members of the board of directors are creative businessmen and leading industrialists of the country. To keep pace with time and in harmony with national and international economic activities and for rendering all modern services, NBL, as a financial institution, automated all its branches with computer networks in accordance with the competitive commercial demand of time. Moreover, considering its forth-coming future, the infrastructure of the Bank has been rearranging. The expectation of all class businessmen, entrepreneurs and general public is much more to NBL. Keeping the target in mind.

The emergence of National Bank Limited in the private sector was an important event in the Banking arena of Bangladesh. When the nation was in the grip of severe recession, the government took the farsighted decision to allow the private sector to revive the economy of the country. The motto of the bank was to revitalize the economy of the country.

The then President of the People's Republic of Bangladesh Justice Ahsanuddin Chowdhury inaugurated the bank formally on March 28, 1983 but the first branch at 48, Dilkusha Commercial Area, Dhaka started commercial operation on March 23, 1983. The 2nd Branch was opened on 11th May 1983 at Khatungonj, Chittagong.

At present, NBL has been carrying on business through its 130 branches and 15 SME / Agri Branches (total 145 service locations) spread all over the country. Since the very beginning, the bank has exerted much emphasis on overseas operations and handled a sizable quantum of home bound foreign remittance. It has drawing arrangements with 415 correspondents in 75 countries of the world, as well as with 37 overseas Exchange Companies located in 13 countries.

The Bank has in its use the latest information technology services of SWIFT and REUTERS. NBL has been continuing its small credit programmes for disbursement of collateral free agricultural loans among the poor farmers of Barindra area in Rajshahi district for improving their livelihood.

NBL stepped into a new arena of business and opened its Off Shore Banking Unit at Mohakhali to serve the wage earners and the foreign investors better than before.

It is performing some Social Corporate Responsibility also. In this direction, it has remained associated with the development of education, healthcare and has

sponsored sporting and cultural activities. During times of natural disasters like floods, cyclones, landslides, it has extended its hand to mitigate the sufferings of victims. It established the National Bank Foundation in 1989 to remain involved with social welfare activities. The foundation runs the NBL Public School & College at Moghbazar where present enrolment is 1140. Besides awarding scholarship to the meritorious children of the employees, the bank has also extended financial support for their education.

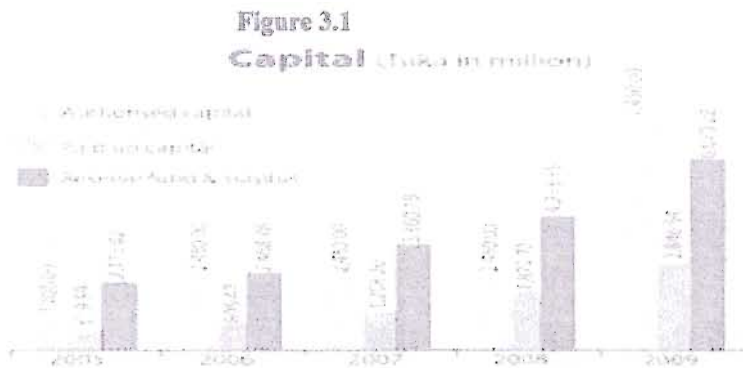
3.2 Mission

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

3.3 Vision

“Ensuring highest standard of clientele services through best application of latest information technology, making due contribution to the national economy and establishing ourselves firmly at home and abroad as a front ranking bank of the country have been our cherished vision.”

3.4 Capital structure of National Bank Ltd



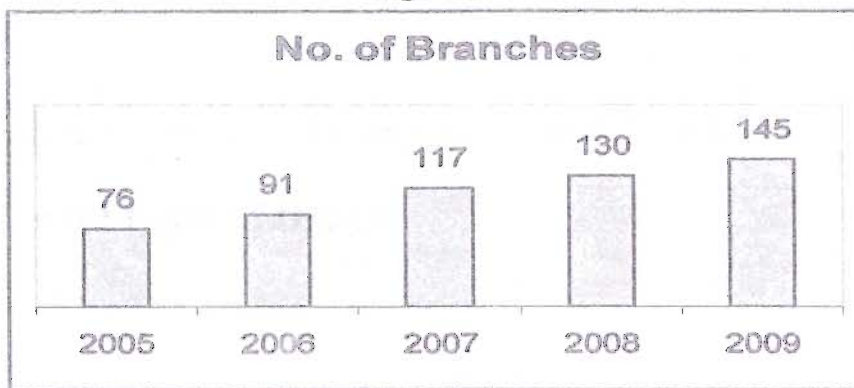
The bank’s authorized capital has been increased by 645% from 2005 to 2009 while paid up capital has been increased by 359%. Over the three years its authorized capital was consistent and it was 2450million and at this time period paid up capital increased by 49% and 55%. Authorized capital increased by 204% in 2009 but paid up capital increased by 52%. And reserve funds and surplus

increased by 187% between these five years. The highest growth has been observed in 2009 which was 42%.

3.5 Trends in Branch Opening:

year	Number of branches
2005	76
2006	91
2007	117
2008	130
2009	145

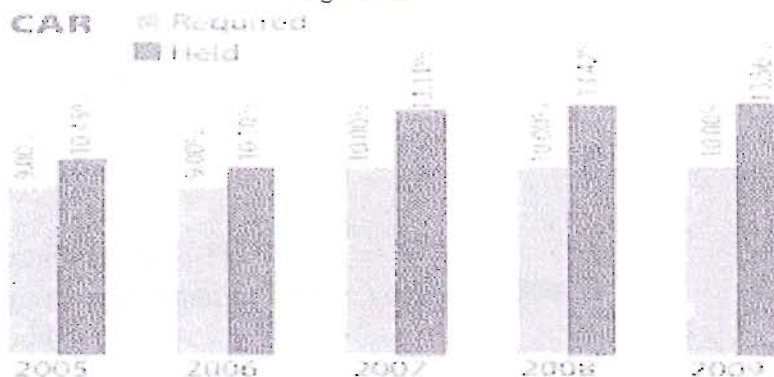
Figure 3.2



The bank is very fast in expansion. We can see that in 5 years it has almost doubled in number of branch and it has opened 69 branches in four years. The average number of branch opening in each year is 17. In 2006-2007 it has opened 26 branches which was yearly highest and in 2007-2008 it has opened 13 branches which was yearly lowest. In 2005-2006 and 2008-2009 it has opened 15 branches each year.

3.6 Capital Asset Reserved

Figure 3.3



Capital Management of the Bank is to maintain an adequate capital base to support the projected business and regulatory requirement. NBL always maintain a prudent balance between Tier- 1 and Tier-2 capital. The bank always has been maintaining a somewhat extra balance than it is required. The Bank has maintained overall capital adequacy at 13.56 percent in 2009 of which 10.89 percent and 2.67 percent as Tier-1 and Tier-2 capital respectively against Bangladesh Bank's requirement of 10 percent. In 2008 it has maintained a balance of 13.42% where it is required to keep 10.00%. In 2007 it has maintained a balance of 13.11% against 10.00% and the same tendency in earlier years also. This type of tendency is proving that it is less risky for investors to invest in National Bank Limited that means the bank is financially very sound. On the other hand the extra amount the bank has been holding could have been invested and there has been a possibility to earn some more profit. So the bank has been loosing some of its earning because of keeping extra amount of capital

3.7 Different types of Deposit

National Bank offers types of deposits, which are

- *Current deposit*
- *Savings deposit*
- *Short term deposit*
- *Fixed deposit*
- *Monthly Deposit*
- *RFC deposit*
- *NFC deposit*

Savings deposit

- Interest rate of 6.00% on minimum monthly balance.
- Minimum balance Tk.1000.
- Maintenance charge yearly Tk. 400.
- No hidden costs.
- Standing Instruction Arrangement are available for operating account.

Current deposit

- Minimum balance Tk.2000.
- Minimum maintenance charge yearly Tk. 800.
- No hidden costs.
- Standing Instruction Arrangement are available for operating account
- TIN certificate is needed to open current deposit

Short term deposit

- Minimum balance Tk. 2000.
- Minimum maintenance charge yearly Tk. 800.
- Standing Instruction Arrangement are available for operating account.

Fixed term deposit

- Any amount can be deposited.
- Premature encashment facility is available.
- Overdraft facility available against term receipt.

Monthly deposit

- Monthly installments of deposit will be Tk.500/-, Tk.1,000/- , Tk.2,000/- ,Tk.3,000, Tk.4000/- , Tk.5,000/- and Tk. 100,000.
- Account may be opened for any installment and term, which is not changeable.
- A person is allowed to open more than one account for different installment in a Branch/ Bank.

Sl NO.	Monthly installments(taka)	Amount to be paid on completion on term		
		3 years@9%	5years @9.25%	8years @9.50%
1	500/-	20,627/-	37,896/-	70,849/-
2	1,000/-	41,255/-	75,791/-	1,41,691/-
3	2,000/-	82,510/-	1,51,583/-	2,83,394/-
4	3,000/-	1,23,765/-	2,27,374/-	4,25,091/-
5	4,000/-	1,65,020/-	3,03,166/-	5,66,788/-
6	5,000/-	2,06,274/-	3,78,957/-	7,08,485/-
7	10,000/-	4,12,549/-	7,57,914/-	14,16,970/-

RFC Deposit

National Bank Limited gives opportunity to maintain foreign currency account through its Authorized Dealer Branches. Bangladesh nationals residing abroad or Foreign nationals residing abroad or Bangladesh and foreign firms operating in Bangladesh or abroad or Foreign missions and their expatriate employees.

- No initial deposit is required to open the account.

- Interest will be offered 1.75% for US Dollar Account, 3.00 % for EURO Account and 3.25% for GBP Account.
- They will get interest on daily product basis on the credit balance (minimum balance of US\$ 1,000/- or GBP 500/- at least for 30 days) maintaining in the account.
- Passport copy is required to open the account.

NFC deposit

National Bank Limited gives opportunity to maintain foreign currency account through its Authorized Dealer Branches. All non – resident Bangladeshi nationals and persons of Bangladesh origin including those having dual nationality and ordinarily residing abroad may maintain interest bearing NFCD Account.

- NFCD Account can be opened for One month, Three months, Six months and One Year through US Dollar, Pound Starling, Japanese Yen and Euro.
- The initial minimum amount of \$1000 or 500 Pound Starling or equivalent other designated currency.
- Interest is paid on the balance maintain in the Account. This interest is tax free in Bangladesh.
- Passport copy is require to open this account

3.8 Interest rate for different types deposit

Sl No.	Category of Deposit	Interest Rate as of February, 2011	
1	Savings	Below 1.00 Crore	4.00
		1 crore to 25 crore	4.50
		25 crore and above	8.50
2	Special Notice Deposit	Below 1.00 Crore	4.00
		1 crore to below 5 crore	5.50
		5 crore to below 25 crore	7.00
		25 crore to below 50 crore	7.50
		50 crore to below 100 crore	7.75
3	FDR for 1to3 months	100 crore and above	8.50
		Below 1.00 Crore	9.00
4	FDR for 3months to 6months	1 crore and above	9.50
		Any amount	10.50-12.00
5	FDR for 6months to 1 year		10.75-12.00
6	FDR for 1 year and above		11.00-12.00

3.9 Number of foreign Correspondent/Bank

Correspondence Id	Country	Name
1	Australia	National Australia Bank Ltd.
2	Switzerland	United Bank of Switzerland AG (UBS)
3	Germany	Commerzbank A.G
4	Germany	Standard Chartered Bank, GMBH
5	Italy	Unicredito Italiano SPA
6	U.K	Lloyds TSB Bank Plc
7	U.K	HSBC Bank UK Plc
8	Japan	The Bank of Tokyo-Mitsubishi Ltd
9	Japan	Union De Banques Arabes Et Francaises(UBAF)
10	U.S.A	Bank of America NA
11	U.S.A	JPMorgan Chase Bank
12	U.S.A	HSBC Bank USA
13	U.S.A	Standard Chartered Bank
14	U.S.A	Mashreqbank Psc
15	U.S.A	Citibank NA
16	U.S.A	Wachovia Bank NA
17	Canada	Bank of Nova Scotia
18	Bhutan	Bank of Bhutan
19	Singapore	Standard Chartered Bank
20	India	Standard Chartered Bank
21	India	State Bank of India
22	India	Sonali Bank Ltd.
23	India	AB Bank Ltd
24	Nepal	Nepal Arab Bank Ltd
25	Myanmar	Myanmar Foreign trade Bank
26	Pakistan	HSBC Bank
27	Pakistan	United Bank Ltd.
28	Sri Lanka	Standard Chartered Bank

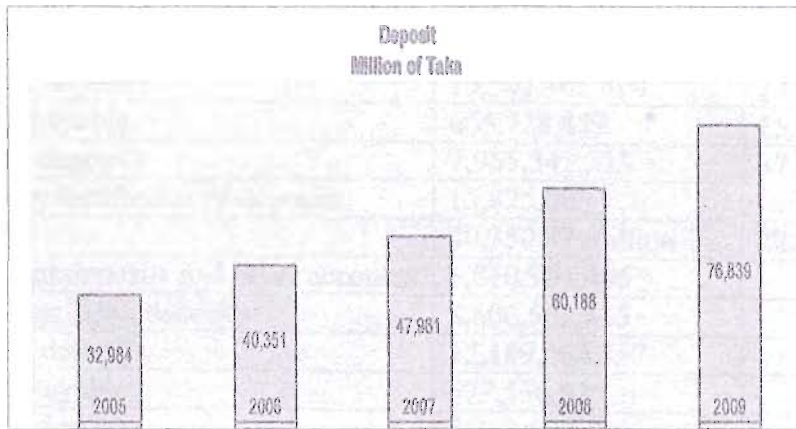
CHAPTER 04
PERFORMANCE EVALUATION OF
NATIONAL BANK LIMITED



4.1 Deposit Mobilization

Deposit is one of the most important sources for any bank to raise fund. Deposit mobilization means campaigning and attracting customers to deposit their money in the bank. Banks mobilize deposits by making finances and by investing in various financial markets. Basically deposit mobilization is related to the creation of credits. The National bank Limited always arranges special features to attract the customers to deposit in the bank. And it has huge number of branches also in urban areas. So there is opportunity for the bank to collect more deposit.

Figure 4.1



The overall structures of deposits from 2005 to 2009 of the National Bank Limited are given below

year	Types of deposits	Amount	Growth Percentage
2009	Current deposits and other accounts	10,398,061,333	18%
	Savings Bank deposits	16,509,865,813	25%
	Fixed deposits	31,605,724,061	28%
	Bills payable	1,285,541,183	3%
	Term deposits	17,023,623,597	37%
	Bearer certificates of deposits	15,825,000	-
	Total	76838.64 million tk.	27.66%
2008	Current deposits and other accounts	8,790,402,977	6.58%
	Savings Bank deposits	13,233,056,241	15.84%
	Fixed deposits	24,554,075,165	39.45%
	Bills payable	1,237,527,712	(7.86%)
	Term deposits	12,364,361,512	32.62%

	Bearer certificates of	15,825,000	-
	Total	60,187.89 million tk.	25.5%
2007	Current deposits and other accounts	8,247,747,032	22.76%
	Savings Bank deposits	11,423,416,226	14%
	Fixed deposits	17,608,092,124	13.6%
	Bills payable	1,343,146,124	101.75%
	Term deposits	9,322,999,892	17.04%
	Bearer certificates of deposits	15,825,000	-
	Total	47,961.22 million tk.	18.86%
2006	Current deposits and other accounts	6,178,409,300	6.32%
	Savings Bank deposits	10,023,258,132	16.5%
	Fixed deposits	15,502,105,700	27.17%
	Bills payable	665,728,459	15.27%
	Term deposits	7,965,541,733	37.73%
	Bearer certificates of deposits	15,825,000	-
	Total	40,350.87 million Tk.	22.33%
2005	Current deposits and other accounts	5,810,964,486	-
	Savings Bank deposits	8,606,662,845	-
	Fixed deposits	12,189,464,357	-
	Bills payable	577,536,825	-
	Term deposits	5,783,600,378	-
	Bearer certificates of deposits	15,825,000	-
	Total	32,984.05 million Tk.	-

In the five years its deposit collection has been increased by 132%. The growth is more or less consistent which varies from 18.86% to 27.66% and the highest growth has been achieved in 2009 and the lowest growth has been achieved in 2007. In 2007 Bills payable increased by 101.75% but in the immediate year it decreased by 7.86%. Over the five years bills payable increased by 122.60%. The highest growth has been achieved in Term deposit which is 194.34%. In 2007 the growth of term deposit dropped to 17.04% and in other years its growth was above 30%. The growth of current deposit is very much fluctuating which varied from 6.32% to 22.57%. Fixed deposit has been increased by 159% in five years. And the highest growth in fixed deposit has been achieved in 2008 and it was 39.45%. Savings bank deposit has been increased by 91% from 2005-2009 and the highest growth achieved in 2009 which is 25%.

4.2 Modes of Advances

Loans offered by National Bank include

- Overdraft

- Lease finance
- Home loan
- SME loan
- Consumer Credit
- Trade finance

Overdraft

- Overdraft is provided only to corporate customers to continue day to day operations.
- Low charges in overdraft account maintenance.
- Facility is available against deposit receipt or mortgage property.
- Low interest rate 13-16%.
- Introductory current account is required to open the account

Lease finance

Financing area:

Capital machinery.

Different equipments.

Gas, Diesel generator and Power plant.

Medical equipments.

Lift or elevator.

Information Technology equipments.

Construction equipments.

Consumer durables.

Benefits offered

Competitive monthly rental.

Tax benefit.

Fast processing.

Easy handover after leasing period

Home loan

Such kind of loan is given for purchasing flats or construction of house.

Benefits offered

Financing amount extends up to 70% or Tk. 75,00,000 which is highest of total construction cost.

Grace period available upto 9 months in flat purchase or 12 months in construction.

Competitive interest rate.

No application or processing fee.

SME loan

NBL offers financial support to small businessmen/enterprise with new products named "Festival Small Business Loan" and "NBL Small Business Loan"

Benefits offered

Maximum Tk.3.00 lac (Festival Scheme) and Maximum Tk.5.00 lac (Small Business Scheme) .

3 Months (Festival Scheme) and 5 years (including 1 month grace period (Small Business Scheme))

Collateral Free Advance.

Consumer credit

Retail customers can enjoy this loan.

Financing area: Electornics consumer products.

Computer or Computer accessories.

Benefits offered:

Fast processing.

Competitive interest rate.

No application or processing fee.

Easy monthly installment.

Trade Finance

Benefits Offered:

Interest rate 13.00%-14.50%.

Minimum processing time.

Low service charges.

4.3 Interest rate for loans

S l o	Category of advances	Interest annually	rate
1	Agriculture Loan a. Advance against primary products including Agri-term loans b. Other agri	12.00(maximum)	
2	Term loan for large and Medium industries	13.00(maximum)	
3	Term loan for small & cottage industries non PPG loan	11.50(mid rate)	
4	a. Large and Medium loan	13.00(medium)	

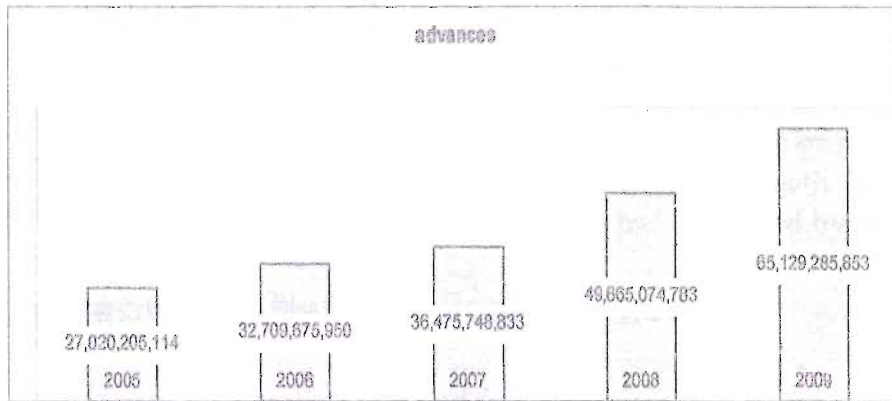
	b. Small & Cottage industries non PPG land	11.50(mid rate)
5	Export Credit	7.00%(fixed)
6	Trade Finance	
	a. Import Finance	
	i. Rate of on Import items as mentioned in BRPD Circular NO. 06 & 07 dated 05/05/2009 and 10.05.2009 respectively.	12.00%
	ii. Rate of Interest on other import items	13.00%
	b. Cash Credit (hypo & pledge)	13.00%(maximum)
	c. SOD (Gen) against work order/SOD(Bid bond)	13.00(maximum)
7	a. house Building Loan (Commercial) excluding retail	13.00(maximum)
	b. House Building Loan (Gen) excluding retail.	13.00(maximum)
8	Consumer Credit Scheme	17%(fixed & simple)
9	Credit Card	2% per month fixex
10	Credit to Non Banking Financial Institution	BPRD circular No. 09 dated 01.08.2009
11	Others	
	a. SOD (Exp)	15.00%
	b. SOD/Loan against FDR of other bank, ICB unit etc.	13.00(mid rate)
	c. SOD/Loan against FDR of the bank	2% above the FDR interest rate
	d. Syndicate Finance	13.00-15.00
	e. Others (not received above)	14.00-15.00
	Festival small business Loan (gen)	15.00-16.00
	Small House loan Scheme	13.00(maximum)
	NBL-Small Business Loan	15.00-16.00
12	NBL-Housing Loan	13.00(maximum)
13	NBL-Lease Financing	13.00-15.00
	NBL-weaver Loan	14.00% fixed
	NBL-Micro Loan	12.00%

4.4 Advances

Year	Description	Amount	Growth percentage
2009	Loans, cash credits overdraft etc.	61,597,795,428	33.25
	Bills purchased & discounted	3,531,490,425	(0.42)
	Total	65,129,285,853	31.13
2008	Loans, cash credits overdraft etc.	46,118,394,727	39.17
	Bills purchased & discounted	3,546,680,056	6.22
	Total	49,665,074,783	36.15
	Loans, cash credits overdraft etc.	33,137,022,140	11.87

2007	Bills purchased & discounted	3,338,726,693	8.04
	Total	36,475,748,833	11.51
2006	Loans, cash credits overdraft etc.	29,619,598,166	18.89
	Bills purchased & discounted	3,090,077,784	46.65
	Total	32,709,675,950	21.05
2005	Loans, cash credits overdraft etc.	24,913,193,862	
	Bills purchased & discounted	2,107,011,252	
	Total	27,020,205,114	

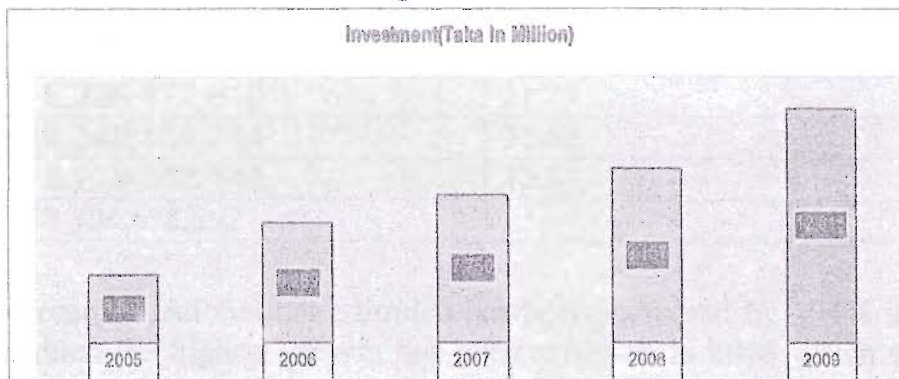
Figure 4.2



Giving loan is one of the main tasks of any bank because it earns maximum amount of money from here. So keeping an increasing phase in giving loan is good for a bank. The national Bank Limited has increased its loan and advances by 99% from 2005 to 2009. But the other thing is that while its deposit has been increased by 132% its loans and advances have been increased by 99%. So it should try to focus on attracting more customers to disperse more amount of loan.

4.5 Investment

Figure4.3



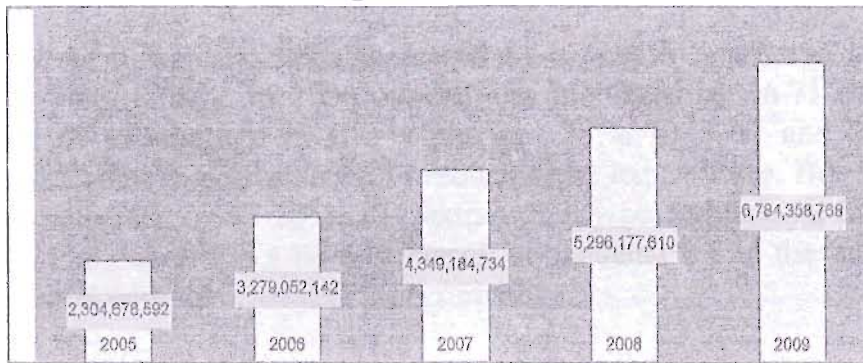
year	Investment(taka in Million)	Growth percentage
2009	12315	34.48%

2008	9157	18%
2007	7760	23.40%
2006	6289	76.40%
2005	3,565	

The daily average investment of the treasury in local currency was Tk 10,629.10 million in the form of Call Lending, Term Lending, Reverse Repo, Debentures and Govt. Securities. The yield was 17 percent higher in 2009 than 2008. Like 2008, inflow of foreign currency of the current year was higher in 2009. Treasury was actively participated in interbank market, both in local and foreign currency. The amount of investment has been increased by 245% from 2005 to 2009. And the highest growth has been achieved in 2008 which was 76%. In 2007 the growth was 23% and in 2009 the growth was 18%. We can see that the growth percentage has gone down consistently up to 2008 and from 76% growth in 2006 it has reached to 18% growth in 2008, and then in 2009 it has increased by 34% in 2009.

✓ 4.6 Total Income of National Bank Limited

Figure 4.4

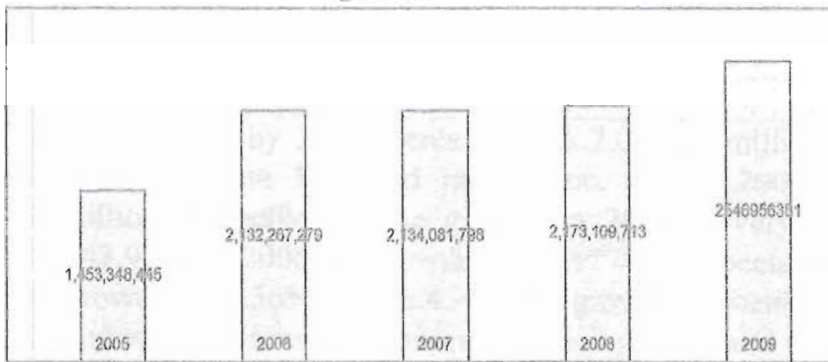


Year	Total Income	Growth Percentage
2009	6,784,358,768	28.09
2008	5,296,177,610	21.77
2007	4,349,184,734	32.63
2006	3,279,052,142	42.27
2005	2,304,678,592	

Total income of national bank limited has been increased by 194% in five years among which the highest growth has been achieved in 2006 which was 42.27% and then the growing percentage dropped to 32.63% and again dropped in 2008 to 21.77% and then increased by 28.09%. So from 2006 it was dropping until it is 2008 and then it started rising. This situation can be explained by the political disruption in the country.

4.7 Total Expenditure of National Bank Limited

Figure 4.5

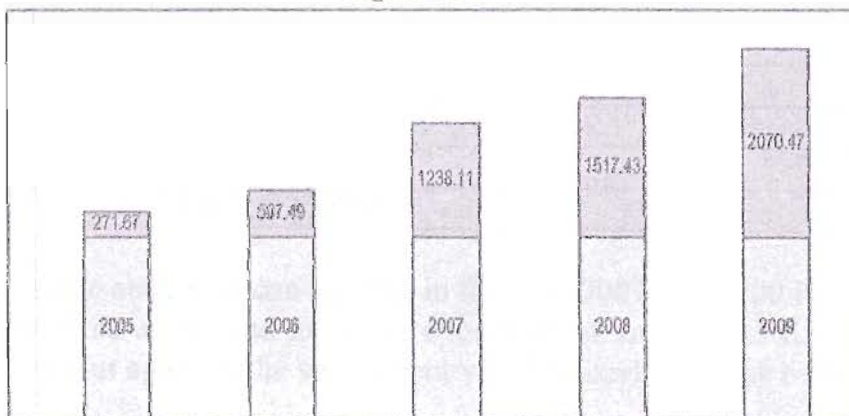


Year	Total Expenditure	Growth percentage
2009	2546956381	17.20
2008	2,173,109,713	1.82
2007	2,134,081,798	0.08
2006	2,132,267,279	46.71
2005	1,453,348,445	

In 2007 its expenditure has been increased by a very insignificant amount and increased by only 0.08%. In 2006 expenditure increased by 46.71 percent. The total growth of expenditure in five years was 75%. In 2007 and 2008 it has achieved extraordinary performance in reducing the expenditure. But in 2009 the expenditure increased by 17.20%. The extraordinary performance it has achieved in 2007 and 2008 should not be considered as benchmark and the others should not be compared with this two year's performance.

4.8 Net profit after tax

Figure4.6



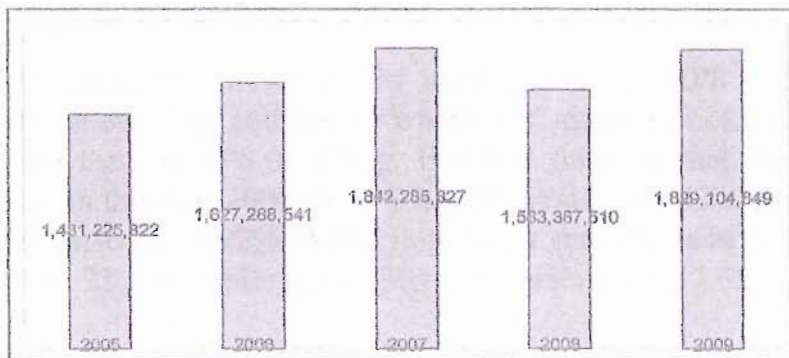
Year	Net profit after tax(tk. Million)	Growth percentage
2009	2070.47	36.45%
2008	1517.43	22.56%
2007	1238.11	143.97%
2006	507.49	86.80%
2005	271.67	-

Net Profit after tax grew by 36.45 percent to Tk.2,070.47 million in 2009 after making provision for loan loss and income tax for Tk.200.00 million and Tk.1,150.00 million respectively. The growth in 2007 is very significant and increased by 143.97% in 2006 its growth was also over expectation but in 2008 and 2009 the growth is 22.56% and 36.45%. The growth the bank has achieved in 2006 and 2007 should be viewed as abnormally high growth and we cannot expect that in each year the bank will achieve same abnormal growth and we should not compare the income of other years with this abnormally high growth.

✓4.9 Fixed assets

The bank has the fixed assets in the form of premises, furniture and fittings, equipments, motor vehicles, computers etc.

Figure 4.7

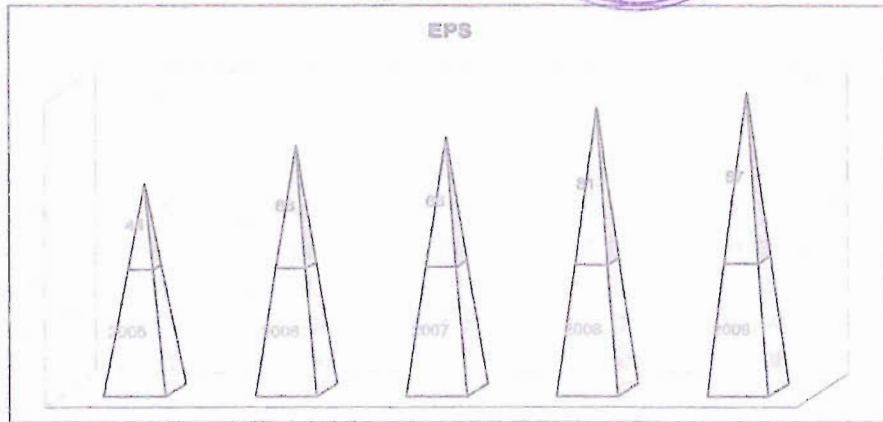


year	Fixed assets
2009	1,829,104,849
2008	1,583,387,510
2007	1,842,285,827
2006	1,627,288,541
2005	1,431,225,822

From the table above we can see that in the year 2007 and 2009 it had almost same amount of fixed assets and these were the highest. In 2008 its fixed asset dropped by 14.05%. But again in the subsequent year its fixed asset has been raised.

4.10 Earnings per share (EPS)

Figure 4.8

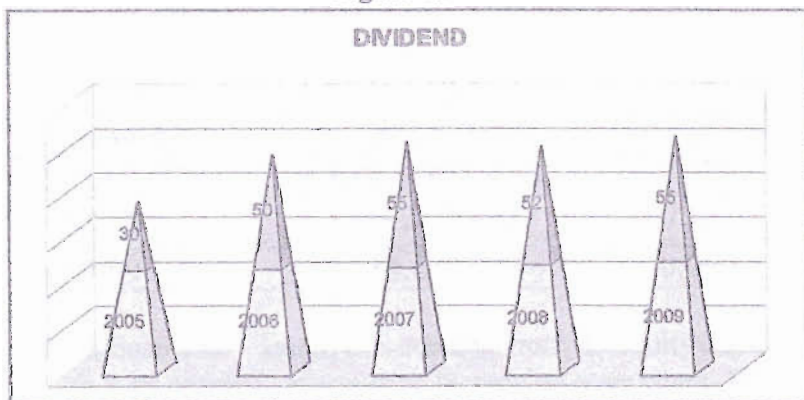


Year	EPS(Taka)	Face Value	Growth percentage
2009	87.23	100	7.65%
2008	81.03	100	22.57%
2007	66.11	100	4.92%
2006	63.01	100	43.7%
2005	43.85	100	

EPS is important for investors. By looking into the EPS trend they project on Bank's future earnings and decide whether to invest or not. From the above table we can see that its EPS is rising. But one thing is that its increment is very fluctuating. In the year 2006 its EPS has been raised by 43% while in the next year it has been raised by 4.92%. Again in the next year that is in 2008 its EPS has been increased by 22.57% while in the next year increased by 7.65%.

4.11 Dividend

Figure 4.9



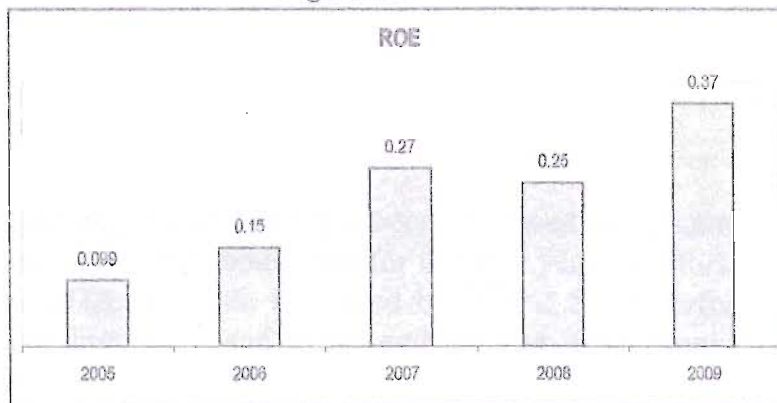
Year	Stock Dividend	Cash Dividend
2009	55%	
2008	52%	
2007	55%	
2006	50%	
2005	30%	

Dividend is another important thing for investors. They always focus on the amount of dividend, type of dividend and timing of dividend. We can see that the Bank is paying a good amount of dividend each year, more than 50% in later 4 years. Other thing is that the bank is paying stock dividend which is also a good thing for investors. Because here they don't need to pay tax on the capital gain they earn from selling bonus stock. Another thing is that the bank is paying stock dividend which means that the bank is always going for expansion significantly.

✓ 4.12 Return on equity

$$\text{Return on equity (ROE)} = \frac{\text{Net Income After Taxes}}{\text{total equity capital}}$$

Figure 4.10



Year	Net income after tax	Total equity capital	ROE	Growth percentage
2009	3,314,601,604	8,916,763,534	0.37	48
2008	1,517,434,482	6,131,319,361	0.25	(7.40)
2007	1,238,110,390	4,566,361,458	0.27	80
2006	507,492,348	3,274,259,431	0.15	51.51
2005	271,667,990	2,734,619,968	0.099	

Return on equity indicates how much it is earning from its equity capital. From the above table we can see that its earning on equity is increasing over years. We can see that it has

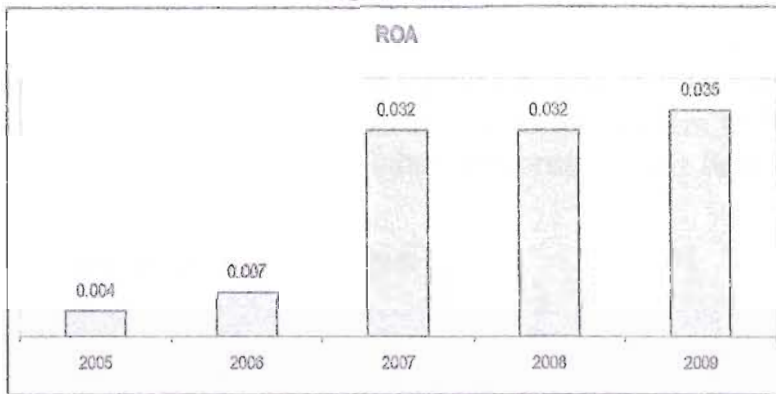
increased its earning by 273% in 2009 from 2005. In 2008 its ROE has been dropped by 7.40% from the previous year. In 2007 it achieved the highest growth percentage.

4.13 Return on Assets ✓

$$\text{Return on assets (ROA)} = \frac{\text{NetIncomeAfterTaxes}}{\text{TotalAssets}}$$

Year	Net income after tax	Total Assets	ROA
2009	3,314,601,604	92,083,181,919	0.035
2008	1,517,434,482	46,796,044,234	.032
2007	1,238,110,390	38,400,378,103	0.032
2006	507,492,348,	72,205,037,954	0.007
2005	271,667,990	56,526,964,115	0.004

Figure 4.11



We can see that in 2007 its ROA has been increased significantly which was more than 300% and than it was consistent for the next years and then increased by 9%. In five years ROA has been increased by 775%. So its performance in utilizing assets is becoming better and better and another good thing is that its growing performance in ROA is consistent.

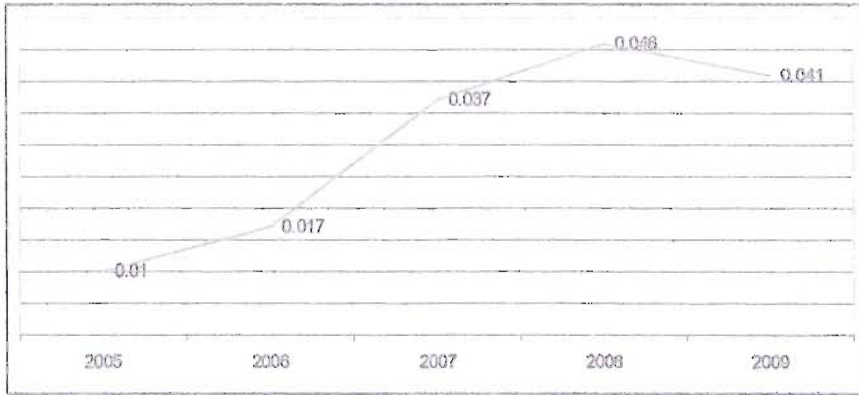
4.14 Net interest Margin

$$\text{Net interest Margin} = \frac{\text{NetInterestIncome}}{\text{TotalAsset}}$$

Year	Net Interest Income	Total Assets	Net Interest Margin
2009	3,796,786,331	92,083,181,919	0.041
2008	2,193,073,107	46,796,044,234	0.046
2007	1,455,353,290	38,400,378,103	0.037
2006	1,224,552,620	72,205,037,954	0.017

2005	614,340,426	56,526,964,115	0.010
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Figure 4.12

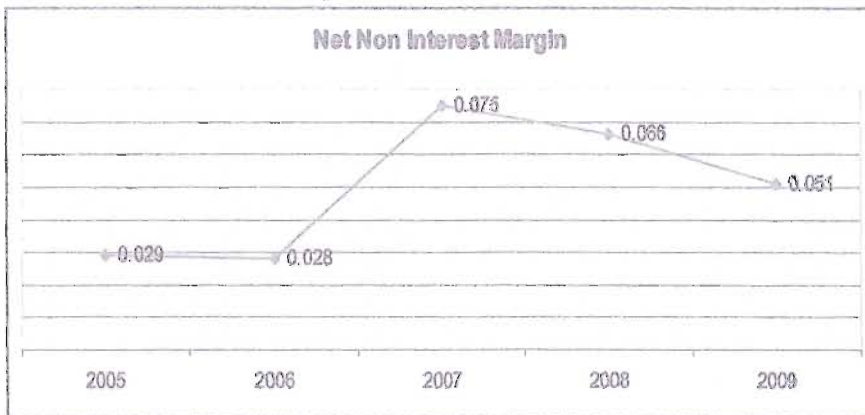


Calculation of Net Interest Margin is very important for any bank. Because it earns significant percentage of income as interest. Net interest margin measures how much interest a bank is earning against its assets. We can see from the above table that the bank was improving its net interest margin significantly up to 2008 but in 2009 its net interest margin has fall down. In the 5 years its Net Interest Margin has been increased by 310% and highest performance has been observed in 2008.

4.15 Net non-interest margin

$$\text{Net Noninterest Margin} = \frac{\text{Net Non interest Income}}{\text{Total Asset}}$$

Figure 4.13



Year	Net Non interest Income	Total Assets	Net non interest margin
2009	4,706,576,081	92,083,181,919	0.051
2008	3,103,104,503	46,796,044,234	0.066

2007	2,893,831,444	38,400,378,103	0.075
2006	2,054,499,522	72,205,037,954	0.028
2005	1,690,338,176	56,526,964,115	0.029

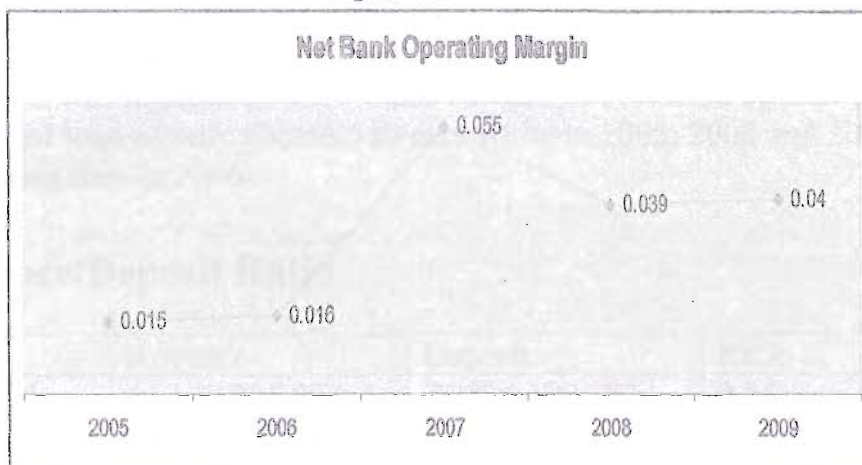
A bank earns from other sources rather than interest income. A bank need to measure that how much it is earning against assets from other sources rather than interest. From the above table we can see that in five years the bank's Net non interest Margin has been to 75%. But one thing is that its growing percentage is very much fluctuating. In the year 2007 its net non interest margin jumped to 0.075 from the previous year's 0.028. and in 2008n it dropped to .066 and than again dropped to 0.051

4.16 Net Bank Operating Margin

$$\text{Net Bank Operating Margin} = \frac{\text{Total Operating Revenues} - \text{Total Operating Expense}}{\text{Total Assets}}$$

Year	Total Operating Revenues-Total Operating Expense	Total Assets	Net Bank Operating Margin
2009	3,662,393,015	92,083,181,919	0.040
2008	2,173,109,713	46,796,044,234	0.039
2007	2,134,081,798	38,400,378,103	0.055
2006	1,146,784,863	72,205,037,954	0.016
2005	851,330,147	56,526,964,115	0.015

Figure 4.14



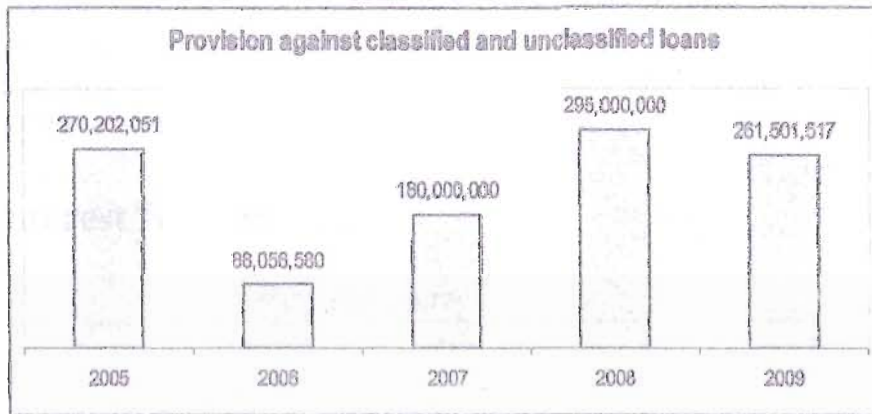
Net Bank operating margin helps a bank to measure how much it is earning from its total operation against each of its assets. The bank has performed best in 2007 when it has earned 0.055 taka as operating income against each one taka of assets.

In 2008 its net bank operating margin fell to 0.039 which is a 29% drop from the previous year. While in 2007 it has risen by 243% from the previous year. And in the five years it has achieved a growth of 166%.

4.17 Amount of Provision against Classified and Unclassified Loans

Year	Amount of Provision
2009	261,501,517
2008	295,000,000
2007	180,000,000
2006	88,056,580
2005	270,202,051

Figure 4.15

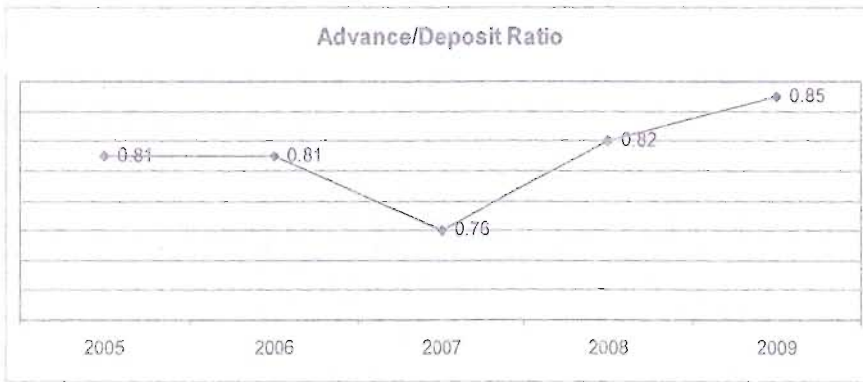


From the above table we can see that its amount of provision against classified and unclassified loans is very much fluctuating. In the year 2006 it was lowest and in the year 2008 it was highest. In 2006 it has amount of provision against classified and unclassified loan of only 88,056,580 taka while in 2005, 2008 and 2009 it has three times more than in 2006.

4.18 Advance/Deposit Ratio

Year	Advance	Deposit	Ratio
2009	65,129,285,853	76,834,179,182	0.85
2008	49,665,074,783	60,187,435,050	0.82
2007	38,475,748,833	47,961,226,398	0.76
2006	32,709,675,950	40,350,868,324	0.81
2005	27,020,205,114	32,984,053,891	0.81

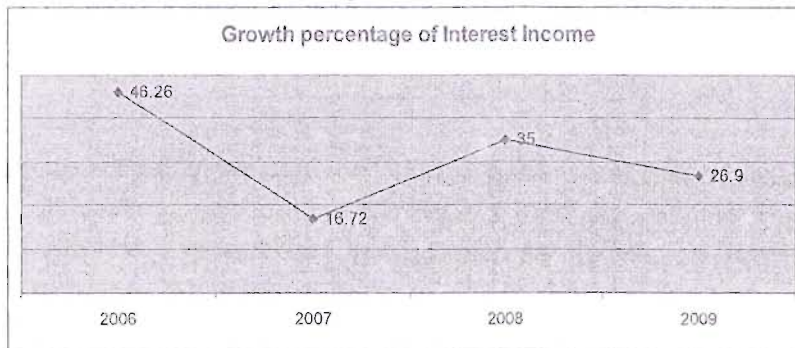
Figure 4.16



From the above table we can see that the bank is disbursing more than 80% of its deposit as advance which is good for the bank. It implies it is attracting enough customers for loan. Its advance/deposit ratio is more or less constant. In 2007 its advance/deposit ratio was lowest which 0.76 was while in 2009 its advance/deposit ratio was highest which 0.85 was. That means from each 1 taka deposit it has disbursed taka0.85 as advance.

4.19 Interest Income

Figure 4.17



Year	Income	Growth Percentage
2009	7,345,176,844	26.90
2008	5,787,914,368	35
2007	4,288,804,809	16.72
2006	3,674,322,034	46.26
2005	2,512,179,824	

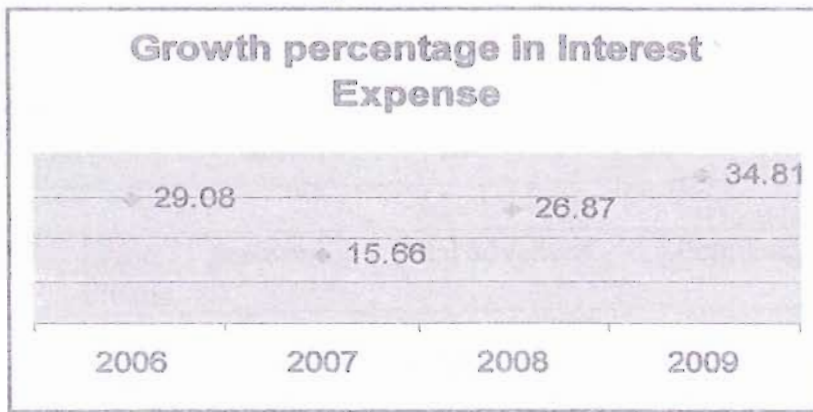
From the above table we can see that the bank's interest income is going up but the phase of increment is not consistent rather than it is fluctuating. There were some government manipulations of interest rate which can be one of the causes for

this fluctuation. In 2006 its growth was highest where it has earned 46.26% more than the previous year. But in the subsequent year its growth has dropped to 16.72% and then again grew by 35%. And in five years its interest income has been raised by 192%.

4.20 Interest Expense

year	Interest Paid	Growth Percentage
2009	4,846,223,806	34.81
2008	3,594,841,261	26.87
2007	2,833,451,519	15.66
2006	2,449,769,414	29.08
2005	1,897,839,398	

Figure 4.18



From the above table we can see that the bank's interest payment is increasing in a growing percentage that means the bank's loan disbursement is increasing. In five years its interest expense has been raised by 155%. In 2009 highest amount of interest expense occurred where in 2006 lowest amount of interest expense occurred.

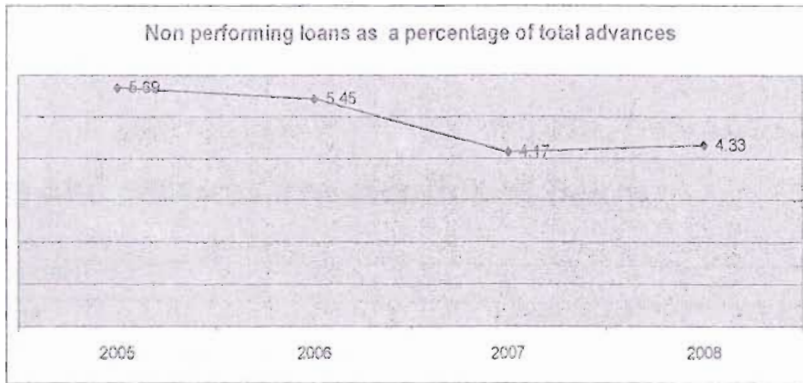
4.21 Volume of Non-Performing loans

Year	Amount	Growth percentage
2009		
2008	2,151,866,000	41.15
2007	1,524,500,000	(14.52)
2006	1,783,658,539	15.87
2005	1,539,400,000	

From the above table we can see that the bank's volume of Non-performing loan has been increased by 41.15% in 2008 from 2007 which is not a good indication for the bank. In 2007 its volume of nonperforming loan has been decreased by 14.52% from the previous year. The bank's volume of non performing loan has been increased by 39% from 2005 to 2008.

4.22 Non performing loans as a percentage of Total Advances

Figure 4.19



Year	Non performing loans	Total advances	Percentage
2009		65,129,285,853	
2008	2,151,866,000	49,665,074,783	4.33
2007	1,524,500,000	36,475,748,833	4.17
2006	1,783,658,539	32,709,675,950	5.45
2005	1,539,400,000	27,020,205,114	5.69

The bank's volume of nonperforming loan as a percentage of advances is reducing over the years. While it was 5.69% in 2005 it reduced to 4.33% in 2008, that means its credit division is becoming more calculative in disbursing loan. In this time period between advances has been risen by 83% while non performing loans has been risen by 39%

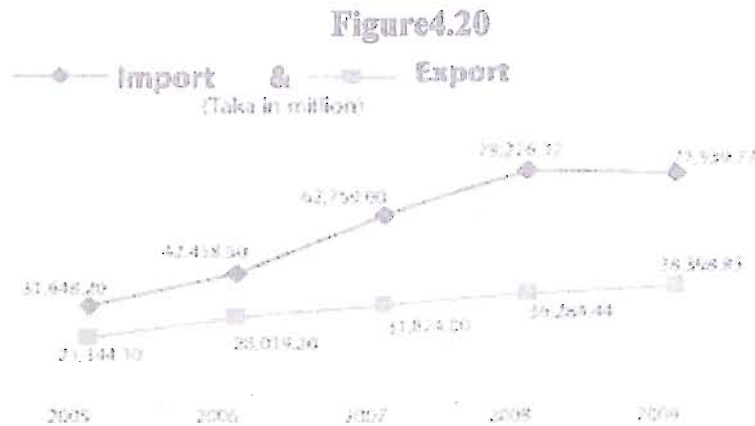
4.23 International Trade & Foreign Exchange

NBL is highly involved in international trade and foreign exchange. And its involvement is growing day by day. From the following graph we can see that its involvement in import was 31,648.20 million taka where it reaches to 77539.77 million taka which is 145 percent increase in five years. But the growth in 2008 to 2009 has slowed down even it decreased to some extent. The reason is that in that



year the business activities have been slowed down around the whole country because of interim government.

On the other hand its involvement in export increases by 79% in five years from 2005 to 2009.



Charges and services are mentioned below

IMPORT			
Sl. No.	Item	Period / Value	Rate
1	L/C opening commission under Cash L/C(sight):		
A	With 100% Cash Margin realized at the time of opening of L/C	1 st quarter Rest quarters & part thereof Minimum	@0.25% @0.25% USD 12.00
B	Below 100% Cash Margin	1 st quarter Rest quarters & part thereof Minimum	@0.30% @0.30% USD 12.00
2	L/C opening commission under Cash L/C(Usance):		
A	With 100% Cash Margin realized at the time of opening of L/C	1 st quarter Rest quarters & part thereof Minimum	@0.30% @0.30% USD 12.00
B	Below 100% Cash Margin	1 st quarter Rest quarters & part thereof Minimum	@0.40% @0.30% USD 12.00
3	L/C opening commission under Cash L/C(DP):		
A	With 100% Cash Margin realized at the time of opening of L/C	1 st quarter Rest quarters & part thereof Minimum	@0.30% @0.30% USD 12.00
B	Below 100% Cash Margin	1 st quarter Rest quarters & part thereof Minimum	@0.50% @0.30% USD 12.00
4	L/c opening commission for Back to Back L/c on account of Export oriented Garments, Textile Ind. Etc.		
A	Having last years export below USD 7.50 Million	1 st quarter Rest quarters & part thereof Minimum	@0.50% @0.30% USD 12.00
B	Having last years export below USD 7.50 to 15.00 Million	1 st quarter Rest quarters & part thereof Minimum	@0.45% @0.30% USD 12.00
C	Having last years export over USD 15.00 Million	1 st quarter Rest quarters & part thereof Minimum	@0.40% @0.30% USD 12.00
5	L/C opening commission for Back to Back L/C(Sight)		
		1 st quarter Rest quarters & part thereof Minimum	@0.50% @0.30% USD 12.00

6	Acceptance Commission under cash and BTB L/C(Usance)	1 st quarter Rest quarters & part thereof Minimum	@0.30% @0.20% USD 8.00
7	L/C Transmission Charge		
SL.No.	Item	Period/Value	Rate
A	By SWIFT	Foreign Local	USD 45.00 Flat USD 15.00 Flat
B	By Mail/Courier	To SAARC Countries Other Asian Countries Rest of the world Local	Mail Courier USD 5.00 12.00 USD 5.00 22.00 USD 6.00 30.00 USD 3.00 3.00
C	If foreign L/Cs are transmitted in short and non-operative	By SWIFT	USD 15.00 Flat
8	L/C Amendment		
A	Communication Charges	Foreign by SWIFT Local by SWIFT Local by Courier/Mail	USD 15.00 Flat USD 8.00 Flat USD 3.00 Flat
B	Amendment for increase of L/C value or Extension of time		As same as L/C opening Commission/rate
9	Add Confirmation Charge:		
A	For sight & Usance/DP L/Cs on applicant's A/C		At actual charged by foreign banks plus USD8.00
B	For sight & Usance/DP L/Cs on beneficiary's account, charges to be recovered from the applicant		
10	Communication Charge for Cancellation of L/C	Foreign by SWIFT Local by SWIFT Local by Courier/Mail	USD 15.00 Flat USD 8.00 Flat USD 3.00 Flat
11	Communication Charge for Acceptance of L/C	Foreign by SWIFT Local by SWIFT Local by Courier/ Mail	USD 15.00 Flat USD 8.00 Flat USD 3.00 Flat
12	Reimbursement charges are on Beneficiary's A/c.	Foreign Local	USD 50.00 USD 15.00
12	Discrepancy Charges for each set of discrepant document on Beneficiary's A/c at the time of payment.		
A	Foreign	Discrepancy Fee SWIFT/Mail Charge	USD 50.00 USD 50.00
B	Local (If bill value greater than or equal to USD5,000.00)	Discrepancy Fee SWIFT/Mail Charge	USD 30.00 USD 20.00
C	Local (if bill value less than USD5,000.00)	Discrepancy Fee SWIFT/Mail Charge	USD 20.00 USD 10.00
13	Collection of Credit Report on the Beneficiary of the Import L/C and applicant of the Export L/C	From Foreign Bank by SWIFT From other companies like Dun & Bradstreet	Charges at actual of Foreign Banks and USD15.00 for SWIFT. Charges at actual of Companies and USD3.00 for correspondence
14	Item	Period/Value	USD 8.00 Flat
14	Indemnity of Shipping documents in absence of original documents [Incase of Cash (Sight) L/C, 100% margin to be realized]		
15	For Inward documentary Bills under L/C on collection Basis on Applicant's A/c.		@ 0.25% Flat Minimum USD 4.00

16	For Inward documentary Bills without L/C on collection Basis on Drawee's A/c.		@ 0.25% Flat Minimum USD 6.00
17	Cost of a set of IMP, LCAF & LC Application Form		USD 3.00 plus actual cost of adhesive stamp
18	Any Certificate relating to Import Purpose		USD 3.00
EXPORT			
1	Advising Charges		
A	Advising of the foreign Bank L/C to the beneficiary		USD 15.00
B	Advising of the Local L/C to the beneficiary		USD 8.00
C	Advising of Amendment of the foreign Bank L/C to the beneficiary		USD 8.00
D	Advising of Amendment of Local L/C to the beneficiary		USD 5.00
2	Transfer Charges		
A	Transfer of Export L/C	Foreign Local	USD 15.00 USD 8.00
B	Transfer of Amendment of Export L/C	Foreign Local	USD 8.00 USD 5.00
3	Adding of confirmation to export L/C by our Bank at the request of Foreign Bank	Per quarter or part thereof Minimum	@0.25% USD 50.00
4	Mailing of Export documents	To SAARC Countries Other Asian countries Rest of the World Local	Mail Courier USD 5.00 12.00 USD 5.00 25.00 USD 6.00 30.00 USD 3.00 3.00
5	Communication charge against export documents	By SWIFT By Courier/Mail	USD 8.00 USD 3.00
6	Handling Charge of foreign export documents on collection		@ 0.20% on Bill Value (Minimum USD 25.00)
7	Handling Charge of local export documents on collection		@ 0.15% on Bill Value (Minimum USD 15.00)
8	Handling Charge of Export documents in case of advance payment		USD 25.00 Per Doc.
9	Foreign Documentary Bill for Purchase (FDBP)		
A	Negotiation Commission for clean foreign sight export bill	Commission Overdue Interest (after 21 days from the date of negotiation)	@ 0.30% on Bill Value (Minimum USD 25.00) @ LIBOR + 4% p.a
B	Discount of foreign usance export bill	Interest	@ LIBOR + 4% p.a. Additional 2% for overdue period
10	Local Documentary Bill for Purchase (LDBP)		
A	Discount of local usance export bill	Interest	@ LIBOR + 4% p.a. Additional 2% for overdue period
11	Issuance of Proceed Realization Certificate (PRC) against Export Bill		USD 8.00
12	Issuance of EXP		USD 4.00
13	Issuance of CFR Certificate		USD 3.00
14	Credit Information on Local Firm/ Companies		USD 125.00 Per Instance
15	Any Certificate relating to Export Purpose		USD 3.00
FOREIGN BANK GUARANTEE			
1	Advising of the Guarantees to the beneficiary in original without any engagement on our part		USD 8.00
2	Advising of Guarantee in original by adding our confirmation		@ 0.25% per quarter or part thereof Minimum USD 30.00

3	Advising of Guarantee (Performance) in our own format or on the format supplied by the opening Bank with our full engagement against counter guarantee of 1st class foreign Bank.		@ 0.40% per quarter or part thereof Minimum USD 100.00
4	Advising of Guarantee (Bid Bond) in our own format or on the format supplied by the opening Bank with our full engagement against counter guarantee of 1st class foreign Bank.		@ 0.15% per quarter or part thereof Minimum USD 100.00.
5	Issuance of Foreign Bank guarantee with our full engagement on account of our own client		@ 0.50% to 0.70% per quarter or part thereof Minimum USD 15.00 but incase of 100% cash margin is provided USD 15.00 is to be realized
6	Issuance of Local Bank guarantee with our full engagement on account of our own client		@ 0.50% to 0.70% per quarter or part thereof Minimum USD 15.00 but incase of 100% cash margin is provided USD 15.00 is to be realized
FOREIGN REMITTANCE			
1	Issuance of Foreign Currency Draft	Drawn on Bangladesh Bank Drawn on Foreign Correspondent / Bank	USD 10.00 USD 15.00
2	Remittance by T.T. in Foreign currency through Foreign correspondent	Handling Charge SWIFT Charge	USD 5.00 USD 15.00
3	Endorsement in Passport		
A	By Issuance of T.C.	Commission Endorsement Fee	@ 1.30% (Min.USD3.00) USD 4.00
B	By Issuance of Cash Foreign currency	Endorsement Fee	USD 4.00
4	Purchase of TC, Foreign Bank's DD,PO, Banker's Cheque etc. drawn on abroad	Interest Courier Charge	@ LIBOR + 4% plus USD 25.00
5	Cancellation of FDD		
6	Issuance of Duplicate FDD		
7	Collection of clean item (FDD, PO, Banker's Cheque etc) drawn on Foreign overseas Banks	Commission Courier Charge	@ 0.10% (Min.USD3.00) USD 25.00
8	Collection of clean item (FDD, Cheque etc) drawn on Local Bank / Bangladesh Bank	Postage	USD 3.00
OTHERS			
1	Closing Charge of FC A/C (SB & CD)		
2	Half yearly service charge on FC A/C	SB CD SOD CC	USD 2.00 USD 5.00 USD 8.00 USD 8.00
3	Issuance of Solvency Certificate		
			USD 2.00

CHAPTER 05
**PROBLEMS OF
NATIONAL BANK LIMITED
& RECOMMENDATION**

5.1 General Problems

The bank is functioning well but it has some lacking which are mentioned below:

At today's age of technology people are always in a hurry. They are very time conscious and they want things in easy way. We know that ATM booth has added a new era in banking sector. It played a significant role in attracting people. But National Bank limited has only 10 ATM booths where it has 145 branches.

Its employee team is not equally qualified. One example I can site that one day I visit Dhanmondi branch of National Bank Limited and I asked one employee about their services. But that employee didn't understand what service means. The bank's training is not sufficient.

Promotional activities play a very important role for any business organization to attract customers and to make profit. But compare to other Banks its spending on promotional activities is less.

Collecting deposit and giving loan is the main task of a commercial bank. We have seen that its deposit collection has been raised by 132% but loan divestment has been raised by 99%. So there is a gap between percentage increase of deposit collection and loan divestment.

The bank's volume of non performing loan has been increased by 41.15% in 2008 from 2007. So we can say that its credit department is not functioning well.

It has only 10 branches outside Bangladesh while it has great opportunity to do more business by opening more branches internationally.

We can see that the bank is always maintaining higher capital asset reserve than it is required. In 2007, 2008 and 2009 it has kept 3% more capital asset than it was required. But by keeping this extra amount they are loosing the opportunity of investment and some profits also.

5.2 There are some recommendations which can improve the bank's performance:

- ✓ Opening new ATM Booth
- ✓ Taking steps for more promotional activities
- ✓ Arrange periodical training for each employee.
- ✓ Take steps to make credit department more prudent.
- ✓ To focus on opening branch internationally.
- ✓ To go for more advanced banking like tele banking, home banking, internet banking.
- ✓ Go for more investment rather than holding extra amount of capital reerve

Conclusion

National Bank limited is the country's first 100% fully Bangladeshi owned private bank. So it has passed a long time in this country. And in this time it has faced many critical situation like world crisis in 2008, economic crisis in Asia in 1997. And it was successful in solving that situation and still running an established bank in our country. It is committed to provide high quality financial services /products to contribute to the growth of GDP of the industrialization, boosting up export, creating employment opportunity for the educated youth, rising standard of living of limited income group and overall sustainable socio-economic development of the country.

Despite shaken domestic economic condition due to global recession, performance of 2009, the year under review was noteworthy. In 2009, the pretax profit of National Bank stood at 3,197.50 million, registering a growth of 13.03 percent over the previous year and profit after tax & other provisions stood at Taka 2,070.47 million reflecting a growth of 36.45 percent. Further, bank's revenue, loans & advances, deposit and assets registered a growth of 22.98, 28.55, 27.66 and 27.53 percent respectively. Capital adequacy maintained at Tk.9,124.62 million, which was 13.56 percent against statutory requirement of 10 percent. The earning per share for the year 2009 was Tk.72.74 compared to Tk.53.31 of previous year. Being a regular tax payer, the bank made a direct contribution of Tk.1,366.20 million to Government Exchequer in 2009 representing an increase of 79.35 percent over 2008.

Its some steps are worthy of praise like it has started its operation in urban areas and it is giving loan to farmer. It is contributing in remittance transfer. And performing CSR like giving aid to students, giving donation in countries natural calamities.

But there are more opportunities for the bank in nationally and internationally. It has opened 145 branches already and it should go for more and more. And international market is very large. So entering there with full force may bring some good things for the bank.

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