

UNITED INTERNATIONAL UNIVERSITY



**Project Report on:
Analysis of Financial Performance among the Commercial Bank in Bangladesh**

Supervised by:

Mosabbir Ahmad

Assistant Professor

School of Business & Economics

United International University

Prepared by:

B. M. Shaheen Mahmud

ID: 111-143-186

United International University.

School of Business and Economics

Department of Finance

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Date: 19th September, 2018

Mosabbir Ahmad

Assistant Professor,

School of Business & Economics

United International University (UIU)

Subject: Submission of a Project report.

Dear Sir,

At First I would like to thank you for approving this important topic titled “Analysis of Performance among the Commercial Bank in Bangladesh”. This study has given me the chance to get a deeper understanding about the banking industry of Bangladesh.

I would like to inform you that, I have successfully finished my project report. I have given my maximum effort to create this report an efficacious one. It has been wonderful & informative understanding for me. However this has been clearly a vast basis of learning for me to perform related types of lessons in the future.

I would like to thank you for your huge support which motivated me to work passionately.

Sincerely yours,

B.M. Shaheen Mahmud

ID: 111-143-186

United International University.

School of Business and Economics

Department of Finance

ACKNOWLEDGEMENT

At the beginning I wish to disclose supreme gratefulness to Great Allah for bestowing upon me the power, knowledge and patience required to finish this report. In the completion of this Project report I am thankful to some people for their amazing support.

I would like to express my heartiest admiration Mr. Mosabbir Ahmad, Assistant Professor Department of school of Business and economics, United International University, for his great support, motivation and advices. Without his help, it would not been possible to finish this report.

Finally, I admit the contributions made by my father and brother, who helped me by sharing their knowledge and experiences and encouraged me.

Executive Summary

This report is based on financial performance analysis among commercial bank of Bangladesh. It has been prepared to fill up the requirement of BBA program. While making this report, I had a great opportunity to know about many banks and their financial position. This report helps me to know about many financial mechanisms. The theoretical part of the report is about the Banking sector of our country.

The Banking industry of Bangladesh can divide into two divisions, for example, Specialized Banks (SBs) and Commercial Banks (CBs). The Specialized Banks are those banks that deal with particular divisions or industry of an economy. For example, Bangladesh Krishi Bank just works with the agrarian part of the economy. Another one is Bangladesh Shilpa Bank (BSB) just works with the mechanical sector of the economy, etc. On the other hand, Commercial Banks are Scheduled Banks that are working in the nation under the guidelines and controls of the Central Bank. Commercial banks can be categorize as Nationalized Commercial Banks (NCBs); Foreign Commercial Banks (FCBs) and Private Commercial Banks (PCBs) .The Bangladesh Bank (BB) Order created in 1972, authorized Bangladesh Bank (BB) as the central bank of the country. Bangladesh Bank Order 1972 and the Banking / Companies Act 1991 mainly guide the commercial banks in Bangladesh. Commercial Banks in Bangladesh are not granted to do business other than just banking. Ordinary exercises include borrowing, lending, raising money, or advancing of money with or without security. They are furthermore permitted to issue letters of credit, trade in valuable commodities and buying and selling of foreign goods as well as foreign bank notes. They are also permitted promissory notes, to trade in bills of exchange, promissory notes, drafts, coupons, certificates and other instruments accepted by Bangladesh Bank (BB).

I state some major findings and recommendations base on the findings & analysis of the report. Next part is the conclusion of the report. At the end I included all the source of data and the list of journal, website by which this report completed successfully.

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Chapter: 01

Introduction

1.1: Introduction:

Normally by the word “Bank” we can easily understand that the financial institution deals with money. However, there are various types of banks like; Central Banks, Commercial Banks, Savings Banks, Co-operative Banks, Investment Banks, etc. Commercial banks normally have a profit-making strategy. They collect the fund from the society and give them to other investors. By doing this activities they earn a huge profit. So the people and the government are certainly dependent on the commercial banks. It works as the financial intermediary.

Banking is the backbone of a national economy. All kind of financial and economic deal handles by bank. Bank gives service to its customers and it’s their main product. Since liberation, Bangladesh achieves a stable improvement in the banking sector. Day by day there introduce new bank. Bangladesh Bank is the central bank of Bangladesh. We can call it the mother bank of all bank because all the other banks follow the guideline and rules of the central bank. The opening of a private bank needs the permission of the government as well as the central bank. That bank has to give a certain fund in the central bank.

1.1: Rationale of the report:

Bank plays a key role in the nation's economy. The globalization, economic boom, security issue and for some other important reason banking activities rising day by day. From this report I will have the ability to know actual position of banking industry of Bangladesh by watching the connection of Multinational Banks of Bangladesh, Local Banks of Bangladesh and Islamic Banks Bangladesh with the ratio analysis and with their individual performance.

This report, financial performance analysis of banking industry of Bangladesh limited has organized to accomplish the incomplete requirement of BBA program. Whereas formulating this report, I had a big chance to have an in deepness understanding of all the financial position through different analyzing tools and methods.

1.2: Significance of this report:

Proper education is the mix of theatrical knowledge and practice. Theoretical information has its flawlessness with reasonable appliance. The report is design with a combination of theory and implication of the theory. We already know that there is no substitute of practical understanding because it is more valuable than theoretical knowledge. The main cause of this learning is to gain some knowledge about the practical business world. It helps to achieve practical understanding about the in general banking company and business world of Bangladesh. It is essential for all of the students to understand the remarkable increasing challenges in job market.

1.3: Scope of the report:

I am very much pleased to have the chance to prepare this report. The collected data and information has been tabulated, processed and analyzed cautiously. I prepared this report with the basis of analysis and theoretical knowledge. I collect the data from the annual reports and getting helps from the various websites.

The duration of the report preparing is not enough for experiment research world. The study would have been more informative and effective, if sufficient time could have been utilized. However it is felt that the findings represented a partial view of Multinational Banks of

There are some other objectives:

- To identify and assess the present financial condition of Bangladeshi Banks.
- To calculate the financial ratios and find the focusing areas.
- To identify the findings and give possible recommendations for improving the performance of Bangladeshi Banks.

1.4: Methodology:

There are a lot of techniques to estimate a firm's financial performance. Such as, Trend Analysis Balance Sheet Analysis, Cash Flow Analysis, Ratio Analysis etc. Still, for doing the analysis of performance analysis of banking industry of Bangladesh I have selected the ratio analysis. I had trying to evaluate through ratio analysis of five Multinational Banks of Bangladesh, nine Local Banks of Bangladesh and five Islamic Banks of Bangladesh and I had composed Five years data for doing this work. This task I finished by collecting the data from Published documents, Official files, relevant books, newspapers, journals and using many deferent websites, Official web sites of the Bank and Prior research reports.

1.5: Objective of the study:

The most important purpose of the report is evaluate the financial condition of banking industry of Bangladesh in accordance with the knowledge acquired through the course 'Financial Statement Analysis' and 'Management of Financial institution'. The other objective is to obtain knowledge about how to assess banking or financial organization's in respect of its financial data through different financial analyzing techniques.

General objective:

The actual objective of the report is to accomplish the academic necessities of the project report.

Specific objective:

There are several techniques to assess a firm's financial performance. Such as, Cash Flow Analysis, Balance Sheet Analysis, Trend Analysis, Ratio Analysis etc. However, I have chosen ratio analysis to evaluate the performance of the bank and compare it with others. I had trying to

compare the ratio analysis of five Multinational Banks of Bangladesh, ten Local Banks of Bangladesh and five Islamic Banks of Bangladesh. For this analysis I had collected Five years data for doing this work. I have collected the data from the banks official website, newspaper, and other website. After collecting the data I put it in excel file and compare it.

1.6: Limitations:

In this study I collect the data and analysis it but I am not able to observe the real situation of the bank. On the other hand the study covers only a specific region of Bangladesh. This Research Project work was arranged carefully with full attentiveness to keep away from any kind of propaganda or mistakes. But still like all other research work this report may also have some limitations.

- Lack of opportunity to access to internal data.
- Hard to calculate ten bank ratios in limited time.
- Sometimes it was difficult to find the same information to do any calculation of ninth banks.

Chapter: 02

Short Overview of Banks

2.1: History of Bank in Bangladesh

Normally by the word “Bank” we can easily understand that the financial institution deals with money. However, there are various types of banks like; Central Banks, Commercial Banks, Savings Banks, Co-operative Banks, Investment Banks, etc. Commercial banks normally have a profit-making strategy. They collect the fund from the society and give them to other investors. By doing this activities they earn a huge profit. So the people and the government are certainly dependent on the commercial banks. It works as the financial intermediary.

Banking is the backbone of a national economy. All kind of financial and economic deal handles by bank. Bank gives service to its customers and it’s their main product. Since liberation, Bangladesh achieves a stable improvement in the banking sector. Day by day there introduce new bank. Bangladesh Bank is the central bank of Bangladesh. We can call it the mother bank of all bank because all the other banks follow the guideline and rules of the central bank. The opening of a private bank needs the permission of the government as well as the central bank. That bank has to give a certain fund in the central bank.

2.2: Banking Industry of Bangladesh:

After liberty, the banks working in Bangladesh were publicly owned. Then that banks were mutually form into six Commercial banks. Now we have 9 are state-possessed, 30 are private Commercial banks and the rest of the 12 are remote business banks.

The name of every one of the banks in service in Bangladesh is given in a chart:

Name of the Banks operating in Bangladesh

Name of the Banks	Date of incorporate	Name of the Banks	Date of Incorporate
Nationalized Commercial Banks		Specialized Banks	
Rupali Bank Ltd.	1972	Rajshahi Krishi Unnayan Bank	1987
Janata Bank	1972	Bangladesh Shilpa Bank	1972
Sonali Bank	1972	Bangladesh Krishi Bank	1972
Agrani Bank	1972	Bangladesh Shilpa Rin	1972
		BASIC Bank	1988
Private Commercial Banks			
1st Generation Private Banks		2nd Generation Private Banks	
United Commercial Bank	1983	Al-Arafa Islami Bank Ltd.	1995
Uttara Bank Ltd.	1983	National Credit & Commerce	1993
National Bank Ltd.	1983	Prime Bank Ltd.	1995
Arab Bangladesh Bank Ltd.	1982	Eastern Bank Ltd.	1992
Islami Bank Bangladesh	1983	Dhaka Bank Ltd.	1995

IFIC Bank Ltd.	1983	Southeast Bank Ltd.	1995
Pubali Bank Ltd.	1984	Dutch-Bangla Bank Ltd.	1996
The City Bank Ltd.	1983	Social Investment Bank Ltd.	1995
Al-Baraka Bank Ltd.	1987		
3rd Generation Private Banks		Foreign Commercial Banks	
Bangladesh Commerce	1998	Standard Chartered	1905
One Bank Ltd.	1999	State Bank of India	1975
Exim Bank Ltd.	1999	Habib Bank Ltd.	1976

Standard Bank Ltd.	1999	American Express Bank Ltd.	1996
Mercantile Bank Ltd.	1999	Standard Chartered Bank	1948
Mutual Trust Bank Ltd.	1999	National Bank of Pakistan	1994
Premier Bank Ltd.	1999	Muslim Commercial Bank	1994
The Trust Bank Ltd.	1999	Shamil Islami Bank	1997
Jamuna Bank	2001	Credit Agricole Indosuez	1997
First Security Bank Ltd.	1999	CITI Bank, N.A.	1995
Bank Asia Ltd.	1999	HSBC	1996
BRAC Bank	2001	Mashreq	2001
Shahjalal Bank	2001	Hanvit Bank	1999

2.2.1: Private Commercial Banks of Bangladesh

BRAC Bank Limited

BRAC Bank is one of the best banks in our country. BRAC Bank established in 2001. BRAC Bank will be an exclusive bank in Bangladesh. The bank's crucial target is to provide an extensive variety of banking business. At the early stage bank face several problems to start its activities. Bangladeshi High Court does not grant the activities of the bank till June 03, 2001. After few days the High court permit to start the banking activities and the Bank has started its activities from July 04, 2001.

Mercantile Bank Limited

Mercantile Bank Limited was started its banking activities on May 20, 1999. It follows the rule and regulation of Bank Company Act 1991. Mercantile Bank Ltd. is faithful to offer premium quality services. It helps to increase the GDP of the nation by financing in trade and commerce, increasing export. This bank creates employment opportunity.

Dhaka Bank Limited

Dhaka Bank was started in our country on April 6, 1995. At first it started its journey as a Public Limited Company. It began to banking activities on July 5, 1995.

Dhaka Bank has legitimately appreciated. The huge majority of its appearance, brand proposal, publications, delivery channels, Banks commitment to this attachment. It is mostly apparent today because of its extraordinary administration, smoothness, closeness and cutting edge method for transference.

The City Bank Limited

City Bank is very well known private Commercial Banks in Bangladesh. They started their activities in 1983. It is a best bank between the most experienced Commercial Banks in our country. The Bank began its journey on 1983 by starting its opening branch at Bangladesh Bank Avenue Branch in the Dhaka. The bank was started by 13 futurist local businessman. This people risk everything to make their dream true.

Eastern Bank Limited

Eastern Bank Limited operates its activities as a Commercial bank in Bangladesh. When it started its journey at that time it starts as a limited liability company. There are 59 branches in Bangladesh and there are around 3000 employees in Eastern Bank Ltd. The bank started in 16 August 1992. EBL offers a wide diversity of vault, credit and card items. The bank has 59 Branches, 116 ATMs. It has branches all over the country like Dhaka, Chittagong, Khulna, Rajshahi, Sylhet, Rangpur and Cox's Bazar. EBL's target is to achieve the first position in banking sector.

Jamuna Bank

Jamuna Bank Limited is another private business bank in Bangladesh enrolled under the Companies Act 1994. It was built up on June 3, 2001. Jamuna Bank has 112 branches. Jamuna Bank Ltd is started by a group of local entrepreneurs. Beside normal banking service, it also gives Islamic banking service.

Premier Bank

Premier Bank is run as a commercial bank in our country. The bank starts its activities in June 10, 1999. It is listed in Dhaka stock exchange and Chittagong stock exchange. It was fined almost 2 million taka for money laundering. Though there is some negative claim but the bank performs well.

Bank Asia Limited

Bank Asia is a third period open constrained commercial bank. The Bank has gotten the Certificate of amalgamation on September 28, 1999. After that it has started on November 27, 1999. The management of the Bank consists of a group driven by experienced financiers. They have many years of contribution in national and international markets. The superior management group is strongly managing the bank and makes it developed.

Mutual Trust Bank Ltd.

The Bank was started on September 29, 1999, under the Companies Act 1994. It is one of the best banks in our country. It offers many services to its client. They always provide first service. Quality maintains is their main focus. It achieve 'one of the best bank run in Bangladesh' award.

Prime Bank Limited

Prime Bank started on February 12, 1995. It began task from April 17, 1995 with a assurance to play some social responsibility in adding up to normal banking. Its trademark is "Prime Bank Ltd. – a bank with a difference". From the most basic starting point, the bank has embraced the approach of enlargement its business. To achieve this goal, the bank began Consumer Credit Scheme, Lease Financing, and Secured Overdrafts etc. The bank started its task through four branches. Currently its branches remained at fifty two and by this year another two new branches will begin their activity.

2.2.2: Foreign Commercial Banks

Standard Chartered Bank (SCB)

Standard Chartered Bank is a best foreign in our country. It has a condition noticeable by over 150 years. The Standard stems from the two exclusive banks from which it was recognized Chartered Bank of India, Australia and China and Standard Bank of British South Africa. In 1853 Chartered Bank built by a Royal Charter which was allowed by Queen Victoria of England. Scot and James were behind Chartered Bank. They also started The Economist. It is currently one of the most popular publications. They predict that financial institutions can develop the area. It also becomes profitable because at that time there were no financial institutions available in that area. Standard Chartered Bank is a global bank group and the headquarter is situated in London. This bank main target group is Asia, Africa and Middle East countries. They earn a huge profit from these countries. This bank came to Bangladesh at 1948. The very first branch was in Chittagong. The branch was opened primarily to encourage the after war reinstatement and addition of South and Southeast Asia. Later on it also opened another branch in Dhaka in 1969.

AB Bank Limited

Arab Bangladesh Bank was the first bank which operates its activities as a private sector bank in Bangladesh. On December 31, 1981 it started its journey. Since its inauguration 32 years ago, AB Bank is named as one of most important banks of the nation. Its continuous focus transfers the best efforts to make available the latest products and services with knowledge, passion, commitment and excellence. Being the market leader in the private banking industry of Bangladesh, AB Bank has therefore been capable to hold its consumers and clients trust by keeping its dependability and strong footage.

IFIC Bank Limited

International Finance Investment and Commerce Bank Limited is a very popular bank in Bangladesh. It is operating as Limited Liability Company. This Bank follows Islamic shariya. They have green banking service. This bank listed in DSE. This bank is a joint venture with Bangladesh Government. But in 1983 when the government allows then it became private bank.

Their goal is to give satisfying service to the customer and innovation. They want to sustain and maintain the growth level. They also want to be the leader in this industry.

Citibank, N.A:

Citi Bank is a multination bank. There are very few branches in our country. It is a part of citi group. Credit card issue and commercial loan is their main services. There are also some other activities like personal loan. This bank operates in nineteen countries. This bank founded in 1812. This bank announce as world top issuer of credit. The bank first started its credit card business in 1960. The most important thing is it introduces the automatic teller machine first. The parent company name is citi group. This group achieve golden state ban crop. In 1987 it start to operates in banking service in Bangladesh. There are only three branches in our country. There are close to 156 employees work in there. It's another innovation is e collect solution. In our country it launches their direct debit program in 2012. It helps to improve the GDP in our country. In Bangladesh from all the bank this bank manage the maximum ipo for grameen phone which is nearly 140 million.

Dutch Bangla Bank Limited

Dutch Bangla Bank is the most valuable bank in Bangladesh. It is the first computerized bank in our country. Firstly it started its journey in our country as a joint venture. It continuously improves the banking service. It is very popular in our country because almost everywhere in the city we see their ATM. So it becomes easier for the people to take the service from them. Though they have huge customer in terms of others but they always try to maintain their service quality. Frequently in every year they increase their branches as well as their employees to provide their customer best service. Another important side of this bank is they are very much aware about corporate social responsibility. They are the best in this sector. They provide scholarship to the talent student which actually helps the poor people to continue their study. Their ATM open 24 hours. So people can take their service at any time. They are listed on DSE. Most of the time their share price is higher and stable because of their continuous improvement in the industry.

Bank Al Falah Limited

It was consolidated in June 21st, 1997 as an open constrained organization under the company act 1984. In 1997 they operate their activities in our country. The bank is engaged in profit-making banking and allied administrations as characterized.

It is one of the largest Pakistani banks. Beside Bangladesh they operate in Afghanistan, Bahrain and UAE. In Bangladesh they want to spread their branches. Their specialty is providing fastest service to their client.

By building the joint venture with the Abu Dhabi Group the situation of them ended up more grounded which enabled the bank to put more in progressive innovation to expand its scope of items and administrations. This bank has special locker service so that people can keep their valuable things safe. Technologically this bank is very advance. They always innovate new technology to provide better service to their clients.

HSBC Bangladesh

In 1996 HSBC came in our country to do their banking activities. At present they have 13 branches in our country. They are doing excellent in our country. Most of the time they focus on rich people to make their consumers. They offer higher interest rate so that rich people become more interested to save money in their bank. They have online banking service so any client can check their account from anywhere. They give personal credit and corporate loan to their consumers. The most interesting fact is a person can apply loan through online. HSBC bank also related with export import services. When a people or company wants to deal with foreign company then can easily choose this bank as a intermediary because they have branches in almost every country. In Bangladesh they start a new service. In our country most of the people are Muslim. So they start their Amanah service which follows Islamic shariya. HSBC concern about the safety of the clients money. So people who have their account in this bank they need not to worry about their money because it is the most secure place to keep money.

2.2.3: Islamic Commercial Private Banks of Bangladesh

EXIM Bank

Mr Sahjahan Kabir establish EXIM Bank in 1991. This bank operates in Bangladesh as a private bank. Shajan Kabir is an expert in banking industry. He named it BEXIM at first but the government did not approve it. Later on it becomes EXIM. Since it is a commercial bank so it provide normal banking service by following the rules of central bank. But in addition this bank provide all kind of Islamic banking service. So all kind of people can be their customer. This is one of the major strength of EXIM bank. This bank achieves goodwill for providing better services to its clients. They are very much aware about technology and apply it to provide better service. Every year they try to expand their business and contribute to the nation economy.

Islamic Bank Bangladesh Ltd

More than 80% people in Bangladesh are Muslim. So they seek Islamic service in everywhere. They take this chance. They give service in accordance with shariya. So in 1983 Islamic Bank opened in our state. Surprisingly this is the first shariya bank in south Asia. In shariya interest is not accepted so this bank doing their service with the terms of profit and loss sharing. Because of their unique service it become popular very quickly. Then it increases its twigs and now it has 250 branches around the nation. It's main goal is to create interest free banking service. Mudaraba is their base of deposit. The bank always tries to help the broke people in our country so that they give loan to the poor people.

It is aware about corporate social responsibilities. They are aware about current technology. They have a lot of ATM in the country. They accept other banks card so that other banks people also able to use their service. It receives the best bank award. Islamic bank donate 38million for the improvement of the society.

Shahjalal Islami Bank Limited

They started journey in 1991. The the activities they follow is about shariya. They contributes in the society. They give commercial service and Islamic service. Mudarba is a shariya name of deposit. Within small notice normally seven days anyone can withdraw money from them. Their popular service is mudarba monthly income. It is a fixed deposit and the duration is about three years. In a muslim country the need of this type of organization is high. People want to follow shariya. For poor people they have a service which is called lakhpoti. People with lower level of

income enjoy this service and get little amount of profit. The good thing about this organization is they have product for both rich and poor.

Al Arafah Islami Bank Ltd:

They start to operate in our country in 1995. They also follow islami shariya. But they focus on various sector where others do not. They have some service for the hajj people. Hajj is a great thing to muslim. So this is very unique service. This bank focuses on agriculture side. When other shariya bank only focus on that but this bank focus on everywhere. They have a great service called sme service. They also provide micro financing service.

First Security Islami Bank Limited

By following all the rules of central bank this bank established in 1999. It is a commercial one. The main objective is create a modern shariya bank. It offers different types of deposit without interest. It also help some import export activities. The main theme of them is 'sober jonno sob somoi. That means they are always besides the people. They are working and upgrading the security system so that customer can enjoy the best services. Another important focus is training of the employees. This is the main reason behind its best service quality. These employees provide the best service and increase the goodwill of the company. This bank is different than the other similar types institutions present in this industry. Because they are just not only follow the sariya but also try to modernize the activities through technology and unique services. Profit is not their main target on the other hand their main target is continuous growth and reaches the heart of the clients. This institution always maintains ethics. They are very much aware about this and they also make their activities visible or open to the public as well as the government.

Chapter: 03

Ratio Analysis

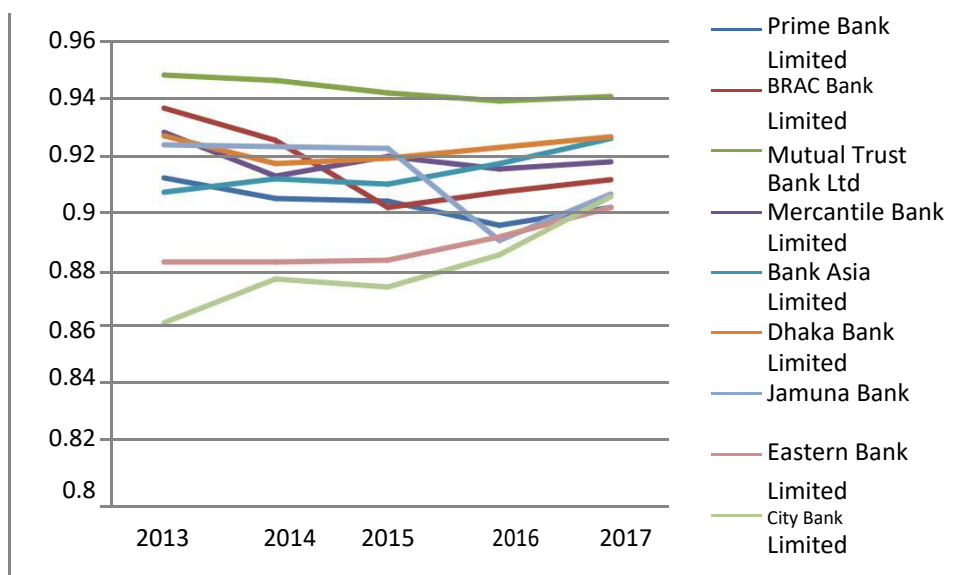
Ratio analysis is a analytical implement that helps to recognize trouble areas and opportunities within a company. Ratio analysis is extremely essential for each business, because by manipulative ratio analysis we can realize the business situation, business strength and weakness. By knowing this information, management is able to takes its crucial steps to manage their goal. The samples of ratio analysis of some Bangladeshi banks are given as follows:

3.1: Private Commercial Banks of Bangladesh

To recognize the business situation, business potency and limitation of the Private commercial banks in Bangladesh I took assist form the ratio analysis computation. I compute and interpreted the Debt ratio, Debt to Equity ratio, timed interest earned ratio, Return on asset, Return on equity, Financial leverage, Ratio of interest expense to interest income, and Earning per share ratio of Prime bank, BRAC Bank, Premier Bank, Mutual Trust Bank, Mercantile Bank Limited, Bank Asia Limited, Dhaka Bank Limited, Jamuna Bank, Eastern Bank Limited and City Bank Limited Which are as follows:

3.1.1: Debt ratio: (Total liability/Total assets):

Debt ratio: (Total liability/Total assets)					
	2013	2014	2015	2016	2017
Prime Bank Limited	0.9052	0.9042	0.8962	0.9001	0.9106
BRAC Bank Limited	0.9339	0.9222	0.9053	0.9173	0.9125
City Bank Limited	0.8481	0.84629	0.8717	0.8887	0.9063
Mercantile Bank Limited	0.9244	0.9121	0.9188	0.91945	0.91849
Bank Asia Limited	0.90615	0.91141	0.90972	0.91725	0.92499
Dhaka Bank Limited	0.92576	0.91746	0.9178	0.92174	0.92563
Jamuna Bank	0.92476	0.92318	0.92158	0.89024	0.90571
Eastern Bank Limited	0.88369	0.88366	0.88434	0.89264	0.90291
Mutual Trust Bank	0.9414	0.9467	0.9539	0.9623	0.9554

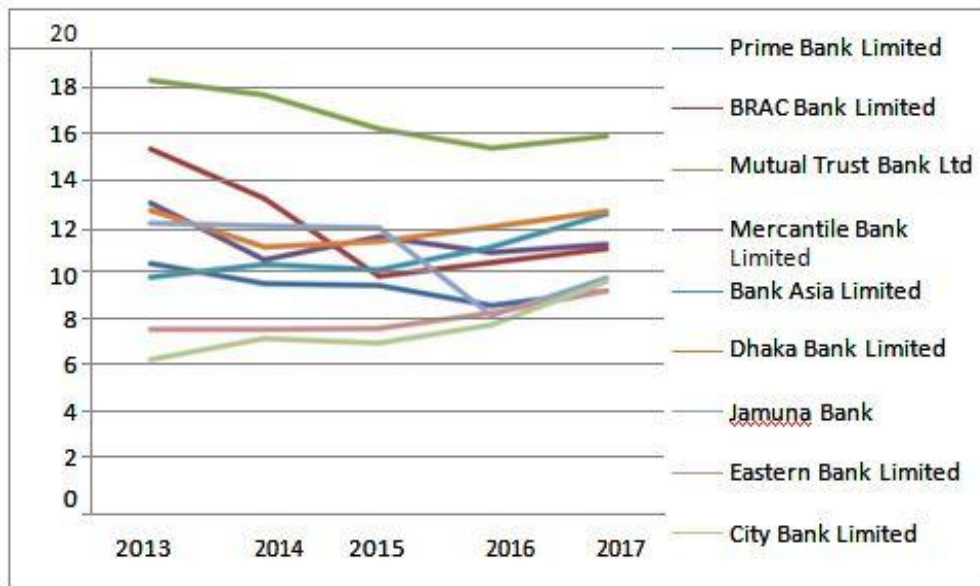


Interpretation:

Debt ratio means the ratio of total debt above total assets. If the ratio larger than one indicate that Company has extra money owing than assets and lesser than 1 indicate that company has more assets to meet up the debt. Where among these Banks of Bangladesh had debt ratio somewhat less than one which indicates that the Bank’s debt level in the particular years was proficient to pay but they are very close to 1. We see the chart city bank was in a improved situation contrast with other nine private banks. Where mutual trust bank is very close to 1 that indicate that they has taken more risk than the other banks.

3.1.2: Debt to equity ratio: (Total liability/Shareholders equity):

Debt to equity ratio: (Total liability/Shareholders equity)					
	2013	2014	2015	2016	2017
Prime Bank Limited	10.3721	9.52205	9.4305	8.56397	9.19464
BRAC Bank Limited	15.3263	13.1853	9.8069	10.436	10.9876
Mutual Trust Bank Ltd	18.2799	17.6223	16.1808	15.3631	15.8471
Mercantile Bank Limited	12.9734	10.5353	11.5183	10.8468	11.1828
Bank Asia Limited	9.77468	10.3411	10.0846	11.0711	12.5161
Dhaka Bank Limited	12.6534	11.0716	11.3159	11.9426	12.6391
Jamuna Bank	12.1058	11.9989	11.9154	8.11842	9.71933
Eastern Bank Limited	7.52454	7.52227	7.57165	8.22814	9.19475
City Bank Limited	6.218527	7.1122	6.9314	7.7143	9.5914

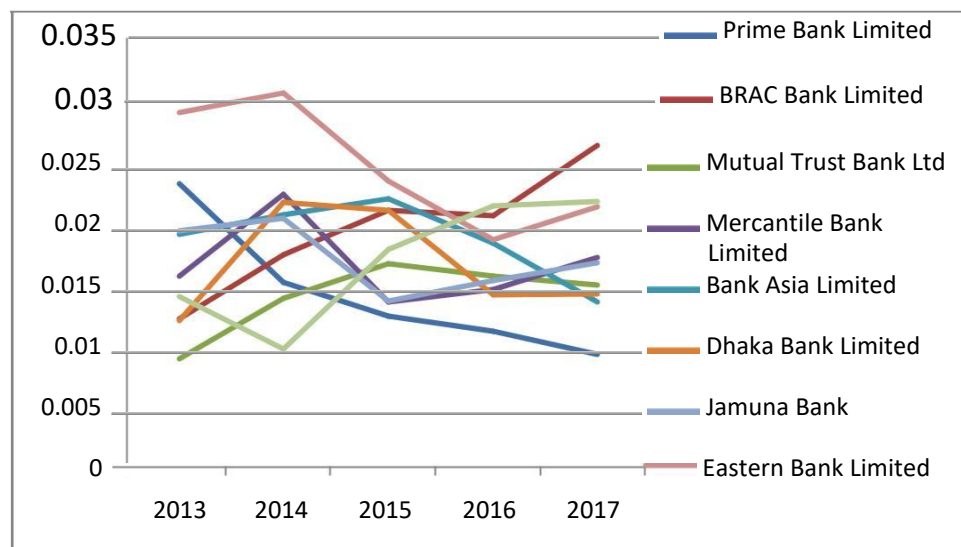


Interpretation:

Debt to equity ratio is representing the relative percentage of the Shareholders equity and debt used to investment a company's assets. A higher debt to equity ratio usually means that a company has been more destructive in financing. From the end result we observe that the City Bank was in a lower D/E ratio contrast with other banks. Which means they were financed more assets with debts which led them with more unstable earnings as a result of added interest expense. Where Mutual trust bank ltd has a higher debt to equity ratio, it normally indicates that a company has been more aggressive in financing its assets by debt.

3.1.3: Time interest earned ratio: (EBIT/Total assets):

Time interest earned ratio: (EBIT/Total assets)					
	2013	2014	2015	2016	2017
Prime Bank Limited	0.02318	0.01518	0.0126	0.01207	0.00924
BRAC Bank Limited	0.01216	0.0172	0.0209	0.0205	0.0262
Mutual Trust Bank Ltd	0.00869	0.01349	0.01669	0.0157	0.0148
Mercantile Bank Limited	0.0156	0.0229	0.0139	0.0148	0.0174
Bank Asia Limited	0.0188	0.0203	0.0218	0.0184	0.0131
Dhaka Bank Limited	0.0113	0.0216	0.0209	0.0144	0.0141
Jamuna Bank	0.0193	0.0202	0.0135	0.0155	0.0167
Eastern Bank Limited	0.0291	0.0308	0.0235	0.0185	0.0212
City Bank Limited	0.01395	0.00965	0.01772	0.02131	0.02173

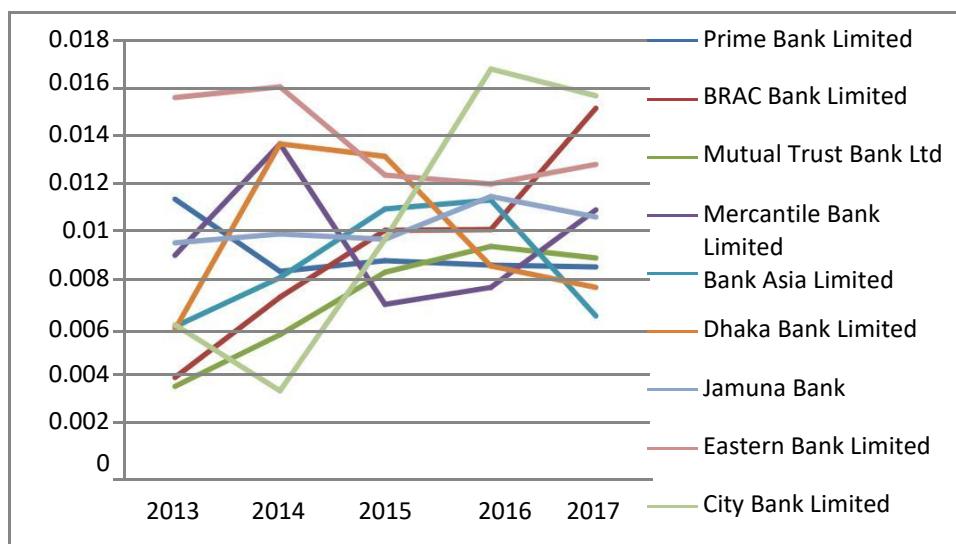


Interpretation:

Interest coverage ratio indicates about how much a company has the capability to pay its debt payments. We can conclude that clearly the higher ratio consider more positive than smaller ratios. Here Estern bank ltd was more capable in 2013. Currently they are slightly down in 2017.

3.1.4: Return on Asset (ROA) : (Net income/ Total Asset):

Return on Asset (ROA) : (Net income/ Total Asset)					
	2013	2014	2015	2016	2017
Prime Bank Limited	0.0084	0.00873	0.00856	0.0085	0.00851
BRAC Bank Limited	0.00386	0.00732	0.01013	0.01008	0.01513
Mutual Trust Bank Ltd	0.0035	0.0056	0.0082	0.0095	0.0085
Mercantile Bank Limited	0.0087	0.0133	0.0069	0.0063	0.0108
Bank Asia Limited	0.0060	0.00806	0.01193	0.0113	0.0064
Dhaka Bank Limited	0.0059	0.0163	0.01314	0.00854	0.00764
Jamuna Bank	0.00952	0.0199	0.00967	0.01145	0.0105
Eastern Bank Limited	0.01557	0.01703	0.01233	0.01195	0.01279
City Bank Limited	0.006096	0.00322	0.0094	0.01677	0.0156



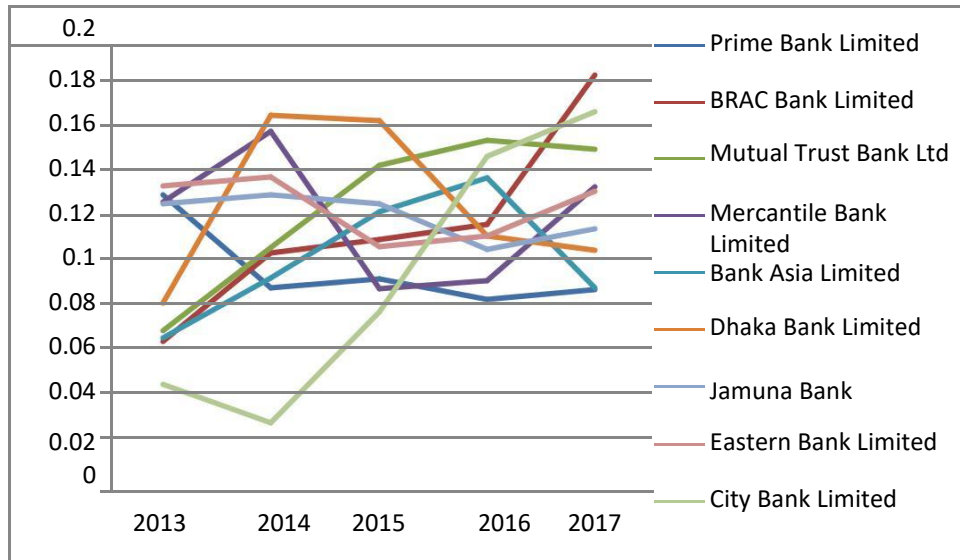
Interpretation:

Return on asset help a manager to understand how efficient a company's management with its assets to produce better earnings. From the chart we can watch that Eastern Bank Limited has

very much better in year 2014 to 2015 by dropping asset costs, rising revenues than the other individual years, and city bank limited did improved in 2015 to 2017,Where mutual trust bank was not in a fine situation to supervise in using its assets to make better earnings.

3.1.5: Return on Equity (ROE) : (Net income/ Shareholders Equity):

Return on Equity (ROE) : (Net income/ Shareholders Equity)					
	2013	2014	2015	2016	2017
Prime Bank Limited	0.1283	0.0872	0.0915	0.0819	0.0865
BRAC Bank Limited	0.0634	0.10284	0.10895	0.1152	0.1825
Mutual Trust Bank Ltd	0.06773	0.1052	0.1422	0.153	0.14904
Mercantile Bank Limited	0.1251	0.1572	0.08674	0.09041	0.1324
Bank Asia Limited	0.0648	0.0914	0.12122	0.13639	0.08716
Dhaka Bank Limited	0.08059	0.16451	0.16177	0.11049	0.10408
Jamuna Bank	0.1247	0.1286	0.1249	0.1044\5	0.1347
Eastern Bank Limited	0.1327	0.1366	0.10565	0.11023	0.1339
City Bank Limited	0.044019	0.02693	0.07648	0.14617	0.16581



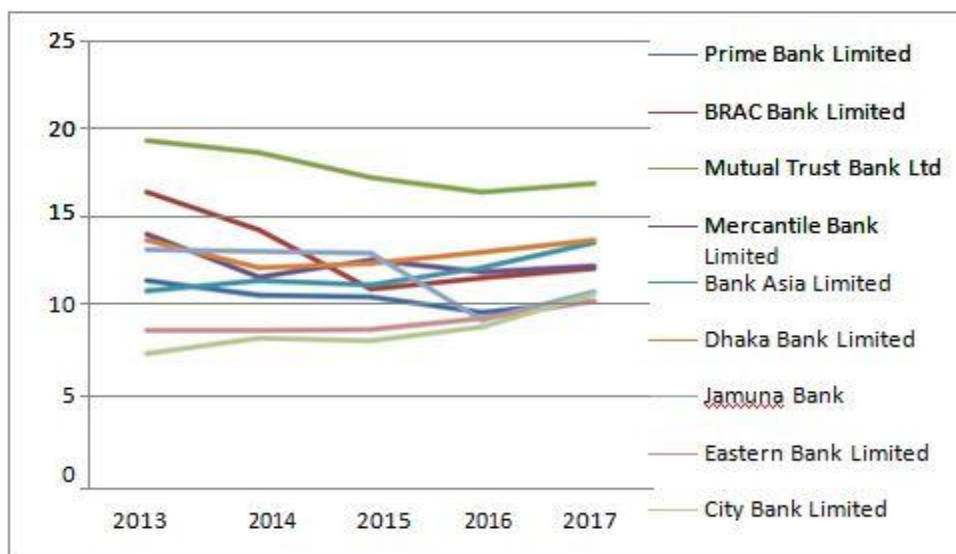
Interpretation:

ROE means how much profit a company generates with the funds shareholders have invested. The higher the ROE, the more well-organized the company's management are making use of these money. From the top scenario Dhaka Bank was receiving well-organized in 2014 to mid of 2015, and Brac bank doing good in 2017, where City bank is not in good position in 2013 and 2014 but they improved their troubles after 2015.

3.1.6: Financial Leverage (Total Assets / Total Share Holders Equity)

Financial Leverage (Total Assets / Total Share Holders Equity)

	2013	2014	2015	2016	2017
Prime Bank Limited	11.361	10.5111	10.4285	9.56367	10.1826
BRAC Bank Limited	16.362	14.2487	10.8735	11.4802	12.0519
Mutual Trust Bank Ltd	19.2742	18.6204	17.1778	16.3591	16.8442
Mercantile Bank Limited	13.9744	11.5345	12.5172	11.8452	12.1908
Bank Asia Limited	10.76971	11.3391	11.1886	12.0701	13.5111
Dhaka Bank Limited	13.6534	12.0716	12.3159	12.9436	13.6691
Jamuna Bank	13.1156	12.9999	12.9164	9.11892	10.7192
Eastern Bank Limited	8.5245	8.52227	8.58165	9.22814	10.19149
City Bank Limited	7.21882	8.112932	7.93137	8.71423	10.5865

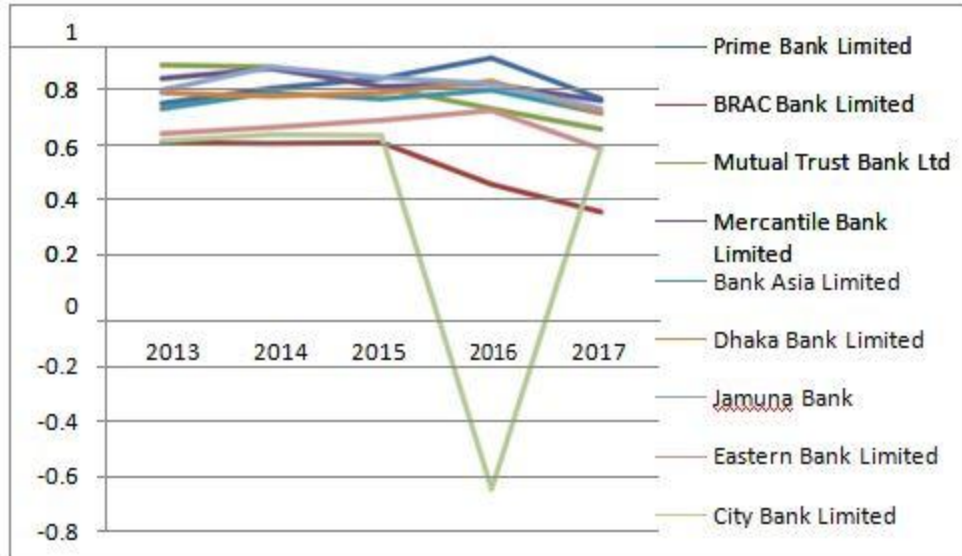


Interpretation:

If Company use more debt financing, the higher its financial leverage. Then they need to pay high interest payments that harmfully affect the company's base line earnings per-share. Mutual trust bank had a maximum leverage in the last 5 years (2013-2017).

3.1.7: Ratio of Interest Expense to Interest Income: (Interest Expense / Interest Income):

Ratio of Interest Expense to Interest Income : (Interest Expense / Interest Income)					
	2013	2014	2015	2016	2017
Prime Bank Limited	0.75554	0.80813	0.84629	0.91828	0.76948
BRAC Bank Limited	0.6106	0.6078	0.61013	0.4607	0.3598
Mutual Trust Bank Ltd	0.89158	0.8858	0.81115	0.73456	0.6594
Mercantile Bank Limited	0.8416	0.87925	0.81558	0.82407	0.7652
Bank Asia Limited	0.7317	0.7932	0.77048	0.8093	0.71697
Dhaka Bank Limited	0.79277	0.77889	0.7951	0.83352	0.71746
Jamuna Bank	0.8018	0.88594	0.84732	0.82706	0.73564
Eastern Bank Limited	0.64455	0.66646	0.69231	0.72954	0.5859
City Bank Limited	0.619037	0.641965	0.6399	-0.645	0.5945

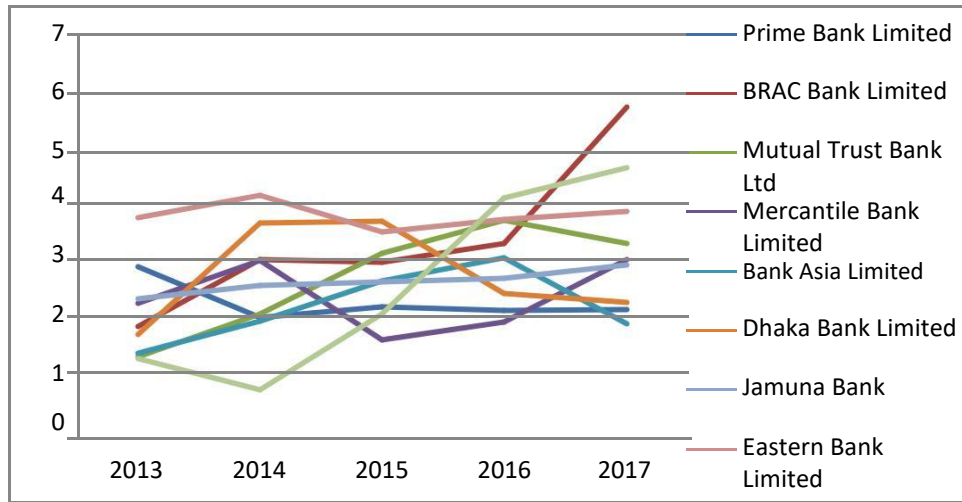


Interpretation:

Interest expense occurs from borrowing fund. It represents how much fund the company borrows and pays its interest. By calculating the chart Mercantile Bank Limited had incurred cost regarding borrowed funds in the year of 2013 to 2017 which was not good for the bank.

3.1.8: Earnings per share :(EPS)

EPS					
	2013	2014	2015	2016	2017
Prime Bank Limited	2.88	1.94	2.17	2.101	2.132
BRAC Bank Limited	1.83	3.020	2.98	3.31	5.77
Mutual Trust Bank Ltd	1.291	2.063	3.122	3.74	3.35
Mercantile Bank Limited	2.241	3	1.590	1.9	3.01
Bank Asia Limited	1.354	1.92	2.64	3.04	1.87
Dhaka Bank Limited	1.692	3.66	3.69	2.42	2.26
Jamuna Bank	2.32	2.55	2.62	2.68	2.92
Eastern Bank Limited	3.75	4.15	3.52	3.73	3.860
City Bank Limited	1.266	0.71	2.05	4.1	4.64



Interpretation:

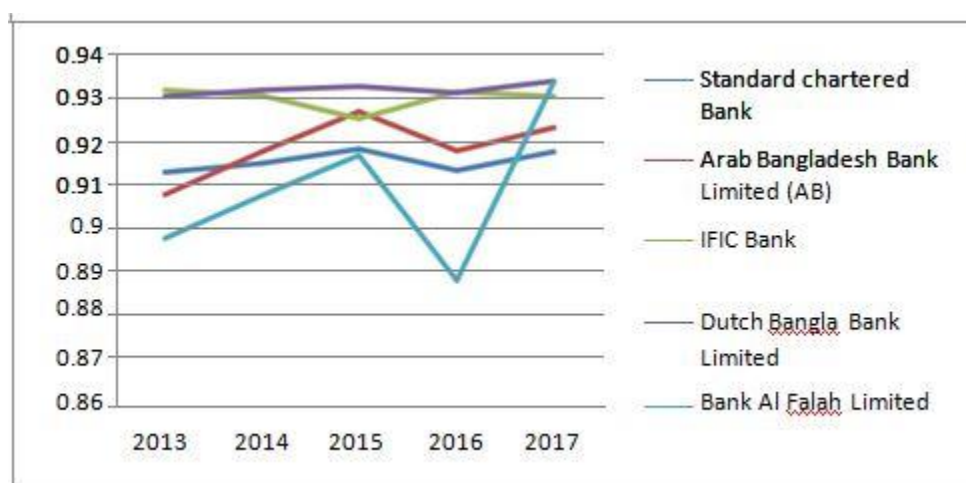
If a company has higher EPS then that company capable of generating a major dividend for investors. From the chart we can see that all of the local private banks we represent hold approximate EPS, and they all maintain the standard earning per share ratio where they all are capable of generating a significant dividend for the investors.

3.2: Foreign Commercial Banks

To know the business situation, business strength and weakness of the overseas commercial banks in Bangladesh I took help form the ratio analysis calculation. I calculate and analysis the Debt ratio, Debt to Equity ratio, timed interest earned ratio, Return on asset, Return on equity, Financial leverage, Ratio of interest expense to interest income, and Earning per share ratio of Standard chartered Bank Arab Bangladesh Bank, IFIC Bank, Dutch Bangla Bank and Bank Al Falah Which are as follows:

3.2.1: Debt ratio: (Total liability/Total assets):

Debt ratio: (Total liability/Total assets)					
	2013	2014	2015	2016	2017
Standard chartered Bank	0.91211	0.91497	0.91829	0.9132	0.91771
Arab Bangladesh Bank Limited	0.907688	0.917554	0.92699	0.91784	0.92328
IFIC Bank	0.93197	0.930693	0.9252	0.931\6	0.93048
Dutch Bangla Bank Limited	0.930384	0.9386	0.93279	0.93135	0.9391
Bank Al Falah Limited	0.907688	0.917554	0.9299	0.91784	0.92328

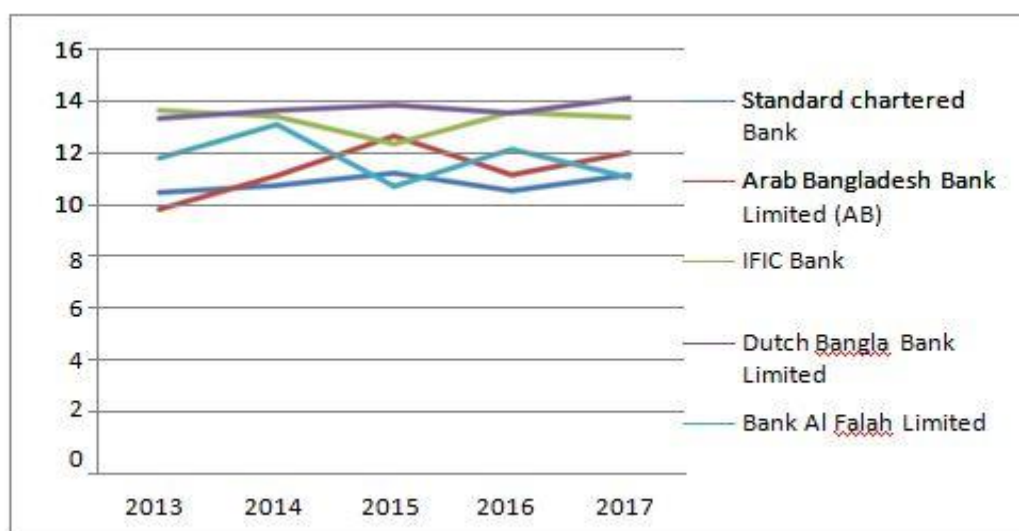


Interpretation:

Debt ratio measures total debt to total assets. Debt ratio larger than one represent Company has more debt than assets. On the other hand lower than one means they has more assets to meet up the debt. Where these five Banks of Bangladesh had debt ratio comparatively less than 1 which means their debt portions in the particular years was able to meet up but they are extremely close to 1, as we see the chart bank AL Falah LTD was in an improved position contrast with other five foreign banks.

3.2.2: Debt to equity ratio: (Total liability/Shareholders equity):

Debt to equity ratio: (Total liability/Shareholders equity)					
	2013	2014	2015	2016	2017
Standard chartered Bank	10.48216	10.75427	11.2387	10.537	11.1525
Arab Bangladesh Bank Limited	9.82621	11.11902	12.6963	11.1709	12.0382
IFIC Bank	13.68364	13.42863	12.36084	13.6105	13.38304
Dutch Bangla Bank Limited	13.36442	13.6766	13.8782	13.5668	14.1303
Bank Al Falah Limited	9.820621	11.119002	12.6906	11.1709	12.03880

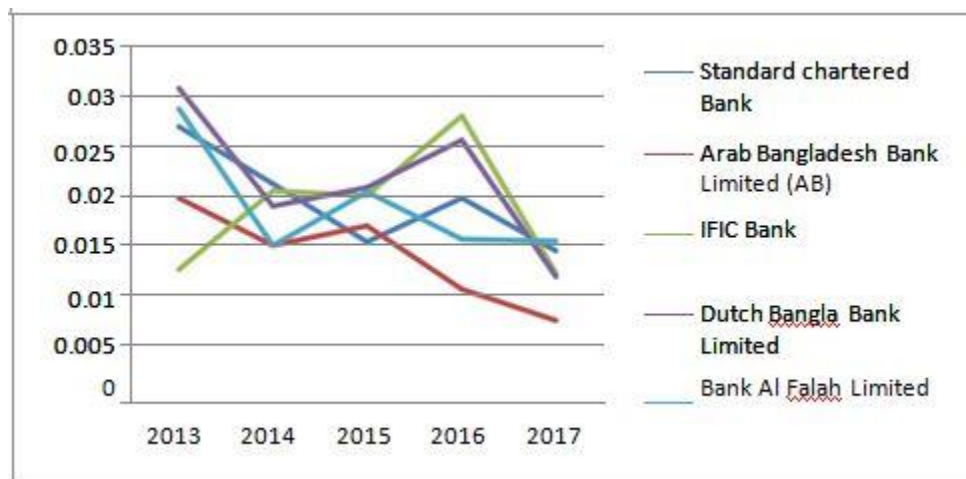


Interpretation:

Debt to equity ratio is measurement the relative amount of the Shareholders equity and debt used to finance a company's assets. A higher debt to equity ratio usually means that a company has been more destructive in financing its assets by debt. From the result we observe that the Standard chartered Bank was in a lower D/E ratio contrast with other banks. Which means they were financed more assets with debts and leads them with more volatile earnings as a result of additional interest expense.

3.2.3: Time interest earned ratio: (EBIT/Total assets):

Time interest earned ratio: (EBIT/Total assets)					
	2013	2014	2015	2016	2017
Standard chartered Bank	0.02719	0.02138	0.01547	0.019086	0.01456
Arab Bangladesh Bank Limited	0.01992	0.015129	0.01706	0.0107	0.00755
IFIC Bank	0.012606	0.02058	0.02015	0.02819	0.012303
Dutch Bangla Bank Limited	0.030895	0.019122	0.02092	0.02568	0.011092
Bank Al Falah Limited	0.01992	0.015129	0.017206	0.0107	0.00755



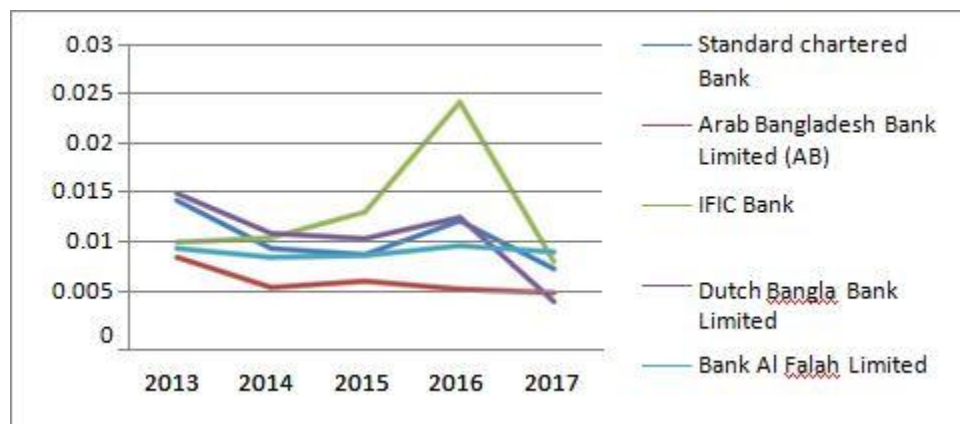
Interpretation:

Interest coverage ratio means how much a company has the ability to pay its debt payments. Here we can say that obviously the higher ratio considered more favorable than smaller ratios. Here IFIC bank was more capable in 2016 to 2017 to meet up the interest with it's before tax income. Dutch bangla bank was capable in 2012 to honor its debt payment. Where Arab Bangladesh bank was lead in not a good condition to pay their debt payments.

3.2.4: Return on Asset:

Return on Asset (ROA) : (Net income/ Total Asset)

	2013	2014	2015	2016	2017
Standard chartered Bank	0.014107	0.00929	0.00854	0.012061	0.00712
Arab Bangladesh Bank Limited	0.008329	0.005237	0.00585	0.00508	0.004706
IFIC Bank	0.00986	0.010277	0.01296	0.02408	0.00789
Dutch Bangla Bank Limited	0.014842	0.01078	0.01022	0.01238	0.00384
Bank Al Falah Limited	0.0092	0.0083	0.00865	0.0095	0.0089

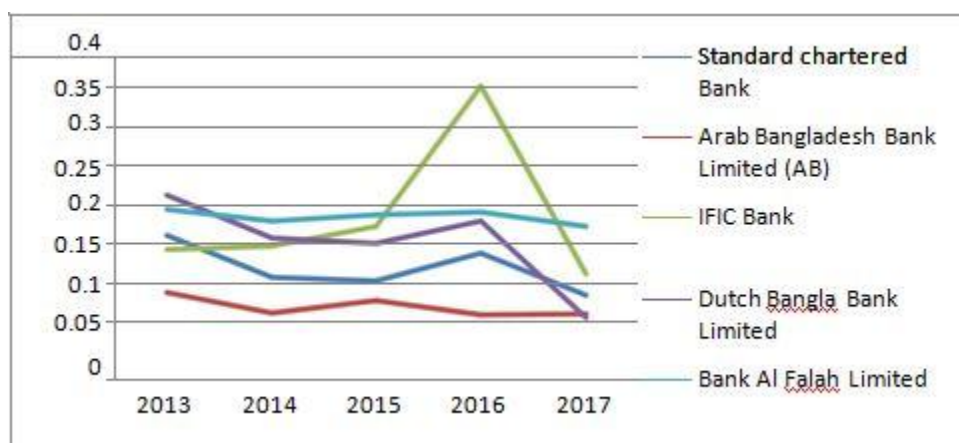


Interpretation:

Return on asset gives an idea to a manager as to how efficient a company's management in using its assets to generate better earnings. To viewing the chart we can observe that IFIC Bank has greatly improved in year 2014 to 2017 by reducing asset costs, increasing revenues than the other respective years. But Arab Bangladesh Bank Limited (AB) was not in a good condition to management in using its assets to generate better earnings.

3.2.5: Return on Equity (ROE) : (Net income/ Shareholders Equity):

Return on Equity (ROE) : (Net income/ Shareholders Equity)					
	2013	2014	2015	2016	2017
Standard chartered Bank	0.164983	0.10885	0.10448	0.139104	0.08655
Arab Bangladesh Bank Limited(AB)	0.09011	0.063462	0.08005	0.06181	0.06203
IFIC Bank	0.14418	0.148277	0.17325	0.351176	0.11367
Dutch Bangla Bank Limited	0.213193	0.15827	0.1526	0.18027	0.0581
Bank Al Falah Limited	0.1946	0.18074	0.1886	0.1914	0.1735

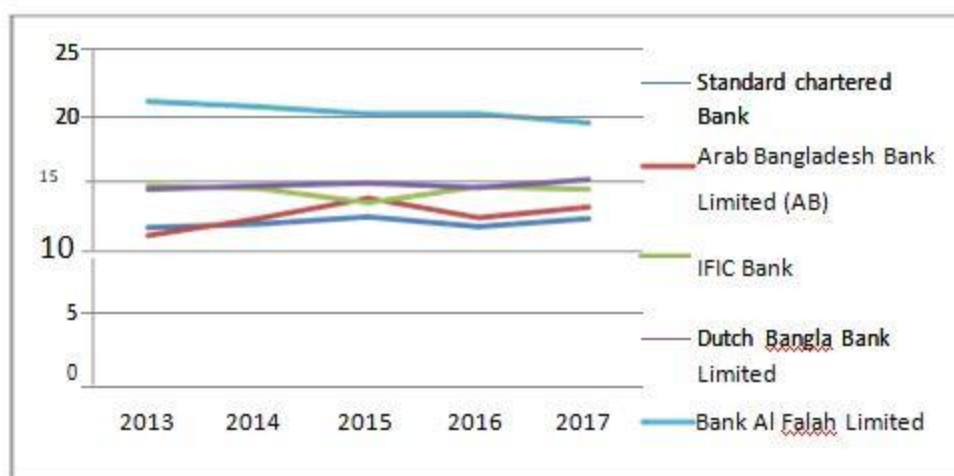


Interpretation:

Return on Equity means how a large amount profit a company create with the funds of shareholders have invested. The higher the return on equity, the more well-organized the company's procedure are making use of these money. From the above consequences IFIC Bank was getting more efficient in 2015 to 2017, where Bank al Falah limited is not in good position entre the last five years.

3.2.6: Financial Leverage (Total Assets / Total Share Holders Equity):

Financial Leverage (Total Assets / Total Share Holders Equity)					
	2013	2014	2015	2016	2017
Standard chartered Bank	11.482603	11.7544	12.2384	11.537	12.1526
Arab Bangladesh Bank Limited(AB)	10.75937	12.11812	13.6901	12.178	13.0392
IFIC Bank	14.69364	14.42863	13.3684	14.6105	14.3834
Dutch Bangla Bank Limited	14.36442	14.6766	14.8782	14.5668	15.1303
Bank Al Falah Limited	21.15	20.73	20.191	20.153	19.49

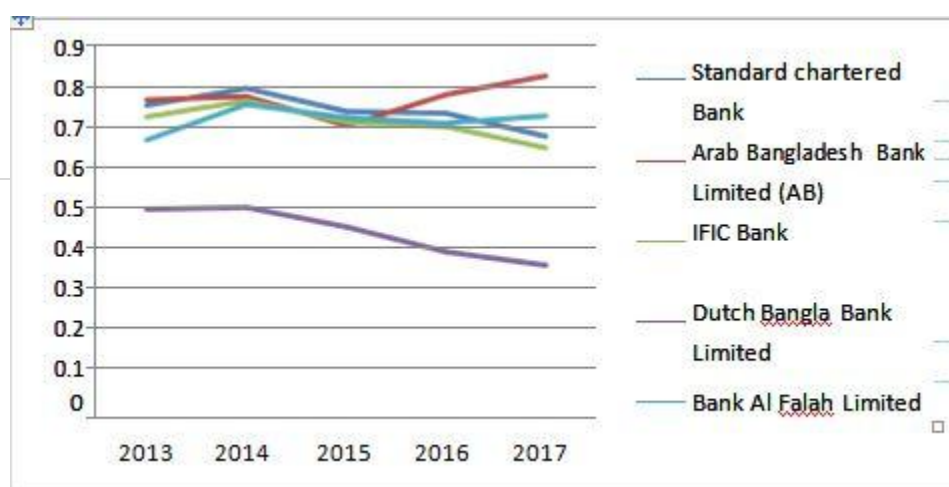


Interpretation:

Bank Al Falah had high leverage in the last 5 years (2012-2016) compare with others, Where SCB has a lower Financial leverage compare with other banks entre 2013 to 2017.

3.2.7: Ratio of Interest Expense to Interest Income: (Interest Expense / Interest Income):

Ratio of Interest Expense to Interest Income: (Interest Expense / Interest Income)					
	2013	2014	2015	2016	2017
Standard chartered Bank	0.755102	0.79757	0.740713	0.736337	0.67773
Arab Bangladesh Bank Limited (AB)	0.769018	0.777625	0.70534	0.78237	0.82978
IFIC Bank	0.727996	0.766357	0.71443	0.70327	0.649003
Dutch Bangla Bank Limited	0.496924	0.50052	0.45197	0.38933	0.3563
Bank Al Falah Limited	0.769018	0.777625	0.705434	0.78237	0.829708

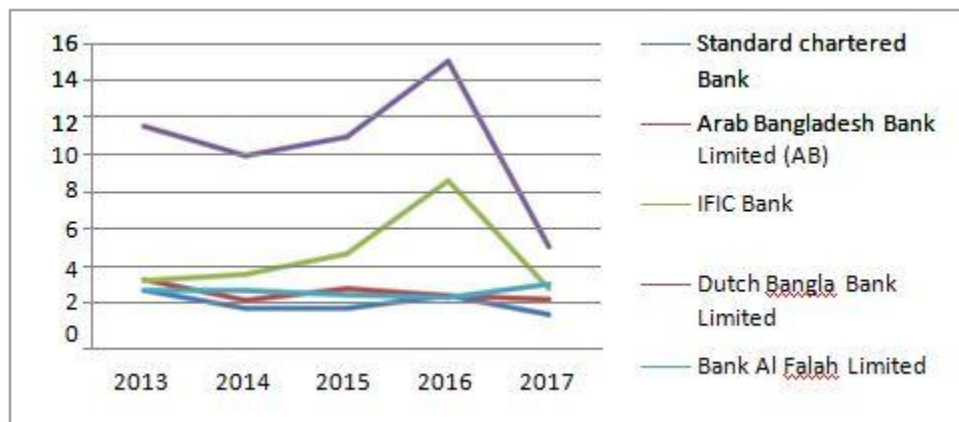


Interpretation:

By analyzing the chart Standard chartered Bank Limited had incurred cost regarding borrowed funds in the year of 2013 to 2017 which was not good for the bank's profitability, where Dutch Bangla Bank Limited is totally deferent than others, their interest expense is very lower than their other competitor which is very good for their profitability.

3.2.8: Earnings per share: (EPS)

EPS					
	2013	2014	2015	2016	2017
Standard chartered Bank	1.77	1.78	2.48	1.45	1.49
Arab Bangladesh Bank Limited (AB)	2.22	2.80	2.48	2.23	2.24
IFIC Bank	3.28	3.6	4.71	8.64	2.81
Dutch Bangla Bank Limited	11.67	10.02	11.03	15.1	5.11
Bank Al Falah Limited	2.73	2.73	2.46	2.36	3.07



Interpretation:

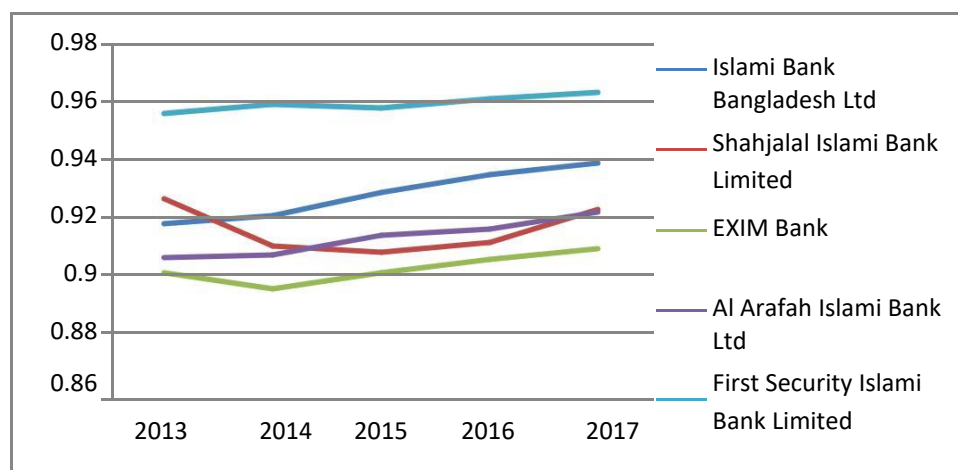
Here we can see that the Dutch Bangla Bank Limited had high EPS ratio in year 2013 to 2017 compare with their competitor, which was lead them to provide more dividend to the common shareholders, where Bank Al Falah Limited, Arab Bangladesh Bank Limited , Standard chartered Bank had hold lower EPS than their other competitor banks.

3.3: Islamic Commercial Private Banks of Bangladesh

To understand the business position, business strength and weakness of the Islamic commercial private banks in Bangladesh I took help from the ratio analysis calculation. I calculate and interpreted the Debt ratio, Debt to Equity ratio, timed interest earned ratio, Return on asset, Return on equity, Financial leverage, Ratio of interest expense to interest income, and Earning per share ratio of Islami Bank Bangladesh Ltd, Shahjalal Islami Bank Ltd, Exim Bank, Al Arafah Islami Bank Ltd, and First Security Islami Bank Ltd Which are as follows:

3.3.1: Debt ratio: (Total liability/Total assets):

Debt ratio: (Total liability/Total assets)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	0.9783	0.92838	0.93851	0.93784	0.93978
Shahjalal Islami Bank Limited	0.9232	0.9097	0.90078	0.9113	0.93253
EXIM Bank	0.9009	0.89517	0.90058	0.90525	0.90909
Al Arafah Islami Bank Ltd	0.9059	0.90707	0.91371	0.9164	0.92181
First Security Islami Bank Limited	0.9560	0.95919	0.9578	0.96106	0.9634

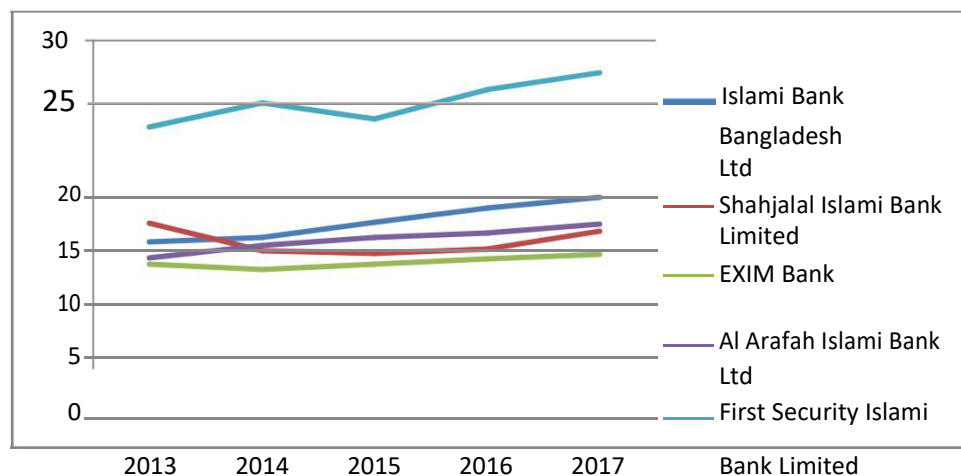


Interpretation:

Debt ratio means the ratio of total debt to total assets. A debt ratio greater than 1 Means Company has more debt than assets and lower than 1 means they has more assets to meet up the debt. Where these five Banks of Bangladesh had debt ratio comparatively less than 1 which means their debt portions in the respective years was capable to meet up but they are very close to 1, as we see the chart exim bank was in a better position compare with other five Islamic commercial banks. Where First Security Islami Bank Limited is very close to 1 that means they has taken more risk than the other banks.

3.3.2: Debt to equity ratio: (Total liability/Shareholders equity)

Debt to equity ratio: (Total liability/Shareholders equity)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	11.169	11.599	12.987	14.3463	15.3354
Shahjalal Islami Bank Limited	12.8663	10.3161	10.0372	10.4666	12.1275
EXIM Bank	9.09044	8.53909	9.0582	9.55428	9.99961
Al Arafah Islami Bank Ltd	9.6226	10.8335	11.5966	11.984	12.8278
First Security Islami Bank Limited	21.9291	24.1423	22.69541	25.4383	27.00987

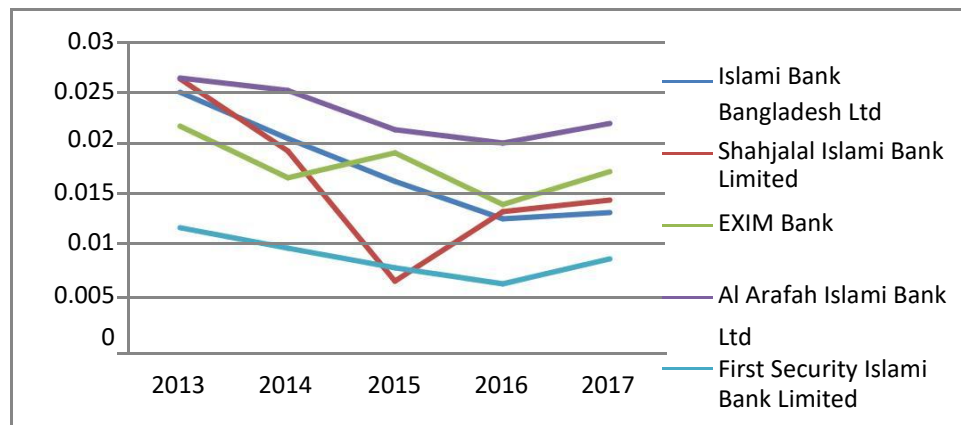


Interpretation:

From above result we see that the EXIM Bank was in a lower D/E ratio compare with other banks. Which means they were financed more assets with debts and leads them with more volatile earnings as a result of additional interest expense.

3.3.3: Time interest earned ratio: (EBIT/Total assets)

Time interest earned ratio: (EBIT/Total assets)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	0.02498	0.02038	0.01618	0.012046	0.01307
Shahjalal Islami Bank Limited	0.026134	0.019127	0.00628	0.01312	0.01434
EXIM Bank	0.02164	0.01656	0.01896	0.01382	0.0177
Al Arafah Islami Bank Ltd	0.02641	0.02518	0.022132	0.01992	0.02185
First Security Islami Bank Limited	0.01157	0.00952	0.00758	0.00601	0.008407

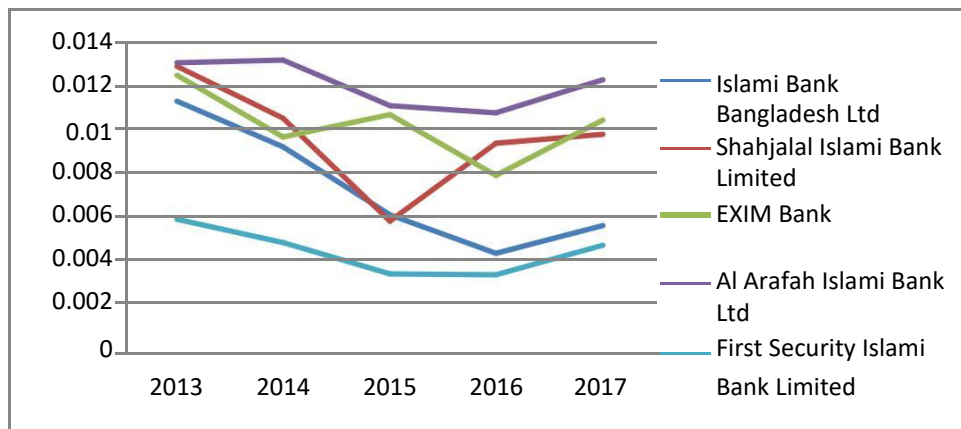


Interpretation:

Interest coverage ratio or TIE ratio means how much a company has the ability to honor its debt payments. Here we can say that obviously the higher ratio considered more favorable than smaller ratios. Here the bank Al Arafah ltd was more capable in 2013 to 2017 to meet up the interest with it's before tax income, whether First Security Islami Bank Limited did not do well in 2013 to 2017 to honor their debt payment.

3.3.4: Return on Asset (ROA) : (Net income/ Total Asset)

Return on Asset (ROA) : (Net income/ Total Asset)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	0.0126	0.00919	0.0069	0.00434	0.00561
Shahjalal Islami Bank Limited	0.01289	0.0105	0.00578	0.00936	0.0076
EXIM Bank	0.0147	0.009604	0.01067	0.0077	0.01044
Al Arafah Islami Bank Ltd	0.01303	0.01315	0.01105	0.01076	0.01227
First Security Islami Bank Limited	0.0087	0.00479	0.00339	0.00333	0.004683

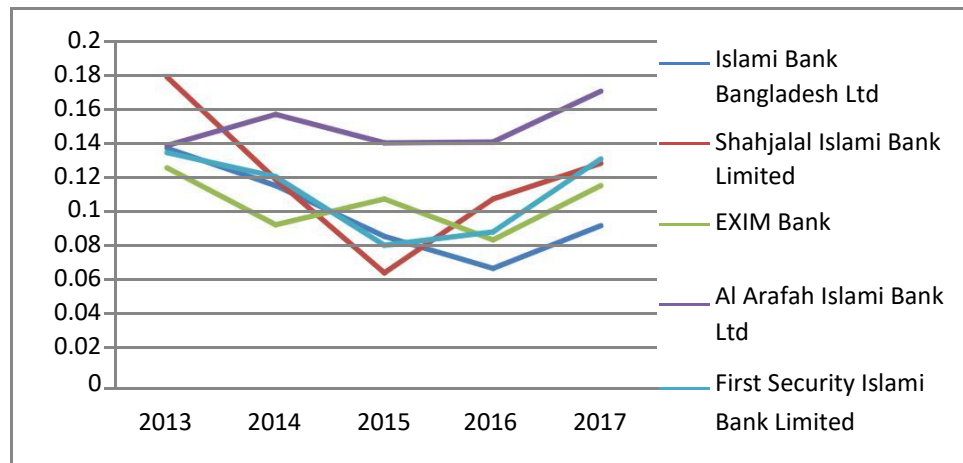


Interpretation:

Return on asset gives an idea to a manager as to how efficient a company's management in using its assets to generate better earnings. To viewing the chart we can observe that Al Arafah Islami Bank Ltd has greatly improved in year 2013 to 2017 by reducing asset costs, increasing revenues than the other respective years, Where First Security Islamic Bank Limited was not in a good condition to manage in using its assets to generate better earnings.

3.3.5: Return on Equity (ROE) : (Net income/ Shareholders Equity)

Return on Equity (ROE) : (Net income/ Shareholders Equity)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	0.13701	0.1645	0.08517	0.06661	0.0917
Shahjalal Islami Bank Limited	0.17901	0.11899	0.06387	0.10747	0.12836
EXIM Bank	0.12587	0.09199	0.1077	0.08306	0.114185
Al Arafah Islami Bank Ltd	0.13846	0.15703	0.14022	0.14076	0.17079
First Security Islami Bank Limited	0.13444	0.12062	0.08029	0.088014	0.13107

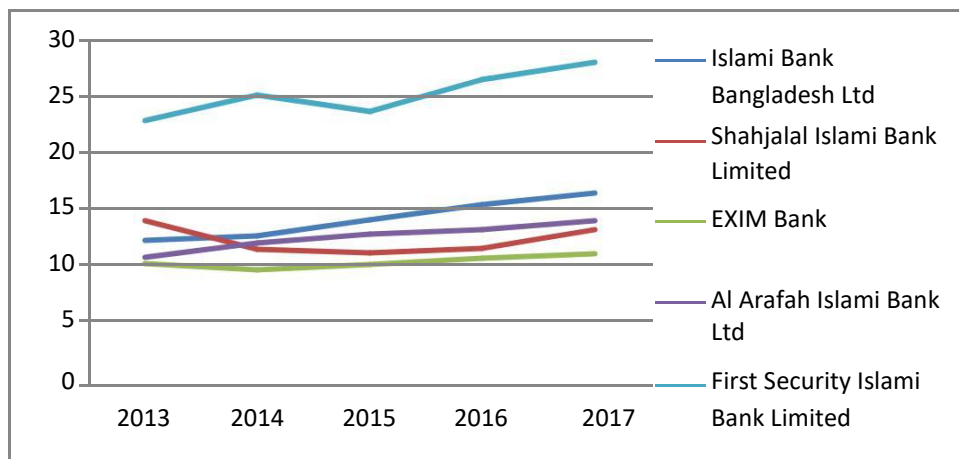


Interpretation:

From the above consequences Al Falah islami Bank Ltd was getting more efficient in mid of 2013 to 2017, and Shahjalal Islami Bank Limited doing good in 2013, where they are not well position in 2015 on return on equity.

3.3.6: Financial Leverage (Total Assets / Total Share Holders Equity)

Financial Leverage (Total Assets / Total Share Holders Equity)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	12.163	12.5299	13.987	15.3463	16.3354
Shahjalal Islami Bank Limited	13.8898	11.3368	11.0565	11.4853	13.1459
EXIM Bank	10.0905	9.53909	10.058	10.5543	10.996
Al Arafah Islami Bank Ltd	10.623	11.9433	12.699	13.0784	13.9158
First Security Islami Bank Limited	22.9378	25.1696	23.6941	26.469	28.066

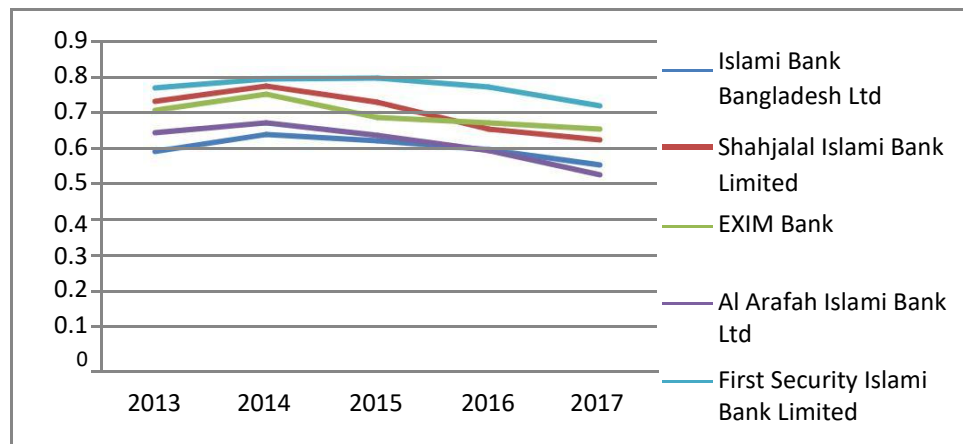


Interpretation:

First Security Islami Bank Limited had a high leverage in the last 5 years compare with other competitor banks, where EXIM Bank has a lower financial leverage compare with other banks entre 2013 to 2017.

3.3.7: Ratio of Interest Expense to Interest Income: (Interest Expense / Interest Income)

Ratio of Interest Expense to Interest Income : (Interest Expense / Interest Income)					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	0.5928	0.64181	0.6225	0.597912	0.55631
Shahjalal Islami Bank Limited	0.73281	0.77693	0.73132	0.65664	0.62671
EXIM Bank	0.70754	0.75323	0.68931	0.6739	0.65516
Al Arafah Islami Bank Ltd	0.614743	0.67391	0.6396	0.59635	0.52882
First Security Islami Bank Limited	0.77189	0.7694	0.79971	0.77831	0.72249

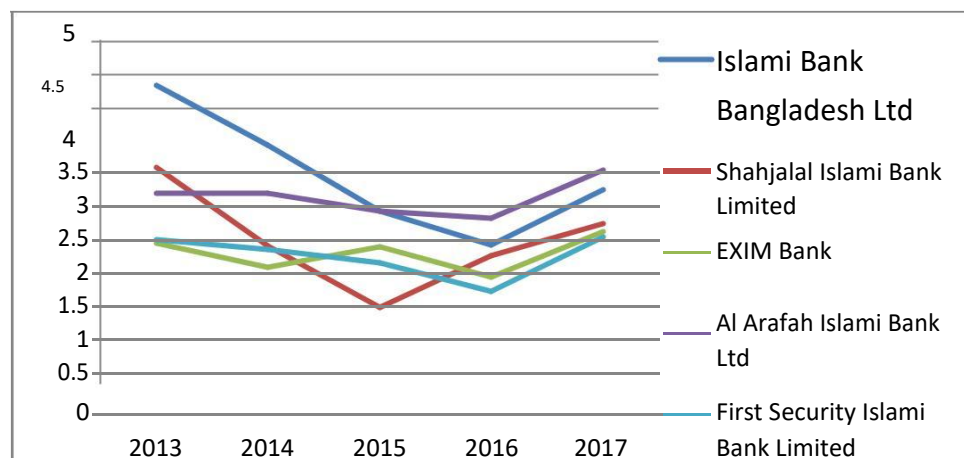


Interpretation:

By analyzing the chart First Security Islami Bank Limited had incurred cost regarding borrowed funds in the year of 2013 to 2017 which was not good for the bank's profitability, where Islami Bank Bangladesh Ltd is totally deferent than others, their interest expense is very lower than their other competitor which is very good for their profitability.

3.3.8: Earnings per share: (EPS)

EPS					
	2013	2014	2015	2016	2017
Islami Bank Bangladesh Ltd	3.34	3.45	2.46	1.96	2.78
Shahjalal Islami Bank Limited	1.11	1.95	1.02	1.85	2.27
EXIM Bank	1.98	1.63	1.93	1.48	2.15
Al Arafah Islami Bank Ltd	2.73	2.73	2.46	2.36	3.07
First Security Islami Bank Limited	2.04	1.892	1.69	1.26	2.08



Interpretation:

Here we can see that all of the islami bank we represent hold approximate EPS, and they all maintain the standard earning per share ratio where they all are able of engender a important dividend for investors.

Chapter: 04

Recommendations and Conclusion

4.1: Recommendations & Conclusion

Banking sector area in any nation plays a significant role in setting the economy in motion and in its development process, while the banking structure-the number and size appropriation of bank in a specific territory and the relative market power of specific banking institution- determines the degree of competition, efficiency and performance level of the banking system. Like product markets, the supply of and demand for the product of the banking system influence the banking market, and the banking system in Bangladesh is no desire.

Bangladesh krishi Bank, The Grammen bank, , Bngladesh shilpa bank, Social Investment Bank, Karmasangsthan Bank and furthermore World Bank are ttempting to social improvement of Bangladesh. The general development pattern of banking sector in Bangladesh is quit insignificant and inconsistent with the objectives and costs of its reform programs.

The commercial banks are currently viewed system of all economic development in the Bangladesh. Commercial banks are now utilizing most recent information technology, competing in the open market with high technology system, changing from domestic banking to investment banking. Bangladesh is a rising economic country. In Bangladesh we have total 58 banks to provide its services across the nation. Be that as it may, all banks do not provide online banking services. Some bank administrations are so constrained (such as only general banking). State owned commercial bank and specialized development bank is not effective for foreign people, because of their administrations are pending and delay. Private commercial banks are extremely for foreign people. Some Some private business banks are giving one stop services for non-resident Bangladeshi (NRB) which is very effective for foreign people. For example Dutch Bangla Bank, BRAC Bank, National Bank Limited, Islami Bank Bangladesh Limited, etc

There are a few stages that can be taken to improve the efficiency of Bangladesh's banking sector and tackle the challenges outlined above. To start with, banking sector should accelerate the rate of technology adoption, alongside putting resources investing in training bank employees in appropriate use of technology. Specifically, all bank workers ought to be prepared on basic cyber-security precautions to thwart cyber-attacks like the 2016 heist, and the Sonali Bank hacking. In addition customary preparing, there ought to be strict oversight, responsibility for

workers and accountability for employees and their use of bank technology. The utilization of innovation/technology rather than manual interventions by employees can also reduce opportunities for corruption and mismanagement, and an electronic paper trail of financial activities will result in better responsibility and straightforwardness or accountability and transparency.

The banking sector has made significant progress because of the changes in the 1990s, 2000s and afterwards. However, the sector should get ready for the up and coming age of worldwide administrative system and address developing customers' need. In the coming days, the banking industry should accomplish the capacity to absorb shocks arising from improve risk management, financial and economic stress, and governance, and strengthen banks' transparency and disclosures. What's more, if the segment needs to assume/play the larger role of contributing towards a stable and sound macroeconomic situation, the banking sector has to go through the painful path of stricter approach and legitimate measures.

Despite the fact that advancement strategy has been sought after for long time, the outcome is still a long way from the normal ones. Interest rate is still too high (above 15 percent) which is not favorable to business entities. In addition, the target of financial inclusion has not been encouraged by this admitted arrangement.

If the concerned authorities take all the steps outlined above, Bangladesh's banking sector can thrive in the years to come. The nation has officially taken incredible walks forward over the last 45 years since independence, and must continue to improve the financial infrastructure to ensure economic growth, financial stability, and development in 2021 and Past.

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